

## FRANCHISE DISCLOSURE DOCUMENT

**i4 FRANCHISE DEVELOPMENT INC.**  
an Arizona corporation  
7185 Liberty Centre Drive, Suite A  
West Chester, Ohio 45069  
(513)-860-0600  
scott@i4searchgroup.com  
www.i4searchgroup.com



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an Arizona corporation  
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~~The franchisee will operate a franchise that we offer is for i4 Search Group, a business that provides permanent placement recruitment business, using the “services for i4 Search Group” trademark, that serves healthcare facilities and providers.~~

~~The total investment necessary to begin operation of an i4 Search Group ranges from \$66,800 the franchised business under a franchise agreement within a single territory and specialty line is \$65,300 to \$413,600 111,100. This includes \$52,500 50,000 to \$82,500 80,000 that must be paid to the franchisor or its affiliates. The total investment necessary to begin operation of the franchised business under a franchise agreement within multiple territories is \$110,300 to \$255,100. This includes \$87,500 to \$208,000 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 the 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 form that is more convenient for you. To discuss the availability of disclosures in different forms, contact Scott Butts, President, i4 Franchise Development Inc., at 7185 Liberty Centre Drive, Suite A West Chester, Ohio 45069, and 513-860-0600.

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

Buying a franchise is a complex investment. The information in this disclosure document can help you make up your mind. More information on franchising, such as “A Consumer’s Guide to Buying a

Franchise<sup>2</sup>,” 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, DC, 20580. -You can also visit the FTC’s home page at [www.ftc.gov](http://www.ftc.gov) for additional information.- Call your state agency or visit your public library for other sources of information on franchising.

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

Issuance Date: ~~April 19, 2023~~

March 26, 2024

## How to Use This Franchise Disclosure Document

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

QUESTION	WHERE TO FIND INFORMATION
<b>How much can I earn?</b>	Item 19 may give you information about outlet sales, costs, profits or losses. You should also try to obtain this information from others, like current and former franchisees. You can find their names and contact information in Item 20 or <del>Exhibit</del> <u>Exhibits F- and G.</u>
<b>How much will I need to invest?</b>	Items 5 and 6 list fees you will be paying to the franchisor or at the franchisor’s direction. Item 7 lists the initial investment to open. Item 8 describes the suppliers you must use.
<b>Does the franchisor have the financial ability to provide support to my business?</b>	Item 21 or Exhibit D includes financial statements. Review these statements carefully.
<b>Is the franchise system stable, growing, or shrinking?</b>	Item 20 summarizes the recent history of the number of company-owned and franchised outlets.
<b>Will my business be the only <del>i4 Search Group business</del><u>Business</u> in my area?</b>	Item 12 and the “territory” provisions in the franchise agreement describe whether the franchisor and other franchisees can compete with you.
<b>Does the franchisor have a troubled legal history?</b>	Items 3 and 4 tell you whether the franchisor or its management have been involved in material litigation or bankruptcy proceedings.
<b>What’s it like to be <del>an</del><u>a</u> <del>i4 Search Group</del> franchisee?</b>	Item 20 or <del>Exhibit</del> <u>Exhibits F lists and G list</u> current and former franchisees. You can contact them to ask about their experiences.
<b>What else should I know?</b>	These questions are only a few things you should look for. Review all 23 Items and all Exhibits in this disclosure document to better understand this franchise opportunity. See the table of contents.



## What You Need ~~To~~ Know About Franchising *Generally*

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

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

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

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

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

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

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

### Some States Require Registration

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

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



### Special Risks to Consider About *This* Franchise

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

- 1.- **Out-of-State Dispute Resolution.** The franchise agreement requires you to resolve disputes with ~~us~~the franchisor by mediation, arbitration, ~~and/or~~ litigation only in Ohio. Out-of-state mediation, arbitration, ~~and/or~~ litigation may force you to accept a less favorable settlement for disputes. It may also cost ~~you~~ more to mediate ~~and, arbitrate, or~~ litigate with ~~us~~the franchisor in Ohio than in your own state.
2. **Spousal Liability.**— Your spouse must sign a document that makes your spouse liable for all financial obligations under the franchise agreement, even ~~though~~if your spouse has no ownership interest in the franchise. ~~This~~ guarantee will place both your and your spouse’s marital and personal assets, ~~(perhaps including your house,~~) at risk if your franchise fails.
- 3.- **Mandatory Minimum Payments.**— You must make minimum royalty or advertising fund payments, regardless of your sales levels. Your inability to make the payments may result in termination of your franchise and loss of your investment.
4. **Financial ~~Condition~~ Support.** The ~~Franchisor’s~~franchisor’s financial condition as reflected in its financial statements (see Item 21)~~),~~ calls into question the ~~Franchisor’s~~franchisor’s financial ability to provide services and support to ~~you,~~you.
5. **Short Operating History.** ~~This Franchisor~~The franchisor is at an early stage of development and has ~~a~~ limited operating history. ~~This~~ franchise is likely to be a riskier investment than a franchise in a system with a longer operating ~~history,~~history.

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

NOTICE REQUIRED BY THE STATE OF MICHIGAN

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

The Michigan Franchise Law states in Sec. 445.1527, Sec. 27 that each of the following provisions is void and unenforceable if contained in any documents relating to a franchise:

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

(iii) The unwillingness of the proposed transferee to agree in writing to comply with all lawful obligations.

(iv) The failure of the franchisee or proposed transferee to pay any sums owing to the franchisor or to cure any default in the franchise agreement existing at the time of the proposed transfer.

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

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

If the franchisor's most recent financial statements are unaudited and show a net worth of less than \$100,000.00, the franchisee may request the franchisor to arrange for the escrow of initial investment and other funds paid by the franchisee until the obligations, if any, of the franchisor to provide real estate, improvements, equipment, inventory, training or other items included in the franchise offering are fulfilled. At the option of the franchisor, a surety bond may be provided in place of escrow.

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

Any questions regarding this notice should be directed to:

State of Michigan  
Department of Attorney General  
CONSUMER PROTECTION DIVISION  
Attention: Antitrust & Franchise  
G. Mennen Williams Building, 1st Floor  
525 West Ottawa Street  
Lansing, Michigan 48909  
Telephone Number: (517) 373-7117

i4 Search Group

**i4 FRANCHISE DEVELOPMENT INC.**

Franchise Disclosure Document

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

To simplify the language in this disclosure document, the terms “Franchisor”, or “we” or “us” means i4 Franchise Development Inc., the Franchisor. The terms “we”, “us” and “Franchisor” do not include you, the “Franchisee”. We refer to the purchaser(s) of an i4 Search Group franchise as “you” or “Franchisee”, whether an individual, a partnership, corporation, or limited liability company. the franchisor of the Franchised Business, is referred to in this disclosure document (the “Disclosure Document”) as “we”, “us” or “our” as the context requires. A franchisee is referred to in this Disclosure Document as “you” and “your” as the context requires. If you are a corporation, partnership or other legal entity, our Franchise Agreement also will apply to your owners, officers and directors. If you are married and your spouse is not a partner in the franchise business, certain provisions of (a “Corporate Entity”), our Franchise Agreement will also apply to that spouse your individual owners, shareholders, members, officers, directors, other principals, and their respective spouses.

**We were formed as a corporation in the State of  
The Franchisor**

~~We are an Arizona corporation established on November 2, 2020. Our principal business address is 7185 Liberty Centre Drive, Suite A, West Chester, Ohio, 45069, and our telephone number is 513-860-0600. We do. We conduct business under our company/corporate name, i4 Franchise Development Inc. and i4 Search Group. Our business is operating i4 Search Group franchise system and granting franchises to third parties like you to develop and operate a Franchised Business. We began offering franchises on January 28, 2021, “i4 Search Group” and its associated designs (the “Marks”). Our affiliate, Other than as discussed above, we are not in any other business, we i4 Search Group LLC, has registered, or has filed for registration, our primary service marks on the Principal Register of the United States Patent and Trademark Office. We do not operate, and have never operated, a business of the type being franchised. We have not conducted business in any other line of business. We have not offered, we do not conduct or operate a Franchised Business of the type to be operated by a franchisee, and we have not offered or sold franchises in any other line of business. We only offer franchises which operate under the “i4 Search Group” Marks. We do not have any predecessors and we do not have any parent company. Our registered We began offering franchises on January 28, 2021.~~

~~The principal business addresses of our agents for service of process are shown on disclosed in Exhibit A.~~

**Our Parents, Predecessors and Affiliates**

~~We have no parent or predecessor company.~~

~~We have an affiliated company, i4 Search Group LLC, a Texas limited liability company, with a principal place of business at 7185 Liberty Centre Drive, Suite A, West Chester, Ohio, 45069. i4 Search Group LLC is the owner of our Marks and has exclusively licensed use of the Marks to us. i4 Search Group LLC has also operated a permanent placement recruitment business serving healthcare facilities and providers nationwide, in areas not operated by our franchisees, using the Marks since November 2019. i4 Search Group LLC has not offered franchises in this or in any other lines of business previously.~~

~~We may operate other concepts under the Marks, including additional recruiting and staffing businesses similar to the business offered by B of this Disclosure Document, in the future.~~

**The Franchise Offered: Franchised Business**

We offer franchises license a system (the "System") for the right to operate a permanent placement recruiting operation of an i4 Search Group business under the Marks and using our distinctive operating procedures and standards in each, a designated area (the "Franchised Business"). The "Franchised Business will provide recruiting" or "i4 Business") that provides recruitment services tofor healthcare facilities, service providers, and outlets (each a "Facility") for the permanent placement of professionals in one of three (the "Approved Services and Products") within in select and distinct specialty lines (each a "Specialty Line") presently comprised of the following options:

- (1) **Nursing, Advance Practice & Administration, Administrative, and Leadership** which includes all nurse Positions – comprised of positions (e.g. that include: (a) all nursing positions including Director of Nursing, Registered Nurse, Nurse Manager, and Licensed Practical Nurse, etc.); (b) all advanced practice professional positions (e.g. including Physician Assistant Assistants, Nurse Practitioner, Practitioners, Certified Nurse Anesthetist, and Nurse Midwife, etc.); and (c) non-clinical administration and leadership positions (both non-clinical positions that do not require nursing or advanced practice degrees like including CEO, COO, Controller, and Director of Human Resources and those that do);
- (2) **Allied Health Professionals** (e.g. – comprised of positions that include Certified Medical Assistant, Dietitian, EMT/Paramedic, all Assistants, Dietitians, EMTs, Paramedics, and Tech and Therapy positions like Pharmacy Tech or Respiratory Therapist, etc.); or, and leadership and administrative positions that do require an allied health degree or at a facility that is allied health only.
- (3) **Provider Division** (e.g. Chiropractor, Pharmacist, Physician, etc.). A more extensive list of positions for each Specialty Line is attached to the Franchise Agreement as Attachment 10- **Providers** – comprised of licensed Physicians, Psychiatrists, Psychologists, Pharmacists, and Chiropractors.
- (4) **Dental** – comprised of positions that include Dentists, Registered Dental Hygienists, Dental Assistants, Dental Lab Professionals, and non-clinical dental administration and leadership positions including CEO, COO, Controller, and Director of Human Resources.

You will also seek and assist healthcare professionals for permanent placement (each a "Candidate") for permanent placement with a Facility. You may only place Candidates in Facilities within your designated Specialty Line. A reference list identifying examples positions included in each Specialty Line is attached to the Franchise Agreement as Exhibit 6. We reserve the right to establish and determine the positions included within each Specialty Line and to designate additional specialty lines in the future. If a role for which you would like to recruit is not clearly defined or is not specifically listed in Attachment 10 Exhibit 6 of the Franchise Agreement, we reserve the right to specify to which Specialty Line it belongs, in our sole discretion. You may only place Candidates in Facilities within your designated Specialty Line. The distinguishing characteristics of the Franchised Business include, but are not limited, to specify the Specialty Line it is applied to, our distinctive and uniform,

The System also features and requires, as designated by us, your exclusive use of our designated and approved applicant candidate tracking systems, digital platforms, and materials that we designate (the "System Designated Resources"). The System is identified by the i4 Search Group trademark and such other trademarks, logos, and trade dress standards that we may designate, modify or adopt from time to time and as same may or may not be registered with the United States Patent and Trademark Office (collectively, the "Licensed Marks"). You must develop and operate your i4 Business in conformity with the specifications, procedures, criteria, and requirements that we designate in our confidential operations manual and other proprietary manuals that we designate and as we may supplement and modify from time to time (collectively, the "Manuals"). From time to time, we may modify, add to or discontinue our designated Approved Services and Products, System Designated Resources, and/or our specifications, methods and procedures, for the service methods, and methods for management, training, and,

~~marketing, all of which may be changed, improved or further developed by us at any time (the "System"), and sale of Approved Services and Products.~~

~~You may administratively operate your i4 Business from a home based office, subject to applicable laws and regulations.~~

#### **Franchise Agreement**

~~You may enter into a Franchise Agreement in the form attached to this Disclosure Document as Exhibit E to develop and operate a i4 Business within a specific Specialty Line and within an operating territory in conformity with the requirements of our System. At the time of signing the Franchise Agreement, in Schedule 2 to the Franchise Agreement, we will identify your designated and authorized Specialty Line or Specialty Lines comprising your i4 Business and the geographic area comprising your operating territory. Your right to use the System will be limited to offering and providing our Approved Services and Products within your designated Specialty Line and within your operating territory using the Licensed Marks and the specifications and requirements set forth in our Manuals and as otherwise constituting a part of our System.~~

#### **Our Affiliates**

##### i4 Search Group LLC

~~Our affiliate i4 Search Group LLC is a Texas Limited Liability Company established on November 2, 2019. This affiliate maintains a principal business address at 7185 Liberty Centre Drive, Suite A West Chester, Ohio 45069. This affiliate is the owner of the Licensed Marks. This affiliate operates a business similar to the offering since November 2019. This affiliate has not in the past and does not now offer franchises in any lines of business.~~

#### **Market and Competition:**

~~The primary market for the services offered by ~~your~~the Franchised Business includes hospitals, nursing homes, hospices, medical clinics, diagnostic facilities, and similar ~~medical facilities~~. ~~other healthcare related service providers~~. The market for ~~our~~healthcare recruiting services is not seasonal but does ~~have~~experience peak periods. ~~The market and~~ may ~~also~~ be affected by economic conditions and the amount of activity ~~in~~within your ~~designated~~operating territory.~~

~~The medical staffing industry is fragmented, but growing, with many local and regional providers and vendor managers throughout the country providing medical professionals and other staffing solutions to hospitals and other healthcare providers. You will compete with other businesses offering health care permanent placement recruiting services and placement of health care professionals. These include national, regional, and local ~~companies~~businesses, offering services similar to those offered by ~~your~~the Franchised Business. There are other recruiting and staffing franchises, as well as independent businesses and individual providers that may offer similar services and products. You will be competing with national, regional, and local businesses, including franchises, that provide services similar to those offered by the Franchised Business. Competition also includes in-house staffing and recruitment departments that are directly employed and operated by healthcare facilities and service providers.~~

#### **Industry Specific Regulations:Laws**

~~SomeMany states may and local jurisdictions have other laws, rules, and regulations that may apply to the Franchised Business including, licensing, certification or and registration requirements applicable to some or all of the services you will be providing through your Franchised Business. You may be required that related to pay a fee to the state agency or association responsible for enforcing these education and~~

~~experience requirements. Some states may require a minimum level of education or related work experience to obtain licenses.~~

~~You must comply with all local, state and necessary for licensing and operating the Franchised Business. You will also be subject to federal and state laws and regulations that apply to the operation of your Franchised Business, including, among others, business operations, insurance, discrimination, and employment laws. Your advertising of the Franchised Business is regulated by the Federal Trade Commission. There may be federal, state and local laws which affect your, including laws and regulations related to employment practices, wage and hour laws, immigration, advertising, and employment laws. You should consult with your attorney concerning these and other local laws, rules and regulations that may affect the operation of the Franchised Business in addition to those listed here. You will be responsible for investigating and complying with any such laws in your designated territory. You should consider both their effect on your business and the cost of compliance. You should thoroughly investigate all of these laws and requirements before purchasing an i4 Search Group franchise.~~

**ITEM 2:  
BUSINESS EXPERIENCE**

**Director** – Robert Dallaire, Director

Robert Dallaire is our co-founder and director, a position he has held since the corporation's inception. Since 2005, Robert has been the President of Dallaire Enterprises Inc., located in Grosse Pointe, Michigan. He is also the president of our affiliate, i4 Search Group LLC. From 2005 to 2020, Robert was a multi-territory franchisee of Gecko Hospitality, a Hospitality Management recruiting company, and served ~~six~~ four territories in Southern California and New Mexico. Additionally, from 2015 to 2019, Robert was a franchisee of Apex Leadership Company, a leadership development and fundraising company for elementary schools, middle schools, and sports teams, and served Riverside and San Bernardino Counties in California.

**President** – Scott Butts, President

Scott Butts is our co-founder and President, a position he has held since the corporation's inception. Since 2005, Scott has been the President of SDB Consulting Inc., located in Liberty Township, Ohio. He is also a managing member of our affiliate, i4 Search Group LLC. From 2005 to 2020, Scott was a multi-territory franchisee of Gecko Hospitality, a Hospitality Management recruiting company, and served nine territories in Arizona, Kansas, Kentucky, Minnesota, Missouri, and Ohio.

**Director** – Robert Gates, Director

Robert Gates is our co-founder and Director, a position he has held since the corporation's inception. Since 2008, Robert has been the Managing Member of Gates Search Group LLC, located in Chandler, Arizona. He is also a managing member of our affiliate, i4 Search Group LLC. From 2013 to 2020, Robert was a multi-territory franchisee of Gecko Hospitality, a Hospitality Management recruiting company, and served six territories in Illinois, Michigan and Southern Texas.

**ITEM 3:  
LITIGATION**

No litigation is required to be disclosed in this Item.

**ITEM 4:  
BANKRUPTCY**

No ~~bankruptcies are~~ bankruptcy is required to be disclosed in this Item.

[REMAINDER OF PAGE INTENTIONALLY LEFT BLANK]

**ITEM 5:  
INITIAL FEES**

~~We will charge you an~~ When you sign a Franchise Agreement you must pay to us a non-refundable initial franchise fee (“the “Initial Franchise Fee”) when you sign the Franchise Agreement.”). The Initial Franchise Fee is ~~between ranges from~~ \$50,000 and to \$80,000, depending for an i4 Business operating a single Specialty Line within geographic area that operates as a single territory (each a “Territory”). Variation of the Initial Franchise Fee is based on the population of the territory you purchase. ~~As of within your Territory and is determined at the issuance date of this Disclosure Document, we have predetermined each available territory and its corresponding Initial Franchise Fee, which has been calculated as follows~~ time of signing the Franchise Agreement in accordance with the following schedule:

Approximate Territory Population	Initial Franchise Fee (Single Specialty Line)
<del>Tier 1: 3-5 million</del> <del>less than 6 million	\$50,000
<del>Tier 2: 6 million</del> <del>to less than 8 million	\$60,000
<del>Tier 3: 8 million or greater</del>	\$80,000

The Initial Franchise Fee is fully earned by us ~~and due in lump sum when you sign the Franchise Agreement upon payment~~. The method we use to calculate the Initial Franchise Fee is ~~not refundable under any circumstance~~.

~~From time to time, we may offer special incentive programs as part of our franchise development activities. We have the right to offer, modify or withdraw any incentive program without notice to you.~~

~~Currently uniform for all franchises that we offer an incentive whereby we will provide a 25% discount on the Initial Franchise Fee for a second and third territory if you purchase the additional territory at the same time you purchase your first territory. We also offer a 10% discount on the Initial Franchise Fee to first responders and military veterans honorably discharged under this Disclosure Document, except, as described below.~~

~~We will also permit you to reserve an additional territory for up to 12 months without signing a Franchise Agreement. You will be required to sign our Deposit Agreement in the form attached as Exhibit C and pay us a non-refundable Reservation Fee of \$10,000. Within 12 months, you must sign a Franchise Agreement for the reserved territory and pay the balance of the Initial Franchise Fee to us.~~

**Lead Optimization Program**

~~Within 30 days of the opening of your Franchised Business, you must pay \$2,500 to us for your required participation in our lead optimization program. This program is designed to help you connect and book meetings with potential clients and Facilities in your territory so you can build and manage profitable relationships with key contacts.~~

**Multi-Territory Discounts**

~~Subject to market type, availability, and our discretion, at the time of signing your Franchise Agreement, you may request the right to purchase additional territories (each referred to as an “Additional Territory”) to be added to your overall operating Territory and be operated under one Franchise Agreement. The Initial Franchise Fee for each~~

Additional Territory will, respectively, be equal to the Initial Franchise Fees set forth above, less a 10% discount and is calculated on a per Specialty Line basis.

**Multiple Specialty Line Discounts**

Subject to market type, availability, and our discretion, at the time of signing your Franchise Agreement, you may request the right to purchase additional Specialty Lines (each referred to as an “Additional Specialty Line”) to be added to your i4 Business and be operated under one Franchise Agreement. The additional Initial Franchise Fee for each Additional Specialty Line is, on a per Territory basis, \$45,000 per additional Specialty Line for each Tier 1 Territory, \$54,000 per additional Specialty Line for each Tier 2 Territory, and \$72,000 per additional Specialty Line for each Tier 3 Territory.

**Multi-Franchise and Multiple Specialty Line Discounts**

Subject to market type, availability, and our discretion, if you elect to enter multiple Franchise Agreements, we will apply, as applicable, the Multiple Specialty Line Discounts and Multi-Territory Discounts.

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**ITEM 6:  
OTHER FEES**

Type of Fee <sup>(Note 1)</sup>	Amount	Due Date	Remarks
Royalty Fee <sup>(Notes 2 and 3)</sup>	14% of Gross Revenue Sales, but subject to Minimum Monthly Royalty Fee Requirement equal to \$350 per month per Specialty Line and per one million in population within your Operating Territory	Every other Friday (or next business day if any Friday falls on a holiday) On a per transaction basis	We will collect Gross Revenue, deduct the Royalty Fee and other fees payable to us, and distribute the balance to you. See footnote 4. Will be pre-deducted from Gross Sales received by us from customers of your i4 Business, or, if applicable, automatically deducted from your bank account by ACH or other means we designated.
Minimum Supplemental Royalty Deficit <sup>(Notes 2 and 3)</sup>	Difference between actual Royalty Fees paid and a monthly minimum of \$2,500 per one million in population in your territory. Varies, depending on satisfaction of Minimum Monthly Royalty Requirements	March 1 of each calendar year	We will determine whether you met minimum performance standards annually and collect any difference. See footnote 4. Will be pre-deducted from Gross Sales received by us from customers of your i4 Business, or, if applicable, automatically deducted from your bank account by ACH or other means we designated.
Required Minimum Expenditure for Local Marketing and Advertising	\$250	Monthly	We require you to conduct on-going marketing activities to acquire new Facility business and retain existing business.
Brand Development Fund Contribution <sup>(Note 4)</sup>	Up to 4% of Gross Sales, currently 3% of Gross Revenue, subject to increase not to exceed 4% Sales	Every other Friday (or next business day if any Friday falls on a holiday) On a per transaction basis	We will collect Gross Revenue, deduct the Brand Fund Contribution and other fees payable to us, and distribute the balance to you. See footnote 4. Will be pre-deducted from Gross Sales received by us from customers of your i4 Business, or, if applicable, automatically deducted from your bank account by ACH or other means we designated.
Technology & Administrative Fee Franchisee Directed Local Marketing <sup>(Note 5)</sup>	Currently \$627, subject to annual increase, for your first Territory and per Specialty Line  \$115, subject to annual increase, for each additional Territory you purchase	Monthly as incurred by you	The Technology & Administrative Fee is due on the 25 <sup>th</sup> day of each calendar month. See footnote 2. Must be spent by you monthly on pre-approved marketing within your operating territory. Subject to Minimum Monthly Local Marketing Requirements depending on the size of your operating territory.

Late Fee	\$150 per week	As incurred	If you fail to pay us any sum due that is not otherwise deducted by us from your Gross Revenue, we may charge you a late fee.
Interest Charge Technology and Administration	1.5% per month from due date or maximum allowed by law, whichever is lower. Currently \$680.07 per month for your first territory and first Specialty Line. There is an additional administration fee of \$115 per month for each Additional Territory and each additional Specialty Line	As incurred Monthly as designated by us	If you fail to pay us any sum due that is not otherwise deducted by us from your Gross Revenue, we may charge you interest. Will be pre-deducted from Gross Sales received by us from customers of your i4 Business, or, as determined by us automatically deducted from your bank account by ACH, or payable by you on a monthly basis as invoiced by us.
Non-sufficient Funds Fee	\$100 per occurrence	As incurred	If your check is returned or an electronic funds transfer from your bank account is denied for insufficient funds, for each occurrence we may charge you a Non-sufficient Funds Fee.
Successor Agreement Fee	15% of the then-current initial franchise fee for a territory in the same tier	Before signing successor agreement	Payable to us. See Item 17.
Transfer Fee Customer Service and Refunds (Note 6)	\$10,000; \$7,500 for -Varies under the circumstances transfer to an existing franchisee in good standing \$1,500 for transfers to an entity (for convenience) or among owners or to add an owner to an entity where management control of franchisee entity does not change \$3,500 to a spouse, parent or child upon death or permanent disability of franchisee	Upon your request for approval of the transfer On demand	Payable to us. See Item 17 If in our discretion we elect to resolve a complaint or refund request by a customer.
Interim Management	50% of Gross Revenue earned during the term of interim management, plus	As incurred When invoiced	We may impose this fee (in addition to all regularly occurring fees such as the Royalty Fee and Brand Fund

<u>Fee Annual Conference</u> (Note 7)	all travel related and other expenses. Our then current conference fee, not greater than \$ 250, per attendee		Contributions), payable to us, if we provide interim management of your Franchised Business due to lack of manager, default, death or disability. Required attendance fee for an annual System conference.
<u>Additional Employee Initial Training</u>	No charge for initial training of up to two people. The fee for additional trainees, who attend the same training session as you, or replacement trainees, is \$2,000 per person. You pay all travel and other related expenses incurred by all trainees. Our then current training fee, currently \$500 per person per day	As incurred. Fees for replacement trainees or additional trainees are due When invoiced, prior to the commencement of training.	Initial training takes place in Cincinnati, OH. You must pay the incidental costs of attendance, which include but are not limited to, airfare, transportation, hotel and food costs. Incidental costs are payable to third-party suppliers. Fees for additional trainees are payable to us. Our initial pre-opening training is provided at no additional cost for you or your Managing Owner and one designated manager. This fee applies to additional individuals that we authorize to attend initial training.
<u>Additional Training</u>	A reasonable fee for each training session, which will not exceed \$500 per day for tuition, plus expenses  Annual Meeting Fee currently = \$250	As incurred  Annually in January	See footnote 3.
<u>Remedial Supplemental Training Fee</u>	Our then- current trainer fee, currently \$250 per diem rate day plus our expenses. Our current per diem rate is \$250 per day, plus travel and other expenses.	As incurred When invoiced, prior to training automatically deducted by us	We may impose this fee, payable to us, if If you request or we require additional training in your territory from time to time, or if, you are operating below our standards and we require you to have additional training. You must also pay all costs of our then current trainer, which include but are not limited to, airfare, transportation, hotel and meals. fee plus, if applicable, our expenses related to travel and accommodations.
<u>Reporting Examination of Books and Records Non-Compliance</u>	Cost of examination plus related expenses. \$150 per occurrence	As incurred 14 days of invoice automatically deducted by us	We have the right under the Franchise Agreement to examine your books, records and tax reports and filings. If an examination

			reveals that you have understated any Gross Revenue, you must reimburse us the cost of the examination, in addition to paying monies owed, including interest. Payable for failure to timely submit Royalty and Activity Reports, and other reports and financial statements as required under Franchise Agreement.
Evaluation Fee Operations Non-Compliance	\$500 \$450 to \$1,000 per occurrence	As incurred 14 days of invoice automatically deducted by us	Payable to us. See footnote 4. Payable for failure to comply with operational standards as required under Franchise Agreement, plus inspection and re-inspection costs incurred by us.
Payment Non-Compliance	\$150 per occurrence	14 days of invoice automatically deducted by us	Payable for failure to timely pay, when due, a fee or payment due to us under the Franchise Agreement, plus interest, costs and legal fees.
Interest	18% per annum from due date	On demand	Payable on all overdue amounts, fees, charges, and payments due to us under the Franchise Agreement. Interest rate cannot exceed legal rate allowed by law and may be adjusted to reflect same.
NSF Check Fee or Failed Electronic Fund Transfer	5% of amount or \$50, whichever is greater, or maximum fee allowed by law	On demand	Payable if your bank account possesses insufficient funds and/or fails to process a payment or transfer related to a fee due from you to us.
Indemnification Audit	Amount of loss or damages plus costs Cost of audit	As incurred On demand	See footnote 5. For costs incurred by us for each financial audit, provided the audit determines underreporting of 2% or greater during any designated period. Includes expenses incurred by us including audit, legal, travel and reasonable accommodations.
Damages, Costs and Expenses for Non-compliance Quality Assurance Audit	Actual damages, costs and expenses incurred by us	As incurred invoiced	See footnote 6. Payable to us if we elect to perform or designate a third party to perform periodic quality assurance audits, including mystery shopper type inspections and programs. Includes costs and expenses of re-inspections.
Insurance Reimbursement Collections	Amount paid by us for your insurance obligations, plus a 10% administrative fee and other actual	As incurred On demand	You must reimburse us for any insurance For costs and other expenses incurred by us in collecting fees we incur due to your failure us or to meet enforce the insurance obligations

	<del>expenses</del> Actual fees, costs, and expenses		<del>required by terms of the Franchise Agreement; or a termination of the Franchise Agreement.</del>
<u>Supplier Review</u>	Actual fees, costs, and expenses	Within 14 days of invoice	For costs incurred by us to review and evaluate a potential supplier, product, or service that you submit to us for approval.
<u>Taxes</u> <u>Management Service</u>	Amount of taxes75% of all Gross Sales generated and earned during the management services period	When incurredAs invoiced	You must reimburse us for any taxes thatPayable if we must paylect to any taxing authority on account of eithermanage the operation of your Franchised Business or payments that you make due to us, including, but not limited to any sales, excise, use, privilege or income taxes imposed a failure by any authority you to have the Franchised Business managed by an authorized Managing Owner or Manager.
<u>Liquidated</u> <u>Liquid Damages</u>	The amount equal to the average weekly royalty fees (or, if greater, the Minimum Monthly Royalty Requirement) and brand fund contribution you paid or owed to us during the 12 months of operation preceding the effective date of termination by (a) 24 (being the number of months in two full years), or (b) the number of months remaining in the term of the Franchise Agreement had it not been terminated, whichever is less.	Upon termination	Payable to us.
<u>Transfer</u>	\$10,000, subject to the following:  \$7,500 for a transfer to an existing franchisee in good standing  \$3,500 to a spouse, parent, or child of an owner upon death or permanent disability or  \$1,500 for a transfer to an entity with common	On demand	Payable if we approve your transfer request and upon signing our then current Franchise Agreement. Transfer Fee is payable on a per Territory and per Specialty Line basis.

	<u>ownership or to an additional owner of franchisee entity</u>		
Renewal	<u>15% of the then current Initial Franchise Fee on a per Territory, per Specialty Line basis</u>	<u>Prior to renewal</u>	<u>Payable if we approve your renewal request and upon signing our then current Franchise Agreement.</u>

All fees and expenses described in this Item 6 are nonrefundable and are uniformly imposed. Except as otherwise indicated in the preceding chart, we impose all fees and expenses listed and you must pay them to us.

<sup>1</sup>“Gross Revenue” means (a) all revenue received or receivable from Facilities for placement of Candidates (“Facility Payments”) and (b) any other revenues and income from any source derived or received by Franchisee from, through, by or on account of the operation of the Franchised Business or made pursuant to the rights granted hereunder, including but not limited to, any and all other revenues received using Franchisor’s trademarks, methods, operations and/or trade secrets whether received in cash, in services, in kind, from barter and/or exchange, on credit (whether or not payment is actually received) or otherwise. Gross Revenues also include all proceeds from any business interruption insurance. Excluded from Gross Revenues are sales taxes and other taxes separately stated that are payable to taxing authorities on account of the operation of the Franchised Business. Facility payments are made through a centralized payment processing system maintained by us. We will deduct the Royalty Fee, Brand Fund Contribution, and other fees payable to us, sales tax (if applicable) and ACH fees charged by a Facility (if applicable) and distribute the balance to you. You will pay us the Royalty Fee and Brand Fund Contribution separately on Gross Revenue you receive directly and not paid through our central payment processing system. If you do not meet your minimum monthly royalty fee requirement as stated in your Franchise Agreement, we have the right to terminate your Franchise Agreement or you may lose the limited protected rights you have for your Specialty Line in your Territory.

<sup>2</sup>The Technology & Administrative Fee covers the costs of new or improved technology for the benefit of the System and the Franchised Business, including but not limited to, assigned phone numbers and email addresses, one subscription to our required applicant tracking software, benchmarking platform or other operations or communications systems, software and applications that we pay on your behalf, and an administrative fee for our handling of technology systems and subscriptions, and for our administrative support and handling of administrative functions related to billing. We will increase the Technology & Administrative Fee when a third-party vendor whom we pay on your behalf requires it, and there is no limit on the amount this fee may be increased.

<sup>3</sup>We may offer mandatory and/or optional additional training programs from time to time. If we require it, you must participate in additional training, including attendance at an annual national meeting or annual convention, for up to five days per year, at a location we designate. We have the right to impose a reasonable fee, which may be assessed per diem, for all additional training programs. You are responsible for any and all incidental expenses incurred by you and your personnel in connection with attendance at additional training programs, including, without limitation, costs of travel, lodging, meals and wages. Currently, we require attendance at an annual national meeting. The \$250 meeting charge will be billed to you in January each year.

<sup>4</sup>If you wish to purchase, lease or use any, equipment, supplies, services or other items unapproved or from an unapproved supplier, you must request our prior written approval. As a condition to our approval, we may require inspection of the proposed supplier’s facilities and evaluation and testing of the proposed item or service.

<sup>6</sup>You must indemnify and hold us, our parent and affiliates, and all of our respective officers, directors, agents and employees harmless from and against any and all claims, losses, costs, expenses, liability and damages arising directly or indirectly from, as a result of, or in connection with your business operations under the Franchise Agreement, as well as the costs, including attorneys' fees, of defending against them.

<sup>6</sup>If you breach the Franchise Agreement, you must reimburse us any costs we incur to cure your default. You must also pay us all damages, costs and expenses, including reasonable attorneys' fees and our committed payments of your behalf, we incur in obtaining any remedy, injunctive or other relief to enforce the provisions of the Franchise Agreement or resulting from a termination of the Franchise Agreement.

#### Explanatory Notes to Item 6

Note 1: Type of Fee – The above table describes fees and payments that you must pay to us, our affiliates, or that our affiliates may impose or collect on behalf of a third party. All fees are uniformly imposed for all franchises offered under this Disclosure Document, are recurring, are not refundable, and are payable to us, unless otherwise specified. Payment is subject to our specification and instruction, including, our election to have all fees automatically drafted from your business bank account or automatically debited or charged to your business bank account. We will bill your customers and directly collect the Gross Sales of your i4 Business and we will pre-deduct all of the fees and payments due to us, our affiliates, or our designated supplies, and, we will remit the balance to you on a bi-weekly basis. If applicable, and, at our election, we require payment from you subject to our specification and instruction, including, our election to have fees automatically drafted from your business bank account or automatically debited or charged to your business bank account. At our election we may invoice you for all fees due from you to us. You will be required to sign an ACH Authorization Form (Franchise Agreement, Exhibit 4) permitting us to electronically debit your designated bank account for payment of all fees payable to us and/or our affiliates. You must deposit the Gross Sales of your i4 Business into the designated bank accounts that are subject to our ACH authorization. You must install and use, at your expense, the pre-authorized payment, point of sale, credit card processing, automatic payment, automated banking, electronic debit and/or electronic funds transfer systems that we designate and require in the operation of your i4 Business. You must pay all service charges and fees charged to you by your bank so that we may electronically debit your bank account.

Note 2: Royalty Fees and Supplemental Royalty Fee – You must pay to us a continuing royalty fee (the “Royalty Fee”). The continuing Royalty Fee is payable and due instantly on a per transaction basis and is equal to 14% (the “Royalty Rate”) of all Gross Sales (defined below) of your i4 Business, subject to a minimum monthly royalty fee requirement (the “Minimum Monthly Royalty Fee Requirement”). We will pre-deduct your Royalty Fees and Supplemental Royalty Fees from your Gross Sales that will be received by us. The Minimum Monthly Royalty Fee Requirement is determined on a per Specialty Line basis and calculated in the monthly amount of \$350 per one million in population within your Operating Territory. Population is determined at the time of signing your Franchise Agreement. If you operate in multiple Territories your Minimum Monthly Royalty Fee Requirement is determined in the aggregate based on the total population of all Territories. For illustration purposes only and, by way of example, if an operating territory includes a population of 4 million people, the Minimum Monthly Royalty Fee Requirement would be \$1,400.

We do not collect the Minimum Monthly Royalty Fee Requirement on a monthly basis. On March 1 of each Calendar Year, we compare the Royalty Fees paid by you and received by us during the preceding calendar year. If the aggregate amount of the Royalty Fees paid by you and received by us from your i4 Business during the preceding calendar year does not equal or exceed the aggregate amount of your Minimum Monthly Royalty Fee Requirements for each month within the respective calendar year, then we will charge and deduct from your business bank account or, at our instruction, you must pay to us the difference as a supplemental royalty fee (the “Supplemental Royalty Fee”). The Supplemental Royalty Fee is calculated as the difference between the aggregate amount of the Minimum

Monthly Royalty Fee Requirements for the applicable calendar year, less the aggregate amount of the Royalty Fees that you paid to us during the respective calendar year.

Note 3: Gross Sales – “Gross Sales” means the total dollar sales from all business and customers of your i4 Business and includes the total gross amount of revenues, receipts, and sales from whatever source derived, whether in form of cash, credit, agreements to pay or other consideration including the actual retail value of any goods or services traded, borrowed, or received by you in exchange for any form of non-money consideration (whether or not payment is received at the time of the sale), from or derived by you or any other person or Corporate Entity from business conducted or which started in, on, from or through your i4 Business and/or your Operating Territory, whether such business is conducted in compliance with or in violation of the terms of the Franchise Agreement. Gross Sales include the total gross amount of revenues, receipts, and sales from whatever source derived from and/or derived by you including, any person and/or Corporate Entity acting on your behalf, from business conducted within and/or outside your Operating Territory that is related to your i4 Business and/or a competitive business located and/or operated within your Operating Territory, outside your Operating Territory, and/or otherwise. Gross Sales do not include (a) sales taxes that you collect and remit to the proper taxing authority, and (b) authorized promotional discounts that you provide to customers.

Note 4: Brand Development Fund – The brand development fund fee is a continuing weekly fee equal to an amount of up to 4% of your weekly Gross Sales (the “Brand Development Fund Fee”). Currently we charge a Brand Development Fund Fee of 3% of Gross Sales.

Note 5: Franchisee Directed Local Marketing – On an on-going monthly basis you must spend not less than \$750 per month, per Territory and per Specialty Line on the local marketing of your i4 Business within your operating territory and in accordance with our standards and specifications.

Note 6: Customer Services and Refunds – This fee will be based on the costs incurred by us, including refunds and/or credits that we may undertake on behalf of a customer that was not satisfied with the services or products provided by the Franchised Business. You must guarantee your services to your customers. If we determine that your customer is entitled to reimbursement of fees paid to you, we may reimburse your customer directly. You must reimburse us for the amounts that we reimburse your customer within three business days. You must also participate in any warranty insurance programs that we designate.

Note 7: Annual Conference Attendance Fee – If we offer a franchisee annual conference in a given year you will be required to attend the conference on the dates and at the location that we designate. You will be responsible for all travel and lodging expenses.

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**ITEM 7:**  
**ESTIMATED INITIAL INVESTMENT**  
**YOUR ESTIMATED INITIAL INVESTMENT**

**A. Single Territory and Single Specialty Line**

<u>Type of Expenditure</u>	<u>Amount</u>	<u>Method of Payment</u>	<u>When Due</u>	<u>To Whom Payment is Made</u>
<u>Initial Franchise Fee</u> <sup>(Note 1)</sup>	<u>\$50,000 – \$80,000</u>	<u>Lump sum</u>	<u>When Franchise Agreement is signed</u>	<u>Us</u>
<u>Office Furniture Fixtures and Equipment</u> <sup>(Note 2)</sup>	<u>\$500 – \$2,000</u>	<u>As arranged</u>	<u>As incurred</u>	<u>Contractors, suppliers, and/or landlord</u>
<u>Rent – Three Months</u> <sup>(Note 3)</sup>	<u>\$0 – \$1,800</u>	<u>As arranged</u>	<u>As incurred</u>	<u>Landlord if you do not operate from a home based office</u>
<u>Computer Systems</u> <sup>(Note 4)</sup>	<u>\$1,000 – \$2,000</u>	<u>As arranged</u>	<u>As incurred</u>	<u>Suppliers</u>
<u>Business Development Start Up Investment</u> <sup>(Note 5)</sup>	<u>\$5,000</u>	<u>As required</u>	<u>Within 120 days of start up</u>	<u>Suppliers</u>
<u>Travel for Initial Training</u> <sup>(Note 6)</sup>	<u>\$1,500 – \$2,500</u>	<u>As arranged</u>	<u>As incurred</u>	<u>Airlines, hotels, restaurants</u>
<u>Professional Fees</u> <sup>(Note 7)</sup>	<u>\$1,000 – \$5,000</u>	<u>As arranged</u>	<u>As incurred</u>	<u>Attorneys, accountants, advisors</u>
<u>Insurance</u> <sup>(Note 8)</sup>	<u>\$200 – \$3,500</u>	<u>As required</u>	<u>Before opening</u>	<u>Insurer</u>
<u>Licenses and Permits</u> <sup>(Note 9)</sup>	<u>\$100 – \$300</u>	<u>As arranged</u>	<u>As incurred</u>	<u>Government</u>
<u>Additional Funds – Three Months</u> <sup>(Note 10)</sup>	<u>\$6,000 - \$9,000</u>	<u>As arranged</u>	<u>As incurred</u>	<u>Us, employees, suppliers, landlord</u>
<u>Total Estimate</u> <sup>(Note 11)</sup>	<u>\$65,300 – \$111,100</u>			

Explanatory Notes to Item 7 for a Single Territory and Specialty Line

Note 1: Initial Franchise Fee – All fees are non-refundable. We do not finance any portion of your initial fees.

Note 2: Office Furniture, Fixtures, and Equipment – You will require basic office furniture, equipment, and supplies for your home office. We will provide you with a subscription to a virtual phone number.

**YOUR ESTIMATED INITIAL INVESTMENT**

Type of Expenditure	Amount	Method of Payment	When Due	To Whom Payment is Made
Initial Franchise Fee <sup>4</sup>	\$50,000 – \$80,000	Lump sum payment in cash or available funds	Upon signing the Franchise Agreement	Us
Your Training Expenses <sup>2</sup>	\$1,500 – \$2,500	As required	As required	Suppliers of transportation lodging & meals.
Office Furniture, Fixtures, Equipment and Supplies <sup>4</sup>	\$500 – \$2,000	As required	Before opening	Suppliers
Licenses and Permits <sup>5</sup>	\$100 – \$300	As required	Before opening or as required	Government Agencies
Computer Systems <sup>6</sup>	\$1,000 – \$2,000	As required	Before opening	Suppliers
Professional Fees <sup>7</sup>	\$1,000 – \$5,000	As required	As incurred	Attorney, Accountant, Other Professional Service Providers
Insurance <sup>8</sup>	\$200 – \$3,500	As required	Before opening	Insurer
Business Development and Implementation Program Fee <sup>9</sup>	\$4,000	As required	As arranged	Supplier
Lead Optimization Program <sup>9</sup>	\$2,500	As required	Within 30 days of opening	Us
Rent—three months <sup>3</sup>	\$0 – \$1,800	As arranged	As arranged	Supplier
Operating Expenses / Additional Funds—three months <sup>10</sup>	\$6,000 – \$10,000	As incurred	As arranged	Suppliers, etc.
<b>TOTALS \$66,800 – \$113,600</b>				

<sup>4</sup>Please see Item 5 for information on incentive programs that may offer a discount on the Initial Franchise Fee.

<sup>2</sup>The cost of the Initial Management Training Program for two people is included in the Initial Franchise Fee. The chart estimates the costs for transportation, lodging and meals for your trainee(s). These incidental costs are not included in the Initial Franchise Fee. Your costs will depend on the number of people attending training, their point of origin, method of travel, class of accommodation and living

expenses. The duration of the training program in Cincinnati, Ohio, is one week. This estimate does not include the trainee(s) wages.

<sup>3</sup>The current cost for any additional phone number or extension you may request is \$35 per additional line.

Note 3: Rent – It is our expectation that you will operate your Franchised Business from a home-based office, and all of your that you will conduct business will be conducted over the by phone or via and email. The System does not require you to meet Candidates or Facilities representatives in person, and because you will operate from a home-based office, you may not meet Candidates or Facilities representatives at your home. We have included an estimate for rental of a desk in a ~~work-type or~~ shared office space should you be unable or not permitted to operate from a home-based office.

<sup>4</sup>You will require basic office furniture, equipment and supplies for your home office. We will provide you with a subscription to a virtual phone number. The current cost for any additional phone number or extension you may request is \$25 each.

<sup>5</sup>You are responsible for applying for, obtaining and maintaining all required permits and licenses necessary to operate your Franchised Business. This estimate includes the initial cost of licenses, certifications and/or permits that may be required by you to provide services offered by your Franchised Business. The costs of permits and licenses will vary by location.

Note 4: Computer Systems – We require you to purchase computer systems, software and applications that meet our minimum specifications for use in your Franchised Business. This estimate includes the cost of a general-purpose computer and the Microsoft Office suite of programs. You must also have internet and other telecommunications equipment and services in accordance with our standards to permit electronic transmission of reports and Facility and Candidate information. We have the right to change your requirements for computer hardware and software at any time.

<sup>7</sup>You may incur professional fees depending on the scope of work performed, which may include, legal and accounting fees to review franchise documents and costs of forming a separate legal entity. We strongly recommend that you seek the assistance of professional advisors when evaluating this franchise opportunity, this disclosure document and the Franchise Agreement. It is also advisable to consult these professionals to review any other contracts that you will enter into as part of starting your Franchised Note 5: Business.

<sup>8</sup>Our insurance policy will provide errors and omissions insurance coverage to you, at your option and expense. If you choose to purchase and maintain your own errors and omissions insurance, your policy must be in place before your open for business. The estimate in the table above is for the cost of deposit for one year of minimum coverage under an errors and omissions policy you purchase on your own.

<sup>9</sup>You Development Start Up Investment – You are required to sign up with a third-party supplier to assist you with business development and implementation for within your first 120 days of operations, and you are required to participate in our lead optimization program after you sign the Franchise Agreement. These programs are designed to guide you and help you connect and book meetings with potential clients and Facilities in your territory so you can build and manage profitable relationships with key contacts.

<sup>10</sup>This is an estimate of the amount of additional operating capital that you may need to operate your Franchised Business during the first three months after commencing operations. This estimate includes such items as taxes, bank charges, miscellaneous supplies and equipment, additional marketing costs

and other miscellaneous items. These estimates do not include any compensation to you, nor do they include debt service.

We relied upon the experience of our operating affiliate to compile these estimates. You should review these figures carefully with a business advisor before making any decision to invest in the franchise. These figures are estimates and we cannot guarantee that you will not have additional expenses starting your Franchised Business. Your additional costs will depend on factors such as how closely you follow our methods and procedures; your management skill, experience, and business acumen; local economic conditions; the local market for our service; competition; and the sales level reached during your initial period.

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

All fees and payments are non-refundable, unless otherwise stated or permitted by payee.

ITEM 8: Note 6: Travel for Initial Training – You must complete our pre-opening training program before opening your i4 Business. We do not charge a fee for our pre-opening initial training. This estimate is for estimated travel and lodging expenses that you will incur to attend our pre-opening initial training program.

Note 7: Professional Fees – This estimate is for costs associated with the engagement of professionals such as attorneys and accountants for advisories consistent with the start-up of a i4 Business. We recommend that you seek the assistance of professional advisors when evaluating this franchise opportunity, this Disclosure Document, and the Franchise Agreement. It is also advisable to consult these professionals to review any lease and other contracts that you will enter into as part of the development and operation of your i4 Business.

**Note 8: Insurance Deposits – Three Months – You are required to maintain minimum insurance coverage as designated by us. This RESTRICTIONS ON SOURCES OF PRODUCTS AND SERVICES**

We have identified various suppliers, distributors and manufacturers of equipment, supplies and services that your Franchised Business must use or provide which meet our standards and requirements. You must purchase all equipment, supplies and services, from our designated suppliers and contractors or in accordance with our specifications. We maintain written lists of approved items of equipment, supplies and services (by brand name and/or by standards and specifications) and a list of designated suppliers and contractors for those items. We will update these lists periodically and issue the updated lists to all franchisees.

Neither we nor any of our affiliates are approved suppliers of required goods or services. None of our officers owns an interest in any supplier.

We approve suppliers after careful review of the quality of the products and services they provide to us and our franchisees. If you would like us to consider another item or supplier, you must make such request in writing to us and have the supplier give us samples of its product or service and such other information that we may require. If the item and/or supplier meets our specifications, as we determine in our sole discretion, we will approve it as an additional item or supplier. We will notify you whether we approve or disapprove of the proposed item or supplier within 60 days after we receive all required information to evaluate the product or service. We have the right to revoke approval of any item or supplier that does not continue to meet our then-current standards. Our criteria for approving items and suppliers are not available to you. If you request that we approve a proposed item or supplier, we may charge you an evaluation fee of \$500, plus the actual cost of evaluation, inspection and/or testing.

~~During our fiscal year that ended December 31, 2022, we did not receive any revenue from franchisee required leases or purchases. We currently do not receive any revenue, rebates, discounts or other material consideration from any suppliers based on your required purchases of products, supplies or equipment; however, we may do so in the future, and any rebates or discounts we receive may be kept by us in our sole discretion.~~

~~Currently, there are no purchasing or distribution cooperatives. However, we can require that you make your purchases through a cooperative if one is formed.~~

~~You are required to sign up with a third-party supplier to assist you with business development and implementation for your first 120 days of operations. We may recommend suppliers to you, but you are not required to use any supplier that we recommend. We will negotiate discounted rates for our franchisees for the business development and implementation services through our recommended suppliers when we are able. None of our officers own an interest in any recommended supplier for this program, and neither we nor our affiliates earn any revenue from your purchases under this program.~~

~~Although we do not do so currently, we may in the future negotiate purchase arrangements, including price terms, with designated and approved suppliers on behalf of all franchisees.~~

~~We estimate is for the cost of an initial deposit to obtain the minimum required insurance the initial three months of monthly insurance installment premium payments. We recommend that you consult with your insurance agent before signing a Franchise Agreement.~~

~~Note 9: Licenses and Permits – You must apply for, obtain, and maintain all required permits and licenses necessary to operate a i4 Business. The licenses will vary depending on local, municipal, county and state regulations.~~

~~Note 10: Additional Funds – This is an estimate of the minimum recommended levels of additional funds that may be required to cover operating expenses for the initial three month period following the opening of your i4 Business. This estimate does not include compensation to you or your owners and does not include interest, finance charges, or payments that may be incurred by you if you financed the development of your i4 Business. In making this estimate, we have relied on the experiences of our affiliate and franchisees in developing and operating i4 Businesses. This is only an estimate for your initial three months of operations and more working capital and additional funds may be required depending on the sales and performance of your i4 Business.~~

~~Note 11: About Your Estimated Initial Investment – This is an estimate of the initial start-up expenses for a i4 Business. We have based these estimates on the experiences of our affiliate and franchisees in developing a i4 Business. These are only estimates and your costs and the range of those costs may vary. These estimates do not include interest and financing charges that you may incur, and they do not include management level compensation payable to you or your owners. If you increase the geographic size of your Operating by adding Additional Territories and/or add additional Specialty Lines your costs will be higher.~~

**B. Multiple Territories and Multiple Specialty Lines**

**YOUR ESTIMATED INITIAL INVESTMENT**

<u>Type of Expenditure</u>	<u>Amount</u>	<u>Method of Payment</u>	<u>When Due</u>	<u>To Whom Payment is Made</u>
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<u>Initial Franchise Fee</u> <sup>(Note 1)</sup>	<u>\$95,000 – \$224,000</u>	<u>Lump sum</u>	<u>When Franchise Agreement is signed</u>	<u>Us</u>
<u>Estimated Initial Investment</u>	<u>\$15,300 – \$31,100</u>	<u>Estimated Initial Investment is based on estimate contained in Table A of this Item 7 for an i4 Business operating in a single territory under a single Specialty Line, less the Initial Franchise Fee reported in Table A.</u>		
<u>Total Estimate</u> <sup>(Note 1)</sup>	<u>\$110,300 – \$255,100</u>			

Explanatory Notes to Item 7 for Multiple Territories

Note 1: Initial Franchise Fee – The Initial Franchise Fee for an operating territory comprised of a single Territory with a single specialty line ranges from \$50,000 to \$80,000. If you elect to increase the size of your operating territory by adding Additional Territories and/or Specialty Lines, the total Initial Franchise Fee be increased based in the number of Additional Territories and additional Specialty Lines. As disclosed in Item 5 we offer discounts when you purchase multiple Territories and/or Specialty Lines. We allow a maximum total of two Territories and two Specialty Lines under one Franchise Agreement. The low end of this estimate assumes that you are operating one Specialty Line within an Operating Territory comprised of two Tier 1 Territories. The high end of this estimate assumes that you are operating two Specialty Lines within an Operating Territory comprised of two Tier 3 Territories.

**ITEM 8**  
**RESTRICTIONS ON SOURCES OF PRODUCTS AND SERVICES**

~~that you~~–You may only offer and provide the Approved Services and Products that we designate, and you may only use those products, supplies, equipment, technology systems, and services that we authorize and designate in writing. To ensure that our standards and specifications of quality, service and System development are maintained, you must operate your i4 Business in strict conformity with the Franchise Agreement and the methods, standards, specifications and sources of supply that we designate and prescribe in the Manuals.

**Source Restricted Purchases and Leases – Generally**

We require that you purchase or lease of certain source restricted goods and services for the development and operation of your i4 Business. Source restricted goods and services are goods and services that must meet our specifications and/or must be purchased from an approved or designated supplier. We may designate a supplier (which may include us or our affiliates) as the exclusive supplier for the System. Our specifications and list of approved and designated suppliers is contained in our Manuals. We will notify you of any changes to our specifications or list of approved or designated suppliers. We may notify you of these changes in various ways, including written or electronic correspondence, amendments and updates to our Manuals, verbal and other forms of communication. We formulate and modify our standards and specifications for products and services based on our industry experience and our management decisions as to the overall operation and expansion of the System or as we may otherwise designate and approve in writing. If we have previously approved a supplier, and their standards fall below our designated standards, we will revoke our approval. We will notify you in writing of us revoking our approval.

**Suppliers and Supplier Criteria**

We may designate ourselves and our affiliates as exclusive suppliers of source restricted goods and services. We may designate ourselves or a third party as exclusive supplier irrespective of the existence of competing suppliers. If, in the Manuals, we do not designate a supplier for a particular item, you will purchase all such products, supplies and services from approved suppliers (or those which who meet our specifications) will and standards. Currently, we are not, and our affiliates are not approved suppliers of the source restricted goods and services identified below.

Currently no officer of ours owns an interest in any of our designated suppliers.

If you want to purchase or lease a source restricted item from a supplier that has not been previously approved or designated by us in writing, you must send us a written request for approval and submit additional information that we may request. We may charge you a supplier review and testing fee and we may request that you send us samples from the supplier for testing and documentation from the supplier for evaluation. We may also require, subject to our discretion, that we be allowed to inspect the supplier's facilities. We will notify you of our approval or disapproval within a reasonable time, not to exceed 60 days, after we receive your written request for approval and all additional information and samples that we may request. We may, in our discretion, withhold our approval. When evaluating the approval of a particular supplier, among other things, we consider: whether the supplier can demonstrate to our reasonable satisfaction the ability to meet our standards, specifications and production requirements, the supplier's quality control, whether or not we are the exclusive supplier of the particular item, whether or not our affiliate or affiliates are the exclusive supplier of the particular item, and whether or not the supplier's approval, in our sole determination, will allow us to advance the overall interests of the System.

We estimate that your purchase of goods and services from suppliers according to our specifications, including your purchase of goods or services from our designated exclusive suppliers to represent approximately 915% of your costs to establish your total purchases and leases in establishing the Franchised Business and approximately 51% of your costs for the on-going operating expenses of the Franchised Business. We currently require that you purchase or lease the following source restricted goods and services from either us or our designated supplier:

1. System Designated Resources – You must maintain an initial and ongoing operation inventory of System Designated Resources. You must purchase the System Designated Resources, as designated by us, from us, our affiliates, and/or our designated suppliers.

2. Branded Items and Marketing Materials – All materials bearing the Licensed Marks including, but not limited to, stationary, business cards, brochures, apparel, signs and displays, must meet our standards and specifications and must be purchased from us directly or our designated suppliers. All of your marketing materials must comply with our standards and specifications and must be approved by us before you use them. You may market your i4 Business through approved digital media and social media platforms provided that you do so in accordance with our digital media and social media policies. You must purchase all branded marketing materials from either us or our designated exclusive supplier. We may require that you exclusively use, at your cost, our designated supplier for social and digital media marketing services and exclusively use, at your cost, our social media platforms, vendors and marketing channels.

3. Computer System – You must purchase and maintain a desktop computer system at your administrative office. In general, you will be required to obtain a computer system that will consist of certain hardware, software, and peripheral devices such as printers. You will be required to meet our requirements involving back office and point of sale systems, security systems, printers, back-up systems, and high-speed internet access.

4. Insurance – Our insurance policy will provide errors and omissions insurance coverage to you, at your option and expense. If you choose to purchase and maintain your own errors and omissions insurance, your policy must be in place before your open for business and must provide coverage of at least \$1,000,000 per occurrence and \$1,000,000 in the aggregate. We recommend, but do not require, you to purchase and maintain at your sole cost and expense the following insurance coverages: comprehensive general liability insurance in the amount of at least \$1,000,000 per occurrence and \$2,000,000 in the aggregate if you are operating an office outside of the home; cyber coverage of \$1,000,000 per occurrence and \$2,000,000 in the aggregate; business interruption insurance in an amount necessary to satisfy your obligations under your ~~franchise agreement~~ Franchise Agreement for at least three months or \$100,000, whichever is greater; statutory worker's compensation insurance in the limits required by state law; employer's liability insurance in the amount of \$1,000,000 if you employ

employees; and employment practices/abuse and employee dishonesty insurance in the amount of \$1,000,000. For any insurance policies you purchase, each policy must be written by a responsible carrier or carriers acceptable to us, with an A.M. Best rating of no less than A-VII, and must name us and our respective officers, directors, partners, agents and employees as additional insured parties. If you maintain an insurance policy for a coverage to which we have made a change, you must comply with the policy change within 30 days of our notice to you.

5. Invoice, Billing, and Collection Systems – We are the exclusive supplier of all invoicing, billing, and collection systems and services related to the Franchised Business.

#### **Purchase Agreements and Cooperatives**

We may, in our discretion, negotiate purchase agreements, including price terms, with designated suppliers for source restricted goods and services on behalf of the System. We may establish preferred vendor programs with suppliers on behalf of some or all of the i4 Businesses under the System and, in doing so, we may limit the number of approved vendors and/or suppliers that you may purchase from and we may designate one vendor as your sole supplier. Presently there are no purchase or supply agreements in effect for source restricted products or services and there are no purchasing or distribution cooperatives that you must join. You will not receive any material benefits for using our designated or approved suppliers.

~~Our~~ We provide no material benefits (such as the grant of additional franchises) based on your use of designated sources; however, failure to use approved items or designated suppliers and contractors may be a default under the Franchise Agreement. Additionally, when there is any default under the Franchise Agreement, we have the right, in addition to other remedies available under the Franchise Agreement, to direct suppliers to withhold furnishing products and services to you.

#### **Right to Receive Compensation and Our Revenue from Source Restricted Purchases**

We and/or our affiliates may receive rebates, payments and other material benefits from suppliers based on franchisee purchases and we reserve the right to institute and expand rebate programs in the future. In the prior calendar year we did not received revenue from suppliers from franchisee purchases of source restricted products or services. We do not provide our franchisees with any material benefits based on a franchisee's purchase of particular products or services or use of particular suppliers.

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**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 or Article Articles in Franchise Agreement	Item in Franchise Disclosure Document Item
a. <del>a. Site Selection</del> selection and Acquisition/Lease <del>acquisition/lease</del>	<del>8.4.2, 3.C.</del>	<del>7, 11</del>
b. <del>Pre-Opening Purchase/Leases</del> b. Pre-opening purchases and leases	<del>3, 8.2, 4.2.3-4</del>	<del>7, 448</del>
c. <del>Site Development &amp; development and other Pre-Opening Requirements</del> pre-opening requirements	<del>8.1, 8.2, 12.1.4, 3, 4, 7.F., 7.G., 7.I., 7.J., 8, 9</del>	<del>6, 7, 11</del>
d. <del>Initial and Ongoing Training</del> ongoing training	<del>Article 74, 7.I., 14.C., 14.D.</del>	<del>11</del>
e. <del>c. Opening</del>	<del>8.2, 3, 4, 7, 9</del>	<del>11</del>
f. <del>f. Fees</del>	<del>3.2., 4.A., 5.2.6, Article 6, 7.4.F., 7.5J., 8, 9, 10, 12.3.7, 4.2.5, 4.2.5., 13.2, 4.3.3-4, 14, 15.6, 16.4, 18.4.4, 4.8.4.5, 4.9.1.5-20.8N.</del>	<del>5, 6, 7</del>
g. <del>g. Compliance with Standards</del> standards and Policies/ <del>Operating Manual</del> policies/manual	<del>Article 3, 4, 5, 6, 7, 8, 9, Article 10, 11, 12, 19.1-113</del>	<del>8, 11</del>
h. <del>h. Trademarks and Proprietary Information</del> proprietary information	<del>Article 14, 19.2, 19.3, 19.4, 6, 11</del>	<del>13, 14</del>
i. <del>i. Restrictions on Products/Services Offered</del> products and services offered	<del>9.3, 4.2.54.C., 7</del>	<del>8, 11, 16</del>
j. <del>j. Warranty and Customer Service Requirements</del> customer service requirements	<del>Not Applicable 3.L., 7</del>	<del>Not Applicable 16</del>
k. <del>k. Territorial Development</del> development and Sales Quotas <del>sales quotas</del>	<del>3.1, 3.2, Attachment 3</del>	<del>12</del>
l. <del>l. Ongoing Product/Service Purchases</del> product and service purchases	<del>9.3, 4.C., 5, 7</del>	<del>8</del>
m. <del>Maintenance, Appearance</del> appearance and Remodeling Requirements <del>remodeling requirements</del>	<del>Article 9, 4.2.1.7, 3, 7</del>	<del>447, 17</del>
n. <del>n. Insurance</del>	<del>Article 158</del>	<del>7, 8</del>
o. <del>o. Advertising</del>	<del>4.2.1.3.G., 4.B., 7, 4.2.1.8, Article 139, 11</del>	<del>6, 8, 11</del>
p. <del>p. Indemnification</del>	<del>4.5.6, 4.6.3.6, 24.4.10, 11.E.</del>	<del>446, 13</del>
q. <del>q. Owner's Participation, Management, Staffing</del> participation, management, staffing	<del>4.1.1, 4.1.4, 4.2.1.3, 6, 7</del>	<del>11, 15</del>
r. <del>r. Records/Reports</del> and reports	<del>5, 9, 12.2, 13</del>	<del>6</del>
s. <del>s. Inspections and Audits</del> audits	<del>4.2.1.6, 4.2.2.5, 4.2.6, 5.D., 7.J., 13</del>	<del>6, 11</del>
t. <del>t. Transfer</del>	<del>Article 1614</del>	<del>17</del>

Obligation	Section or Article Articles in Franchise Agreement	Item in Franchise Disclosure Document Item
<del>u.</del> <u>u.</u> Renewal	<del>Article 5</del> <u>15</u>	17
<del>v.</del> <u>v.</u> Post-Termination Obligations termination obligations	<del>6, 10, 11, 17, 18</del>	17
<del>w.</del> <u>w.</u> Non-Competition Covenants competition covenants	<del>19-56, 17, 18</del>	17
<del>x.</del> <u>x.</u> Dispute Resolution resolution	<del>Article 20</del> <u>18.F., 18.G.</u>	17
<del>y.</del> <u>y.</u> Guaranty. Individual guarantee of franchise obligations	<del>14.3, Attachment 6</del> <u>2.C., 4, 6, 7.L., 14.C., 14.D., 14.E., 16.D., 17.C.</u>	<del>459</del>

**ITEM 10:**  
**FINANCING**

We do not offer direct or indirect financing. -We do not guarantee any your note, lease, or other obligation ~~on your behalf.~~

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

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

**1. Pre-Opening Obligations**

~~Before you open your~~ 1. Grant of Franchise – We will grant to you the right to operate the Franchised Business, we will:

~~within a. — designate the boundaries of your designated operating territory. (Franchise Agreement, Section 4.1)- Article 2);~~

~~b. — determine~~ 2. Site Review and Approval of Operating Territory – At the time of signing your Minimum Performance Standards (Franchise Agreement, Section 3.2 and Attachment 3).

~~c. — provide the franchise Operations Manual you will have selected, and other manuals and training aids we designate for use in will have approved of the operation of your Operating Territory within which you will operate the Franchised Business, as they may be revised from time to time. (Franchise Agreement, Section 4.2)- Article 2). If permitted by law, you may manage your i4 Business from a home based administrative office. If you elect to lease a back-end administrative office there are no restrictions on where you may locate your administrative office.~~

~~d. —~~ 3. Manuals – We will provide you with access to our confidential and proprietary Manuals. You must operate the Franchised Business in accordance with the Manuals and all applicable laws, rules and regulations. At all times, we reserve the right to supplement, modify and update the Manuals. (Franchise Agreement, Article 4.C.). The operations manual as of the Issuance Date of this Disclosure Document currently consists of 150 pages and the table of contents to the operations manual is attached as Exhibit C to this Disclosure Document (Franchise Agreement, Article 4). Major subjects contained in the operations manual consist of establishing, developing, marketing and operating the Franchised Business;

4. Approved Suppliers and Distributors – We will provide you with a written list of our approved suppliers and distributors, to the extent that we have designated them, either as part of the Manuals or otherwise in writing. (Franchise Agreement, Articles 3, 4, and 7.F.);

~~5. Signs, Equipment, Furniture, and Fixtures – We will provide you with a list of our approved signage, equipment, signage, supplies and products that will be required to open the Franchised Business. furniture and fixtures, to the extent that we have designated them, either as part of the Manuals or otherwise in writing and we will review and approve, in our discretion, your proposed signage, equipment, furniture and fixtures. We do not provide, purchase, deliver, assistance in delivering or install any of these items for you installing signs, equipment, furniture or fixtures. (Franchise Agreement, Section 4-Articles 3)- and 4);~~

~~e. — provide you with initial training at our headquarters and/or field office. We will determine, in our sole discretion, whether you satisfactorily complete the initial training (Franchise Agreement, Sections 7.1 and 7.2).~~

6. Website and Digital Media – We will identify and locate your i4 Business on our website. We strictly control how you may or may not use websites and digital media and you must assign all website media and digital media accounts to us. (Franchise Agreement, Articles 3.G. and 9); and

7. Initial Training – Not less than 45 days prior to the opening of your i4 Business you or your Managing Owner and one management level employee or Owner must attend and complete our initial training program. We will provide you (and up to one of your designated managers) with training in accordance with our initial training program. (Franchise Agreement, Article 4). Our current training program is to be attended by you, or if you are a Corporate Entity, your Managing Owner and one Operating Manager at our training facility located in Cincinnati, Ohio. The training program takes place over an approximate 15 business day period and is described below in this Item 11 in more detail.

#### **Site Selection**

If permitted by local law, you may operate your i4 Business from a home based administrative office. Otherwise, you are responsible for selecting a site for your administrative office and must obtain our approval of your selected location. We do not typically own or lease the real property that will serve as your administrative office, and you are responsible for all costs and expenses in locating and evaluating proposed sites for your administrative office. We will provide you with site selection guidelines.

Within 30 days of our written receipt and submission of all information and documentation that we may request, we will respond to your proposed request for our approval or disapproval of the proposed location of your administrative office. Factors taken into consideration include characteristics of the proposed site, whether or not the proposed site meets our criteria for non-retail back-office operations, and the location of your proposed site relative to your overall Operating Territory and proximity to other franchisee operating territories.

#### **2. Time to Open**

We estimate the typical length of time between the signing of the Franchise Agreement and the time you open your Franchised Business is 60 days. Before you may open, you must (a) complete our Initial Management Training Program, (b) outfit a home-based office (c) obtain all required licenses to operate the Franchised Business, (d) obtain all equipment we require, including but not limited to, computer systems, software and applications according to our standards, and (e) provide us with documentation for bank account(s) for use in the Franchised Business. Factors that may affect this time period include your ability to acquire licenses and permits, to acquire financing for any portion of the initial investment and to complete the required training. If you have not opened your Franchised Business within 60 days after you sign the Franchise Agreement, you must obtain our consent to extend the time to open, which we may or may not grant, at our discretion. Failure to open your Franchised Business within the original timeframe, or any extension of that timeframe, is a default of the Franchise Agreement. (Franchise Agreement, Section 8.2). We do not provide assistance in hiring or training any employees you may hire for your Franchised Business.

#### **3. Obligations After Opening**

During the operation of your franchise, we will:

a. offer from time to time, in our discretion, mandatory or optional additional training programs. If we require it, you must attend mandatory additional training and/or attend an annual business meeting or franchisee conference for up to five days each year at a location we designate. Failure to attend mandatory additional training or an annual business meeting or conference is a default of the Franchise Agreement. We have the right to impose a reasonable fee for tuition and/or attendance for all additional training programs, including the annual business meeting or conference. You must also pay your transportation, lodging, meals and other expenses to attend any mandatory training program. If you fail to attend any mandatory training program, you are required to obtain the training at a location

~~we designate, at your sole cost, which includes tuition at the then-current rate, plus all of your travel costs and our trainer's travel costs. (Franchise Agreement, Section 7.3).~~

~~b. — upon your request, or as we determine to be appropriate, provide remedial in-territory training and assistance. For any in-territory training, you must reimburse all costs for the services of our trainer, including but not limited to the trainer's then-current per diem fee and all travel-related expenses, such as transportation, meals and lodging (Franchise Agreement, Section 7.4).~~

~~c. — upon your request, provide individualized assistance to you within reasonable limits by telephone, video conferencing, or electronic mail, subject at all times to availability of our personnel and within reasonable limits (Franchise Agreement, Section 7.5).~~

~~d. — from time to time, as may become available, provide you with samples or digital artwork of advertising and promotional materials (Franchise Agreement, Section 10.6).~~

~~e. — maintain the i4 Search Group website (Franchise Agreement, Section 12.3.6).~~

~~f. — provide criteria for an organization to be eligible as a Facility for provision of permanent placement recruiting services through the System. You must submit to us all information and forms we require to approve a Facility. We will execute a contract directly with the Facility on terms you have negotiated and we have approved (Franchise Agreement, Section 10.4).~~

~~g. — notify you of all existing Facility contracts in your Territory and authorize you to render service to these Facilities (Franchise Agreement, Section 10.5).~~

~~h. — provide you with any written specifications for required equipment, products and services and provide you with updated lists of any approved suppliers of these items (Franchise Agreement, Section 10.3).~~

~~i. — disburse to you Gross Revenue paid by Facilities through our online accounts and centralized payment processing systems, less amounts owed to us and taxes. (Franchise Agreement, Section 6.1.4).~~

~~j. — approve your office location if you choose to relocate to commercial premises. Our expectation is that you will operate the Franchised Business out of your home for at least the first year of operations, but if you wish to move to a commercial location, you can do so with our approval, in our sole discretion. We will not unreasonably withhold our approval. The office location must be in the Territory, and before signing a lease or other binding agreement for the office location, you must submit to us, in writing, a description of the proposed office location, and any other information or materials we may require. We will have ten business days after receiving your written information and materials to provide our consent to the proposed office location. You must continue operating out of your home office until we approve a commercial office location, and if we cannot agree on an office location, you will continue operating out of your home office. You will be solely responsible for equipping and outfitting the Franchised Business office as outlined in the Operations Manual. We consider the general location, neighborhood and demographic characteristics of the area when approving a site for your office. We generally do not own the premises and lease it to you. (Franchise Agreement, Section 8.1.2)~~

#### ~~4. — **Advertising**~~

~~**Local Advertising** (Franchise Agreement, Sections 13.2 and 13.5)~~

You are required to spend a minimum of \$250 each month for advertising within the designated territory, and you must conduct networking and other marketing activities to solicit new Facilities and to maintain existing Facilities for permanent placement recruitment services. Upon our request, you must furnish us with a quarterly report of your marketing activities during the previous calendar quarter.

You may develop advertising materials for your own use at your own cost, and you may use marketing materials that we may offer to you from time to time. You may not use any advertising or marketing materials, including press releases, unless they have been approved in advance in writing by us, which approval may be withheld in our discretion. We will respond to your request for approval within 10 business days; however, if we do not respond within 10 business days, the proposed advertising or marketing material is deemed "disapproved".

You must list the Franchised Business in local business directories, including, but not limited to, listings on internet search engines. You may not maintain any business profile on Facebook, Twitter, LinkedIn, Instagram, YouTube, TikTok, Pinterest or any other social media and/or networking site without our prior written approval.

You have no obligation to participate in a local or regional advertising cooperative. We are not required to spend any amount on advertising in your area or territory.

#### **System-wide Brand Fund (Franchise Agreement, Section 13.3)**

You are required to contribute 3% of Gross Revenue every other Friday to our systemwide brand fund (the "Fund"). We have the right to increase your Fund contribution to any amount not to exceed 4% of your Gross Revenue every other Friday. Each i4 Search Group outlet operated by our affiliates or us may, but is not obligated to, contribute to the Fund on the same basis as System franchisees.

The Fund is administered by our accounting and marketing personnel. We may use Fund contributions to pay any and all costs for the development, production and placement of advertising, marketing, promotional and public relations materials and programs. We may also use Fund contributions to pay any and all costs of marketing seminars and training programs, market research, services of advertising and/or public relations agencies, and website development and maintenance. We may further use Fund contributions to pay our costs (including salaries of our personnel and other administrative costs) for advertising that is administered by us or prepared by us, as well as for administration and direction of the Fund.

The Fund will not be used to defray any of our other general operating expenses. Fund contributions will not be used to solicit new franchise sales; provided however, we have the right to include "Franchises Available" or similar language and contact information in advertising produced with Fund contributions. The Fund and its earnings shall not otherwise inure to our benefit except that any resulting technology and intellectual property will be deemed our property.

The Fund collects and expends the Fund contributions for the benefit of the System as a whole. We have the right to use the Fund contributions to place advertising in national, regional or local media (including broadcast, print, or other media) and to conduct marketing campaigns through any channel, in our discretion, including but not limited to, internet and direct-mail campaigns. We have no obligation, however, to place advertising or conduct marketing campaigns in any particular area, including the territory where your Franchised Business is located.

~~We have no obligation to make expenditures that are equivalent or proportionate to your Fund contribution or to ensure that you benefit directly or pro-rata from the production or placement of advertising from the Fund.~~

~~The Fund is not audited. An annual unaudited financial statement of the Fund is available to any franchisee upon written request.~~

~~If we spend more or less than the total of all contributions to the Fund in any fiscal year, we may carry forward any surplus or deficit to the next fiscal year.~~

~~In the calendar year ended December 31, You may not open your i4 Business until you have completed our initial training requirements, obtained the necessary licensing and authorization from state and regulatory agencies within your Operating Territory and have obtained and provided us with written proof of the required insurance. Within 60 days from the signing of your Franchise Agreement you must open and offer services and products of your i4 Business to Facilities and Candidates within your Operating Territory. We estimate that the length of time between the signing of your Franchise Agreement and opening your i4 Business to be 60 days or less. Factors that may affect this estimated time period include the length of time undertaken by you to satisfactorily complete our initial training program, obtaining third party lender financing, if necessary, and obtaining the necessary licenses.~~

#### **Post-Opening Obligations**

~~1. Communication of Operating Standards – We may establish, update and provide you with consultations and communications as to the standards, procedures and System requirements as to the operation of your i4 Business including, but not limited to, Approved Services and Products, System Designated Resources, marketing and promotion standards, and as we may, in our discretion, designate, modify, supplement and amend from time to time and, as set forth in the Manuals. (Franchise Agreement, Articles 4.B. and 4.C.);~~

~~2. Marketing Standards and Approval – We will establish, update and communicate to you our standards for the marketing and promotion of the Franchised Business including, but not limited to, the marketing media that you may use. We will respond to your request respecting the communication of our approval or disapproval of marketing media that may be requested by you for use in the marketing and promotion of the Franchised Business. We maintain full discretion as to the marketing standards and the marketing media that may be used in the marketing and promotion of your i4 Business (Franchise Agreement, Article 4.B.);~~

~~3. Approved Vendors – We will provide the names and addresses of approved vendors and suppliers for the Approved Services and Products and the System Designated Resources. (Franchise Agreement, Articles 4.B. and 4.C.);~~

~~4. Annual System Conference – We may, in our discretion, coordinate an annual conference to be attended by franchisees of the System that are in good standing. (Franchise Agreement, Article 5.D.);~~

~~5. Supplemental Training – We may require that you and your Operating Manager participate in supplemental on-site training that we may designate and require in our discretion. If you are not meeting what we believe to be System performance standards, we may provide, in our discretion, supplemental training on-site within your Operating Territory. You will be required to pay our then current supplemental training fee, which is currently \$500 per on-site trainer per day, plus travel expenses, meals and accommodation expenses incurred by us. (Franchise Agreement, Article 4.A.);~~

~~6. Initial Training for Replacement Operating Managers – Your Operating Manager must complete, to our satisfaction, our initial training program. We will offer and make available to your replacement Operating Manager~~

our initial training program which must be completed to our satisfaction. The initial training program will be provided by us at the facilities that we designate that, presently, is comprised of our affiliate owned i4 Business located in Cincinnati, Ohio and at the certified training i4 Business that we may designate in the future. You will be required to pay our then current supplemental training fee for replacement Operating Managers, which is currently \$500 per manager per day for each replacement manager attending our initial training. (Franchise Agreement, Articles 4 and 7.I.);

7. Administration of Marketing Funds – We may administer and manage System-wide marketing funds comprised of a Brand Development Fund and/or Advertising Cooperative. (Franchise Agreement, Article 9);

8. Hiring and Training of Employees – We do not provide assistance with the hiring and training of your employees. You will be directly responsible for the management and supervision of your employees. For the protection of the System, you must ensure that all employees wear and maintain the proper uniforms with our approved System branded apparel and uniforms including, but not limited to, the apparel and uniforms comprising System Designated Resources. You must monitor and ensure that all System Designated Resources and Approved Services and Products are prepared, maintained, and served in accordance with the System standards and Manuals; and

9. Pricing – Except as to national, regional, and corporate accounts, if any, that we may negotiate, you will exclusively determine the prices that you charge for the Approved Services and Products served and sold by your i4 Business. However, we may suggest pricing levels that we recommend.

#### **Advertising**

1. Generally – All advertising, marketing, marketing materials and all marketing mediums used by you in the marketing and promotion of the Franchised Business must be pre-approved by us in writing and conform to our standards and specifications. You may only use those advertising and marketing materials and mediums that we designate and approve in writing. In our discretion we may make available to you approved marketing templates comprised of pre-approved ads, ad copy and digital media that you may utilize at your own expense. If you wish to utilize marketing materials and/or marketing mediums that are not currently approved by us in writing, you may submit a written request requesting permission and we will approve or disapprove of your request within 15 days of your submission of the written request and sample marketing materials. We are not required to conduct any advertising or spend any amount on your behalf on advertising in your operating territory. (Franchise Agreement, Article 9);

2. Franchisee Directed Local Marketing – You are not authorized to engage in any marketing unless it is pre-approved by us, in our discretion. (Franchise Agreement, Article 9.B.). You are required to engage in local marketing and you are required to commit specific minimum amount of funds to your local marketing efforts. These are minimum requirements and it is advised that you invest above this minimum requirement. We will make available to you and provide you with access, in the form of a source document, to our approved marketing campaigns, media, and messaging that may be used by you. In those instances where we provide you with access to our marketing campaigns, we provide you with the source designs, copy, and design specifications. However, you will incur the direct costs associated with customizing, duplicating and using such marketing campaigns and having them printed, distributed and placed with media sources. (Franchise Agreement, Article 9);

3. Digital Media and Website – All digital media and marketing must be approved by us. We will designate for your Operating Territory information about your i4 Business on the [www.i4searchgroup.com](http://www.i4searchgroup.com) webpage or such other websites as we may designate for the System. (Franchise Agreement, Article 9.E.);

4. Brand Development Fund – We may control and administer a brand development fund (the “Brand Development Fund”) (Franchise Agreement, Article 9.A.). As disclosed in Item 6 of this Disclosure Document, you must

contribute a weekly sum not to exceed 4% of weekly Gross Sales to the Brand Development Fund. We may use the Brand Development Fund for market studies, training, research, service development, product development, testing, research studies, technology development, advertising and public relations studies or services, creative production and printing of advertising and marketing materials, advertising copy and commercials, tracking costs, agency fees, advertising councils, franchisee advisory councils, administrative costs, which may include reimbursement for direct administrative and personnel costs associated with advertising, client development, and public relations, and any other costs associated with the development, marketing and testing of advertising, marketing and public relations materials, and the purchase of media placement, advertising time and public relations materials in national, regional or other advertising and public relations media in a manner determined by us, in our discretion, to be in the best interest of the franchisees and the System. Our company and/or affiliate owned i4 Businesses may but are not required to contribute to the Brand Development Fund. The Brand Development Fund will be required to maintain unaudited financial records detailing its expenditures and will make available to you, upon request, (no more frequently than one time in any 12-month period) an unaudited accounting of how the monies contributed to the Brand Development Fund were spent each year. We are not required to segregate the Brand Development Fund from our general operating funds and we are not a fiduciary or trustee of the Brand Development Fund. The Brand Development Fund will not be used to directly promote your i4 Business or the marketing area in which your i4 Business will be located. (Franchise Agreement, Article 9.A.). We may utilize the Brand Development Fund to develop and test various media and technologies for potential utilization and/or improvement of the operations of i4 Businesses and the marketing of i4 Businesses. These technology developments and/or improvements may relate, among other things, to our website and to the interaction and potential enhancement of web offerings that may or may not be implemented on behalf of i4 Businesses. You may or may not benefit from these technology developments and improvements. (Franchise Agreement, Article 9.A.).

We may use the Brand Development Fund to compensate ourselves for administrative fees associated with managing the Brand Development Fund and for our internal employee salaries, expenses and overhead associated with or reasonably allocated to managing the activities of the Brand Development Fund and performing services on behalf of the Brand Development Fund including, but not limited to, directing, developing and managing media of the Brand Development Fund. We will not use the Brand Development Fund to directly market the sale of i4 Business franchises; however, the advertising, marketing and brand development materials developed, including the System website, may contain information as to the availability of i4 Business franchises for sale and contact information for franchise inquiries.

We have established Brand Development Fund. The Brand Development Fund fee is currently designated as 3% of Gross Sales.

5. 2022, 18.94% of Fund contributions went to website and SEO management, 25.19% went to software development, 18.45% went to promotional efforts, 16.05% went to job boards expenses, 1.3% went to administrative and banking fees, and the remaining 20% remained in the Fund for future use. Although the Fund is intended to be of perpetual duration, we may terminate it at any time and for any reason or no reason. We will not terminate the Fund, however, until all monies in the Fund have been spent for advertising or promotional purposes or returned to contributors, without interest, on the basis of their respective contributions.

#### Advertising Council (Franchise Agreement, Section 9.6)

— We do not have established an advertising council composed of franchisees that advises us on advertising policies. The Franchise Agreement gives us the right, in our discretion, to create a franchisee advisory council to communicate ideas, including proposed advertising policies. If created, we will determine in advance how franchisees are selected to the council, which may include factors such as a franchisee's

~~level of success, superior performance and profitability. We have the right to change or dissolve the council at any time. (Franchise Agreement, Article 9.A.).~~

#### **5. ~~Computer Systems~~ (Franchise Agreement, Section 12.3) ~~System~~**

You are required to have an internet-capable laptop or desk-top computer that can operate the latest versions of software and applications we require, which currently include: Loxo for Candidate tracking, ~~SkillSurvey for automated reference checking~~, and subscriptions with various platforms for Candidate sourcing, including Zip Recruiter, Indeed, LinkedIn, ~~Monster~~, and ~~more CareerBuilder~~.

You are required to use Microsoft Office suite of programs for administrative tasks and email and QuickBooks for bookkeeping, report generation and billing. We strongly recommend you purchase a PC, rather than an Apple®, so you are able to take advantage of the extra support for the Microsoft Office programs that Microsoft provides to PC users. We also recommend that you have a second computer monitor, a laser printer, and a telephone headset.

You must purchase the required computer hardware and software, at your expense.

The cost of purchasing the required hardware and software is \$1,000 to \$2,000. The monthly Technology & Administrative Fee that you pay to us will include ~~one~~: ~~One LOXO Applicant Tracking System subscription to required services of Loxo, SkillSurvey, one VXT app based phone subscription, one VXT app based text subscription, one Indeed Resumes, Professional Subscription, one Administration fee, one Power BI KPI reporting subscription, one ACH charge for the payment of the month expense invoices via ACH. Other recommended Zip Recruiter Resumes and LinkedIn Sales Navigator. Other~~ monthly subscription and access fees are approximately \$350 per month, subject to increase by the ~~provider~~ ~~third party vendors~~. An additional subscription to Loxo for any staff you may hire in the future, if you require it, is approximately ~~\$445~~ ~~175~~ per month, subject to increase by the provider.

There are no contractual limitations on the frequency and cost of upgrades and/or updates to the above-described systems. We may in the future modify or establish other service performance or revenue reporting systems, as we deem appropriate, for the accurate and expeditious reporting of Gross Revenue and delivery of our products and services. You must fully cooperate in implementing any such modifications at your expense.

We have no obligation to maintain, repair, update or upgrade your computer hardware and software. -At your cost, you must provide on-going maintenance and repairs to your computer hardware and software. -You must upgrade your computer hardware and software as necessary to operate the most current version of our System requirements. We estimate the cost of maintaining, updating and upgrading your computer hardware and software will be approximately \$100 per year.

We have remote and independent access to all information generated by and stored by you, including your revenue information and Facility and Candidate data. There are no contractual limitations on our right to have full access to this information. At our option, we may retrieve, download, analyze and store such information and data at any time. Upon our request, you must sign any documents we require to allow us to independently and electronically access and retrieve the information stored in your computer system. We own all data stored in your computer system.

#### **6. ~~Table of Contents of Operations Manual~~**

~~The Table of Contents of our Operations Manual, current as of the date of this Disclosure Document is attached as Exhibit E. The Operations Manual has a total of 150 pages.~~

**7. Initial Training** (Franchise Agreement, Article 7)

You (if the franchisee is an individual) or all of your owners (if the franchisee is a business entity) and your general manager must complete our two-week Initial Management Training Program, to our satisfaction, before opening your Franchised Business. The one-week classroom portion of the Initial Management Training Program will be conducted remotely at your home office. The one week "On the Job" portion of the Initial Management Training Program will take place in Cincinnati, Ohio.

If this is your first i4 Business, we will provide initial training for you or, if you are a Corporate Entity, your Managing Owner, plus one designated manager. Either you or your Managing Owner, plus your general manager, must successfully complete the initial training program to our satisfaction no later than 45 days prior to the scheduled opening of your i4 Business. The initial training program takes place over an approximate 15 day period. If more than two individuals attend initial training, you will be charged an additional fee per additional persons attending initial training. Although we provide you or, if you are a Corporate Entity, your Managing Owner, plus your general manager, with initial training at no additional fee or charge, you will be responsible for all travel expenses and employee wages related to your attendance and completion of training. (Franchise Agreement, Article 4). Currently, we provide our initial training program no less frequently than quarterly and on an as-needed basis.

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**TRAINING PROGRAM**

The following table summarizes the subjects covered in our initial training program:

SUBJECT	HOURS OF CLASSROOM TRAINING	HOURS ON-THE-JOB TRAINING	LOCATION
Use of the Manual	5	6	Remotely and Cincinnati, Ohio
Tour of the Subject	0	4	Remotely and Cincinnati, Ohio
Personnel Issues	0	4	Remotely and Cincinnati, Ohio
Advertising	0	3	Remotely and Cincinnati, Ohio
Management Procedures	5	4	Remotely and Cincinnati, Ohio
Franchise Industry Reporting Requirements	0	4	Remotely and Cincinnati, Ohio

Accounting/record keeping	015	410	Remotely and Cincinnati, Ohio
Entrepreneurial Success			
Current Clients	04	610	Remotely and Cincinnati, Ohio
Sourcing			
Applicant Tracking System (ATS)	815	611	Remotely and Cincinnati, Ohio
Recruiting			
Sourcing	0-4	4-8	Remotely and Cincinnati, Ohio
Business Development		83	4
Remotely and Cincinnati, Ohio			
Social Media		51	410
Vendor Partners and Operations			Remotely and Cincinnati, Ohio
Market Research		5-8	0
Remotely and Cincinnati, Ohio			
Initial Tech & Software Setup	0-5	0	Remotely and Cincinnati, Ohio
Forms-Systems	0	4	Remotely and Cincinnati, Ohio
TOTAL	36-4840	36-4050	
Subtotal Hours			
Total Hours	90		

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We periodically conduct our Initial Management Training Program throughout the year, as needed. Instructional materials that will be used in the year, as needed:

Our initial training program is led by process includes our Manuals, live instruction, and handouts. Initial training will be conducted under the direction and supervision of our President Scott Butts and Director Bob Gates. Scott Butts is our co-founder and President. He is also a managing member of our affiliate, which has operated an i4 Search Group business since November 2019. Scott has over 15 years of experience in the staffing recruitment industry. Scott provides instruction on technology, recruiting process, marketing and advertising, client review, and accounts management. Bob Gates is our co-founder and Director. He is also a managing member of our affiliate, which has operated an i4 Search Group business since November 2019, and has managed the Dental and Career Services division since January 2024. Bob has over seven 15 years of experience in the staffing recruitment industry. Bob provides instruction on new client development and Candidate sourcing and evaluation. The level of experience of our trainers will, at a minimum, include each trainer's satisfactory completion of our initial training program. In addition to initial training, you will also be required to participate in and satisfy all other training programs that we may designate respecting the Franchised Business. (Franchise Agreement, Articles 4 and 7.J).

Our training materials consist of the Operations Manual, as well as vendor specific tutorials and webinars. You will receive both classroom instruction, including software demonstrations, and hands-on training. You may not commence operation of the Franchised Business unless and until we determine that you have successfully completed the Initial Management Training Program.

The cost of our instructors and training materials for up to two people is included in the Initial Franchise Fee. You must pay for all of travel and personal expenses, including, but not limited to, all costs for your transportation, meals and lodging for yourself and your personnel. Our current fee to provide initial training to any additional trainees who attend training with you is \$2,000 per person.

If you do not complete our Initial Management Training Program to our satisfaction, we have the right to terminate the Franchise Agreement.

We may conduct mandatory or optional additional training programs, including an annual conference or national business meeting. If we require it, you must attend mandatory training programs and an annual conference or national business meeting for up to five days each year, at a location we designate. Failure to attend mandatory training, including an annual conference or business meeting, is a default under the Franchise Agreement. We have the right to impose a reasonable fee for tuition and/or attendance for all additional training programs, including the annual business meeting or conference, which will not exceed \$500 per person per day. You must also pay your transportation, lodging, meals and other expenses to attend any mandatory training program. If you fail to attend any mandatory training program, you are required to obtain the training at a location we designate, at your sole cost, which includes tuition at the then-current rate, plus all of your travel costs and our trainer's travel costs.

After the opening of your i4 Business, we reserve the right to require that you (or your Managing Owner if you are a Corporate Entity) attend a system-wide training program (the "System-Wide Training Program") that we may establish in our discretion. If we establish a System-Wide Training Program, the program will be offered from our affiliate owned i4 Business in Cincinnati, Ohio and you will be responsible for all travel and expenses, lodging, food, automobile rental expenses, and employee wages that you incur in connection with your attendance. We will not require your attendance at a System-Wide Training Program for more than a total of 10 days in any calendar year.

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**ITEM 12**  
**TERRITORY**

Your Location

**ITEM 12: TERRITORY**

Under the Franchise Agreement, ~~we will grant to you have~~ the right to ~~establish~~develop and operate one ~~Franchised~~i4 Business within a ~~limited protected~~designated operating territory (~~the~~ “your “Operating Territory”). ~~Your~~

~~Grant of Territory is located in one or more counties or states and will be identified by name, jurisdiction boundaries, geographic demarcation lines or a marked map. The~~  
~~The scope of your Operating Territory is predetermined based on~~ will vary from the scope and size of the operating territories of other franchisees in our System depending on local factors, market conditions, and the type and number of Territories that you purchase at the time of signing your Franchise Agreement. A Territory, generally, will consist of a geographic area that includes a population of less than 6 million people for a Tier 1 Territory, 6 million to less than 8 million for a Tier 2 Territory, and 8 million or greater for a Tier 3 Territory. Subject to availability, our approval, and payment of additional Initial Franchise Fees identified in Item 5 of this Disclosure Document, you may add Additional Territories. Your Minimum Monthly Royalty Fee Requirement and local marketing expenditure will increase if you add Additional Territories and/or Specialty Lines.

Relocation Territory will be defined

Your right to relocate your i4 Business and, thereby, your Operating Territory is not guaranteed and approval of a relocation request by you is completely at our discretion. We evaluate relocation requests on a case-by-case basis and attached to your Franchise Agreement as Attachment 2consider factors such as operational history, the location of your Operating Territory, our expansion plans, and other factors that, at the time of a relocation request, are relevant to us.

YouEstablishment of Additional Franchised Businesses

You do not have the right to establish additional i4 Businesses.

Options and Rights of First Refusal to Acquire Additional Franchises

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

Territory Rights

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. ~~You will receive the limited protected right in the Territory to operate your Franchised Business and solicit Facilities for only the Specialty Line you select. We may license to others the right to operate businesses using the Marks for a different Specialty Line in your Territory, but due to the specialized nature of the professions included in the different Specialty Lines, you and another franchisee operating in the same Territory in different Specialty Lines will not be recruiting the same candidates~~However, during the term of the Franchise Agreement, provided that you are not in default of your obligations to us or our affiliates and except as to our Reserved Rights set forth below, we will not open and operate and we will not grant another franchisee the right to open and operate a i4 Business within your Operating Territory.

During the term of your Franchise Agreement, and provided that you are not in default of your Franchise Agreement, we will not open another business using the Marks for permanent placement recruitment for the same Specialty Line you operate or grant the right to anyone else to open a business using the Marks for permanent placement recruitment for the same Specialty Line you operate within the Territory. Even

~~though we grant you this limited protection, we retain all rights to sell in the Territory, either directly or through others, (a) other products and services not offered under the Marks, (b) other recruiting or staffing concepts or products under the Marks, including other Specialty Lines, Travel, Staffing and Temporary recruitment services, and (c) through alternative distribution channels, as discussed below. We further retain the right to solicit, sell to, negotiate rates with, and service healthcare facilities operators that conduct business across multiple areas or have multiple Facilities either regionally or nationally ("Commercial Accounts"). We may offer you the right to service Commercial Accounts in your Territory, provided that you accept negotiated terms and meet our service specifications; otherwise, we may service the Commercial Accounts either directly or permit another franchisee to provide such service. You will receive no compensation for our sales through unoffered or declined Commercial Accounts in your Territory.~~

~~You are subject to a minimum monthly Royalty Fee which is equal to \$2,500 per one million of population in your Territory. Your minimum monthly Royalty Fee requirement is set forth in Attachment 3 of the Franchise Agreement. On March 1 of each calendar year, we will determine if you have met your minimum Royalty Fee requirement for the prior year and, if not, we may collect the difference between royalties paid and the minimum required. If you do not meet the minimum royalty threshold required under the Franchise Agreement, it is deemed a material default and we have the right to terminate your Franchise Agreement, or we will revoke your limited protected right for your Specialty Line in your Territory. In addition to the monthly minimum Royalty Fee, you are required to submit a minimum of 10 candidates each month to Facilities. There is no other market penetration or other contingency that will affect your right to operate in your Territory during the term of your Franchise Agreement, unless you are in default of your obligations to us.~~

~~The Franchise Agreement grants you no options, rights of first refusal or similar rights to acquire additional franchises within the Territory or contiguous territories. You may reserve purchase of an additional territory by paying us a non-refundable \$10,000 reservation fee and signing our Deposit Agreement (Exhibit C of this FDD). We may, but have no obligation to, consider granting to you the right to establish additional Franchised Businesses under other franchise agreements if you are in compliance with the Franchise Agreement and propose to open another Franchised Business in an area and at a location we approve.~~

~~The Franchise Agreement entitles you to operate from a home-based office. You may not change the location of your Franchised Business office, except in accordance with the requirements of Section 8.3 of the Franchise Agreement. You may only relocate the Franchised Business office with our consent. We consider the general location, neighborhood and demographic characteristics of the area when approving a site. You are required to remove all identifying signs and property from the original office location.~~

~~We retain all rights not expressly granted in the Franchise Agreement. For example, we or our affiliates may own, operate or authorize others to own or operate a business using the Marks outside of the Territory and may operate other kinds of businesses within the Territory. Although we do not currently do so and have no plans to do so, we and our affiliates may own, acquire, conduct, or authorize others to conduct, any form of business at any location selling any type of product or service not offered under the Marks, including a product or service similar to those you will sell at your Franchised Business. We reserve the right to merge with, acquire, or be acquired by, an existing competitive or non-competitive franchise network, chain, or other business; however, we will not convert an acquired business in your Territory to a franchise using our primary trademarks during the term of your Franchise Agreement.~~

~~We have the rights to offer (a) other services and products not offered under the Marks, (b) other recruiting or staffing concepts or products under the Marks or other trademarks, including other Specialty Lines, Travel, Staffing and Temporary recruitment services and (c) products or services through other channels of distribution in the Territory including, but not limited to, products or services offered through the internet, telemarketing or direct marketing ("Alternate Channels of Distribution"). You will receive no compensation for our sales through Alternative Distribution Channels in the Territory. You may not use Alternative Distribution Channels to make sales inside or outside your Territory; however, in our discretion, we will include your employment listings on our website. You may only solicit Facilities and Candidates located in your Territory.~~

~~Your local advertising must target Facilities in your Territory, although the reach of your local advertising may extend beyond your Territory. There is no restriction on where you may search for Candidates; however, if a Candidate that you place had resided in a territory operated by another of our franchisees in the same Specialty Line at the time you presented the Candidate to the Facility, you are required to pay 50% of your Gross Revenue from the placement to that franchisee. You may refer Candidates residing in your Territory to other franchisees of ours in the same Specialty Line and receive 50% of the Gross Revenue received by such other franchisees for their placement of these Candidates. Likewise, if you refer a Candidate that resides in your Territory to a second franchisee for placement in a Facility in that franchisee's territory, but the Candidate is ultimately placed in the Facility's location in a third franchisee's territory, you are required to split the Gross Revenue from the placement in thirds, with the second franchisee, the third franchisee, and you each receiving an equal share.~~

#### **ITEM 13: TRADEMARKS**

~~i4 Search Group LLC ("Licensor") is the owner of the Marks and has granted us the exclusive right to use the Marks and license to others the right to use the Marks in the operation of i4 Search Group outlets in accordance with the System. The Franchise Agreement will license to you the right to operate your Franchised Business under the Marks, as described below.~~

~~We and our affiliates reserve to ourselves the exclusive right on any and all terms and conditions that we deem advisable and, without any compensation or consideration to you (Franchise Agreement, Article 2.D.), to engage in the following activities (our "Reserved Rights"): (a) operate and grant to others the right to develop and operate i4 Businesses using the System and Licensed Marks outside your Operating Territory, as we deem appropriate and irrespective of the proximity to your Operating Territory; (b) operate and grant to others the right to develop and operate i4 Businesses and other businesses using the System and Licensed Marks within your Operating Territory as to Specialty Lines not included as a part of your i4 Business; (c) operate and grant to others the right to develop and operate i4 Businesses and other businesses using the System and Licensed Marks within your Operating Territory as to travel, staffing, recruitment, and other services but excluding the Approved Services and Products related to the Specialty Line or Specialty Lines included in your i4 Business; (d) acquire, be acquired, develop, merge with or otherwise affiliate with one or more businesses of any kind, including businesses that offer and provide products and services that are the same as or similar to your i4 Business, and after such acquisition, development, merger or affiliation, to own and operate and to franchise or license others to own and operate and to continue to own and operate such businesses of any kind, even if such businesses offer and provide products and services that are the same as or similar to the Franchised Business but, not using the Licensed Marks, within your Operating Territory; (e) use the Licensed Marks and System to distribute the Approved Services and Products offered and sold by the Franchised Business or products and services similar to the Approved Services and Products offered and sold by the Franchised Business in alternative channels of distribution including the internet, catalog sales, telemarketing, or other direct marketing sales within or outside your Operating Territory; (f) use the Licensed Marks and System to offer, sell, and provide the Approved Services and Products offered and sold by the Franchised Business or products and services similar to the Approved Services and Products offered and sold by the Franchised Business on behalf of corporate accounts that include healthcare facilities, healthcare facility operators, and~~

healthcare providers that operate multiple facilities and/or operate across regional or national geographic territories (referred to as “Corporate Accounts”) within or outside your Operating Territory; and (g) use the Licensed Marks and System and to license others to use the Licensed Marks and System, to engage in all other activities not expressly prohibited by the Franchise Agreement.

#### Corporate Accounts Program

If we establish a Corporate Accounts Program where we engage in a contract or service agreement with a Corporate Account service provider, we will offer you the opportunity to participate in the program under the guidelines and rules that we develop from time to time and subject to the pricing criteria and requirements that we establish. You will have an option to refuse to participate in Corporate Accounts Programs, but if you do, you agree that we can service the Corporate Accounts in your territory or authorize others, including other franchisees, to perform work for the Corporate Accounts. All pricing and fees charged in connection with Corporate Accounts will be at rates negotiated and determined by us. We or our designee are not obligated to pay you for servicing Corporate Account customers that you have elected not to service under our Corporate Accounts Program.

#### Soliciting Candidates Outside Your Territory

As to your designated Specialty Line, you may only offer and provide the Approved Services and Products on behalf Facilities located within your Operating Territory. You may place a Candidate that resides and/or is located outside of your Operating Territory (an “Out of Territory Candidate”) with a Facility that is located within your Operating Territory provided that you comply with rules and System requirements including, but not limited to, our fee splitting rules. If the Out of Territory Candidate is located within the Operating Territory of another System franchisee or i4 Business that shares and/or operates within the same Specialty Line, then all fees generated by you for the placement of the Out of Territory Candidate must be split equally with the other System franchisee and/or i4 Business.

#### Restrictions on Us from Soliciting or Accepting Orders in Your Territory

Except as otherwise noted above, there are no restrictions on us from soliciting or accepting orders from customers inside your territory. We reserve the right to use other channels of distribution, such as the internet, catalog sales, telemarketing, or other direct marketing sales, to make sales within your territory using our principal trademarks or using trademarks different from the ones you will use under the Franchise Agreement. We do not pay any compensation to you for soliciting or accepting orders from inside your territory.

#### Competition by Us Under Different Trademarks

We do not have plans to operate or franchise a business under trademarks different from the Licensed Marks that sells or will sell goods or services similar to those that will be offered by you through the Franchised Business.

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**ITEM 13  
TRADEMARKS**

Under the terms of the Franchise Agreement, you will be granted a license to use the “i4 Search Group” trademark and those other marks identified in the table below in connection with the operations of the Franchised Business. Our affiliate i4 Search Group LLC is the owner of the Licensed Marks and has granted to us a license with an initial 20 year term and with automatic renewal thereafter to use the Licensed Marks and to license our franchisees to use the Licensed Marks (the “License Agreement”). Although the License Agreement may be terminated as a result of a breach of the License Agreement, in the event of any termination of the License Agreement, our franchisees will continue to maintain the right to use the Marks pursuant to the terms of their Franchise Agreement. Termination of the License Agreement does not terminate use of the Marks by our authorized franchisees. We reserve the right to supplement and modify the marks that you may or may not use in connection with the operations of your i4 Business. You may only use the Licensed Marks as authorized by us in writing and under the terms of your Franchise Agreement. You may not use the Licensed Marks in the name of any Corporate Entity that you establish.

Principal Trademarks Registered with the United States Patent and Trademark Office

The principal trademarks identified in the schedule below are a part of the Licensed Marks, our System, are registered with the United States Patent and Trademark Office (the “USPTO”) and, unless otherwise designated by us, will be used by you in the operations of the Franchised Business. As to these marks all required affidavits have been filed with the USPTO.

Mark	USPTO Registration Number	Registration Date Type	Register Registration Date
	6,582,416 6582416	Principal 12/7/2024	December 7, 2021 Principal

~~Licensor intends to file all affidavits and other documents required to maintain its interest in and to the Marks and to file all registration renewals for the Marks as they come due.~~

~~You must notify us immediately when you learn about an infringement of or challenge to your use of the above Marks or other Marks. Licensor and we will take any action we think appropriate and, if you have given us timely notice and are in full compliance with the Franchise Agreement, we will indemnify you for all expenses and damages arising from any claim challenging your authorized use of the above Marks or other Marks. Licensor and we have the right to control any administrative proceedings or litigation involving the Marks licensed by us to you. You must cooperate fully with Licensor and us in defending and/or settling the litigation.~~

~~We have the right to substitute different Marks if we can no longer use the current Marks, or if we determine that substitution of different Marks will be beneficial to the System. In such event, we may require you, at your expense, to modify or stop using any Mark, including the Marks above, or to use one or more additional or substitute Marks.~~

~~You must not directly or indirectly contest Licensor's right, or our right, to the Marks.~~

~~There are no currently effective material determinations of the United States Patent and Trademark Office, the Trademark Trial and Appeals Board, the Trademark Administration of any state, or any court~~

relating to the Marks. There is no pending infringement, opposition or cancellation. There is no pending material federal or state court litigation involving the Marks.

There are no currently effective agreements that significantly limit Licensor's or our rights to use or license the use of the above Marks or other Marks in a manner material to the franchise.—Principal Trademarks Not Registered with the United States Patent and Trademark Office

The following principal trademarks identified in the schedule below are a part of the Licensed Marks, our System, and will be used by you in the operations of the Franchised Business but are not registered with the USPTO. As to each of these principal trademarks:

We do not have a federal registration for each of these principal trademarks. Therefore, the trademarks identified below do not have many legal benefits and rights that are afforded to federally registered trademarks. If our right to use the trademarks (identified below) is challenged, you may have to change to an alternative trademark, which may increase your expenses.

<u>Mark</u>	<u>Serial Number for Registration Application Filed with USPTO Application</u>	<u>Application Type</u>	<u>Application Date</u>
<u>14 Search Group</u>	<u>98161067</u>	<u>1A</u>	<u>September 1, 2023</u>

There are no currently effective material determinations of the USPTO, the Trademark Trial and Appeal Board and/or the trademark administrator in any state or any court; no pending infringement, opposition or cancellation proceedings; and no pending litigation involving the Licensed Marks. We know of no superior rights or infringing uses that could materially affect your use of the Licensed Marks or other related rights in any state.

You are required to provide us with written notice of any claims that you may become aware of respecting the Licensed Marks, including your use of the Licensed Marks and/or any claim associated with a third party's use of a trademark that is identical or confusingly similar to the Licensed Marks. We maintain the exclusive discretion to take any and all actions, or to refrain from any action, that we believe to be appropriate in response to any trademark infringement, challenge or claim. As between us, we possess the sole right to exclusively control any and all litigation, legal proceedings, administrative proceedings and/or settlement(s) involving any actual or alleged infringement, challenge or claim relating to the Licensed Marks. You must sign all documents, instruments and agreements and undertake the actions that we, with the advice of our legal counsel, determine to be necessary or advisable for the protection and/or maintenance of our interests in the Licensed Marks in any legal proceeding, administrative proceeding or as may be otherwise determined by us. As to the foregoing, we will reimburse you for the reasonable out-of-pocket administrative expenses that you incur and pay in complying with our written instructions.

We will protect your right to use the Licensed Marks and other related rights and protect you against claims of infringement and unfair competition related to the Licensed Marks, provided that you use the Licensed Marks in accordance with the terms of your Franchise Agreement, as designated by us in the Manuals, and otherwise, as we instruct you. We will indemnify you against direct damages for trademark infringement in a proceeding arising out of your use of the Licensed Marks, provided your use of the Licensed Marks comply with the terms of your Franchise Agreement, the Manuals, our written instructions, and that you have timely notified us of the claim, have given us sole control of the defense and settlement of the claim, and you are in compliance with your Franchise Agreement. If we defend the claim, we have no obligation to indemnify or reimburse you with respect to any fees or disbursements of any attorney that you retain.

If any third party establishes, to our satisfaction and in our sole discretion, that its rights to the marks are, for any legal reason, superior to any of our rights, then we will modify and/or replace the Licensed Marks and you must

use the variances or other service marks, trademarks or trade names required by and as determined by us. Our sole liability and obligation in such event is to reimburse you for the direct out-of-pocket costs of complying with this obligation, which you must document to our satisfaction, including, by way of example, alterations in signage and replacement of marketing materials. There are no agreements currently in effect that significantly limit our rights to use or license the use of the Licensed Marks in any manner material to you.

Our license agreement with Licensor gives us broad rights to use the Marks in connection with the operation of the System, and to sublicense to franchisees the right to use the Marks, in strict accordance with our Franchise Agreement. ~~The **ITEM 14**~~

**PATENTS, COPYRIGHTS AND PROPRIETARY INFORMATION**

~~term of our license agreement is for five years, commencing January 1, 2021, and will automatically renew every five years. The license agreement will terminate only upon (a) our bankruptcy or (b) our election to terminate by providing 180 days' prior notice to the Licensor. A termination of the license agreement will have no effect on sublicenses granted to franchisees prior to the date of termination.~~

~~As of the date of this Disclosure Document, we know of no superior prior rights or infringing uses that could materially affect your use of the Marks.~~

**ITEM 14: PATENTS, COPYRIGHTS AND PROPRIETARY INFORMATION**

~~We hold no patents and have no pending do not own any rights to, or licenses in any patent applications that are or copyrights material to the franchise System. We have registered no may copyright with the United States Copyright Office. However, we claim copyrights on certain forms, contracts, advertisements, promotional advertising materials and design specifications, our Manuals and other written materials, and items. We also claim copyrights and other proprietary rights in our Operations Manual and the contents of our website.~~

~~There are no current material determinations of, or proceedings pending in, the United States Patent and Trademark Office, the U.S. Copyright Office, or any court regarding any of our copyrights discussed above.~~

~~There are no agreements currently in effect that limit your right to use have not applied to the USPTO for the issuance of any of our copyrights. As of the date of this Disclosure Document, we are unaware of any infringing uses of or superior previous rights to any of our copyrights that could materially affect your use of them: patents.~~

You must keep as confidential our Manuals and any supplements to the Manuals. Our Manuals may take the form of written materials and/or digitally distributed and stored materials and made available to you for use in connection with the Franchised Business. The Manuals contain information about our System, Approved Services and Products, System Designated Resources, proprietary products, marketing systems, training, and confidential methods of operation. You must use all reasonable and prudent means to maintain the Manuals and the information maintained in the Manuals as confidential and prevent any unauthorized copies, recordings, reproduction, or distribution of the Manuals or the information contained in the Manuals. You must restrict access to the Manuals to management level employees who sign a confidentiality agreement with you and are required by you to maintain the confidentiality of the Manuals and refrain from distributing or disclosing the Manuals and the information contained in the Manuals. You must provide us with immediate notice if you learn of any unauthorized use of the Manuals or of the information contained in the Manuals, or any infringement or challenge to the proprietary or confidentiality of the information contained in the Manuals. We will take any and all action(s), or refrain from taking action, that we determine, in our discretion, to be appropriate. We may control any action or legal proceeding we choose to bring.

We need not participate in your defense or indemnify you for damages or expenses in a proceeding involving a copyright or patent. If any third party establishes to our satisfaction, in our discretion, that it possesses rights superior to ours, then you must modify or discontinue your use of these materials in accordance with our written instructions.

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

The Franchise Agreement requires that you or, if you are a Corporate Entity, that your managing shareholder or partner be personally responsible for the daily management and supervision of the Franchised Business (the “Managing Owner”). We must approve your Managing Owner and your Managing Owner must dedicate his or her full time efforts to the management and operation of the Franchise. Your Managing Owner must have satisfactorily completed our initial training and must have obtained all required licenses and permits necessary to operate a i4 Business within your Operating Territory.

You may hire a manager to assume responsibility for the daily management and supervision of the Franchised Business, only if: (a) the manager meets all of our minimum standards and criteria for managers; (b) the manager completes our initial training program; (c) the manager signs our confidentiality and non-competition agreements; and (d) the manager agrees, in writing, to assume responsibility for the on-site management and supervision of the Franchised Business (an “Operating Manager”). All of your employees and other agents and representatives who may have access to our confidential information must sign a confidentiality agreement. We do not require that the Operating Manager own any equity interest in the franchise.

You, and if you are a partnership or Corporate Entity, each of your members, shareholders and/or partners (collectively, “Owners”), must personally guarantee all of your obligations to us under the Franchise Agreement. Each Owner and Owner’s spouse must personally guarantee your obligations to us under the Franchise Agreement. You must also promise in writing that, among other things, during the term of the Franchise Agreement you will not participate in any business that in any way competes with a i4 Business, and that for 24 months after the expiration or termination of the Franchise Agreement with said period being tolled during any periods of non-compliance, you will not participate in any competitive business located within and/or servicing customers located within your Operating Territory and a 25 mile radius surrounding your Operating Territory. Further you will not participate in any competitive business located within and/or servicing customers located within the operating territory of any other i4 Business. Your managers will be required by us to sign a confidentiality agreement..

**ITEM 16** You must notify us immediately when you learn about an infringement of or challenge to your use of our copyrights. We will take any action we think appropriate and, if you have given us timely notice and are in full compliance with the Franchise Agreement, we will indemnify you for all expenses and damages arising from any claim challenging your authorized use of our copyrights. We have the right to control any administrative proceedings or litigation involving our copyrights licensed by us to you. You must cooperate fully with us in defending and/or settling the litigation.

If you develop any new concept, process, product, service, or improvement (“Improvement”) in the operation or promotion of the Franchised Business, you are required to promptly notify us and provide us with all requested information related to the Improvement and sign all documents necessary for us to obtain full proprietary rights to the Improvement. We have no obligation to compensate you for the Improvement or for any cost you incur to sign over your rights to the Improvement to us.

**During the term of the Franchise Agreement, you may have access to and become acquainted with our trade secrets, including, but not limited to, methods, processes, pricing structures, vendor partnerships and/or relationships, sales and technical information, costs, software tools and**

~~applications, website and/or email design, products, services, equipment, technologies and procedures relating to the operation of the Franchised Business; the Manual; methods of advertising and promotion; instructional materials; any other information which Franchisor may or may not specifically designate as "confidential" or "proprietary"; and the components of the System, whether or not such information is protected or protectable by patent, copyright, trade secret or other proprietary rights (collectively called the "Confidential Information"). You agree that you will take all reasonable measures to maintain the confidentiality of all Confidential Information in your possession or control and that all such Confidential Information and trade secrets shall remain our exclusive property.~~ You may never during the initial term, any successor term, or after the Franchise Agreement expires or is terminated, reveal any of our confidential information to another person or use it for any other person or business. You may not copy any of our Confidential Information or give it to a third party except as we authorize in writing to you prior to any dissemination. Any and all of your personnel who have access to our Confidential Information must sign our Confidentiality and Non-Compete Agreement (Franchise Agreement, Attachment 8).

~~You must promptly tell us when you learn about unauthorized use of any Confidential Information. We are not obligated to take any action but will respond to this information as we think appropriate. We will indemnify you for losses brought by a third party concerning your use, in strict compliance with the Franchise Agreement, of the Confidential Information.~~

**ITEM 15: OBLIGATIONS OF THE FRANCHISEE TO PARTICIPATE IN THE ACTUAL RESTRICTIONS ON WHAT THE FRANCHISEE MAY SELL**

You may only sell the products and services specified or approved by us in writing and as to your designated Specialty Line. You must sell the products and services required by us. We can change the products and services that you must offer. There is no limitation on our right to change the products and services offered by Franchised Business. You are not limited to whom you may sell your products and services, provided you do so exclusively from within your Operating Territory and to/on behalf of customers that are located within your Operating Territory and in compliance with the standards we have determined for the System.

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## OPERATION OF THE FRANCHISE BUSINESS

The Franchise Agreement requires that you personally supervise, devote full time, and manage the day-to-day operation of your Franchised Business. You are required to form an entity to own the Franchised Business, and your entity must elect to be taxed as a corporation—either as a C corporation, an S corporation or as an LLC that elects S corporation treatment.

You may not appoint a non-owner manager of your Franchised Business, unless you receive our prior written approval. Upon approval, your manager must successfully complete our Initial Business Training Program and all other training courses we require. Your manager must devote full time to the job and cannot have an interest or business relationship with any of our competitors. Your manager is not required to have an equity interest in the franchisee entity but must otherwise meet our approval.

Your manager and all other personnel who will have access to our proprietary and Confidential Information and training must sign our Confidentiality and Non-Compete Agreement, which is attached to our Franchise Agreement as Attachment 8. All owners of the entity must personally sign the Franchise Agreement as a Principal. If you are a married individual, your spouse must sign our Spouse Guaranty, which is attached to our Franchise Agreement as Attachment 6.

### **ITEM 16: RESTRICTION ON WHAT FRANCHISEE MAY SELL**

You may only offer and sell the products and services that are part of the System, and the services and products which we incorporate into the System in the future. You must offer all products and services that we have authorized. Subject to applicable state law, we maintain a standard pricing structure for products and services offered as part of the System, and we reserve the right to set minimum prices for those products and services.

For each Facility for which you would like to provide permanent placement recruiting services through the System, you must submit the information and forms we require so we may provide our approval of the Facility.

You may not use our Marks or System for any other business, and you may not conduct any other business at or through your Franchised Business operations or office. You cannot engage in any other business that provides permanent placement recruitment services, regardless of industry or whether such business is inside or outside of the Territory.

We may add to, delete from or modify the products and services that you can and must offer. You must abide by any additions, deletions and modifications. There are no other limits on our rights to make these changes.

Your local advertising must target Facilities in your Territory, although the reach of your local advertising may extend beyond your Territory. There is no restriction on where you may search for Candidates; however, if a Candidate that you place had resided in a territory operated by another of our franchisees in the same Specialty Line at the time you presented the Candidate to the Facility, you are required to pay 50% of your Gross Revenue from the placement to that franchisee. You may refer Candidates residing in your Territory to other franchisees of ours in the same Specialty Line and receive 50% of the Gross Revenue received by such other franchisees for their placement of these Candidates. Likewise, if you refer a Candidate that resides in your Territory to a second franchisee for placement in a Facility in that franchisee's territory, but the Candidate is ultimately placed in the Facility's location in a third

franchisee's territory, you are required to split the Gross Revenue from the placement in thirds, with the second franchisee, the third franchisee, and you each receiving an equal share.

**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~~. Disclosure Document.

	Provision	Section Article in Franchise Agreement	Summary
a.	Length of the franchise term	<del>Article 4.2.B</del>	<del>Term</del> The term of your Franchise Agreement is eight years.
b.	Renewal or extension of the <del>Term</del> term	Article 5.15	If you are in good standing as defined below meet our conditions for renewal, you may sign successor renew your franchise agreements for up to two additional five year renewal terms of five years each, unless we have determined, in our sole discretion, to withdraw from your Territory.
c.	Requirements for franchisee to renew or extend	Sections 6.4 and 5.215	Be To renew your franchise, you must be in full compliance, have no more than three events with the terms of default during current term, your Franchise Agreement, provide us with 180 days prior written notice to us at least six months before the end of the term, execute a new franchise agreement, pay us a successor agreement fee of 15% of the then current initial franchise fee being offered for a territory in the same tier, repair, upgrade or replace the equipment and other Franchised Business assets to meet then current specifications, execute of your request to renew, sign our then current form of Franchise Agreement and related agreements for the renewal term, sign a general release, comply with then current qualifications and training in our favor, pay a renewal fee, and meet all other renewal requirements contained in the Franchise Agreement. Your Owners must be in compliance with their agreements with us, including completion of additional training, subject to state law.  You the Owner and Spouse Agreement, and Guaranty, and they must personally guarantee the terms of your renewal Franchise Agreement, which may be asked to sign a new Franchise Agreement with contain terms materially different terms and conditions than from your original current Franchise Agreement.

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d. Termination by franchisee	<del>None</del> <u>16.B</u>	<del>You may seek termination upon any grounds available by state law. You may terminate the Franchise Agreement if you are in compliance with its terms, we are in material breach of the Franchise Agreement, and we fail to cure the material breach within 30 days of receiving written notice or, if the breach cannot be cured within 30 days, such period of time that is reasonable to cure the material breach.</del>
e. Termination by franchisor without cause	<del>Section 46.7</del> <u>Not applicable</u>	<del>The Franchise Agreement will terminate upon your death or permanent disability and the Franchise must be transferred within six months to a replacement franchisee that we approve. Not applicable.</del>
f. Termination by franchisor with “cause”	<del>Article 47</del> <u>16.A.</u>	<del>We may can terminate only if you are in default, subject to state law. The of the terms of the Franchise Agreement describes defaults throughout. Please read it carefully.</del>
g. “Cause” defined—curable defaults	<del>Section 47.16.A.(3)</del> <u>16.A.(4)</u>	<del>You have five days to cure non-payments and any other defaults (except for non-curable defaults listed in the Franchise Agreement and described in h. immediately below). You have 10 days to cure a default where you fail to pay any fees and/or obligations due to us and/or to an affiliate of ours or if you fail to pay a supplier without, as determined by us, a legal justification, provided that the foregoing defaults were not intentionally and knowingly in violation of the Franchise Agreement. You will have 30 days to cure a default where you fail to: timely lease a location that we approve for your i4 Business; timely develop and open your i4 Business; operate your i4 Business in accordance with the specifications, standards, and requirements set forth in our Manuals; develop or operate your i4 Business in compliance with all federal, state, and local laws, rules, and regulations, unless, such violation poses a threat to public health or safety; maintain insurance coverage that we require; comply with our standards, systems or specifications as we may designate or as otherwise designated in the operations manual; fail to operate your i4 Business in conformity with our System or otherwise violate the Franchise Agreement, except as to events of default that are not curable.</del>
h. “Cause” defined—non-curable defaults	<del>Sections 47 and 47.2</del> <u>16.A.(1) 16.A.(2)</u>	<del>The Franchise Agreement will terminate automatically, without notice for the following defaults: insolvency; bankruptcy; written admission of inability to pay debts; receivership; levy; composition with creditors; unsatisfied final judgment for more than 30 days; or foreclosure proceeding that is not disclosed within 30 days. We may terminate the Franchise Agreement upon notice to you if you: do not obtain required licenses and permits and/or open the Franchised Business within required time frames; falsify any report to us; fail to operate for a period of five consecutive days or more; fail to comply with applicable laws; understate Gross Revenue two or more times; fail to comply with insurance and indemnification requirements; attempt a transfer in violation of the Franchise Agreement; fail, or your</del>

~~legal representative fails to transfer as required upon your death or permanent disability; misrepresent or omit a material fact in applying for the Franchise; are convicted or plead no contest to a felony or crime that could damage the goodwill or reputation of the Marks or the System; receive an adverse judgment in any proceeding involving allegations of fraud, racketeering or improper trade practices or similar claim that could damage the goodwill or reputation of the Marks or the System; conceal revenues or maintain false books; fail to input all required Facility, Candidate and tracking data into our computer systems; falsify such data, or otherwise attempt to circumvent our computer systems; create a threat or danger to public health or safety; refuse an inspection or audit by us; use the Marks, copyrighted material or Confidential Information in an unauthorized manner; make an unauthorized disclosure of Confidential Information; fail to comply with non-competition covenants; default in the performance of your obligations three or more times during the term or receive two or more default notices in any 12-month period; have insufficient funds to honor a check or EFT two or more times within any 12-month period; receives three or more Facility complaints within any consecutive 12-month period (a "Complaint" being any issue that rises to the point where the Facility contract is in danger of being canceled or not renewed); commits a default of any Facility contract on two or more occasions within a 12-month period; defaults under any other agreement with us, our affiliate or a supplier; fails to meet Minimum Performance Standards; or terminates the Franchise Agreement without cause.~~The following are defaults that cannot be cured: three or more instances where you commit a curable default, whether or not you timely cured such default in each instance; you intentionally and knowingly refuse to comply with the terms of the Franchise Agreement, and/or the standards specifications, and/or requirements set forth in the operations manual and/or as communicated to you by us from time to time; you intentionally, knowingly, or negligently operate the Franchised Business in violation of applicable laws, rules, and regulations and, in doing so, create a foreseeable, imminent, and/or immediate threat to the health and safety of others; you abandon the Franchised Business; you or your Owners intentionally made a material statement or omission in questionnaires submitted to us; the data, information, and/or records that you record and/or submit to us are intentionally misleading or false; you transfer or attempt to transfer the Franchised Business or the ownership interests in your franchise company without our approval; you disclose or permit the disclosure of information contained in the operations manual and/or of confidential information; you or your Owners engage in intentionally dishonest or unethical conduct that impacts our System; you and/or your Owners breach and, if such breach is capable of a cure, fail to timely cure another agreement with us, including the Owner and Spouse Agreement and Guaranty; you and your Owners and managers fail to complete, to our satisfaction, our initial and on-going training programs; you fail to notify us of the misuse of confidential information and you fail to protect

		<p><u>same; you misappropriate or misuse the Licensed Marks; you are deemed insolvent, make an assignment for the benefit of creditors, admit in writing your inability to pay debts; are adjudicated bankrupt, file a voluntary bankruptcy petition or have one filed against you, and/or you acquiesce to the appointment of a trustee or receiver, or a court orders one; execution is levied against the Franchised Business; a final judgment is entered against the Franchised Business and is not satisfied within 30 days; you are dissolved; a lawsuit or action is commenced against the Franchised Business to foreclose on a lien on equipment of the Franchised Business and such action is not dismissed after 60 days; real or personal property used by the Franchised Business is sold or levied by a sheriff or other law enforcement officer; and/or you abandon or fail to continuously own and operate the Franchised Business.</u></p>
i. Franchisee's obligations on termination/-non-renewal	<p><u>Article 186, 17</u></p>	<p><u>Upon termination, you must: cease operations; cease to identify yourself as an i4 Search Group franchisee; cease to use the Marks; cancel any assumed name registration that contains any Mark; pay us and our affiliates all sums owing, including amounts we have committed to pay on your behalf; pay us any damages, costs or expenses we incur in obtaining any remedy for any violation of the Franchise Agreement by you, including, but not limited to attorney's fees; deliver to us all Confidential Information, the Operations Manual and all records and files related to your Franchised Business; comply with the non-disclosure and non-competition covenants; pay liquidated damages; sell to us, at our option, all fixtures, equipment, inventory and supplies of your Franchised Business; and assign, at our option, your telephone numbers, directory and internet listings, and social media accounts. You must: pay all sums that you owe to us under the Franchise Agreement and all other agreements with us; cease owning and operating the Franchised Business; cease representing yourself as a franchisee of ours; permanently cease using and/or accessing the System, the Licensed Marks, our confidential information, the Manuals, the Business Management System, the Business Management System Data, and the System Designated Resources; return the Manuals and all confidential information to us in the original form provided to you and document the destruction of all electronic files related to same; completely de-identify the location and/or facility associated with the Franchised Business; as requested by us, transfer to us all data, telephone listings, digital media, accounts, web listings and websites associated with the Franchised Business; and abide by the post-termination non-competition covenants and restrictions.</u></p>
j. Assignment of <u>the</u> contract by franchisor	<p><u>Section 46.1.4.14, A.</u></p>	<p>No <del>restrictions</del>restriction on our right to assign.</p>

k. <u>“Transfer” by franchisee defined_ definition</u>	Section <u>16.3</u> <u>14.B.</u>	<u>Any assignment, sale, transfer, gift, devise or encumbrance of any interest in the Franchise Agreement, the Franchised Business, any assets of the Franchised Business, or in the Franchisee (if the Franchisee is a business entity). A transfer means and includes, whether voluntary or involuntary, conditional or unconditional, direct or indirect: (a) an assignment, sale, gift, transfer, pledge or sub-franchise; (b) the grant of a mortgage, charge, lien or security interest, including, without limitation, the grant of a collateral assignment; (c) a merger, consolidation, exchange of shares or other ownership interests, issuance of additional ownership interests or securities representing or potentially representing ownership interests, or redemption of ownership interests; and (d) a sale or exchange of voting interests or securities convertible to voting interests, or an agreement granting the right to exercise or control the exercise of the voting rights of any holder of ownership interests or to control the operations or affairs of Franchisee.</u>
l. <u>FranchisorFranchisor’s approval of transfer by franchisee</u>	Section <u>16.3</u> <u>14.B.</u>	<u>No transfer is allowed withoutTransfers require our prior written consent, which we will not unreasonably withhold.may be granted or withheld in our discretion.</u>
m. <u>Conditions for franchisorfranchisor’s approval of a transfer</u>	Section <u>16.3</u> and <u>16.4</u> <u>14.C.</u>	<u>Conditions include: our decision not to exercise our right of first refusal; transferee meets our then current standards for qualifying franchisees; transferee signs our then current form of Franchise Agreement, which may have materially different terms from your Franchise Agreement; transferee successfully completes our Initial Management Training Program; you have paid us and third party creditors all amounts owed; you and the transferee sign a General Release in the form of Attachment 4 to the Franchise Agreement; you shall subordinate any claims you have against the transferee to us; you will indemnify us for misrepresentations in the transfer process (excluding our representations in the FDD); our approval of the material terms and conditions of the transfer; and payment of a transfer fee equal to \$10,000, or \$7,500 for transfer to an existing franchisee in good standing, or \$1,500 for transfers to an entity, for purposes of convenience, or of ownership interest among existing shareholders or members, or to add a new shareholder or member of the Franchisee entity, and such transfer does not change management control of the Franchisee entity, or \$3,500 for a transfer to a spouse, parent or child upon death or permanent disability, subject to state law.For approval of your transfer, you must provide us with 30 days prior written notice of the proposed transfer; you and your Owners must not have defaulted in your obligations under the Franchise Agreement and all other agreements with us; you and your Owners must be in compliance with your obligations under the Franchise Agreement and all other agreements with us; the transferee must agree to be bound by all of the terms and provisions of the Franchise Agreement; the transferee’s owners and their spouses must personally guarantee all of the terms and provisions of the Franchise Agreement; you and your</u>

		<u>Owners and their spouses must sign a general release in favor of us; the transfer must provide for the assignment and/or ownership of the approved location for the Franchised Business, and the transferee's continued use and occupancy of such location throughout the term of the Franchise Agreement; the assets of the Franchised Business must be transferred to the transferee; the transferee and the transferee's owners and managers, at the transferee's expense, must complete our training programs; we waive our right of first refusal; we approve of the transfer and transferee in writing and subject to our discretion; and you pay the Transfer Fee (subject to applicable state laws).</u>
n. Franchisor's right of first refusal to acquire franchisee's business	<u>Section 46.6</u> <del>14.F.</del>	<u>You must promptly notify us of any written offer to purchase your Franchise. We have 30 days to exercise our first right to buy it on the same terms and conditions, provided that (a) we may substitute cash for any other consideration (b) we may pay the entire purchase price at closing, (c) our credit is deemed as good as the proposed purchaser, (d) we have at least 60 days to close and (e) you shall give us all customary seller's representations and warranties. We have the right to match any offer to purchase your i4 Business or the Corporate Entity operating your i4 Business.</u>
o. Franchisor's option to purchase franchisee's business	<u>Section 48.2</u> <del>Not applicable</del>	<u>Upon termination of the Franchise Agreement, we have the option to purchase your equipment, signs, advertising materials, supplies and inventory at your cost or fair market value, whichever is less.</u> <del>Not applicable.</del>
p. Death or disability of franchisee	<u>Sections 46.3, 46.4 and 46.7</u> <del>14.D.</del>	<u>The Franchise Agreement will terminate upon your death or permanent disability, and the Franchise must be transferred within six months to a replacement franchisee that we approve. If you are an individual, within 30 days of your death or permanent disability, your executor and/or legal representative must appoint an Operating Manager approved by us and within 60 days of such appointment the Operating Manager must complete, to our satisfaction, our initial training program. Within 12 months of the date of death or disability, the Franchise Agreement must be transferred to a transferee approved by us and otherwise transferred in accordance with the terms of the Franchise Agreement. If the franchisee is a Corporate Entity, within 30 days of the death or permanent disability of your Managing Owner, if there are other Owners, you must appoint a replacement Operating Manager approved by us and within 60 days of such appointment the replacement Operating Manager must complete, to our satisfaction, our initial training program.</u>
q. Non-competition covenants during the term of the franchise	<u>Section 19.5</u> <del>16</del>	<u>You may not divert, or attempt to divert, customers or referral sources of any i4 Search Group outlet (including yours) to any competitor, participate in any capacity, including, but not limited to as an owner, investor, officer, director, employee or agent, in any permanent placement recruitment business,</u>

		regardless of industry; do any act that could damage the goodwill of the Marks or System, or disrupt or jeopardize our business or that of our franchisees. <u>No involvement in any competitive business and must comply with confidentiality, non-disclosure and non-solicitation covenants.</u>
r. Non-competition covenants after the franchise is terminated or expires	<u>Section 19.5.26, 17</u>	<del>For 24 months after the termination of the Franchise Agreement, you may not: divert, or attempt to divert, customers or referral sources of any i4 Search Group business (including yours) to any competitor; participate in any capacity, including, but not limited to as an owner, investor, officer, director, employee or agent, in any competing business within 50 miles of your former Territory or any other i4 Search Group office location; do any act that could damage the goodwill of the Marks or System, or disrupt or jeopardize our business or that of our franchisees. No involvement, ownership or interest whatsoever for 24 months in any competing business in:</del> <u>your Operating Territory; a 25 mile radius of your Operating Territory; the Operating Territory of any other i4 Business; and you must comply with confidentiality, non-disclosure and non-solicitation covenants.</u>
s. Modification of the agreement	<u>Sections 9.4, 14.6, 19.1.4 and 24.4.18.L.</u>	<del>No oral modifications generally, but we may change the Operations Manual and System standards at any time. You may be required to implement these changes at your own costs. We have the right to modify our Marks at any time upon written notice to you.</del> <u>Requires writing signed by you and us, except for unilateral changes that we may make to the Manuals or our unilateral reduction of the scope of a restrictive covenant that we may make in our discretion.</u>
t. Integration/merger <del>clause</del> <u>clauses</u>	<u>Section 24.4.18.M.</u>	<del>Only the terms of the Franchise Agreement and other related written agreements are binding (subject to applicable state law). Any representations or promises outside of schedules to the disclosure document and Franchise Agreement may not be enforceable. Notwithstanding and the foregoing, nothing in any respective signed exhibits to the Franchise Agreement are binding, subject to state law. Nothing in any agreement is intended to disclaim the express representations made in <del>the</del> Franchise Disclosure Document, <u>its exhibits and amendments.</u></del>
u. Dispute resolution by arbitration or mediation	<u>Sections 20.1 and 20.2.18.G.</u>	<del>At our option, Except for certain claims that are not resolved internally may for injunctive relief, all disputes must first be submitted to non-binding mediation in West Chester County, Ohio and, if mediation is unsuccessful, then to binding arbitration in the state where our headquarters is located, West Chester County, Ohio. This provision is subject to applicable state law.</del>
v. Choice of forum	<u>Section 20.3.18.G.</u>	<del>Litigation takes place in Ohio, subject to applicable state law. All mediation, arbitration and, if applicable, litigation proceedings must be conducted in, or closest to, State court</del>

		<u>of general jurisdiction that is within or closest to West Chester County, Ohio or, if appropriate, the United States District Court nearest to our corporate headquarters at the time such action is filed. This provision is subject to applicable state law.</u>
w. Choice of law	<u>Section 20-318.F.</u>	<u>Ohio law applies, will govern. However, this provision is subject to applicable state law—and as otherwise disclosed in Exhibit I to this Disclosure Document.</u>

~~See the state addenda to this Franchise Disclosure Document and the Franchise Agreement for special state disclosures.~~

**ITEM 18:  
PUBLIC FIGURES**

~~We do not currently use any public figures to promote our franchise. No public figure is currently involved in our management.~~

**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~~ Disclosure Document. Financial performance information that differs from that included in Item 19 may be given only if: (1) a franchisor provides the actual records of an existing outlet you are considering buying; or (2) a franchisor supplements the information provided in this Item 19, for example, by providing information about possible performance at a particular location or under particular circumstances.

~~The following tables represent the historical performance achieved by our seven franchised outlets that were open and operating for the full We do not make any representations about a franchisee's future financial performance or the past financial performance of company-owned or franchised outlets. 2022 calendar year. We have excluded the performance of the 16 outlets that opened during 2022 and would not present a full year of performance. We have also excluded the performance for the one franchised outlet we reacquired in 2022.~~

~~These outlets have earned these amounts. Your individual results may differ. There is no assurance you'll earn as much.~~

**~~New Mexico Nursing – 2022 P&L~~**

<b>Revenue</b>	Total Gross Billed Sales*	\$150,060.79
<b>Expenses</b>	Contract / W2 Recruiter Expense	\$37,800.00
-	Royalty 14%	\$21,008.51
-	Brand Fund 3%	\$4,501.82
-	Technology Fee & Advertising Costs	\$11,331.89

<b>Total Expenses</b>		\$74,642.22
<b>Gross Profit</b>		\$75,418.57
<b>Gross Profit Percentage</b>	-	50.26%

**Texas6 Nursing – 2022 P&L**

<b>Revenue</b>	Total Gross Billed Sales*	\$152,302.13
<b>Expenses</b>	Contract / W2 Recruiter Expense	\$20,891.92
-	Royalty 14%	\$21,322.30
-	Brand Fund 3%	\$4,569.06
-	Technology Fee & Advertising Costs	\$8,444.07
<b>Total Expenses</b>		\$55,227.35
<b>Gross Profit</b>		\$97,074.78
<b>Gross Profit Percentage</b>	-	63.74%

**Tennessee Nursing – 2022 P&L**

<b>Revenue</b>	Total Gross Billed Sales*	\$551,146.47
<b>Expenses</b>	Contract / W2 Recruiter Expense	\$69,429.30
-	Royalty 14%	\$77,160.51
-	Brand Fund 3%	\$16,534.39
-	Technology Fee & Advertising Costs	\$19,620.79
<b>Total Expenses</b>		\$182,744.99
<b>Gross Profit</b>		\$368,401.48
<b>Gross Profit Percentage</b>	-	66.84%

**Texas2 & Texas5 Nursing – 2022 P&L**

<b>Revenue</b>	Total Gross Billed Sales*	\$583,315.16
<b>Expenses</b>	Contract / W2 Recruiter Expense	\$183,473.00
-	Royalty 14%	\$81,664.12
-	Brand Fund 3%	\$17,499.45
-	Technology Fee & Advertising Costs	\$17,060.12
<b>Total Expenses</b>		\$299,696.70
<b>Gross Profit</b>	-	\$283,618.46

<b>Gross Profit Percentage</b>	48.62%
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**Florida2 & Texas4 Nursing - 2022 P&L**

<b>Revenue</b>	Total Gross Billed Sales*	\$816,058.82
<b>Expenses</b>	Contract / W2 Recruiter Expense	\$15,025.32
-	Royalty 14%	\$114,248.23
-	Brand Fund 3%	\$24,481.76
-	Technology Fee & Advertising Costs	\$36,092.81
<b>Total Expenses</b>	-	\$189,848.13
<b>Gross Profit</b>	-	\$626,210.69
<b>Gross Profit Percentage</b>	-	76.74%

\*Gross Billed Sales is all billed placements and any other revenues and income from any source derived or received by franchisees in the operation of the franchised outlets.

Written substantiation of the data used to prepare this financial performance representation will be made available to you upon reasonable request. The information above has not been audited.

Other than the preceding financial performance representation, i4 Franchise Development Inc. does not make any financial performance representations. 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 **Robert Dallaire at Scott Butts**, i4 Franchise Development Inc., at 7185 Liberty Centre Drive, Suite A, West Chester, Ohio, 45069, or and 513-860-0600, the Federal Trade Commission, and the appropriate state regulatory agencies.

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**ITEM 20:  
OUTLETS AND FRANCHISEE INFORMATION**

**TABLE NO  
Table No. 1  
System-wide Outlet Summary  
For Years 2020SYSTEMWIDE OUTLET SUMMARY  
FOR YEARS 2021 to 20222023**

Column 1 Outlet Type	Column 2 Year	Column 3 Outlets at the Start of the Year	Column 4 Outlets at the End of the Year	Column 5 Net Change
Franchised	<del>2020</del> 2021	0	07	0+7
	<del>2022</del> 2021	07	722	+715
	<del>2023</del> 2022	722	2331	+169
Company – Owned <sup>±</sup>	<del>2021</del> 2020	1	1	0
	<del>2022</del> 2021	1	1	0
	<del>2023</del> 2022	1	31	+20
Total Outlets	<del>2021</del> 2020	1	48	0+7
	<del>2021</del> 2022	48	824	+716
	<del>2023</del> 2022	824	2634	+1810

**Table NoTABLE NO. 2  
Transfers of Outlets From Franchisees to New Owners (Other than the Franchisor)  
For Years 2020 to 2022**

**TRANSFER OF OUTLETS FROM FRANCHISEES TO NEW OWNERS  
(OTHER THAN THE FRANCHISOR)  
FOR YEARS 2021 to 2023**

Column 1 State	Column 2 Year	Column 3 Number of Transfers
Florida	<del>2021</del> 2020	0
	<del>2022</del>	1
	<del>2023</del>	0
Texas	2021	0
	2022	10
	2023	2
Total	<del>2021</del> 2020	0
	<del>2021</del>	0
	2022	1
	2023	2

**Table No**[REMAINDER OF PAGE INTENTIONALLY LEFT BLANK]

**TABLE NO. 3**  
**Status of Franchised Outlets**  
**For Years 2020 STATUS OF FRANCHISED OUTLETS**  
**FOR YEARS 2021 to 2022/2023\***

Column 1 State	Column 2 Year	Column 3 Outlets at Start of Year	Column 4 Outlets Opened	Column 5 Terminations	Column 6 Non- renewals Renewals	Column 7 Reacquired by Franchisor	Column 8 Ceased Operations - for Other Reasons	Column 9 Outlets at End of the Year
Arizona	<del>2021</del> 2020	0	0	0	0	0	0	0
	<del>2022</del> 2021	0	<u>0</u> <u>1</u>	0	0	0	0	<u>0</u> <u>1</u>
	<del>2023</del> 2022	<u>0</u> <u>1</u>	1	0	0	0	0	<u>1</u> <u>2</u>
California	<del>2021</del> 2020	0	0	0	0	0	0	0
	<del>2022</del> 2021	0	<u>0</u> <u>3</u>	0	0	<u>1</u> <u>0</u>	<u>0</u> <u>1</u>	<u>0</u> <u>2</u>
	<del>2023</del> 2022	<u>0</u> <u>2</u>	<u>0</u> <u>2</u>	0	0	0	0	<u>0</u> <u>4</u>
Colorado	<del>2021</del> 2020	0	0	0	0	0	0	0
	<del>2022</del> 2021	0	<u>0</u> <u>2</u>	0	0	0	0	<u>0</u> <u>2</u>
	<del>2023</del> 2022	0	2	0	0	0	0	2
<u>Florida</u>	<del>2021</del> 2020	0	0	0	0	0	0	0
<u>Florida</u>	2021	0	1	0	0	0	0	1
	2022	1	1	0	0	0	0	2
	2023	<u>0</u> <u>2</u>	<u>0</u> <u>3</u>	0	0	0	0	<u>0</u> <u>5</u>
Kansas	<del>2021</del> 2020	0	0	0	0	0	0	0
	<del>2022</del> 2021	0	<u>0</u> <u>1</u>	0	0	0	0	<u>0</u> <u>1</u>
	<del>2023</del> 2022	<u>0</u> <u>1</u>	<u>0</u> <u>0</u>	0	0	0	<u>0</u> <u>1</u>	<u>0</u> <u>0</u>
<u>Massachusetts</u>	2021	0	0	0	0	0	0	0
	2022	0	<u>0</u> <u>4</u> <u>0</u>	0	0	0	0	<u>0</u> <u>4</u> <u>0</u>
	2023	<u>0</u> <u>0</u>	<u>0</u> <u>1</u>	0	0	0	0	<u>0</u> <u>1</u>
Michigan	<del>2021</del> 2020	0	0	0	0	0	0	0
	<del>2022</del> 2021	0	<u>0</u> <u>0</u>	0	0	0	0	<u>0</u> <u>0</u>
	<del>2023</del> 2022	0	1	0	0	0	0	1
	2023	<u>0</u> <u>1</u>	<u>0</u> <u>1</u>	0	0	0	0	<u>0</u> <u>2</u>
New Jersey	<del>2021</del> 2020	0	0	0	0	0	0	0
	<del>2022</del> 2021	0	<u>0</u> <u>0</u>	0	0	0	0	<u>0</u> <u>0</u>
	<del>2023</del> 2022	0	1	0	0	0	0	1
	2023	<u>0</u> <u>1</u>	<u>0</u> <u>1</u>	0	0	0	<u>0</u> <u>1</u>	<u>0</u> <u>1</u>
New	<del>2021</del> 2020	0	0	0	0	0	0	0
	<del>2022</del> 2021	0	<u>0</u> <u>1</u>	0	0	0	0	<u>0</u> <u>1</u>

<u>Mexico</u> <u>York</u>	<u>2023</u>	<u>1</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>1</u>
<u>North</u> <u>Carolina</u>	2021	0	<u>40</u>	0	0	0	0	<u>40</u>
	2022	<u>40</u>	0	0	0	0	0	<u>40</u>
<u>New-York</u>	<u>2020</u> <u>2023</u>	0	<u>01</u>	0	0	0	0	<u>01</u>
<u>South</u> <u>Carolina</u>	2021	0	0	0	0	0	0	0
	2022	0	<u>40</u>	0	0	0	0	<u>40</u>
	<u>2023</u>	<u>0</u>	<u>1</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>1</u>
Tennessee	<u>2021</u> <u>2020</u>	0	<u>01</u>	0	0	0	0	<u>01</u>
	<u>2024</u>	0	<u>4</u>	0	0	0	0	<u>4</u>
	2022	1	0	0	0	0	0	1
	<u>2023</u>	<u>1</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>1</u>	<u>0</u>
Texas	<u>2020</u> <u>2021</u>	0	<u>05</u>	0	0	0	0	<u>05</u>
	<u>2022</u>	<u>5</u>	<u>5</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>10</u>
	<u>2023</u>	<u>10</u>	<u>1</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>1</u>	<u>10</u>
<u>Wisconsin</u>	2021	0	<u>40</u>	0	0	0	0	<u>40</u>
	2022	<u>40</u>	<u>60</u>	0	0	0	0	<u>400</u>
<b>Total</b>	<u>2020</u> <u>2023</u>	0	<u>01</u>	0	0	0	0	<u>01</u>
Total	2021	0	7	0	0	0	0	7
	2022	7	<u>1716</u>	0	0	1	0	<u>2322</u>
	<u>2023</u>	<u>22</u>	<u>13</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>4</u>	<u>31</u>

**Table No.-4  
Status of Company Owned\* Outlets**

**For Years 2020\*** We have a franchisee that operates within a portion of Texas that is located on the border of Texas and New Mexico, therefore this franchisee also operates in a portion of New Mexico

**TABLE NO. 4  
STATUS OF COMPANY OWNED OUTLETS  
FOR YEARS 2021 to 20222023**

Column 1 State	Column 2 Year	Column 3 Outlets at Start of Year	Column 4 Outlets Opened	Column 5 Outlets Reacquired from Franchisee sby Franchisor	Column 6 Outlets Closed	Column 7 Outlets Sold to Franchisee sFranchisee	Column 8 Outlets at End of the Year
<u>Ohio</u> <u>California</u>	<u>2020</u> <u>2021</u>	<u>01</u>	0	0	0	0	<u>01</u>
	<u>2022</u> <u>2021</u>	<u>01</u>	0	0	0	0	<u>01</u>
	<u>2022</u> <u>2023</u>	<u>01</u>	0	<u>40</u>	0	0	1

Ohio Totals	2020	1	0	0	0	0	1
	2021	1	0	0	0	0	1
	2022	1	0	0	0	0	1
Texas	2020	0	0	0	0	0	0
	2021	0	0	0	0	0	0
	2022	0	1	0	0	0	1
Total	2020	1	0	0	0	0	1
	2021	1	0	0	0	0	1
	2022	1	1	0	0	0	2

\*Our company-owned outlets are operated by our affiliates. The Texas outlet is being operated under a Franchise Agreement signed by our affiliate.

**Table No. TABLE NO. 5  
Projected Openings as of December 31, 2022**

**PROJECTED OPENINGS  
AS OF DECEMBER 31, 2023**

Column-1 State	Column-2 Franchise Agreements Signed But Not Opened	Column-3 Projected New Franchised Outlets in the Next Fiscal Year	Column-4 Projected New Company Owned Outlets in the Next Fiscal Year
California	0	2	0
Florida	2	2	0
Georgia	0	2	0
Indiana	0	1	0
Illinois	0	2	0
Massachusetts	0	1	0
New Jersey	0	1	0
Montana	0	1	0
New York	0	1	0
Ohio	4	0	0
North Carolina	0	1	0
Oregon	0	1	0
Pennsylvania	0	1	0
South Carolina	0	1	0
Tennessee	0	1	0
Texas	0	2	0
Wyoming	0	1	0
Virginia	0	1	0
Totals	3	17	0

Notes to Tables:

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

~~During Exhibit F lists the location of each the last three fiscal years, no current or former franchisees have signed confidentiality clauses with us that restrict them from discussing with you their experiences as a franchisee in our System. During our last fiscal year, no franchise system. There are no trademark-specific franchisee organizations associated with the franchise system being offered in this Disclosure Document.~~

~~Exhibit F to this Disclosure Document contains a list, as of the Issuance Date of this Disclosure Document, of current i4 Franchise Development Inc. franchisees. Outlet information is provided on a per territory basis. If a franchisee operates in multiple territories we count each territory as an outlet.~~

~~Exhibit hasG to this Disclosure Document contains a list of every franchisee who had an outlet terminated, canceledcancelled, not renewed; or has otherwise voluntarily or involuntarily ceased to do business under the franchise agreement or Franchise Agreement during our most recently completed fiscal year or who has not communicated with us within 10 weeks of the dateIssuance Date of this Disclosure Document.~~

Notes to Tables:

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

~~During the last three fiscal years, no current or former franchisees have signed confidentiality clauses with us that restrict them from discussing with you their experiences as a franchisee in our franchise system. There are no trademark-specific franchisee organizations associated with the franchise system being offered in this Disclosure Document.~~

~~Exhibit F to this Disclosure Document contains a list, as of the Issuance Date of this Disclosure Document, of current i4 Franchise Development Inc. franchisees. Outlet information is provided on a per territory basis. If a franchisee operates in multiple territories, we count each territory as an outlet.~~

~~Exhibit There are no trademark-specific franchisee organizations associated with the franchise system being offered in this Franchise Disclosure Document.~~

~~G to this Disclosure Document contains a list of every franchisee who had an outlet terminated, cancelled, not renewed or otherwise voluntarily or involuntarily ceased to do business under the Franchise Agreement during our most recently completed fiscal year or who has not communicated with us within 10 weeks of the Issuance Date of this Disclosure Document.~~

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**ITEM 21:  
FINANCIAL STATEMENTS**

~~Our Attached as Exhibit D are our~~ audited financial statements for ~~the fiscal years ended~~ December 31, ~~2022~~2023, December 31, ~~2022~~2024, and December 31, 2021. We were established on November 2, 2020, ~~are included in Exhibit D.~~

~~Our~~and our fiscal year ~~end is~~ends on December 31.

**ITEM 22  
CONTRACTS  
~~ITEM 22: CONTRACTS~~**

Copies of all proposed agreements regarding the franchise offering are included in Attached to this Disclosure Document as follows:

or to the Exhibits attached to and comprising the

- ~~Exhibit B~~ — Franchise Agreement and attachments
- ~~Exhibit C~~ — Deposit Agreement
- ~~Exhibit H~~ — Acknowledgment Statements, as permitted by law. 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.

**ITEM 23: RECEIPT**

~~A receipt in duplicate is attached as the last two pages of~~to this Disclosure Document. ~~You should sign both are~~ copies of the receipt. Keep one copy for your own records following franchise and return the other signed copy to Robert Dallaire at i4 Franchise Development Inc., 7185 Liberty Centre Drive, Suite A, West Chester, Ohio, 45069.~~other contracts and agreements in use or proposed for use:~~

**EXHIBIT A**

**LIST OF FRANCHISE ADMINISTRATORS/AGENTS FOR SERVICE OF PROCESS**

This list includes the names, addresses and telephone numbers of state agencies having responsibility for franchising disclosure/registration laws, and serving as our agents for service of process (to the extent that we are registered in their states). This list also includes the names, addresses and telephone numbers of other agencies, companies or entities serving as our agents for service of process.

Exhibits to this Disclosure Document

- Exhibit E Franchise Agreement
- Exhibit H State Specific Addenda

Schedules and Exhibits to the Franchise Agreement

State	State Agency	Agent for Service of Process
CALIFORNIA <u>Schedule 1 Operating Territory Acknowledgment</u>	Commissioner of the Department of Financial Protection and Innovation Department of Financial Protection and Innovation 320 West 4 <sup>th</sup> Street, Suite 750 Los Angeles, CA 90013 (213) 576-7505 Toll free (866-275-2677)	Commissioner of the Department of Financial Protection and Innovation
CONNECTICUT <u>Schedule 2 Franchise Fee Acknowledgment</u>	State of Connecticut Department of Banking Securities & Business Investments Division 260 Constitution Plaza Hartford, CT 06103-1800 (860) 240-8230	Banking Commissioner
HAWAII Business Registration Division Department of Commerce and Consumer Affairs 335 Merchants Street, Room 203 Honolulu, HI 96813 (808) 586-2722	Commissioner of Securities of the State of Hawaii <u>Confidentiality Agreement</u> <u>Assignment of Telephone Numbers and Digital Media Accounts</u>	
ILLINOIS <u>Schedule 3 Statement of Franchisee's Owners</u>	Office of Attorney <u>Authorization Form</u> <u>Exhibit 5 General Franchise Division</u> 500 South Second Street Springfield, IL 62706 (217) 782-4465 <u>Release</u>	Illinois Attorney General

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INDIANA	Indiana Secretary of State Securities Division 302 West Washington St., Room E-111 Indianapolis, IN 46204 (317) 232-6681	Indiana Secretary of State 201 State House Indianapolis, IN 46204
MARYLAND	Office of the Attorney General Division of Securities 200 St. Paul Place Baltimore, MD 21202-2020 (410) 576-6360	Maryland Securities Commissioner 200 St. Paul Place Baltimore, MD 21202-2020 (410) 576-6360
MICHIGAN	Michigan Department of Attorney General Consumer Protection Division Antitrust and Franchise Unit 670 Law Building Lansing, MI 48913 (517) 373-7117	Michigan Department of Commerce, Corporations and Securities Bureau
MINNESOTA	Minnesota Department of Commerce 85 7 <sup>th</sup> Place East, Suite 280 St. Paul, MN 55101-2198 (651) 539-1500	Minnesota Commissioner of Commerce
NEW YORK	NYS Department of Law Investor Protection Bureau 28 Liberty Street, 21 <sup>st</sup> Floor New York, NY 10005 (212) 416-8222 Phone	Attention: New York Secretary of State New York Department of State One Commerce Plaza 99 Washington Avenue, 6 <sup>th</sup> Floor Albany, NY 12231-0001 (518) 473-2492
NORTH DAKOTA	North Dakota Securities Department 600 East Boulevard Avenue State Capitol, 14 <sup>th</sup> Floor, Dept. 414 Bismarck, ND 58505-0510 (701) 328-4712	North Dakota Securities Commissioner
OREGON	Department of Consumer and Business Services Division of Finance and Corporate Labor and Industries Building Salem, Oregon 97310 (503) 378-4387	Director of the Department of Consumer and Business Services
RHODE ISLAND	Department of Business Regulation Division of Securities 1511 Pontiac Avenue, Building 69-1 Cranston, RI 02920 (401) 462-9585	Director of Rhode Island Department of Business Regulation
SOUTH CAROLINA	Secretary of State P.O. Box 11350 Columbia, SC 29211 (803) 734-2166	Legaline Corporate Services Inc. 1591 Savannah Highway Suite 201 Charleston, SC 29407
SOUTH DAKOTA	Division of Insurance Securities Regulation 124 South Euclid, Suite 104 Pierre, SD 57501 (605) 773-3563	Director of Insurance Securities Regulation

VIRGINIA	State Corporation Commission Division of Securities and Retail Franchising 1300 East Main Street, 9 <sup>th</sup> Floor Richmond, VA 23219 (804) 371-9051	Clerk of State Corporation Commission 1300 East Main Street, 1 <sup>st</sup> Floor Richmond, VA 23219 (804) 371-9733
WASHINGTON	Department of Financial Institutions Securities Division P.O. Box 9033 Olympia, WA 98507-9033 (360) 902-8760	Director of Washington Financial Institutions Securities Division 150 Israel Road, SW Tumwater, WA 98501
WISCONSIN	Wisconsin Securities Commissioner Securities and Franchise Registration 345 W. Washington Avenue Madison, WI 53703 (608) 266-8559	Commissioner of Securities of Wisconsin

Individual state law may supersede the provisions contained in your Franchise Agreement respecting the requirement that you execute a general release as a condition to assignment, sale or transfer. See, the state specific addendums contained in Exhibit H of this Disclosure Document and the state specific addendums attached to the Franchise Agreement and forming a part of Exhibit E.

**ITEM 23**  
**RECEIPTS**

Two copies of a detachable receipt in Exhibit J are located at the very end of this Disclosure Document. Please sign one copy of the receipt and return it to us at the following address: Scott Butts, i4 Franchise Development Inc., 7185 Liberty Centre Drive, Suite A West Chester, Ohio 45069. The duplicate is for your records.

[THE DISCLOSURE DOCUMENT ENDS HERE]



Franchise Disclosure Document  
Exhibit A - State Administrators

List of State Administrators

**California**

Department of Financial Protection and Innovation  
320 West 4th Street, Suite 750  
Los Angeles, CA 90013

2101 Arena Boulevard  
Sacramento, CA 95834  
866-275-2677

**Connecticut**

Connecticut Banking Commissioner  
Department of Banking  
Securities & Business Investments Division  
260 Constitution Plaza  
Hartford, CT 06103

**Florida**

Division of Consumer Services  
Attn: Business Opportunities  
2005 Apalachee Parkway  
Tallahassee, FL 32399

**Hawaii**

Commissioner of Securities  
Department of Commerce & Consumer Affairs  
Business Registration Division  
335 Merchant Street, Room 203  
Honolulu, HI 96813

**Illinois**

Office of the Attorney General  
Franchise Bureau  
500 South Second Street  
Springfield, IL 62706

**Indiana**

Indiana Secretary of State  
Indiana Securities Division  
Franchise Section  
302 W. Washington Street, Room E-111  
Indianapolis, IN 46204

**Kentucky**

Office of the Attorney General  
Consumer Protection Division  
Attn: Business Opportunity  
1024 Capital Center Drive  
Frankfort, KY 40601

**Maine**

Department of Professional and Financial  
Regulations  
Bureau of Banking  
Securities Division  
121 Statehouse Station  
Augusta, ME 04333

**Maryland**

Office of the Attorney General  
Securities Division  
200 St. Paul Place  
Baltimore, MD 21202

**Michigan**

Michigan Department of the Attorney General  
Consumer Protection Division  
Antitrust and Franchise Unit  
670 Law Building  
P.O. Box 30213  
Lansing, MI 48909

**Minnesota**

Minnesota Department of Commerce  
Securities Division  
85 7th Place East, Suite 280  
St. Paul, MN 55101

**Nebraska**

Nebraska Department of Banking and Finance  
Commerce Court  
1230 O Street, Suite 400  
Lincoln, NE 68509

**New York**

NYS Department of Law  
Investor Protection Bureau  
28 Liberty Street, 21st Floor  
New York, NY 10005  
212-416-8222

**North Carolina**

Secretary of State  
Securities Division  
300 North Salisbury Street, Suite 100  
Raleigh, NC 27603

**North Dakota**

Securities Department  
600 East Boulevard Avenue, State Capitol  
Fourteenth Floor, Department 414  
Bismarck, ND 58505  
701-328-4712

List of State Administrators (continued)

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**Rhode Island**

Department of Business Registration  
Division of Securities  
233 Richmond Street, Suite 232  
Providence, RI 02903

**South Carolina**

Office of the Secretary of State  
1205 Pendleton Street  
Edgar Brown Building, Suite 525  
Columbia, SC 29201

**South Dakota**

Franchise Office  
Division of Securities  
910 E. Sioux Avenue  
Pierre, SD 57501

**Texas**

Office of the Secretary of State  
Statutory Document Section  
1019 Brazos Street  
Austin, TX 78701

**Utah**

Utah Department of Commerce  
Division of Consumer Protection  
160 East Three Hundred South  
P.O. Box 146704  
Salt Lake City, UT 84114

**Virginia**

State Corporation Commission  
Division of Securities and Retail Franchising  
1300 E. Main Street, 9th Floor  
Richmond, VA 23219

**Washington**

Department of Financial Institutions  
Securities Division  
P.O. Box 9033  
Olympia, WA 98507  
360-902-8700

**Wisconsin**

Franchise Office  
Wisconsin Securities Commission  
P.O. Box 1768  
Madison, WI 53701

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Franchise Disclosure Document  
Exhibit B – Agents for Service of Process

Agents for Service of Process

i4 Franchise Development Inc.  
7185 Liberty Centre Drive, Suite A West Chester, Ohio 45069  
Attn: Scott Butts, President

---

**California**

Department of Financial Protection and Innovation  
320 West 4th Street, Suite 750  
Los Angeles, CA 90013

2101 Arena Boulevard  
Sacramento, CA 95834  
866-275-2677

**Connecticut**

Banking Commissioner  
Department of Banking  
Securities and Business Investment Division  
260 Constitution Plaza  
Hartford, CT 06103

**Hawaii**

Commissioner of Securities  
Department of Commerce & Consumer Affairs  
Business Registration Division  
335 Merchant Street, Room 203  
Honolulu, HI 96813

**Illinois**

Illinois Attorney General  
500 South Second Street  
Springfield, IL 62706

**Maryland**

Maryland Securities Commissioner  
200 St. Paul Place  
Baltimore, MD 21202

**Michigan**

Michigan Department of Commerce  
Corporation and Securities Bureau  
6546 Mercantile Way  
Lansing, MI 48910

**Minnesota**

Commissioner of Commerce of Minnesota  
Department of Commerce  
85 7th Place East, Suite 280  
St. Paul, MN 55101

**New York**

Secretary of the State of New York  
99 Washington Avenue  
Albany, NY 12231

**North Dakota**

North Dakota Securities Department  
Securities Commissioner  
600 East Boulevard Avenue, State Capitol  
Fifth Floor, Department 414  
Bismarck, ND 58505  
701-328-4712

**Rhode Island**

Director of Department of Business Regulation  
233 Richmond Street, Suite 232  
Providence, RI 02903

**South Dakota**

Director, Division of Securities  
Department of Commerce and Regulation  
445 East Capitol Avenue  
Pierre, SD 57501

**Virginia**

Clerk of the State Corporation Commission  
1300 East Main Street, 1st Floor  
Richmond, VA 23219

**Washington**

Securities Administrator  
Washington Department of Financial  
Institutions  
150 Israel Road SW  
Tumwater, WA 98501

**Wisconsin**

Wisconsin Commissioner of Securities  
345 W Washington Avenue  
Madison, WI 53703



[Franchise Disclosure Document](#)  
[Exhibit C – Operations Manual Table of Contents](#)

## **i4 Franchise Development Inc.**

### **Operations Manual Table of Contents**

- 1. Getting Started as a Market Partner
  - 1.1. Franchising Basics
    - 1.1.1. Unified thinking
    - 1.1.2. Purpose of franchising
    - 1.1.3. Function of the brand
    - 1.1.4. Function of the operating system
    - 1.1.5. Function of the operating system
    - 1.1.6. Importance of language
    - 1.1.7. Effect on the operating system
    - 1.1.8. Effect on the brand
    - 1.1.9. Who owns what?
    - 1.1.10. Strategic partners
    - 1.1.11. Fees - what they mean
    - 1.1.12. Initial franchise fee
    - 1.1.13. Royalty fees
    - 1.1.14. Customer driven company
  - 1.2. i4 Search Group Franchise System
    - 1.2.1. Welcome letter
    - 1.2.2. History of the company
    - 1.2.3. Quality control meetings (KPIs)
    - 1.2.4. Placed revenue defined
    - 1.2.5. Fees
    - 1.2.6. Annual conference and webinars
  - 1.3. Setting Up Your i4 Franchise Business
    - 1.3.1. Franchise launch introduction
    - 1.3.2. Your status as a franchisee
    - 1.3.3. Business structure
    - 1.3.4. Overview of entity choices
    - 1.3.5. Liability protection
    - 1.3.6. Income taxation
    - 1.3.7. Administration
    - 1.3.8. Other factors in entity choice
    - 1.3.9. Bottom line
    - 1.3.10. Where do I form my entity?
    - 1.3.11. Site selection
    - 1.3.12. Seeking approval of proposed sites
    - 1.3.13. Licenses, permits, and taxes
    - 1.3.14. Optional certifications
    - 1.3.15. Sales tax on services
    - 1.3.16. State information websites
    - 1.3.17. Additional resources
    - 1.3.18. Franchise onboarding and training - Part 1

- [1.3.19. Franchise onboarding and training - Part 2](#)
- [1.3.20. Franchise onboarding and training - Part 3](#)
- [1.3.21. Computer and hardware requirements](#)
- [1.3.22. Sign requirements](#)
- [1.3.23. Utilities / Services](#)
- [1.3.24. Bank accounts](#)
- [1.3.25. ADP account set up](#)
- [1.3.26. Insurance coverage](#)
- [1.3.27. Business development campaign](#)
- [1.3.28. Introduction to clients](#)
- [1.3.29. General operating procedures](#)
- [1.3.30. Required days of operation](#)
- [1.3.31. Customer service procedures](#)
- [1.3.32. Refund requests](#)
- [1.3.33. Service procedures - email signature](#)
- [1.3.34. Service procedures - voicemail approved scripts](#)
- [1.3.35. Communication time limits](#)
- [1.3.36. Service procedures - answering the phone](#)
- [1.4. Setting Up Your Financials](#)
  - [1.4.1. Quickbooks / accounting software](#)
  - [1.4.2. Dealing with replacements](#)
  - [1.4.3. Franchise fees](#)
  - [1.4.4. Accounts Receivable](#)
  - [1.4.5. No payment - demand letters and collections](#)
  - [1.4.6. Fundamentals of finance - introduction](#)
  - [1.4.7. Fundamentals of finance - cash awareness](#)
  - [1.4.8. Fundamentals of finance - retention of books and records](#)
  - [1.4.9. Additional resources](#)
- [1.5. Building Your Team](#)
  - [1.5.1. Introduction](#)
  - [1.5.2. Non - Joint Employer Status](#)
  - [1.5.3. Employment Law Basics - Employee Rights/Employer Responsibilities](#)
  - [1.5.4. Employment Law Basics - Federal Regulations on Employment Relationships](#)
  - [1.5.5. Employment Law Basics - State Employment Laws](#)
  - [1.5.6. Preparing to Hire Your First Team Member](#)
  - [1.5.7. Hiring Guidelines](#)
  - [1.5.8. Job Responsibilities and Ideal Employee Profiles](#)
  - [1.5.9. Job Responsibilities - Recruiter](#)
  - [1.5.10. Job Responsibilities - Sourcing Specialist](#)
  - [1.5.11. Job Responsibilities - Admin Assistant](#)
  - [1.5.12. Interviewing Job Applicants](#)
  - [1.5.13. Background Checks on Job Applicants](#)
  - [1.5.14. New Employee Paperwork](#)
  - [1.5.15. Uniforms - Dress Code](#)
  - [1.5.16. New Employee Orientation and Training](#)
  - [1.5.17. New Employee Checklists](#)
  - [1.5.18. Personnel Policies- Communicating Work Rules](#)
  - [1.5.19. Paying Your Employees](#)

- 1.5.20. [Employee Scheduling](#)
- 1.5.21. [Performance Evaluations](#)
- 1.5.22. [Employee Discipline](#)
- 1.5.23. [Resignation/Termination](#)
- 1.5.24. [Getting Legal Help with Employment Law Issues](#)
- 1.5.25. [Websites for Employment Laws](#)
- 1.6. [Setting Up A Recruiter in Your Business](#)
- 1.7. [Invoicing | Accounts Payable | Accounts Receivable Process](#)
  - 1.7.1. [Invoice Process with AP, AR](#)
  - 1.7.2. [Placed Revenue Defined](#)
  - 1.7.3. [Remote Positions](#)
- 1.8. [Advertising Open Job Orders](#)
  - 1.8.1. [i4 Job Board](#)
  - 1.8.2. [3rd Party Job Boards](#)
  - 1.8.3. [Social Media](#)
  - 1.8.4. [Job Boards](#)
  - 1.8.5. [How to Post an Ad](#)
  - 1.8.6. [Guidelines for Using Marks](#)
  - 1.8.7. [Marketing Standards](#)
  - 1.8.8. [Logo Specifications](#)
  - 1.8.9. [Required Marketing Expenditures](#)
  - 1.8.10. [Local Marketing- Website](#)
  - 1.8.11. [Networking](#)
  - 1.8.12. [Word of Mouth/Customer Referrals](#)
- 1.9. [Referrals: Growing Our Franchise Community](#)
  - 1.9.1. [Referral Bonus Eligibility for New Market Partners](#)
- 2. [Business Playbook – Operations Overview](#)
  - 2.1. [Introduction to the Business Model](#)
  - 2.2. [Recruiting](#)
  - 2.3. [Legal Concerns](#)
  - 2.4. [Healthcare Landscape](#)
  - 2.5. [Document Library](#)
- 3. [Third Party Tech – Training & Overview](#)
  - 3.1. [Microsoft Teams & Email](#)
  - 3.2. [Calendly](#)
  - 3.3. [Google Drive](#)
  - 3.4. [VXT Phone & Texting System](#)
  - 3.5. [Start.me Page](#)
  - 3.6. [WordPress](#)
- 4. [VMS | MSP](#)
  - 4.1. [What is a VMS & MSP](#)
- 5. [LOXO](#)
  - 5.1. [LOXO Account Set-Up](#)
  - 5.2. [LOXO Settings / Syncing](#)
  - 5.3. [LOXO Training – People](#)
  - 5.4. [Submitting a Candidate](#)
  - 5.5. [LOXO Training – Companies](#)
  - 5.6. [LOXO Training – Jobs Part 1](#)

- [5.7. LOXO Training – Jobs Part 2](#)
- [5.8. Workflow 101](#)
- [5.9. LOXO SMS Texting Tips](#)
- [5.10. Resumes Imported Through the Chrome Extension](#)
- [5.11. LOXO Training – Task](#)
- [6. Sourcing](#)
  - [6.1. What is Candidate Sourcing](#)
  - [6.2. What Makes a Good Sourcer](#)
  - [6.3. Healthcare Candidate Sourcing Strategies](#)
  - [6.4. The Two Functions of Sourcing](#)
  - [6.5. Candidate Sourcing Tools](#)
  - [6.6. Job Board Sourcing](#)
    - [6.6.1. Indeed](#)
    - [6.6.2. Zip Recruiter](#)
    - [6.6.3. RN JobSite](#)
    - [6.6.4. PT JobSite](#)
  - [6.7. LOXO Sourcing](#)
  - [6.8. Social Media Sourcing](#)
  - [6.9. LinkedIn Automation](#)
  - [6.10. Google / Bing X-Ray](#)
  - [6.11. Boolean Sourcing](#)
  - [6.12. Virtual Assistant \(VA\) Recruiter and Sourcer](#)
- [7. New Business Development](#)
  - [7.1. Introduction](#)
    - [7.1.1. What does business development include?](#)
    - [7.1.2. The importance of niche recruiting](#)
    - [7.1.3. Subsegments of the healthcare industry](#)
    - [7.1.4. Establishing the BD habit](#)
    - [7.1.5. Content marketing](#)
    - [7.1.6. Workflow overview of BD](#)
  - [7.2. LinkedIn](#)
    - [7.2.1. Overview](#)
    - [7.2.2. Profile Page Optimization](#)
    - [7.2.3. Account Types](#)
    - [7.2.4. Leverage the i4 LinkedIn network](#)
    - [7.2.5. Automation](#)
  - [7.3. Research](#)
    - [7.3.1. LinkedIn BD | Step 1 - Following Companies](#)
    - [7.3.2. LinkedIn BD | Step 2 - Creating a Prospective Company in LOXO](#)
    - [7.3.3. LinkedIn BD | Step 3 - Creating a Potential Decision Maker in LOXO](#)
    - [7.3.4. Other Methods to Research Potential New Clients](#)
    - [7.3.5. Subscribe to Becker's Newsletters](#)
  - [7.4. Prepare](#)
    - [7.4.1. Definition Recap from Section 1 - Research](#)
    - [7.4.2. When does a Prospective Company turn into a Deal?](#)
    - [7.4.3. Creating & Tracking Deals in LOXO](#)
    - [7.4.4. How to Create a Deal](#)
  - [7.5. Execute](#)

- [7.5.1. Most Placeable Candidate \(MPC\) Outreach](#)
- [7.5.2. Manual Basic LinkedIn Outreach Process](#)
- [7.5.3. Business Development Call vs Client Intake Call](#)
- [7.5.4. Business Development Call](#)
- [7.5.5. Client Intake Call](#)
- [7.5.6. Business Development Cold Call](#)
- [7.6. Follow Up](#)
  - [7.6.1. BD Requires Multiple Touchpoints](#)
  - [7.6.2. Follow Up Touch Points need to Vary](#)
  - [7.6.3. Prospective Clients have Many Potential Decision Makers](#)
  - [7.6.4. Overcoming Objections](#)
- [7.7. Search Agreement](#)
  - [7.7.1. Search Agreement Policy](#)
  - [7.7.2. The Anatomy of the Search Agreement](#)
- [7.8. Misc](#)
  - [7.8.1. Client Testimonials](#)
  - [7.8.2. Business Development Tips for New Recruiters](#)
  - [7.8.3. 3rd Party Business Development Solutions](#)

[Communication Etiquette](#)

**EXHIBIT B**

**FRANCHISE AGREEMENT**

i4 FRANCHISE DEVELOPMENT INC.

7.8.4.

7.8.5. Client Relationship Building

**TOTAL PAGES: 150 pages**



Franchise Disclosure Document  
Exhibit D – Financial Statements

**DA Advisory Group PLLC**  
**888 W Big Beaver Suite 200**  
**Troy, MI 48084**

**Consent of Accountant**

DA Advisory Group PLLC consents to the use in the Franchise Disclosure Document issued by i4 Franchise Development, Inc. (“Franchisor”) with the issuance date of March 26, 2024, as it may be amended, of our report dated March 20, 2024, relating to the financial statements of Franchisor for the period ending December 31, 2023.

*DA Advisory Group PLLC*

# **i4 Franchise Development Inc.**

**Financial Statements with Report of Independent Auditors  
December 31, 2023**

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Report of Independent Auditors.....	Page 1
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Report of Independent Auditors

To the Stockholders of  
i4 Franchise Development Inc.:

*Opinion*

We have audited the accompanying financial statements of i4 Franchise Development Inc. (the Company), which comprise the balance sheet as of December 31, 2023, and the related statements of operations, equity, and cashflows for period for the year ended December 31, 2023, and the related notes to the financial statement.

In our opinion, the financial statement referred to above present fairly, in all material respects, the financial position of the Company as of December 31, 2023 and for the year then ended, in accordance with accounting principles generally accepted in the United States of America.

*Basis for Opinion*

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

*Responsibilities of Management for the Financial Statements*

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

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Company's ability to continue as a going concern for one year after March 20, 2024.

*Auditors' Responsibilities for the Audit of the Financial Statements*

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

In performing an audit in accordance with GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audits.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audits in order to design audit procedures that are appropriate in the circumstance, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control. Accordingly, no such opinion is expressed.

- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Company's ability to continue as a going concern for a reasonable period of time.

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

*DA Advisory Group PLLC*

Troy, MI  
March 20, 2024

i4 Franchise Development Inc.  
BALANCE SHEET  
As of December 31, 2023

	<u>2023</u>
ASSETS	
Current assets:	
Cash and cash equivalents	\$ 63,606
Accounts receivable	248,810
Prepays	24,694
Deferred comission costs, current	<u>13,186</u>
Total current assets	350,296
Noncurrent assets:	
Deferred comission costs	132,153
Franchise development costs	<u>8,100</u>
Total noncurrent assets	140,253
Total assets	<u>\$ 490,549</u>
LIABILITIES AND STOCKHOLDERS' EQUITY	
Current liabilities:	
Accounts payable and accrued expenses	3,394
Non-refundable deferred franchise fees, current	<u>189,630</u>
Total current liabilities	193,024
Noncurrent liabilities	
Non-refundable deferred franchise fees	<u>903,253</u>
Total liabilities	1,096,277
Stockholders' equity	
Common stock; no par value; 400 shares authorized, issued, and outstanding	75,000
Retained earnings	<u>(680,728)</u>
Total equity (deficit)	(605,728)
Total liabilities and stockholders' equity (deficit)	<u>\$ 490,549</u>

see accompanying notes

i4 Franchise Development Inc.  
STATEMENT OF OPERATIONS  
For the Years Ended December 31, 2023

	<u>2023</u>
REVENUE	
Royalties	\$ 524,908
Initial franchise fees	440,417
Other	<u>7,000</u>
Total revenue	972,325
OPERATING EXPENSES	
Personnel and related costs	926,328
General and administrative	98,730
Professional fees	49,769
Franchise expense	36,936
Advertising and promotion	35,310
Amortization	<u>3,600</u>
Total operating expenses	<u>1,150,673</u>
Net income (loss)	<u>\$ (178,348)</u>

see accompanying notes

i4 Franchise Development Inc.  
 STATEMENTS OF CHANGES IN STOCKHOLDERS' EQUITY  
 For the Years Ended December 31, 2023

	Common Stock Shares	Amount	Retained (Deficit)	Total Equity
BALANCE, JANUARY 1, 2023	400	\$ 75,000	\$ (502,380)	\$ (427,380)
Additional paid-in capital				-
Net income (loss)			(178,348)	(178,348)
BALANCE, December 31, 2023	400	\$ 75,000	\$ (680,728)	\$ (605,728)

see accompanying notes

i4 Franchise Development Inc.  
 STATEMENTS OF CASH FLOWS  
 For the Years Ended December 31, 2023

	<u>2023</u>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>	
Net loss	\$ (178,348)
Change in / adjustments to reconcile:	
Accounts receivable	271,210
Prepays	(24,694)
Deferred comission costs	(43,064)
Franchise development costs	3,600
Accounts payable and accrued expenses	(39,062)
Non-refundable deferred franchise fees	<u>(51,177)</u>
Net cash used in operating activities	<u>(61,535)</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>	
Net cash provided by investing activities	<u>-</u>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>	
Additional paid-in capital	-
Dividends paid	<u>-</u>
Net cash provided by financing activities	<u>-</u>
Net change in cash and cash equivalents	\$ (61,535)
Cash and cash equivalents at beginning of year	<u>125,141</u>
Cash and cash equivalents at end of year	<u>\$ 63,606</u>
Total cash and cash equivalents	<u>\$ 63,606</u>

see accompanying notes

i4 Franchise Development Inc.  
NOTES TO FINANCIAL STATEMENTS  
December 31, 2023

1. Organization

i4 Franchise Development Inc. ("Company") was incorporated on November 2, 2020, (Inception) in the State of Arizona. The Company offers franchises the right to operate a permanent placement recruiting business under the "i4 Search Group" name and its associated design ("Marks") and using distinctive operating procedures and standards in a designated area (the "Franchised Business"). The Franchised Business will provide recruiting services to healthcare facilities for the permanent placement of professionals in one of three specialty lines: Nursing and Advance Practice Professionals, Allied Health Professionals, or Provider Services Professionals.

The Company is owned by individuals ("Stockholders") and is taxed as a flow-through entity, with all tax liabilities being the responsibility of the Stockholders. Total contributions and distributions for the year ended December 31, 2023 were \$0 and \$0, respectively.

Affiliates

i4 Search Group LLC was formed in Texas on November 2, 2019, as a limited liability company, is the owner of the Marks and has exclusively licensed use of the Marks to the Company and its franchisees. i4 Search Group LLC has also operated a permanent placement recruitment business serving healthcare facilities and providers nationwide, in areas not operated by franchisees, using the Marks since November 2019.

The above affiliate does not sell franchises in any other line of business and is not otherwise engaged in any other business activity.

The following table summarizes the number of locations open and operating for the year ended December 31, 2023:

	<u>2023</u>
Locations, beginning	23
Locations signed	12
Locations terminated	<u>0</u>
Locations, ending	<u><u>35</u></u>
Franchise locations	34
Affiliate owned locations	1

2. Summary of significant accounting policies and nature of operations

Basis of accounting

The Company prepares its financial statements on the accrual basis of accounting consistent with accounting principles generally accepted in the United States of America.

i4 Franchise Development Inc.  
NOTES TO FINANCIAL STATEMENTS  
December 31, 2023

2. Summary of significant accounting policies and nature of operations (continued)

Use of Estimates

Preparation of the Company's financial statements in accordance with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, disclosure of any contingent assets and liabilities at the date of the financial statements and reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Cash and cash equivalents

Cash and cash equivalents include all cash balances on deposit with financial institutions and highly liquid investments with a maturity of three months or less at the date of acquisition.

The Company maintains its cash in bank deposit accounts which could exceed federally insured limits. The Company has not experienced an instance where cash held in the account exceeded insured limits since their inception and have not had losses in such accounts. The Company believes it is not exposed to any significant credit risk on cash and cash equivalents.

Accounts Receivable

Accounts receivable arise in the normal course of business through franchise sales and royalties earned. The timing of revenue recognition may be different from the timing of invoicing to customers. The Company records accounts receivable when revenue is recognized prior to invoicing, or unearned revenue when revenue is recognized after invoicing. Management evaluates individual customer's receivables considering their financial condition, credit history and current economic conditions. Accounts receivable are written off if deemed uncollectible and recoveries of accounts receivable previously written off are recorded as income when received.

Intangible Assets

The Company has adopted ASC 350, Intangibles – Goodwill and Other that requires that goodwill and intangible assets with indefinite lives (such as franchise development cost) no longer be amortized to earnings but be tested for impairment at least annually. Intangible assets with finite lives are amortized over their estimated useful lives. The useful life of an intangible asset is the period over which it is expected to contribute directly or indirectly to future cash flows. Intangible assets with finite lives are reviewed for impairment if events or changes in circumstances indicate that the carrying value might not be recoverable. The Company's intangibles at December 31, 2023 were made up of franchise development costs with a net cost of \$8,100 (initial cost of \$20,700 and accumulated amortization of \$9,000).

Franchise Fee and Revenue Recognition

Each franchise agreement is comprised of several performance obligations. The Company identifies those performance obligations, determines the contract price for each obligation, allocates the transaction price to each performance obligation and recognizes revenue when the Company has satisfied the performance obligation by transferring control of the good or service to the franchisee. The remainder of performance obligations represent a single performance obligation and are recognized over the term of the respective franchise agreement from the date the agreement is executed. Unearned

i4 Franchise Development Inc.  
NOTES TO FINANCIAL STATEMENTS  
December 31, 2023

2. Summary of significant accounting policies and nature of operations (continued)

initial fee revenues from franchisee acquisition and acceptance will be recorded as deferred revenue and recognized as revenue over the term of the contract with each franchisee.

Contract Balances

The Company recorded an asset for unrecognized expenses and a liability for unearned revenue associated with the performance obligation of the Company's franchise agreements. The account balances and activity are as follows:

	2023
<u>Deferred Commission Costs:</u>	
Balance at beginning of year	\$ 102,275
Deferral of commission costs	105,000
Recognition of commission costs	<u>(61,936)</u>
Balance at end of year	\$ 145,339
Less: Current portion	13,186
Deferred franchise costs, long term portion	\$ 132,153

Deferred Franchise Revenue:

Balance at beginning of year	\$ 1,144,060
Deferral of franchise revenue	605,000
Recognition of franchise revenue	<u>(656,178)</u>
Balance at end of year	\$ 1,092,882
Less: Current portion	189,630
Deferred franchise revenue, long term	\$ 903,252

Disaggregation of Revenues

Disaggregated revenues based on the satisfaction of performance obligations in the Company's contracts with franchisees for the year ended December 31 is as follows:

	2023
Obligations at a point in time	\$ 798,505
Obligations through the passage of time	<u>166,821</u>
Total revenues	<u>\$ 965,326</u>

i4 Franchise Development Inc.  
NOTES TO FINANCIAL STATEMENTS  
December 31, 2023

2. Summary of significant accounting policies and nature of operations (continued)

Advertising Costs

The Company expenses advertising costs as incurred. Advertising expense for the year ended December 31, 2023 was \$35,310.

3. Commitments and contingencies

The Company may be party to various claims, legal actions and complaints arising in the ordinary course of business. In the opinion of management, all matters are of such kind, or involve such amounts, if any, would not have a material effect on the financial position of the Company.

4. Subsequent events

Subsequent events have been evaluated through March 20, 2024 which is the date the financial statements were available to be issued. No significant events or transactions were identified that would require adjustment to the balance sheet or disclosure.



I4 Franchise Development Inc.  
West Chester, Ohio

Ladies and Gentlemen,

Reese CPA LLC hereby consents to the use in the Franchise Disclosure Document issued by i4 Franchise Development Inc. ("Franchisor") on April 19, 2023, as it may be amended, of our report dated March 10, 2023, relating to the financial statements of Franchisor for the period ending December 31, 2022.

Sincerely,

*Reese CPA LLC*

REESE CPA LLC  
Ft. Collins, Colorado

**i4 FRANCHISE DEVELOPMENT INC.**

FINANCIAL REPORT

AS OF DECEMBER 31, 2022



**i4 FRANCHISE DEVELOPMENT INC.**

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## Independent Auditor's Report

To the Stockholders  
i4 Franchise Development Inc.  
West Chester, Ohio

### Report on the Audit of the Financial Statements

#### *Opinion*

We have audited the accompanying balance sheet of i4 Franchise Development Inc. as of December 31, 2022, and 2021 and the related statement of operations, stockholders' equity, and cash flows for the years ended December 31, 2022, 2021 and the period from November 2, 2020 (Inception) through December 31, 2020, and the notes to financial statements.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of i4 Franchise Development Inc. as of December 31, 2022, and 2021 and the results of their operations and their cash flows for the years ended December 31, 2022, 2021 and the period from November 2, 2020 (Inception) through December 31, 2020, in accordance with accounting principles generally accepted in the United States of America.

#### *Basis for Opinion*

We conducted our audits in accordance with auditing standards generally accepted in the United States of America (GAAS). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of I4 Franchise Development, Inc. and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

#### *Responsibilities of Management for the Financial Statements*

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

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about I4 Franchise Development, Inc.'s ability to continue as a going concern for one year after the date that the financial statements are issued.

#### *Auditor's Responsibilities for the Audit of the Financial Statements*

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

In performing an audit in accordance with GAAS, we:



- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of I4 Franchise Development, Inc.'s internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about I4 Franchise Development, Inc.'s ability to continue as a going concern for a reasonable period of time.

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

Reese CPA LLC

Ft. Collins, Colorado  
March 10, 2023

**I4 FRANCHISE DEVELOPMENT INC.**  
**BALANCE SHEET**  
**AS OF DECEMBER 31, 2022 AND 2021**

	2022	2021
<b>ASSETS</b>		
<b>CURRENT ASSETS</b>		
Cash and equivalents	\$ 125,141	\$ 69,557
Accounts receivable	520,020	120,000
Deferred commission costs, current	13,186	-
<b>TOTAL CURRENT ASSETS</b>	<b>658,347</b>	<b>189,557</b>
<b>NON-CURRENT ASSETS</b>		
Deferred commission costs, long-term	89,089	0
Franchise development costs	11,700	15,300
<b>TOTAL ASSETS</b>	<b>\$ 759,136</b>	<b>\$ 204,857</b>
<b>LIABILITIES AND STOCKHOLDERS' EQUITY (DEFICIT)</b>		
<b>CURRENT LIABILITIES</b>		
Accounts payable and accrued expenses	\$ 42,456	\$ 5,511
Non-refundable deferred franchise fees, current	155,625	37,500
<b>TOTAL CURRENT LIABILITIES</b>	<b>198,081</b>	<b>43,011</b>
<b>NON-CURRENT LIABILITIES</b>		
Non-refundable deferred franchise fees	988,435	320,781
<b>TOTAL LIABILITIES</b>	<b>1,186,516</b>	<b>363,792</b>
<b>STOCKHOLDERS' EQUITY</b>		
Common stock; no par value; 400 shares authorized, issued and outstanding	75,000	75,000
Retained (Deficit)	(502,380)	(233,935)
<b>TOTAL STOCKHOLDERS' EQUITY (DEFICIT)</b>	<b>(427,380)</b>	<b>(158,935)</b>
<b>TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY (DEFICIT)</b>	<b>\$ 759,136</b>	<b>\$ 204,857</b>

The accompanying notes are an integral part of these financial statements.

**I4 FRANCHISE DEVELOPMENT INC.**  
**STATEMENT OF OPERATIONS**  
**FOR THE YEAR ENDED DECEMBER 31, 2022, 2021 AND THE PERIOD**  
**FROM NOVEMBER 2, 2020 (INCEPTION) THROUGH DECEMBER 31, 2020**

	<u>2022</u>	<u>2021</u>	<u>2020</u>
<b>REVENUES</b>			
Initial franchise fees	\$ 264,981	\$ 56,719	\$ -
Royalties	335,265	61,942	-
Other	-	36,239	-
<b>TOTAL REVENUES</b>	<u>600,246</u>	<u>154,900</u>	<u>-</u>
<b>OPERATING EXPENSES</b>			
Personnel and related costs	713,430	216,868	-
Franchise expense	61,365	74,542	-
General and administrative	50,048	34,535	3,000
Professional fees	37,430	28,543	7,640
Advertising and promotion	2,818	20,012	995
Amortization expense	3,600	2,700	-
<b>TOTAL OPERATING EXPENSES</b>	<u>868,691</u>	<u>377,200</u>	<u>11,635</u>
<b>OPERATING (LOSS)</b>	(268,445)	(222,300)	(11,635)
<b>OTHER INCOME (EXPENSE)</b>	-	-	-
<b>NET (LOSS)</b>	<u>\$ (268,445)</u>	<u>\$ (222,300)</u>	<u>\$ (11,635)</u>

The accompanying notes are an integral part of these financial statements.

**I4 FRANCHISE DEVELOPMENT INC.  
STATEMENT OF CHANGES IN MEMBERS' EQUITY  
FOR THE YEAR ENDED DECEMBER 31, 2022, 2021 AND THE PERIOD  
FROM NOVEMBER 2, 2020 (INCEPTION) THROUGH DECEMBER 31, 2020**

	Common Stock		Retained (Deficit)	Total Stockholders' Equity (Deficit)
	Shares	Amount		
<b>BALANCE, NOVEMBER 2, 2020 (INCEPTION)</b>	-	\$ -	\$ -	\$ -
Issuance of common stock	400	50,000	-	50,000
Net loss	-	-	(11,635)	(11,635)
<b>BALANCE, DECEMBER 31, 2020</b>	<u>400</u>	<u>50,000</u>	<u>(11,635)</u>	<u>38,365</u>
Additional paid-in capital		25,000	-	25,000
Net loss	-	-	(222,300)	(222,300)
<b>BALANCE, DECEMBER 31, 2021</b>	<u>400</u>	<u>75,000</u>	<u>(233,935)</u>	<u>(158,935)</u>
Net loss	-	-	(268,445)	(268,445)
<b>BALANCE, DECEMBER 31, 2022</b>	<u>400</u>	<u>\$ 75,000</u>	<u>\$ (502,380)</u>	<u>\$ (427,380)</u>

The accompanying notes are an integral part of these financial statements.

**I4 FRANCHISE DEVELOPMENT INC.**  
**STATEMENT OF CASH FLOWS**  
**FOR THE YEAR ENDED DECEMBER 31, 2022, 2021 AND THE PERIOD**  
**FROM NOVEMBER 2, 2020 (INCEPTION) THROUGH DECEMBER 31, 2020**

	<u>2022</u>	<u>2021</u>	<u>2020</u>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Net (loss)	\$ (268,445)	\$ (222,300)	\$ (11,635)
Adjustments to reconcile net income to net cash provided by operating activities:			
Amortization	3,600	2,700	-
Recognition of deferred commission costs	3,212	-	-
Recognition of non-refundable deferred franchise fees	(84,221)	(56,719)	-
Changes in assets and liabilities			
Accounts receivable	(400,020)	(120,000)	-
Deferred commission costs	(105,487)	-	-
Accounts payable and accrued expenses	36,945	5,511	-
Non-refundable deferred franchise fees	870,000	415,000	-
Net cash provided (used) by operating activities	<u>55,584</u>	<u>24,192</u>	<u>(11,635)</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Purchase of intangible assets	-	(3,500)	(14,500)
Net cash (used) by investing activities	<u>-</u>	<u>(3,500)</u>	<u>(14,500)</u>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>			
Issuance of common stock	-	25,000	50,000
Net cash provided by financing activities	<u>-</u>	<u>25,000</u>	<u>50,000</u>
<b>NET INCREASE IN CASH</b>	55,584	45,692	23,865
<b>CASH, BEGINNING</b>	<u>69,557</u>	<u>23,865</u>	<u>-</u>
<b>CASH, ENDING</b>	<u>\$ 125,141</u>	<u>\$ 69,557</u>	<u>\$ 23,865</u>
<b>SUPPLEMENTAL DISCLOSURES</b>			
Cash paid for interest	\$ -	\$ -	\$ -
Cash paid for taxes	\$ -	\$ -	\$ -

The accompanying notes are an integral part of these financial statements.

**i4 FRANCHISE DEVELOPMENT INC.  
NOTES TO FINANCIAL STATEMENTS**

**NOTE 1 - NATURE OF BUSINESS AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

i4 Franchise Development Inc. ("Company") was incorporated on November 2, 2020, (Inception) in the State of Arizona. The Company offers franchises the right to operate a permanent placement recruiting business under the "i4 Search Group" name and its associated design ("Marks") and using distinctive operating procedures and standards in a designated area (the "Franchised Business"). The Franchised Business will provide recruiting services to healthcare facilities for the permanent placement of professionals in one of three specialty lines: Nursing and Advance Practice Professionals, Allied Health Professionals, or Provider Services Professionals.

*Affiliates*

i4 Search Group LLC was formed in Texas on November 2, 2019, as a limited liability company, is the owner of the Marks and has exclusively licensed use of the Marks to the Company and its franchisees. i4 Search Group LLC has also operated a permanent placement recruitment business serving healthcare facilities and providers nationwide, in areas not operated by franchisees, using the Marks since November 2019

The above affiliate does not sell franchises in any other line of business and is not otherwise engaged in any other business activity.

The following table summarizes the number of locations open and operating for the year ended December 31, 2021, and the period from November 2, 2020 (Inception) through December 31, 2020:

	2022	2021	2020
Locations in operation, beginning	8	1	1
Locations opened	15	7	-
Locations terminated or closed	-	-	-
Locations in operation, ending	<u>23</u>	<u>8</u>	<u>1</u>
Franchised locations	22	7	-
Affiliate owned locations	1	1	1

*COVID-19*

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

A summary of significant accounting policies follows:

**i4 FRANCHISE DEVELOPMENT INC.**  
**NOTES TO FINANCIAL STATEMENTS**

**NOTE 1 – NATURE OF BUSINESS AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

Use of Estimates

Preparation of the Company's financial statements in accordance with United States generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, disclosure of any contingent assets and liabilities at the date of the financial statements and reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Cash and Cash Equivalents

The Company considers all highly liquid investments with a maturity of three months or less at the time of purchase to be cash equivalents. The Company had no cash equivalents as of December 31, 2022, and 2021.

Accounts Receivable

Timing of revenue recognition may be different from the timing of invoicing to customers. The Company records an accounts receivable when revenue is recognized prior to invoicing, or unearned revenue when revenue is recognized subsequent to invoicing. Management evaluates individual customers' receivables considering their financial condition, credit history and current economic conditions. Accounts receivable are written off if deemed uncollectible and recoveries of accounts receivable previously written off are recorded as income when received. The Company did not have any allowance for doubtful accounts as of December 31, 2022, and 2021 and did not charge-off any accounts receivable for the years ended December 31, 2022, 2021 and the period from November 2, 2020 (Inception) through December 31, 2020.

Intangible Assets

The Company has adopted ASC 350, Intangibles – Goodwill and Other that requires that goodwill and intangible assets with indefinite lives no longer be amortized to earnings but be tested for impairment at least annually. Intangible assets with finite lives are amortized over their estimated useful lives. The useful life of an intangible asset is the period over which it is expected to contribute directly or indirectly to future cash flows. Intangible assets with finite lives are reviewed for impairment if events or changes in circumstances indicate that the carrying value might not be recoverable.

Intangible assets consist of the following as of December 31:

	<b>2022</b>	<b>2021</b>
Franchise development costs	\$ 18,000	\$ 18,000
Less accumulated depreciation	(6,300)	(2,700)
	<u>\$ 11,700</u>	<u>\$ 15,300</u>

Amortization was \$3,600, \$2,700 and \$0 for the years endings December 31, 2022, 2021, and 2020. Amortization is expected to be \$3,600 per year for the next 3.75 years.

**i4 FRANCHISE DEVELOPMENT INC.  
NOTES TO FINANCIAL STATEMENTS**

**NOTE 1 – NATURE OF BUSINESS AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

*Income Taxes*

The stockholders of the Company have elected to be taxed as an S Corporation under the provisions of the Internal Revenue Code. Under those provisions, taxable income and losses of the Company are reported on the income tax returns of its stockholders and no provisions for federal or state franchise taxes have been recorded on the accompanying balance sheet.

The Company adopted ASC 740-10-25-6 "Accounting for Uncertainty in Income Taxes", that requires the Company to disclose uncertain tax positions. Under the standard an entity may only recognize or continue to recognize tax positions that meet a "more likely than not" threshold upon examination by taxing authorities.

Based on its evaluation, the Company has concluded that there are no significant uncertain tax positions requiring recognition in its financial statements or that would affect the Company's stockholders. The Company's evaluation was performed for the years ended December 31, 2022, 2021, and the period from November 2, 2020 (Inception) through December 31, 2020, for U.S. Federal Income Tax and for the State of Arizona Income Tax.

*Revenue Recognition*

The Company's revenue mainly consists of franchise fees and royalties.

Each franchise agreement is comprised of several performance obligations. The Company identifies those performance obligations, determines the contract price for each obligation, allocates the transaction price to each performance obligation and recognizes revenue when the Company has satisfied the performance obligation by transferring control of the good or service to the franchisee. The remainder of performance obligations represent a single performance obligation and are recognized over the term of the respective franchise agreement from the date the agreement is executed. Unearned initial fee revenues from franchisee acquisition and acceptance will be recorded as deferred revenue and recognized as revenue over the term of the contract which is currently 10 years. The Company has no revenue from initial fees during the period from November 2, 2020 (Inception) through December 31, 2020.

When a franchisee purchases an i4 Search Group franchise, the Company grants the franchisee the right to use the proprietary methods, techniques, trade dress, trademarks, and logos ("the license"). The license is symbolic intellectual property. Revenues related to the license are continuing royalties and are 14% of gross revenues, with a monthly minimum of \$1,850 per million in population in the related territory. These revenues will be used to continue the development of the Company's brand, the franchise system and provide on-going support for the Company's franchisees. The royalties are billed semimonthly and are recognized as revenue when earned.

*Brand Development Fund Contribution*

The Company collects a brand development fund fee of 3% of the gross revenues of each franchise location. The Company has the right to increase this fee to 4%.

**i4 FRANCHISE DEVELOPMENT INC.  
NOTES TO FINANCIAL STATEMENTS**

**NOTE 1 – NATURE OF BUSINESS AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

Advertising Costs

The Company expenses advertising costs as incurred. Advertising expense the years ended December 31, 2022, 2021, and the period from November 2, 2020 (Inception) through December 31, 2020, was \$2,818, \$20,012 and \$995, respectively.

Fair Value of Financial Instruments

For the Company's financial instruments consist of cash and cash equivalents, the carrying amounts approximate fair value due to their short maturities.

Recently issued accounting pronouncements

The Company has adopted all recently issued Accounting Standards Updates ("ASU"). The adoption of the recently issued ASUs, including those not yet effective, is not anticipated to have a material effect on the financial position or results of operations of the Company.

**NOTE 2 – CONTRACT BALANCES**

The Company recorded a liability for unearned revenue and related commission costs associated with the performance obligation of the Company's franchise agreements. The account balances and activity are as follows:

	December 31,	
	2022	2021
<b>Deferred Commission Costs</b>		
Balance Beginning of year	\$ -	\$ -
Deferral of commission costs	105,487	-
Recognition of commission costs	(3,212)	-
Balance at End of Year	\$ 102,275	\$ -
<b>Deferred Non-refundable Franchise Fees:</b>		
Balance Beginning of year	\$ 358,281	\$ -
Deferral of non-refundable franchise fees	870,000	415,000
Recognition of non-refundable franchise fees	(84,221)	(56,719)
Balance at End of Year	\$ 1,144,060	\$ 358,281

**i4 FRANCHISE DEVELOPMENT INC.  
NOTES TO FINANCIAL STATEMENTS**

**NOTE 2 – CONTRACT BALANCES (CONTINUED)**

Estimated Recognition of Non-refundable Deferred Franchise Fees and Franchise Acquisition Costs

Estimated revenues and franchise acquisition costs to be recognized in future periods related to non-refundable deferred franchise fees as reported at December 31, 2022, is as follows:

	Deferred Commission Costs	Non-refundable Franchise Fees
Year ending December 31:		
2023	\$ 13,186	\$ 155,625
2024	13,186	155,625
2025	13,186	155,625
2026	13,186	155,625
2027	13,186	155,625
Thereafter	36,345	365,935
	\$ 102,275	\$ 1,144,060

Disaggregation of Revenues

Disaggregated revenues based on the satisfaction of performance obligations in the Company's contracts with franchisees for the years ending December 31, 2022, 2021, and the period from November 2, 2020 (Inception) through December 31, 2020, is as follows:

	2022	2021	2020
Performance obligations satisfied at a point in time	\$ 180,760	\$ 36,239	\$ -
Performance obligations satisfied through the passage of time	419,486	118,661	-
Total revenues	\$ 600,246	\$ 154,900	\$ -

**NOTE 3 – COMMITMENTS AND CONTINGENCIES**

Litigation

The Company may be party to various claims, legal actions and complaints arising in the ordinary course of business. In the opinion of management, all matters are of such kind, or involve such amounts, that unfavorable disposition, if any, would not have a material effect on the financial position of the Company.

**NOTE 3 - SUBSEQUENT EVENTS**

Date of Management's Evaluation

Management has evaluated subsequent events through March 10, 2023, the date on which the financial statements were available to be issued.



Franchise Disclosure Document  
Exhibit E – Franchise Agreement



i4 Franchise Development Inc.  
FRANCHISE AGREEMENT

\_\_\_\_\_  
FRANCHISEE  
\_\_\_\_\_

\_\_\_\_\_  
AGREEMENT

\_\_\_\_\_  
Franchisee Name

\_\_\_\_\_  
DATE OF

i4 Search Group®  
FRANCHISE DEVELOPMENT INC. FRANCHISE AGREEMENT  
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<u>Schedule 2</u>	<u>Territory, Specialty Line, and Franchise Fee Acknowledgment</u>
<u>Schedule 3</u>	<u>Statement of Franchisee's Owners</u>
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**ATTACHMENTS:**

- 1—Trademarks
- 2—Territory Description
- 3—Minimum Royalty Standards
- 4—General Release
- 5—Authorization Agreement for Automatic Deposits (ACH Withdrawals)
- 6—Spouse Guaranty
- 7—Internet Advertising, Social Media, Software and Telephone Listing Agreement
- 8—Confidentiality and Non-Compete

**This Franchise Agreement**

- 9—Statement of Ownership Interests in Franchisee/Entity
- 10—Specialty Lines Positions List

~~THIS (the “FRANCHISE AGREEMENT” (this “Agreement”)) is being entered into this day of \_\_\_\_\_ on \_\_\_\_\_ (the “Effective Date”), by and between i4 Franchise Development Inc., an Arizona corporation, with its principal place of business at 7185 Liberty Centre Drive, Suite A, West Chester, Ohio, 45069 (herein “Franchisor”), and \_\_\_\_\_, a(n) \_\_\_\_\_, with its principal place of business located at \_\_\_\_\_ (“7185 Liberty Centre Drive, Suite A West Chester, Ohio 45069 (the “Franchisor”) and \_\_\_\_\_ (the “Franchisee Entity”), and Franchisee Entity’s principals, \_\_\_\_\_, an individual, residing at \_\_\_\_\_, and \_\_\_\_\_, an individual, residing at \_\_\_\_\_ (“Principals”). \_\_\_\_\_ and Principals shall collectively be referred to in this Agreement as the “Franchisee.”).~~

## RECITATIONS

~~Through the expenditure of considerable time, effort and money, RECITALS~~

~~Franchisor has developed and established a distinctive and proprietary system (the “System”) for the development and operation of a business that provides permanent placement recruiting services, using Franchisor’s format, trade dress, methods of marketing and operation, training and assistance, Franchisor’s enterprise property management system, Franchisor’s confidential operations manual of business practices and policies (taken together herein the “System”).~~

~~The System is identified by certain trade names, service marks, trademarks, logos, emblems and indicia of origin, including but not limited to the service mark i4 Search Group, as set forth in Attachment I, and such other trade names, service marks, and trademarks as are now designated and may hereafter be designated or substituted by Franchisor for use in connection with the System (the “Marks”).~~

~~Franchisor continues to develop, use, and control the use of such Marks in order to identify for the public the source of services and products marketed under the Marks and the System and to represent the System’s high standards of quality, appearance, and service.~~

~~Franchisee understands and acknowledges the importance of Franchisor’s high and uniform standards of quality, service, and appearance, and the necessity of operating the business franchised hereunder in conformity with Franchisor’s standards, practices, policies and specifications.~~

~~NOW, THEREFORE, the parties, in consideration of the promises, undertakings and commitments of each party to the other set forth herein, and intending to be legally bound hereby, mutually agree as follows:~~

### 1. RECITATIONS

~~The Recitations set out above form part of this Agreement.~~

### 2. GRANT OF FRANCHISE

~~Franchisor hereby grants to Franchisee and Franchisee accepts, upon the terms and conditions contained in this Agreement, the license to operate an i4 Search Group franchise (the “Franchise” or “Franchised Business”) to provide permanent placement recruitment services to (the “Approved Services and Products”) for healthcare facilities, service providers, and outlets (each a “Facility”) (each a “Facility”) for as to the permanent placement of healthcare related professionals in one (1) of the following (each a “Candidate”) operating within distinct specialty lines (each a “Specialty Line”);) under the Licensed Marks (defined below) (each business referred to as a “Franchised Business” or “i4 Business”);~~

~~The System is identified by the Licensed Marks and trade dress, required service and product offerings, required operating processes and procedures, required equipment and supplies, and required marketing, advertising, and business development obligations and brand standards, all of which are part of the System and may be modified by Franchisor from time to time; and~~

~~Franchisee desires to obtain the license to develop and operate a Franchised Business in conformity with the System and within a designated operating territory pursuant to the terms and conditions of this Agreement.~~

~~NOW THEREFORE, in consideration of the foregoing recitals and other good and valuable consideration, the receipt and sufficiency of which is hereby mutually acknowledged, the parties do hereby agree, as follows:~~

#### **ARTICLE 1** **DEFINITIONS**

~~Supplementing the terms and definitions contained in the foregoing “Recitations”, the terms listed below have the following additional meanings:~~

~~“**Accounting Period**” means the period of time selected and determined by Franchisor for the required measurement and reporting of financial information and payment of financial obligations by Franchisee. The applicable measurement period will be determined by Franchisor from time to time with respect to Franchisee’s obligations to report financial information and data to Franchisor and Franchisee’s payment of all fees and other obligations under this Agreement. The respective “Accounting Periods” shall be those Franchisor designated times, whether instantly on a recurring basis upon receipt of Gross Sales, weekly, monthly, or otherwise, as designated by Franchisor, with all such Accounting Periods automatically commencing on the earlier of the (a) Scheduled Opening Date, or (b) the Actual Opening Date of the Franchised Business and, continuing, throughout the Term of this Agreement. Unless otherwise designated by Franchisor at any time, unless otherwise specified in this Agreement, the Accounting Period shall be a weekly period for each and every week throughout the Term of this Agreement.~~

~~“**Actual Opening Date**” means the date upon which Franchisee first advertises, offers and/or provides services to the public concerning the Franchised Business.~~

~~“**Additional Initial Training Fee**” shall have the meaning defined and set forth in Article 4.A. of this Agreement.~~

~~“**Additional Territory**” refers to each and every Territory, if any, over and above the first Territory, and, together, constituting and comprising Franchisee’s Operating Territory as specified in this Agreement.~~

“Administrative Offices” means the non-retail, back-end, administrative office from which a i4 Business is managed. An Administrative Office may be comprised of, if permitted by law, a home based office.

“Advertising Contributions” means any and all obligations of Franchisee to contribute to and/or pay fees to Franchisor or Franchisor’s affiliate or designees as set forth in this Agreement including, but not limited to, the Brand Development Fund Fees set forth in Article 9.A. of this Agreement.

“Ancillary Agreements” means, individually and collectively, each and every agreement between: (a) Franchisor and Franchisee, but not including this Agreement; (b) Franchisor and each of Franchisee’s Owners, whether individually and/or collectively; and (c) Franchisor and each Spouse of Franchisee’s Owners, whether individually and/or collectively. Without limitation to the foregoing, the term Ancillary Agreements includes the Franchise Owner and Spouse Agreement and Guaranty and the Assignment of Telephone Numbers and Digital Media Accounts, as said agreements, individually and/or collectively, may have been entered into between the foregoing parties.

“Annual Conference Attendance Fee” means an annual conference attendance fee to be paid by Franchisee to Franchisor in an amount determined by Franchisor in an amount not exceeding \$250, per attendee per year.

“Annual System Conference” means a conference that may be established and organized by Franchisor for the purpose of facilitating networking among i4 Business franchisees, and general education. Franchisor shall designate and determine whether or not an Annual System Conference shall occur and, if one is established in any particular year, the dates, content and location of the Annual System Conference. The Annual System Conference shall be for a duration of not more than three consecutive days per calendar year. Franchisee is responsible for all costs and expenses associated with Franchisee’s travel to and attendance at the Annual System Conference.

“Approved Services and Products” shall have the meaning defined in the “Recitals” section of this Agreement and shall further refer to and mean, as to Franchisee’s Designated Specialty Line, those products and services that Franchisor authorizes for i4 Businesses. Franchisor shall exclusively designate and determine the Approved Services and Products and Franchisor, in Franchisor’s Reasonable Business Judgment, may change, modify, reduce, or supplement the Approved Services and Products that must be offered and sold by the Franchised Business and those products and services that may not be sold by the Franchised Business. The Operations Manual, subject to changes that Franchisor may make from time to time and Franchisor’s right to change and modify the Approved Services and Products, shall designate the Approved Services and Products that must be offered and sold by the Franchised Business.

“Assignee Corporate Entity” shall have the meaning defined and set forth in Article 14.E. of this Agreement.

“Assignment of Telephone Numbers and Digital Media Accounts” means the form of “Assignment of Telephone Numbers and Digital Media Accounts” agreement attached to this Agreement as Exhibit 3.

“Brand Development Fund” shall have the meaning defined and set forth in Article 9.A. of this Agreement.

“Brand Development Fund Fee” shall have the meaning defined and set forth in Article 9.A. of this Agreement.

“Business Management System” means the software, internet, web based and/or cloud based system or systems, point of sale system or systems and customer relationship management system or systems as same may be individually or collectively designated by Franchisor, in Franchisor’s Reasonable Business

Judgment, as being required for use by the Franchised Business, including, but not limited to, the day-to-day sales, ordering, operations and management of the Franchised Business. Franchisor reserves the right to modify and designate alternative Business Management Systems as Franchisor determines in Franchisor's Reasonable Business Judgment. At all times, Franchisor shall possess direct live access and storage based access to the Business Management System for the Franchised Business and to Franchisee's Business Management System Data.

"Business Management System Data" means the forms, data, tools, customer information and sales information that: (a) is pre-populated or entered into the Business Management System utilized by Franchisee; (b) is entered (whether by Franchisor or Franchisee) into the Business Management System utilized by Franchisee; and/or (c) is recorded, stored and/or maintained by the Business Management System in connection with the management and operations of Franchisee's i4 Business.

"Candidate" means individual healthcare professionals that provide services within a Specialty Line as designated and determined by Franchisor.

"Closed Market" means any and all Corporate Account customers that presently, or in the future, are located within Franchisee's Operating Territory.

"Competitive Business" means any business that (i) is the same as or similar to a i4 Business; and/or (ii) that offers, sells, and/or provides, as to any and/or all Specialty Lines, staffing and/or recruitment services on behalf of healthcare facilities and/or healthcare service providers.

"Confidential Information" means all of our trade secrets, methods, techniques, procedures, data and information (as same may exist as of the Effective Date of this Agreement and as may be developed, modified and supplemented in the future) constituting and comprising: (a) methods, specifications, standards, policies, procedures, information, concepts, programs and systems relating to the development, establishment, marketing, promotion and operation of i4 Businesses; (b) information concerning consumer preferences for services, products, materials and supplies used or sold by, and specifications for and knowledge of suppliers of certain materials, equipment, products, supplies and procedures used and/or sold by i4 Businesses; (c) information concerning customers, customer lists, email lists, database lists, product sales, operating results, financial performance and other financial data of i4 Businesses; (d) customer lists and information related to i4 Businesses; (e) Business Management System Data; (f) current and future information contained in the Operations Manual; and (g) Know-How.

"Confidentiality Agreement" means the sample form of "Confidentiality Agreement" attached to this Agreement as Exhibit 2.

"Controlling Interest" shall exist for the following individuals, Owners, partners and/or entities: (a) (If Franchisee is a corporation) a controlling interest shall exist for such shareholders and Owners of the voting shares of stock of Franchisee as (i) shall permit voting control of Franchisee on any issue and/or (ii) shall prevent any other person, group, combination, or entity from blocking voting control on any issue or exercising any veto power; (b) (If Franchisee is a general partnership) a controlling interest shall exist for such partners and Owners that possess a managing partnership interest or such percentage of the general partnership interests in Franchisee as (i) shall permit determination of the outcome on any issue, and (ii) shall prevent any other person, group, combination, or entity from blocking voting control on any issue or exercising any veto power; (c) (If Franchisee is a limited partnership) a controlling interest shall exist for such partners and Owners that possess a general partnership interest; and (d) (If Franchisee is a limited liability company) a controlling interest shall exist for such members and Owners that possess a percentage of the membership interests as (i) shall permit determination of the outcome on any issue, and (ii) shall

prevent any other person, group, combination or entity from blocking voting control on any issue or exercising any veto power.

“Copyrights” means all works and materials for which Franchisor or any affiliate of Franchisor has secured common law or registered copyright protection and Franchisor uses and/or allows franchisees to use in the operation of a i4 Business, whether as of the Effective Date of this Agreement or any time in the future.

“Corporate Accounts” means healthcare facilities, healthcare facility operators, and healthcare providers that operate multiple facilities and/or operate across regional or national geographic territories.

“Corporate Entity” means a corporation, limited liability company, partnership or other corporate legal entity that is not an individual person.

“Digital Media” means any interactive or static digital document, listing, directory, application, advertisement, link, metadata, or media that is transmitted within a closed or private network, or that is connected to, in communication with, and/or networked with computers, applications, or other devices linked by communications systems, data systems, a part of the world wide web including, traditional websites, web based applications, distributed databases, including, blockchain, software applications, smart phone applications, or social media platforms such as Facebook, LinkedIn, X, Pinterest, Instagram, SnapChat, TikTok, and YouTube, that refers, references, identifies, reviews, promotes and/or relates, in any way, to, a i4 Business, the Franchised Business, the Licensed Marks, the System and/or Franchisor. Digital Media includes the System Website, and all other media and/or publications relating to the System that is displayed and/or transmitted digitally.

“Due Date” shall have the meaning defined and set forth in Article 5.B. of this Agreement.

“Effective Date” shall be the date set forth and referred to in the first paragraph of this Agreement.

“Facility” means a healthcare facility, healthcare facility operator, and/or healthcare service provider.

“Facility Payment” means that portion of Gross Sales paid by a Facility for the placement of a Candidate.

“First Territory” means the initial/first designated Territory comprising Franchisee’s Operating Territory.

“Franchised Business” means the i4 Business that Franchisee shall develop and is required to establish, maintain and operate as part of the System and in accordance with the terms, conditions and obligations set forth in this Agreement and the Operations Manual. Without limitation to the foregoing, the Franchised Business shall be exclusively established, maintained, owned and operated by Franchisee within Franchisee’s designated Operating Territory and in accordance with the terms of this Agreement. Shall have the same meaning as Franchisee’s i4 Business.

“Franchisee’s Administrative Office” means Franchisee’s administrative office. If Franchisee elects to conduct the administrative operations of the Franchised Business from a home office, Franchisee may do so as long as it is permitted by applicable laws and regulations.

“Franchisee’s Designated Specialty Line” means the Specialty Line and/or Specialty Lines for which Franchisee is authorized to provide the Approved Services and Products within Franchisee’s Operating Territory. To be effective and authorized Franchisee’s Designated Specialty Line must be designated and set forth by Franchisor in Schedule 2 of this Agreement. To be effective Schedule 2 must contain the signature of Franchisor.

“Franchisee’s i4 Business” means the i4 Business that Franchisee shall operate within the Operating Territory pursuant to the terms, conditions and obligations set forth in this Agreement. Shall have the same meaning as Franchised Business.

“Franchisor’s Reasonable Business Judgment” means, and relates to any and all decisions, actions and choices made by Franchisor concerning or relating to this Agreement, the System generally, i4 Businesses and/or the Franchised Business where Franchisor undertakes or makes such decision with the intention of benefitting or acting in a way that could benefit the System. When making decisions and/or taking actions in Franchisor’s Reasonable Business Judgment, Franchisor may, in addition to all other rights afforded to Franchisor under this Agreement, consider factors, in whole or in part, that include: Franchisor’s profits; enhancing the value of the Licensed Marks; increasing customer satisfaction; minimizing potential customer confusion as to the Licensed Marks; determining Operating Territory markets; minimizing potential customer confusion as to the location of i4 Businesses; expanding brand awareness of the Licensed Marks; implementing marketing and accounting control systems; and approving products, services, supplies and equipment. Franchisee agrees that when a decision, determination, action and/or choice is made by Franchisor in Franchisor’s Reasonable Business Judgment that such decision, determination, action or choice shall take precedence and prevail, even if other alternatives, determinations, actions and/or choices are reasonable or arguably available and/or preferable. Franchisee agrees that in connection with any decision, determination, action and/or choice made by Franchisor in Franchisor’s Reasonable Business Judgment that: (a) Franchisor possesses a legitimate interest in seeking to maximize Franchisor’s profits; (b) Franchisor shall not be required to consider Franchisee’s individual economic or business interests as compared to the overall System; and (c) should Franchisor economically benefit from such decision, determination, action and/or choice that such economic benefit to Franchisor shall not be relevant to demonstrating that Franchisor did not exercise reasonable business judgment with regard to Franchisor’s obligations under this Agreement and/or with regard to the System. Franchisee agrees that neither Franchisee and/or any third party, including, but not limited to, any third party acting as a trier of fact, shall substitute Franchisee’s or such third party’s judgment for Franchisor’s Reasonable Business Judgment. Franchisee further agrees that should Franchisee challenge Franchisor’s Reasonable Business Judgment in any legal proceeding that Franchisee possesses the burden of demonstrating, by clear and convincing evidence, that Franchisor failed to exercise Franchisor’s Reasonable Business Judgment.

“GAAP” refers to and means United States Generally Accepted Accounting Principles.

“Gross Sales” means the total dollar sales from all business and customers of the Franchised Business and includes the total gross amount of revenues, receipts, and sales from whatever source derived, whether in form of cash, credit, agreements to pay or other consideration including the actual retail value of any goods or services traded, borrowed, or received by Franchisee in exchange for any form of non-money consideration (whether or not payment is received at the time of the sale), from or derived by Franchisee or any other person or Corporate Entity from business conducted or which started in, on, from or through the Franchised Business and/or Operating Territory, whether such business is/was conducted in compliance with or in violation of the terms of this Agreement. Supplementing the foregoing, Gross Sales further includes the total gross amount of revenues, receipts, and sales from whatever source derived from and/or derived by Franchisee (including any person and/or Corporate Entity acting on behalf of Franchisee) from business conducted within and/or outside the Operating Territory that is related to the Franchised Business and/or a Competitive Business located and/or operated within the Operating Territory, outside the Operating Territory, and/or otherwise (the foregoing does not constitute approval for Franchisee’s operation of a Competitive Business and/or the operation of a i4 Business outside of the Operating Territory). Gross Sales do not include sales or use taxes collected by Franchisee and authorized promotional discounts that Franchisee provides to customers.

“i4 Business(es)” means any business or businesses owned and/or operated by Franchisor, Franchisor’s affiliates or an authorized franchisee that utilizes or is required to utilize the System and Licensed Marks.

“Immediate Family Member” means the spouse of a person and any other member of the household of such person, including, without limitation, children, and grandchildren of such person. Immediate Family Member shall further refer to and mean the spouse, children, grandchildren, and other members of the household of each Franchisee, if Franchisee is an individual, or each Owner of Franchisee if Franchisee is a Corporate Entity.

“IP Claim” shall have the meaning defined and set forth in Article 11.E. of this Agreement.

“Know-How” means all of Franchisor’s trade secrets and proprietary information relating to the development, establishment, marketing, promotion and/or operation of a i4 Business including, but not limited to, methods, techniques, specifications, procedures, policies, marketing strategies and information reflected in, comprising or constituting a part of the System. Without limitation to the foregoing, Know-How shall further include information contained in the Operations Manual and the Confidential Information.

“Licensed Marks” means the trademarks, service marks, emblems and indicia of origin, including the “i4 Search Group” trademark, i4 Search Group logo, Trade Dress, and other trade names, service marks, trademarks, logos, slogans and designs authorized by Franchisor in connection with the identification of i4 Businesses and the Approved Services and Products, provided that such trade names, trademarks, service marks, logos and designs are subject to modification, replacement and discontinuance by Franchisor in Franchisor’s Reasonable Business Judgment.

“Managers” means the Managing Owners plus all assistant managers of the Franchised Business and all other employees, independent contractors, consultants, directors and board members who may possess access to the Confidential Information.

“Management Service Fee” means the fees designated and charged by Franchisor to Franchisee and payable by Franchisee to Franchisee in on-going amounts equal to 75% of all Gross Sales generated and/or earned by the Franchised Business during the period of time and/or periods of time that Franchisor and/or Franchisor’s designated manager, manages the Franchised Business at the direction of Franchisor and in accordance with standards designated by Franchisor in Franchisor’s Reasonable Business Judgment. Management Service Fees are payable and due upon invoice by Franchisor.

“Managing Owner” means, if Franchisee is a partnership or corporation, the owner responsible for the day-to-day oversight, management and operation of the Franchised Business. Said individual must possess and maintain an ownership and/or equity interest in the Franchise such that said individual owns, holds and controls no less than 25% of the equity and ownership interests in the Franchisee. The Managing Owner, at all times, must participate (on a full time basis) in the day-to-day operations of the Franchised Business.

“Marketing Media” means all communications, whether written, oral, digital, or otherwise utilized for and/or designed for the purpose of marketing, advertising and/or promoting the Franchised Business including, but not limited to, Direct Solicitations, Digital Media, social media, print publications, print mailers, email communications and public relations.

“Minimum Monthly Royalty Fee Requirement” shall have the meaning defined and set forth in Article 5.B. of this Agreement.

**“Operating Manager”** means the Manager designated by Franchisee or Franchisee’s Managing Owner, that is charged with the obligation and responsibility to supervise and manage the day-to-day operations of the Franchised Business. At all times, the Operating Manager must: (a) meet all of Franchisor’s minimum training and brand quality control standards and criteria for managers as may be set forth in the Operations Manual; (b) successfully complete Franchisor’s Training Program; (c) sign the Confidentiality Agreement; and (d) agree, in writing, to assume responsibility for the on-site management and supervision of the Franchised Business.

**“Operating Territory”** shall have the meaning defined and set forth in Article 2.A. of this Agreement.

**“Operations Manual”** means, individually and collectively, the manual(s) designated by Franchisor and relating to the development and/or operations of i4 Businesses including, but not limited to, the policies, procedures and requirements for the development and operation of i4 Businesses. The Operations Manual may consist of one or more volumes, handbooks, manuals, written materials, videos, electronic media files, cloud/internet based list-service, intranet, internet based and accessed databases, computer media, email, webinars and other materials as may be modified, added to, replaced or supplemented by Franchisor from time to time in Franchisor’s Reasonable Business Judgment, whether by way of supplements, replacement pages, franchise bulletins, or other official pronouncements or means. Subject to Franchisor’s modification from time to time and based on Franchisor’s Reasonable Business Judgment, the Operations Manual shall, among other things, designate the Approved Services and Products that must be offered and provided by the Franchised Business and the System Designated Resources that must be exclusively utilized by the i4 Business. Only Approved Services and Products may be offered and sold by the Franchised Business. Only System Designated Resources may be utilized by Franchisee in the operations of the Franchised Business.

**“Operations Non-Compliance Fee”** shall have the meaning defined and set forth in Article 7.J. of this Agreement.

**“Operations Violation”** shall have the meaning defined and set forth in Article 7.J. of this Agreement.

**“Out of Territory Candidate”** means a recruitment candidate that is located outside of Franchisee’s Operating Territory and that qualifies as a professional included within Franchisee’s Designated Specialty Line.

**“Out of Territory Candidate Rules”** means those rules, restrictions, prohibitions, and requirements designated by Franchisor, in Franchisor’s Reasonable Business Judgment and as may be set forth by Franchisor in the Operations Manual and as may be suspended, modified, and/or changed by Franchisor from time to time as to Franchisee’s placement of an Out of Territory Candidate with a Facility located within Franchisee’s Operating Territory.

**“Owner”** means collectively, individually and jointly: (a) the officers and directors of Franchisee (including the officers and directors of any general partner of Franchisee) who hold an ownership interest in Franchisee; (b) the managing member or manager of Franchisee, if franchisee is a limited liability company; (c) all holders of a 5% or more direct or indirect ownership interest in Franchisee and/or of any entity directly or indirectly controlling Franchisee; and (d) the Managing Owner(s). Franchisee’s Owners are identified in Schedule 3 to this Agreement.

**“Owner and Spouse Agreement and Guaranty”** means the form of agreement attached to this Agreement as Exhibit 1. The Owner and Spouse Agreement and Guaranty is an agreement and guarantee made by the Owners and Spouses of Franchisee and is entered into in their respective individual and personal capacities.

“Payment Non-Compliance Fee” shall have the meaning defined and set forth in Article 5.E. of this Agreement.

“Post-Term Restricted Period” means the 24 month period after the earliest to occur of the following: (a) the expiration or termination of this Agreement for any reason; or (b) the date on which Franchisee assigns the Franchise Agreement to another person and/or Corporate Entity. Provided however, that if a court of competent jurisdiction determines that this period of time is too long to be enforceable, then the “Post-Term Restricted Period” means the 18 month period after the earliest to occur of the following: (i) the expiration or termination of this Agreement for any reason; or (ii) the date on which Franchisee assigns the Franchise Agreement to another person and/or Corporate Entity.

“Prohibited Activities” shall have the meaning defined and set forth in Article 6.D. of this Agreement.

“Published Content” means any and all information, data, articles, press releases, digital content, special offers, product information, service information, web posts, videos and other information relating to and/or concerning the Franchised Business, the System, and/or the Licensed Marks that is or was made available by Franchisee and/or Franchisee’s agents to the public in print and/or electronic format and/or published, listed, made available, uploaded on, downloaded to and/or posted to Digital Media.

“Renewal Ancillary Agreements” means Franchisor’s then current individual guaranty agreement and other agreements ancillary to the Renewal Franchise Agreement that Franchisee’s Owners and their Spouses, respectively, must agree to, sign and deliver to Franchisor within 30 days of the date of delivery by Franchisor to Franchisee.

“Renewal Fee” shall have the meaning defined and set forth in Article 15.A. of this Agreement. The Renewal Fee is a sum equal to 15% of Franchisor’s then current Initial Franchise Fee and is payable on a per Territory, per Specialty Line basis.

“Renewal Franchise Agreement” means Franchisor’s then current form Franchise Agreement for the Renewal Term that Franchisee must agree to, sign, and deliver to Franchisor within 30 days of the date of delivery by Franchisor to Franchisee, along with payment of the Renewal Fee.

“Renewal Notice” shall have the meaning defined and set forth in Article 15.B.

“Renewal Term” shall have the meaning defined and set forth in Article 15.A.

“Reporting Non-Compliance Fee” shall have the meaning defined and set forth in Article 12.C. of this Agreement.

“Reporting Violation” shall have the meaning defined and set forth in Article 12.C. of this Agreement.

“Restricted Territory” means the entire geographic area within and comprising: (a) Franchisee’s Operating Territory; (b) a 25 mile radius surrounding Franchisee’s Operating Territory; and (c) all other operating territories for i4 Businesses that are operated and/or under development by Franchisor or other i4 Business franchisees as of the Effective Date of this Agreement and those that are in operation during all or any part of the Post-Term Restricted Period. However, if a court of competent jurisdiction determines that the foregoing Restricted Territory is too broad to be enforceable, then the “Restricted Territory” means the geographic area within and comprising Franchisee’s Operating Territory plus a 25 mile radius surrounding Franchisee’s Operating Territory.

“Royalty and Activity Report” shall have the meaning defined and set forth in Article 5.B. of this Agreement.

“Royalty Fee” shall have the meaning defined and set forth in Article 5.B. of this Agreement.

“Scheduled Opening Date” means the day that occurs 60 days immediately following the Effective Date of this Agreement.

“Specialty Line” means, respectively, a category and/or group of healthcare professionals and/or providers based on area of practice, training, and/or expertise as designated and determined by Franchisor including the following separate and distinct specialty lines (each, respectively, a “Specialty Line”):

(1) **Nursing, Advanced Practice, Administrative, and Leadership Positions** – comprised of positions that include: (a) all nursing positions including but not limited to Director of Nursing, Registered Nurse, Nurse Manager, and Licensed Practical Nurse; (b) all advanced practice professional positions including Physician Assistants, Certified Nurse Anesthetist, Nurse Practitioners, and Nurse Midwife; and (c) non-clinical administration and leadership positions that do not require nursing or advanced practice degrees including CEO, COO, Controller, and Director of Human Resources;

(2) **Allied Health Professionals** – comprised of positions that include Certified Medical Assistants, Dietitians, EMTs, Paramedics, and Tech and Therapy positions like Pharmacy Tech or Respiratory Therapist, and administration and leadership roles that require an allied health degree or are working in an allied only facility;

(3) **Providers** – comprised of licensed Physicians, Psychiatrists, Psychologists, Pharmacists, and Chiropractors;

(4) **Dental** – comprised of positions that include Dentists, Registered Dental Hygienists, Dental Assistants, Dental Lab Professionals, and dental non-clinical administration and leadership positions including CEO, COO, Controller, and Director of Human Resources; and

(5) **Other Franchisor Designations** – Such other specialty lines designated and established by Franchisor in Franchisor’s Reasonable Business Judgment.

Attached as Exhibit 6 is a list of A list of examples of Specialty Line positions. At all times, Franchisor, in Franchisor’s Reasonable Business Judgment and as may be designated and set forth by Franchisor in the Operations Manual, possesses the right to refine, clarify, modify, change, and further designate, determine, and modify the classification of professionals and/or providers belonging to and included within a particular Specialty Line, create and define new Specialty Line designations, and modify Exhibit 6.

“Spouse” means the legal spouse of an Owner.

“Supplemental Royalty Fees” shall have the meaning defined and set forth in Article 5.B. of this Agreement.

“Supplemental Royalty Fee Due Date” shall have the meaning defined and set forth in Article 5.B. of this Agreement.

“Supplemental Training” shall have the meaning defined and set forth in Article 4.A. of this Agreement.

“Supplemental Training Fee” shall have the meaning defined and set forth in Article 4.A. of this Agreement.

“System” shall have the meaning defined in the “Recitals” section of this Agreement and is further supplemented, as follows: (a) the Approved Services and Products, System Designated Resources and the services, procedures and systems that are designated by Franchisor, whether presently or in the future, for use in connection with the development, establishment, marketing, promotion and operation of a i4 Business; (b) the Licensed Marks; (c) the Trade Dress; (d) Copyrights, (e) other trade names, service marks, signs, and logos, copyrights and trade dress that is designated by Franchisor, whether presently or in the future, for use in connection with the development, establishment, marketing, promotion and operation of a i4 Business; (f) Operations Manual; (g) Business Management System Data; (h) Know-How; (i) Confidential Information; and (j) Digital Media. All determinations as to the system including components to the system and modifications and replacements thereto shall be determined by Franchisor in Franchisor’s Reasonable Business Judgment.

“System Designated Resources” means the equipment and supplies designated by Franchisor as required for use in connection with Franchisee’s i4 Business and the Approved Services and Products. Without limitation to the foregoing, the System Designated Resources shall include System branded, non-branded and third party branded equipment and supplies designated by Franchisor in the Operations Manual or otherwise in writing for use in the day-to-day operations of Franchisee’s i4 Business and, as may be modified and supplemented by Franchisor from time to time in Franchisor’s Reasonable Business Judgment.

“System Website” means the web page and pages located on the world wide web at the [www.i4searchgroup.com](http://www.i4searchgroup.com) domain and shall further include all webpages and subdomains including, those that are franchisee and/or geography specific, that are a part of [www.i4searchgroup.com](http://www.i4searchgroup.com), or as designated by Franchisor being associated with the URL of [www.i4searchgroup.com](http://www.i4searchgroup.com) and/or i4 Businesses.

“Technology Fee” shall have the meaning defined and set forth in Article 5.C. of this Agreement.

“Term” means the period of time set forth and defined in Article 2.B. of this Agreement and the applicable Renewal Term, if any, if Franchisee invokes Franchisee’s renewal rights in accordance with the terms of this Agreement.

“Territory” means a geographic area, as determined and designated by Franchisor in Franchisor’s Reasonable Business Judgment.

“Trade Dress” means the i4 Business designs, images, marketing materials, packaging, branding and/or branding images which Franchisor authorizes and requires Franchisee to use in connection with the operation of the Franchised Business and as may be revised and further developed by Franchisor from time to time.

“Training Program” shall have the meaning defined and set forth in Article 4.A. of this Agreement.

“Transfer” means and shall include, without limitation, the following, whether voluntary or involuntary, conditional or unconditional, and/or direct or indirect: (a) an assignment, sale, gift, transfer, pledge or sub-franchise; (b) the grant of a mortgage, charge, lien or security interest, including, without limitation, the grant of a collateral assignment; (c) a merger, consolidation, exchange of shares or other ownership interests, issuance of additional ownership interests or securities representing or potentially representing ownership interests, or redemption of ownership interests; (d) a sale or exchange of voting interests or securities convertible to voting interests, or an agreement granting the right to exercise or control the

exercise of the voting rights of any holder of ownership interests or to control the operations or affairs of Franchisee; and/or (e) the legal and/or equitable transfer and/or sale of an Owner's interests and/or voting rights in Franchisee.

"Transfer Fee" shall have the meaning defined in Article 14.C.(11) of this Agreement. The Transfer Fee is \$10,000 per Territory and per Specialty Line, except that: (a) the Transfer Fee is \$7,500, per Territory and per Specialty Line for a Transfer to existing System Franchisee that is in good standing; (b) the Transfer Fee is \$3,500, per Territory and per Specialty Line for a Transfer to existing Spouse, parent, or child of an Owner upon the death or permanent disability of such Owner; and (c) the Transfer Fee is \$1,500, per Territory and per Specialty Line for a Transfer to a Corporate Entity that is under common ownership as Franchisee or to an existing owner of Franchisee.

**ARTICLE 2**  
**GRANT OF FRANCHISE**

\_\_\_\_\_ Nursing, Advance Practice & Administration/Leadership

\_\_\_\_\_ Allied Health Professionals

\_\_\_\_\_ Provider Division

A list of examples of the positions included in each Specialty Line is attached to this Agreement as Attachment 10. Franchisor reserves the right to add new roles or revise the Specialty Line to which a role or position is assigned in its sole discretion. The current Specialty Lines Positions List shall be included in the operations manual and shall control.

Franchisee may only use the Marks licensed hereunder, in strict conformity with the System, which may be changed, improved and further developed by Franchisor from time to time. This grant applies only within a territory that is designated in Attachment 2 attached hereto and incorporated herein (the "Territory").

**3. \_\_\_\_\_ SOLICITATION AND SALES RESTRICTIONS**

3.1 — Territory. This Agreement grants Franchisee the right to operate the Franchised Business for the specified Specialty Line within the Territory only. Subject to Sections 3.2, 3.3 and 3.4 below, Franchisor agrees that during the Term of this Agreement, Franchisor will not, and Franchisor will not permit any other franchisees in the System, to operate an i4 Search Group outlet for the same Specialty Line in the Territory using the same Marks as licensed to Franchisee in this Agreement so long as Franchisee (i) achieves sufficient revenue to attain the minimum monthly royalty fee requirement as detailed in Section 3.2 below and as set forth in Attachment 3, and (ii) is not in default under this Agreement or this Agreement has not been terminated. Except as otherwise specified in this Agreement, Franchisor reserves the right to open, operate or franchise i4 Search Group franchises around, bordering, and adjacent to the Territory and to use alternative methods of distribution, as more fully specified herein, within the Territory.

3.2 — Minimum Royalty. Franchisee acknowledges the importance of actively developing the Territory to achieve maximum revenues, and, to that end, Franchisee agrees to use best efforts to market Franchisee's Franchised Business to attain the minimum monthly royalty fee

requirement. In accordance therewith, beginning in the first full calendar month after completion of the initial training program, Franchisee shall submit a minimum of ten (10) candidates per month to Facilities. Franchisee shall attain or exceed the Minimum Royalty set forth on Attachment 3 each calendar year of the Term (prorated for the calendar year in which the Opening Date occurs, if applicable). On March 1 of each calendar year, Franchisor shall determine whether Franchisee has attained the Minimum Royalty requirement and may collect the difference between the actual Royalties paid and the Minimum Royalty required. In addition, Franchisee's failure to attain the Minimum Royalty is a material default of this Agreement, and upon such default, Franchisor is entitled to either (i) terminate this Agreement or (ii) revoke Franchisee's limited-protected rights (as described in Section 3.1 above) to the Specialty Line in the Territory.

**3.3 — Split Scenario for Candidate Placements. Franchisee shall provide permanent placement recruiting services and shall present candidates only for placement in Facilities located within the Territory. Franchisee may solicit candidates for hire (each a "Candidate") who reside within or outside of the Territory. 2.A. GRANT OF FRANCHISE**

Franchisee has requested that Franchisor grant to Franchisee the non-exclusive license and right to develop, own and operate a i4 Business within a specified territory and as to a specific Specialty Line. In reliance on the representations made by Franchisee and/or Franchisee's Owners in any submitted application and during the application process and subject to the terms and conditions of this Agreement, Franchisee's request has been approved by Franchisor, subject to the following terms and conditions:

(1) During the Term of this Agreement and subject to the rights of Franchisor including, but not limited to, the Reserved Rights, Franchisor grants to Franchisee and Franchisee accepts, the non-exclusive license, right and obligation to develop and operate an i4 Business that (a) is operated within the operating territory designated and set forth in Schedule 1 of this Agreement (the "Operating Territory"), and (b) is limited to providing the Approved Services and Products exclusively in connection with and in relation to Franchisee's Designated Specialty Line and no other Specialty Lines. If Schedule 1 does not specifically identify and designate an Operating Territory or is not signed by Franchisor, and/or if Schedule 2 does not specifically designate a Specialty Line or is not signed by Franchisor, Franchisee's Operating Territory and Franchisee's Designated Specialty Line shall be determined by Franchisor in Franchisor's Reasonable Business Judgment;

(2) The Operating Territory shall be comprised of a Territory and if, at the time of signing this Agreement, Franchisor and Franchisee agree to supplement the size of Franchisee's Operating Territory by adding an Additional Territory or Additional Territories, the Additional Territory or Additional Territories shall be included within the Operating Territory identified in Schedule 1 and shall be quantified in Schedule 2 for purposes of calculating the Initial Franchise Fee and other obligations under this Agreement;

(3) Franchisee may only operate the Franchised Business and provide the Approved Services and Products on behalf of Facilities physically located within Franchisee's Operating Territory and only as to Candidates within Franchisee's Designated Specialty Line and, without limitation to the foregoing, Franchisee may only offer and provide the Approved Services and Products in accordance with the System standards and requirements as designated by Franchisor and as may be set forth by Franchisor in the Operations Manual;

(4) Except as otherwise provided in this Agreement including, but not limited to, the Reserved Rights, provided that, at all times, Franchisee is and remains in compliance with the terms of this Agreement,

during the Term of this Agreement, Franchisor will not and Franchisor's affiliates will not operate, or grant a franchisee the right, as to Franchisee's Designated Specialty Line only, to operate an i4 Business using the Licensed Marks and System as to Facilities located within Franchisee's Operating Territory but excluding other Specialty Lines; and

(5) The foregoing rights granted in this Article 2.A. are subject to and contingent upon each and every, term and condition of this Agreement, the rights of any prior user, and are non-exclusive and subordinate to the Reserved Rights.

## **2.B. TERM**

Unless sooner terminated pursuant to the terms of this Agreement, the term of this Agreement will be for a period of eight consecutive years, commencing from the Effective Date (the "Term").

## **2.C. GUARANTY, CONFIDENTIALITY AND RESTRICTIVE COVENANTS**

If Franchisee is, at any time, a Corporate Entity, Franchisee agrees that each Owner and their respective Spouse shall execute, sign and deliver to Franchisor the Franchise Owner and Spouse Agreement and Guaranty attached to this Agreement as Exhibit 1 and, in doing so, among other things, will individually, jointly, and severally, guarantee Franchisee's obligations under this Agreement and personally bind themselves to confidentiality and non-competition covenants and restrictions.

## **2.D. RESERVATION OF RIGHTS**

Franchisor on behalf of itself, its affiliates and its assigns retains all rights, on any and all terms and conditions that Franchisor deems advisable and without any compensation or consideration to Franchisee to engage in the following activities (the "Reserved Rights"): (a) operate and grant to others the right to operate a Franchised Business, i4 Business and/or other businesses using the System and Licensed Marks within territories located outside Franchisee's Operating Territory; (b) operate and grant to others the right to operate a Franchised Business, i4 Business and/or other businesses using the System and Licensed Marks within Franchisee's Operating Territory as to Specialty Lines not included as a part of Franchisee's Designated Specialty Line; (c) operate and grant to others the right to develop and operate i4 Businesses and other businesses using the System and Licensed Marks within Franchisee's Operating Territory as to travel, staffing, recruitment, and all other services but excluding the Approved Services and Products related to the Specialty Line or Specialty Lines included in Franchisee's i4 Business; (d) acquire, be acquired, develop, merge with or otherwise affiliate with one or more businesses of any kind, including businesses that offer and provide products and services that are the same as or similar to Franchisee's i4 Business, and after such acquisition, development, merger or affiliation, to own and operate and to franchise or license others to own and operate and to continue to own and operate such businesses of any kind, even if such businesses offer and provide products and services that are the same as or similar to the Franchised Business but, not using the Licensed Marks, within Franchisee's Operating Territory; (e) use the Licensed Marks and System to offer, sell, and provide the Approved Services and Products offered and sold by the Franchised Business or products and services similar to the Approved Services and Products offered and sold by the Franchised Business in alternative channels of distribution including the internet, catalog sales, telemarketing, or other direct marketing sales within or outside Franchisee's Operating Territory; (f) use the Licensed Marks and System to offer, sell, and provide the Approved Services and Products offered and sold by the Franchised Business or products and services similar to the Approved Services and Products offered and sold by the Franchised Business on behalf of Corporate Accounts within or outside Franchisee's Operating Territory and irrespective of the Service Line; and (g) use the Licensed Marks and System and to license others to use the Licensed Marks and System, to engage in all other activities not expressly prohibited by the Franchise Agreement.

## **2.E. MODIFICATION OF SYSTEM**

Franchisor, in Franchisor's Reasonable Business Judgment, reserves the right, at all times, to supplement,

modify, alter and/or amend the System including any and/or all components of the System. Franchisee shall promptly comply with all such modifications to the System whether such modification results in the addition, subtraction, modification and/or enhancement to any and/or all components of the System. Franchisor shall provide Franchisee with a reasonable time period to comply with any change or modification to the System, which shall be communicated to Franchisee by Franchisor including, but not limited to, communication through the Operations Manual. Franchisor's modifications to the System shall not materially alter Franchisee's fundamental rights under this Agreement.

## **2.F. CORPORATE ENTITY OWNERSHIP**

If Franchisee is a Corporate Entity, Franchisee represents that: (a) the information contained in Schedule 3 of this Agreement is and shall remain complete, true and accurate throughout the Term of this Agreement; (b) Franchisee has been duly organized and validly exists under the law of the state where Franchisee was formed; (c) Franchisee is duly qualified and authorized to conduct business within the jurisdiction comprising Franchisee's Operating Territory and in each jurisdiction where Franchisee is or will be conducting business; and (d) the execution of this Agreement and the consummation of the transactions contemplated by this Agreement are within Franchisee's corporate power and are authorized.

## **ARTICLE 3 DEVELOPMENT AND OPERATION OF THE FRANCHISED BUSINESS**

### **3.A. DEVELOPMENT OF THE FRANCHISED BUSINESS**

Franchisee must develop and open the Franchised Business on or before the Scheduled Opening Date. Notwithstanding the foregoing, prior to opening and commencing the operations of the Franchised Business, Franchisee must, as determined by Franchisor: (a) be in compliance with the terms and conditions of this Agreement; (b) have satisfied the pre-opening obligations designated by Franchisor in the Operations Manual; (c) have completed and satisfied the training obligations designated by Franchisor; (d) have developed an Administrative Office in conformity with Franchisor's standards and specifications and as otherwise required by Franchisor in the Operations Manual; (e) have obtained the necessary licenses and permits to operate the Franchised Business; and (f) have obtained Franchisor's written consent to open the Franchised Business.

### **3.B. OPERATIONS OF THE FRANCHISED BUSINESS**

At all times the Franchised Business shall: (a) be operated exclusively within Franchisee's Operating Territory as to Facilities physically located within Franchisee's Operating Territory and only as to candidate professionals within Franchisee's Designated Specialty Line; (b) be operated from an approved Administrative Office; (c) exclusively offer, sell and provide the Approved Services and Products in accordance with Franchisor's standards, specifications, and requirements; (d) ensure that the Approved Services and Products are only offered and provided by Franchisee through employees and/or Owners that have, to Franchisor's satisfaction, completed the training requirements and Training Programs required by Franchisor; (e) exclusively use, maintain, and, stock in inventory, the System Designated Resources in such quantities as designated by Franchisor; (f) exclusively purchase the System Designated Resources from the supplier and/or suppliers, vendor and/or vendors approved by Franchisor and designated by Franchisor, in Franchisor's Reasonable Business Judgment; (g) be exclusively managed and operated by Franchisee or, if Franchisee is a Corporate Entity, Franchisee's Managing Owner; (h) maintain the necessary licenses and permits and, those licenses and permits required, and/or recommended by Franchisor, for Franchisee's development, ownership, and operation of the Franchised Business; and (i) be operated in conformity with Franchisor's standards, specifications, criteria and requirements as set forth by Franchisor in the Operations Manual as such Operations Manual exists as of the Effective Date of this Agreement and as the Operations Manual may be modified and supplemented from time to time in the future by Franchisor, in Franchisor's Reasonable Business Judgment.

Franchisee agrees that all billing for Approved Services and Products provided by the Franchised Business shall be processed by Franchisor and/or Franchisor's designated representative and that all receipts and Gross Sales shall be collected and paid directly to Franchisor and/or Franchisor's designated representative. Franchisee shall not directly bill or process payments from customers of the Franchised Business and all billing, processing, and collections shall occur at the direction of Franchisor and in accordance with Franchisor's policies and procedures as determined by Franchisor in Franchisor's Reasonable Business Judgment. In the event of a billing, service delivery, and/or collections dispute, Franchisor possesses the sole and exclusive authority, to discount and/or reduce fees paid by a customer of the Franchised Business.

Franchisor shall remit, on a bi-weekly basis, Franchisee's Gross Sales to Franchisee net of any and all fees due from Franchisee to Franchisor and/or Franchisor's affiliates.

### **3.C. FRANCHISEE'S ADMINISTRATIVE OFFICE**

Franchisee must operate the Franchised Business from an Administrative Office that conforms to Franchisor's standards and specifications and, such other requirements as set forth in the Operations Manual. Franchisee's Administrative Office must not be accessible to the public or to Franchisee's customers. If permitted by applicable laws, rules, and regulations to be independently verified by Franchisee, including, but not limited to, local zoning laws and regulations Franchisee may designate Franchisee's personal residence as Franchisee's Administrative Office.

Franchisee will not lease, purchase or otherwise acquire a proposed Administrative Office until such information as Franchisor may require as to the proposed Administrative Office has been provided to Franchisor by Franchisee and, Franchisor has approved the location in accordance with the terms and conditions of this Agreement. Franchisor shall respond to Franchisee's request for approval of a proposed Administrative Office within 30 days following Franchisor's receipt, from Franchisee, of complete written information about Franchisee's proposed Administrative Office.

### **3.D. FURNITURE, FIXTURES, EQUIPMENT AND SIGNS**

Except as to an Administrative Office operated from the personal residence of Franchisee or Franchisee's Owner, Franchisee agrees to use in the construction and operation of Franchisee's Administrative Office only those types of construction and decorating materials, fixtures, equipment, furniture, and signs that Franchisor has approved or designated in the Operations Manual for Franchised Business as meeting Franchisor's specifications and standards for appearance, function and performance.

### **3.E. SYSTEM DESIGNATED RESOURCES**

Franchisee shall exclusively purchase and use the System Designated Resources in the operations of the Franchised Business. Franchisee shall exclusively purchase the System Designated Resources from the supplier and/or suppliers and vendor and/or vendors designated by Franchisor from time to time. Franchisee agrees that control over the nature, quality, branding, and source of the System Designated Resources is critical to the System and that irrespective of the availability of substitute products, supplies, equipment and/or sources of supply, Franchisee shall only purchase and use the System Designated Resources as designated by Franchisor and only from those suppliers designated and approved by Franchisor. Franchisee agrees that in many instances Franchisor and/or Franchisor's affiliates may be and/or may become the sole and exclusive supplier of the System Designated Resources.

### **3.F. BUSINESS MANAGEMENT SYSTEM**

Franchisee shall exclusively use the Business Management System or systems designated by Franchisor, in Franchisor's Reasonable Business Judgment, and as may be modified, supplemented or replaced by Franchisor from time to time. Franchisee shall purchase, license and maintain such Business Management System and/or systems from Franchisor and/or such third party suppliers designated by Franchisor. Franchisor, in Franchisor's Reasonable Business Judgment, may require that Franchisee's license, and use

of the Business Management System occur through accounts registered to Franchisor, controlled by Franchisor, or licensed through Franchisor. Franchisee shall provide and grant Franchisor with unlimited and uninterrupted direct internet based and/or remote access to the Business Management Systems of the Franchised Business. Franchisee shall pay and be responsible for all fees associated with the Business Management Systems including, but not limited to, initial and on-going license fees. Supplementing and, without limitation to the foregoing, Franchisee agrees that:

(1) The Business Management System will contain proprietary and Confidential Information owned by Franchisor and related to the System;

(2) The Business Management System shall be exclusively used by Franchisee in the operations of the Franchised Business, in accordance with the terms of this Agreement, and the standards and specifications set forth by Franchisor in the Operations Manual;

(3) As between Franchisee and Franchisor, Franchisor is and shall be the exclusive owner of the Business Management System Data, except that Franchisee shall store and maintain such data in accordance with all applicable local, state and federal privacy, data collection and solicitation laws. Upon expiration or termination of this Agreement for any reason, Franchisee shall preserve and maintain the Business Management System Data for the purpose of transferring such data to Franchisor;

(4) At all times, Franchisee shall provide and permit Franchisor to maintain direct and independent access to the Business Management System and the Business Management System Data and to duplicate and evaluate the data;

(5) Franchisee shall upgrade, replace and modify the Business Management System at the request of Franchisor and in accordance with Franchisor's written instructions;

(6) Other than permitting access to employees of the Franchised Business for the purpose of conducting the authorized operations of the Franchised Business, Franchisee shall not permit or allow any third party to access, use or duplicate the Business Management System or the Business Management System Data;

(7) Franchisee shall keep and maintain the Business Management System and the Business Management System Data as secret and confidential and, Franchisee shall maintain security precautions to maintain the confidentiality of the Business Management System and the Business Management System Data; and

(8) In no event shall Franchisor be liable to Franchisee for any damages, including any lost profits, lost savings, or other incidental or consequential damages, relating to Franchisee's use, or Franchisee's inability to use, the Business Management System even if Franchisor has been advised of the possibility of such damages, or for any claim by any other party including the software manufacturer. The foregoing limitations of liability are intended to apply without regard to whether other provisions of the Agreement have been breached or proven ineffective.

### **3.G. DIGITAL MEDIA, SYSTEM WEBSITE AND TELEPHONE NUMBERS**

As between Franchisor and Franchisee, Franchisor is the absolute owner of the Digital Media. Franchisee shall not utilize, access or open accounts regarding or related to Digital Media unless expressly approved by Franchisor in writing which approval Franchisor may withhold, condition, limit, modify, or withdraw as determined by Franchisor in Franchisor's Reasonable Business Judgment and which approval, if given, shall be limited to the marketing and promotion of the Franchised Business in accordance with Franchisor's standards and specifications. Upon expiration or termination of this Agreement for any reason, all prior

authorizations respecting Franchisee's right to use the Digital Media and/or otherwise as to any rights of Franchisee in or to the Digital Media shall be automatically terminate and, at Franchisor's election, the right to any and all accounts and/or sites, if any, associated with Digital Media utilized by Franchisee shall be transferred by Franchisee to Franchisor. Franchisee shall not utilize the Digital Media for purposes of or with the effect of libeling or disparaging another party and Franchisee shall not violate any copyrights or the legal rights of any other party or person. Franchisee is exclusively responsible for disparagement, libel and/or copyright or intellectual property infringement as to all information, data, materials, and Published Content issued, posted, and/or made available by Franchisee.

Franchisee agrees that Digital Media and/or Published Content, if permitted by Franchisor, must be approved by Franchisor prior to publication or use in any form. Digital Media and Published Content that is approved by Franchisor or that otherwise is acceptable to Franchisor as meeting Franchisor's standards shall, at Franchisor's discretion, be owned by Franchisor. As between Franchisor and Franchisee, any and all interest and right in or to the Digital Media and/or Published Content shall, at all times, be and is the exclusive property of Franchisor both during the Term of this Agreement and upon the expiration or termination of this Agreement. The System Website and all improvements and modifications made to the System Website, Digital Media, and Published Content is and shall be the exclusive property of Franchisor. During the Term of this Agreement and subject to Franchisee's compliance with this Agreement, the System Website shall include information related to the Franchised Business as shall be determined and designated by Franchisor in Franchisor's Reasonable Business Judgment. All rights in and to telephone numbers associated with the Franchised Business, shall, at Franchisor's election, be transferred to Franchisor.

Without limitation to the foregoing, Franchisee shall, upon the request of Franchisor, execute and deliver to Franchisor the Assignment of Telephone Numbers and Digital Media Accounts attached to this Agreement as Exhibit 3. Upon the request of Franchisor, Franchisee shall execute, update, and/or re-execute the Assignment of Telephone Numbers and Digital Media Accounts agreement upon the request of Franchisor. As between Franchisor and all third parties, Franchisee represents and acknowledges that such third party is authorized to rely on the Assignment of Telephone Numbers and Digital Media Accounts agreement, irrespective of any dispute and/or controversy between Franchisor and Franchisee and irrespective of any contrary instructions of Franchisee.

### **3.H. RELOCATION OF FRANCHISEE'S ADMINISTRATIVE OFFICE**

Franchisee shall not relocate Franchisee's Administrative Office to a facility located outside the Operating Territory. To the extent that Franchisee wishes to relocate Franchisee's Administrative Office to a suitable commercial facility located within the Operating Territory then Franchisee must obtain Franchisor's prior written consent which shall not be unreasonably withheld provided that Franchisee is in compliance with the terms and conditions of this Agreement and provided that the new facility meets Franchisor's then current standards and specifications. Franchisee may not operate the Franchised Business from a residence location outside of the Operating Territory.

### **3.I. PLACEMENT OF CANDIDATES: IN TERRITORY AND OUT OF TERRITORY**

In providing the Approved Services and Products and, as to Franchisee's Designated Specialty Line only, Franchisee shall present Candidates only for placement in Facilities located within Franchisee's Operating Territory and Specialty Line. Franchisee may solicit Candidates (within Franchisee's Designated Specialty Line only) who reside within or outside of Franchisee's Operating Territory provided that Franchisee complies with Franchisor's solicitation rules and requirements as designated by Franchisor in the Operations Manual and as may be suspended and/or modified from time to time in Franchisor's Reasonable Business Judgment.

Notwithstanding the foregoing, in the event Franchisee places a Candidate, who at the time of Franchisee's presentation of that Candidate to a Facility resides ~~in a~~ within the territory ~~operated by~~ of another i4 Business or System franchisee of the same Specialty Line, Franchisee ~~is obligated~~ shall pay and/or Franchisor, at Franchisor's election, may automatically direct payment from Franchisee's Gross Sales, in an amount equal to ~~pay fifty percent (50%)~~ % of the Facility Payment for such Candidate's placement to such other franchisee. ~~and/or i4 Business.~~

Additionally, for Candidate placements that cross multiple territories (such as a Candidate ~~from~~ residing in territory A that is referred for placement in a Facility in territory B and who is ultimately placed in the Facility's location in territory C), the System franchisees and/or i4 Businesses of such territories shall each receive an equal split of the Facility Payment. ~~Franchisee hereby acknowledges that other System franchisees have substantially similar rights to solicit Candidates outside of their territories, which includes soliciting Candidates who may reside within Franchisee's Territory (with compensation to Franchisee as set forth in this Section 3.3) and Franchisee hereby agrees that the exercise of such right by other System franchisees~~ The foregoing is deemed not to impair or injure Franchisee's rights pursuant to Article 2 hereof, subject to receipt of a share of the Facility Payment ~~Franchisor's Out of Territory Candidate Rules as determined by Franchisor in Franchisor's Reasonable Business Judgment and as set forth in this Section~~ may be modified by Franchisor from time to time.

3.4—Reservation of Rights. Franchisee ~~understands~~ acknowledges that other System franchisees may have the right, among other things, to solicit Candidates residing within Franchisee's Operating Territory and Franchisee agrees that the exercise of such right by other System franchisees and/or i4 Businesses does not impair or injure Franchisee's rights in Franchisee's i4 Business and/or as otherwise set forth in this Agreement. At all rights to any businesses, other than as specified in this Agreement, are fully reserved to Franchisor within or outside times Franchisee shall comply with, honor, and abide by Franchisor's Out of the Territory. ~~By way of example only,~~ Candidate Rules.

### 3.J. CORPORATE ACCOUNTS

Franchisor reserves the rights to offer (i) other services and products not offered under the Marks; (ii) other recruiting or staffing concepts or products under the Marks or other trademarks, including other Specialty Lines, Travel, Staffing, and Temporary recruiting services; and (iii) products or services through other channels of distribution in the Territory including, but not limited to, the internet, telemarketing or direct marketing ("Alternate Channels of Distribution"). Franchisor further specifically reserves the right, at Franchisor's sole discretion and within Franchisor's Reasonable Business Judgment, to solicit, sell to, negotiated rates with, and provide service ~~healthcare facilities operators that conduct business across multiple areas or have multiple Facilities either regionally or nationally ("Commercial~~ that qualify as Corporate Accounts~~").~~ Franchisor may offer Franchisee the right to service ~~Commercial~~ Corporate Accounts in the Franchisee's Operating Territory, provided that Franchisee accepts negotiated terms and meets Franchisor's specifications; otherwise, Franchisor may service the ~~Commercial~~ Corporate Accounts either directly or permit another System franchisee or i4 Business to provide such service. ~~Franchisee will receive no~~ without any benefit or compensation for Franchisor's sales through Alternate Distribution Channels or unoffered or declined Commercial Accounts made within the Territory. Franchisee agrees that such implementation of Franchisor's rights pursuant to this Section 3.4 is deemed not to impair or injure Franchisee's rights pursuant to Article 2 hereof. ~~to Franchisee.~~

## ARTICLE 4. TERM

Unless terminated earlier in accordance with the terms set forth in this Agreement, this Agreement and the Franchise granted hereunder shall commence upon the Effective Date set forth above and terminate on the date that is eight (8) years following the Opening Date, as defined in Article 8 hereof (the "Term").

#### 5. — SUCCESSOR OPTIONS

Subject to the terms and conditions of this Agreement, Franchisee shall have two (2) consecutive options, following the expiration of the Term hereof, to enter into a successor franchise agreement and other agreements then customarily employed by Franchisor and in the form then generally being offered to prospective franchisees in the state in which the Territory is located (the "Successor Franchise Agreement") for an additional term of five (5) years. The term of such Successor Franchise Agreement shall commence upon the date of expiration of the immediately preceding term. Franchisee shall be charged a successor agreement fee equal to fifteen percent (15%) of the then current Initial Franchise Fee for a Territory in the same tier ("Successor Agreement Fee").

**Form and Manner of Successor Agreement.** If Franchisee desires to exercise Franchisee's option to enter into a Successor Franchise Agreement, it shall be done in the following manner:

Not less than six (6) months prior to the expiration of the Term of this Agreement, Franchisee shall request from Franchisor in writing, a copy of Franchisor's then current Disclosure Document (including Franchisor's then current franchise agreement).

Franchisee must execute and return to Franchisor all required documents, including any and all ancillary documents, within sixty (60) days after receipt by Franchisee of a copy of Franchisor's then current Disclosure Document.

The Successor Franchise Agreement shall supersede this Agreement in all respects, and Franchisee understands and acknowledges that the terms of such new agreement may differ from the terms of this Agreement, including, without limitation, higher or lower royalty and other fees.

If Franchisee fails to perform any of the acts or deliver any of the notices required pursuant to this Section 5.1 in a timely fashion, such failure shall be deemed an election by Franchisee not to exercise Franchisee's option to enter into the Successor Franchise Agreement, and such failure shall cause Franchisee's right and option to automatically lapse and expire, without further notice by Franchisor.

Franchisee acknowledges that the initial Term of this Agreement provides Franchisee more than a sufficient opportunity to recoup Franchisee's investment in the Franchise, as well as a reasonable return on such investment.

**Conditions of Successor Agreement.** Franchisee's right to enter into a Successor Franchise Agreement is conditioned upon the following:

Franchisee shall be in full compliance with this Agreement and shall have materially performed Franchisee's obligations under this Agreement, Franchisor's operations manual ("Manual") and under all other agreements that may be in effect between Franchisee and Franchisor, including but not limited to all monetary obligations.

Franchisee shall not have committed three (3) or more events constituting default during the then current Term of this Agreement, whether or not such defaults were cured.

Franchisee will have completed any required additional training to Franchisor's reasonable satisfaction.

Franchisee performs such repairs, upgrades and replacements as Franchisor may require to cause the Franchised Business' equipment, computer system, and other assets to conform to the then-current specifications for franchised businesses on the date of the successor agreement.

Franchisee shall execute a general release of all claims Franchisee may have against i4 Franchise Development Inc., its parent, subsidiaries and affiliates, its officers, directors, shareholders, agents, and employees, whether in their corporate and/or individual capacities, in the form attached hereto as Attachment 4. This release will include all claims arising under any federal, state, or local law, rule, or ordinance, and is subject to applicable state law.

Franchisee shall pay the required Successor Agreement Fee and sign the Successor Franchise Agreement.

Notice Required by Law. If applicable law requires Franchisor to give notice to Franchisee prior to the expiration of the Term, this Agreement shall remain in effect on a month-to-month basis until Franchisor has given the notice required by such applicable law. If Franchisor is not offering new i4 Search Group franchises (as the case may be), is in the process of revising, amending or updating Franchisor's form of franchise agreement or disclosure document, or Franchisor is not lawfully able to offer Franchisee the then-current form of Successor Franchise Agreement at the time Franchisee advises Franchisor pursuant to Section 5.2 hereof that Franchisee desires to enter into a Successor Franchise Agreement, Franchisor may, in Franchisor's sole discretion, (i) offer to renew this Agreement upon the same terms set forth herein for the appropriate successor term or (ii) offer to extend the Term hereof on a month-to-month basis following the expiration of the Term for as long as Franchisor deems necessary or appropriate so that Franchisor may lawfully offer the then-current form of Successor Franchise Agreement. Any timeframes specified in this Article 5 shall be inclusive of any state mandated notice periods.

Additional Reservation of Rights. Notwithstanding anything herein to the contrary, Franchisor reserves the right not to enter into a successor franchise agreement for this Franchise as a result of a decision to withdraw from a marketing area or the Territory of Franchisee's Franchised Business.

6. — ~~FEES~~

6.1— Initial Franchise and Royalty Fees. As part of the consideration for the right to operate the Franchise granted herein, Franchisee shall pay to Franchisor the following fees:

6.1.1— Initial Franchise Fee. Franchisee acknowledges and agrees that the grant of this Franchise and the rights and obligations of the parties under this Agreement constitute the sole and only consideration for the initial franchise fee in the amount set forth on Attachment 3 (the “Initial Fee”). The Initial Fee is fully earned at the time this Franchise Agreement is signed and is not refundable under any circumstances. Franchisee shall pay the full amount of the Initial Fee to Franchisor upon Franchisee’s execution of this Agreement.

6.1.2— Royalty Fee. Franchisee agrees to pay Franchisor, throughout the Term, a royalty fee equal to fourteen percent (14%) of Franchisee’s Gross Revenue, as hereinafter defined, realized from the Franchised Business and from any other revenues received using Franchisor’s trademarks, methods, operations and/or trade secrets (the “Royalty Fee”). The term “Gross Revenue” means (i) all revenue received or receivable from Facilities for placement of Candidates (“Facility Payments”) and (ii) any other revenues and income from any source derived or received by Franchisee from, through, by, or on account of the operation of the Franchised Business or made pursuant to the rights granted hereunder, including but not limited to, any and all other revenues received using Franchisor’s trademarks, methods, operations and/or trade secrets whether received in cash, in services, in kind, from barter and/or exchange, on credit (whether or not payment is actually received) or otherwise. Gross Revenues also include all proceeds from any business interruption insurance. Excluded from Gross Revenues are taxes separately stated that are payable to taxing authorities on account of the operation of the Franchised Business.

6.1.3— Revenue Reports. Franchisee shall, by the tenth (10th) and the twenty-fifth (25th) day of each calendar month, furnish Franchisor with (and/or Franchisor shall otherwise have access to) a report showing Franchisee’s Gross Revenue, plus all taxes paid, at or from the Franchised Business and/or made pursuant to the rights granted hereunder during the immediately prior calendar month (the “Revenue Report”). The Revenue Report shall be in such form and shall contain such information as Franchisor may from time to time prescribe. At Franchisor’s discretion, Franchisee shall submit (and/or Franchisor shall otherwise access to) the Revenue Report by an electronic transfer of data via the computer information systems (“Computer System”) that Franchisor requires Franchisee to use in the operation of the Franchised Business.

6.1.4— Method of Payment. Franchisee acknowledges that Facility Payments shall be made through centralized payment processing systems maintained by Franchisor or Franchisor’s affiliate. Every other Friday, or the next business day if any Friday falls on a holiday, Franchisor or Franchisor’s affiliate shall distribute to Franchisee the amount of Facility Payments made for placement of Candidates in the Territory in the previous month, less: the Royalty Fee, Brand Fund Contribution, taxes (if applicable), and any other charges paid by Franchisor or Franchisor’s affiliate in relation to the placement of Candidates and Facility Payments in the Territory, such as credit card processing fees or ACH fees charged by Facilities (the “Distributed Balance”). In addition, Franchisee shall, together with the submission of the Revenue Report (or Franchisor’s access thereof), pay to Franchisor the Royalty Fee and Brand Fund Contribution (collectively “Other Fees”) due with regard to all other Gross Revenue realized by Franchisee

and paid by means other than the centralized payment processing systems maintained by Franchisor or Franchisor's affiliate. At Franchisor's option, Franchisor may collect these Other Fees through deduction from the Distributed Balance. If a Facility is eligible for a refund as a result of a failed placement, such refund shall be deducted from the Distributed Balance or paid by Franchisee within thirty (30) days of Franchisor's billing thereof. At Franchisor's request, Franchisee must execute documents, including but not limited to, the Authorization attached as Attachment 5, that allow Franchisor to automatically take Other Fees and the Technology & Administrative Fee (as described in Section 6.6 below) due, as well as other sums due Franchisor, from business bank accounts via electronic funds transfers or Automated Clearing House ("ACH") payments. Franchisee's failure to allow electronic funds transfers or ACH payments on an ongoing basis is a material breach of this Agreement. Franchisor reserves the right to modify the method of Facility Payments and/or method and frequency of collection of the Royalty Fee, Brand Fund Contribution, and tax and reimbursement of fees paid by Franchisor or Franchisor's affiliate on Franchisee's behalf upon forty-five (45) days' prior notice to Franchisee.

6.2—Late Fee. For any sum payable to Franchisor pursuant to this Agreement and not otherwise collected by deduction from the Distributed Balance and which remains unpaid after the due date, Franchisee shall pay to Franchisor, in addition to the overdue amount, a late fee of One Hundred Fifty Dollars (\$150) per week. This late fee is reasonably related to Franchisor's costs resulting from the delay in payment, is not a penalty, and is in addition to any other remedy available to Franchisor under this Agreement for Franchisee's failure to timely pay amounts due to Franchisor.

6.3—Interest. Any and all amounts that shall become due and owing from Franchisee to Franchisor under the terms hereof which are not collected through deduction from the Distributed Balance, shall bear interest from the date due until paid at the rate of one and one-half percent (1.5%) per month or at the highest rate permitted by law, whichever is lower.

6.4—Non-Sufficient Funds Fee. In the event any of Franchisee's checks are returned, or an electronic funds transfer from Franchisee's bank account is denied, for insufficient funds, Franchisee shall pay Franchisor, in addition to the amount due, a non-sufficient funds fee of One Hundred Dollars (\$100) per occurrence. This non-sufficient funds fee is reasonably related to Franchisor's costs resulting from the delayed and declined payment, is not a penalty, and is in addition to any other remedy available to Franchisor under this Agreement.

6.5—Technology & Administrative Fee. Franchisee agrees to pay Franchisor, monthly throughout the Term, a Technology & Administrative Fee in an amount determined by Franchisor for technology adopted, developed or otherwise required by Franchisor for the benefit of the System and Franchised Business, including but not limited to, assigned phone numbers and email addresses required for use in the Franchised Business, a benchmarking platform or other operations or communications systems, software or applications and for Franchisor's administration of technology systems and subscriptions and other administrative support and handling of day to day functions such as invoicing of Facilities. In Franchisor's sole discretion, Franchisor may (i) increase the amount of the Technology & Administrative Fee or (ii) replace the technology with different technology, developed by Franchisor or a third party, and

Franchisee shall pay the then-current fees for the replacement technology and for continuous access thereto. The Technology & Administrative Fee is payable on the twenty-fifth (25th) day of each calendar month by electronic funds transfers or ACH payment. Franchisor reserves the right to adjust the frequency and manner of payment of the Technology & Administrative Fee upon forty-five (45) days' notice to Franchisee.

6.6 — Taxes. If any sales, excise, use or privilege tax is imposed or levied by any government or governmental agency on Franchisor for any Royalty Fee, Brand Fund Contribution or other fees due and payable to Franchisor under this Agreement, Franchisee shall be responsible for a sum equal to the amount of such tax as well as the filing costs associated therewith. Franchisor may collect the amount of the tax and filing costs through deduction from the Distributed Balance or as determined by Franchisor in its sole discretion.

6.7 — Business Development/Lead Optimization. Franchisee is required to contract with and pay the applicable program fee to the designated supplier for this program after signing this Agreement. The program provides guidance in developing the Franchised Business in the early stages and assistance in connecting with potential clients to build and manage relationships with key personnel at Facilities in the Territory.

## 7. — TRAINING AND OPERATING ASSISTANCE

### 7.4.A. INITIAL TRAINING, SUPPLEMENTAL TRAINING AND SYSTEM-WIDE TRAINING

~~(1— Initial Training Program. Franchisee shall attend-) Prior to the earlier of the Scheduled Opening Date or the Actual Opening Date, Franchisee's Managing Owner and one manager must complete, to Franchisor's sole and absolute satisfaction, Franchisor's initial training program ("Initial (the "Training Program"). Franchisor will provide Franchisee, comprised of Franchisee's Managing Owner, and one designated manager, with Franchisor's Training Program") prior to the opening. If Franchisee would like more than two individuals to attend the Training Program, subject to Franchisor's approval, Franchisee shall pay to Franchisor an additional fee of \$500 per additional person per day attending the Training Program (the "Additional Initial Training Fee"). Additional Initial Training Fees shall be pre-paid in advance of training and upon submission of invoice by Franchisor to Franchisee.~~

~~Prior to opening and commencing the operations of the Franchised Business, the Managing Owner and other personnel as designated or determined by Franchisor, must attend and successfully complete the Training Program designated by Franchisor. The Initial Training Program consists of remote learning and training may include classroom and on-the-job instruction at a course location or facility designated by Franchisor, and/or, at the election of Franchisor and as determined by Franchisor, in Franchisor's Reasonable Business Judgment, may be conducted at Franchisor's headquarters and/or field offices. Franchisor remotely through online web based conferencing. Following completion of the Training Program, Franchisee shall be responsible for the ongoing training of Franchisee's employees, staff and all other employees of the Franchised Business. Said on-going training must conform to Franchisor's standards and specifications. The Training Program shall be structured, configured and established by Franchisor from time to time. The Training Program may be structured so that it is offered and completed by Franchisee in various phases.~~

~~(2) Franchisee or, if Franchisee is a Corporate Entity, Franchisee's Managing Owner and Manager, at Franchisee's sole cost and expense, must attend and successfully complete all refresher training courses~~

or system-wide training courses, additional training programs and seminars as Franchisor periodically may designate or offer in Franchisor's Reasonable Business Judgment. Franchisor provides instructors and training materials for those programs and seminars, but Franchisor reserves the right to assess Franchisee reasonable charges for such training. Franchisee is responsible for all expenses Franchisee and Franchisee's employee incurs in connection with attendance and participation in these programs and seminars, including, without limitation, the cost of transportation, lodging, meals and any salaries and other wages.

(3) Franchisee shall pay all costs and expenses incurred by Franchisee and, those attending training on behalf of Franchisee, in connection with Franchisee's participation in all Training Programs and satisfaction of Franchisee's Training Program obligations as designated by Franchisor.

(4) Subject to Franchisor's approval and agreement, Franchisor may offer supplemental training within Franchisee's Operating Territory or as elected by Franchisor, remotely through online web based conferencing (hereinafter referred to as "Supplemental Training"). Franchisor, in Franchisor's Reasonable Business Judgment, reserves the right to reject or approve of any request by Franchisee for Supplemental Training. If Franchisor does agree to offer and provide Supplemental Training, Franchisee shall pay to Franchisor a supplemental training fee at the rate of \$500 per trainer per day plus, if applicable, reimbursement of travel and hotel accommodation expenses incurred by Franchisor (the "Supplemental Training Fee"). Franchisee agrees that in each instance where Franchisee hires a new Operating Manager, and/or Franchisor, in Franchisor's Reasonable Business Judgment, determines that Franchisee is not satisfying and/or meeting Franchisor's operational standards, then Franchisor may require that Franchisee, and/or, as applicable, Franchisee's Operating Manager participate in, and successfully complete, Supplemental Training pay the Supplemental Training Fees designated by Franchisor. Supplemental Training Fees shall be pre-paid in advance of training and upon submission of invoice by Franchisor to Franchisee.

(5) Franchisor, in Franchisor's Reasonable Business Judgment must approve of all individuals attending and participating in the Training Program and all Supplemental Training programs. All participants in the Training Program must qualify as either an Owner or Operating Manager and, prior to training, among other things, must have executed the Owner and Spouse Agreement and Guaranty or the Confidentiality Agreement, respectively.

#### **4.B. OPERATING ASSISTANCE**

From time to time and as determined by Franchisor, in Franchisor's Reasonable Business Judgment, Franchisor shall advise Franchisee of those applicable standards, procedures and System requirements concerning the Franchised Business. Operating assistance may, as determined by Franchisor, in Franchisor's sole discretion, consist of:

(1) Establishing and communicating systems and procedures related to the development and operation of the Franchised Business;

(2) Establishing and communicating Approved Services and Products and, as applicable and as determined by Franchisor, modifications, if any, to the Approved Services and Products including, but not limited to, additions, deletions, and/or changes to the Approved Services and Products;

(3) Designating and communicating System Designated Resources and, as applicable and as determined by Franchisor, modifications, if any, to the System Designated Resources including, but not limited to, additions, deletions, and/or changes to the System Designated Resources;

(4) Designating and communicating approved and designated suppliers of the Franchised Business and, as applicable and as determined by Franchisor, modifications, if any, to approved and designated

suppliers including, but not limited to, additions, deletions, and/or changes to the approved and designated suppliers;

(5) Establishing and communicating marketing and brand standards related to the promotion of the Franchised Business;

(6) Approving or disapproving of Franchisee requests related to marketing materials and Digital Media that may be used to market the Franchised Business; and

(7) Establishing and communicating System standards and requirements in the form of the Operations Manual and, as Franchisor, in Franchisor's sole discretion.

#### **4.C. OPERATIONS MANUAL**

Franchisor shall provide Franchisee with access to the Operations Manual. The Operations Manual contains, as designated and determined by Franchisor, mandatory and, as applicable, suggested specifications, standards and operating procedures that Franchisor prescribes for i4 Businesses. Franchisee shall operate the Franchised Business in strict accordance with the standards, specifications, and requirements set forth in the Operations Manual as, such standards, specifications, and requirements including, but not limited to, the Approved Services and Products, System Designated Resources, and, authorized and designated suppliers, as of the Effective Date of this Agreement, and, as they may be supplemented, modified, changed, and/or replaced in the future and, from time to time, by Franchisor, in Franchisor's Reasonable Business Judgment. Franchisee shall keep and maintain the confidentiality of the Operations Manual and shall keep and maintain all files, data and information contained in the Operations Manual in a secure location and/or in a protected confidential state and, as otherwise directed by Franchisor. The master copy and official version of the Operations Manual is and shall be the copy and/or version maintained and designated by Franchisor in Franchisor's ordinary course of business.

Franchisor shall provide Franchisee with reasonable notice of modifications and changes made to the Operations Manual and, such notice may take form of electronic communications including emails and, if the Operations Manual is maintained on an online web based platform, notifications within said platform. Franchisor shall provide Franchisee with a reasonable period of time, as determined by Franchisor, in Franchisor's Reasonable Business Judgment, to implement change and modifications to the as set forth in the Operations Manual. Without limitation to the foregoing, Franchisee may only offer and provide the Approved Services and Products and utilize the System Designated Resources as designated by Franchisor, in Franchisor's Reasonable Business Judgment, in the Operations Manual and, in accordance with the terms, specifications and requirements set forth in the Operations Manual and as Franchisor may supplement and modify the Operations Manual from time to time or, as Franchisor may otherwise designate in writing.

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### **ARTICLE 5**

#### **FEES designate an alternate location for**

##### **5.A. INITIAL FRANCHISE FEE**

Upon execution of this Agreement Franchisee shall pay to Franchisor a non-recurring initial franchisee fee (the "Initial Franchise Fee"). The amount of the Initial Training Program. Franchisee must at Franchise

Fee is determined on a per Territory and per Specialty Line basis and is determined by Franchisor based on the population within Franchisee's Operating Territory in accordance with the following schedule:

<u>Approximate Territory Population Determined by Franchisor as of the Effective Date of This Agreement</u>	<u>Initial Franchise Fee (Single Specialty Line and Single Territory)</u>	<u>Additional Specialty Lines</u>
<b>Tier 1:</b> less than 6 million	\$50,000	Plus \$42,500 per additional Specialty Line
<b>Tier 2:</b> 6 million to less than 8 million	\$60,000	Plus \$51,000 per additional Specialty Line
<b>Tier 3:</b> 8 million or greater	\$80,000	Plus \$68,000 per additional Specialty Line

The Initial Franchise Fee is fully earned by Franchisor upon execution of this Agreement and is not refundable. The amount of the Initial Franchise Fee is designated and set forth in Schedule 2 of this Agreement.

Additional Territory – If during the Term of this Agreement Franchisor approves of Franchisee's request to add an additional Territory and/or Territories to Franchisee's Operating Territory, Franchisee shall pay to Franchisor a supplemental franchise fee that is determined in accordance with the Initial Franchise Fee schedule set forth above in this Article 5.A. but subject to a 10% discount. Any award or grant of an Additional Territory or Additional Territories is subject to Franchisee's on-going compliance with the terms of this Agreement, market availability, and Franchisor's approval or disapproval, as determined by Franchisor, and as may be granted or denied by Franchisor in Franchisor's Reasonable Business Judgment.

Additional Specialty Lines - If during the Term of this Agreement Franchisor approves of Franchisee's request to add an additional Specialty Line and/or Specialty Lines to Franchisee's Operating Territory, Franchisee shall pay to Franchisor a supplemental franchise fee that is determined in accordance with the Initial Franchise Fee schedule set forth above in this Article 5.A. but subject to a 10% discount. Any award or grant of an Additional Territory or Additional Territories is subject to Franchisee's on-going compliance with the terms of this Agreement, market availability, and Franchisor's approval or disapproval, as determined by Franchisor, and as may be granted or denied by Franchisor in Franchisor's Reasonable Business Judgment.

**5.B. ROYALTY FEES**

Royalty Fees: Throughout the Term of this Agreement, Franchisee shall pay to Franchisor a continuing non-refundable royalty fee (the "Royalty Fee") in an amount equal to 14% (the "Royalty Rate") of Franchisee's Gross Sales throughout the Term of this Agreement. The Royalty Fee shall be calculated and, at the election of Franchisor and as shall be determined by Franchisor, shall be payable to Franchisor, either: (a) instantly and continuously, on a per transaction / per receipt basis on each and every dollar of Gross Sales related to the Franchised Business that is received and/or processed by Franchisor, Franchisor's affiliates, Franchisor approved and designated third party vendors, and/or by Franchisee; or (b) as otherwise determined by Franchisor. During any Renewal Term, the Royalty Fee shall be determined by Franchisor but shall not be less than the Royalty Fee and Royalty Rate set forth in this Agreement.

Supplemental Royalty Fee: In addition to Franchisee's Royalty Fee obligations, on an annual calendar year basis throughout the Term of this Agreement, if the aggregate amount of the weekly Royalty Fees paid by Franchisee and/or received by Franchise during the respective calendar year do not, in aggregate, equal or

exceed the aggregate amount of Franchisee's Minimum Monthly Royalty Fee Requirements (defined below) applicable to the months comprising the respective calendar year (calculated by combining the Minimum Monthly Royalty Fee Requirement for each month within the applicable calendar year), then Franchisee must pay to Franchisor the difference as a supplemental royalty fee (the "Supplemental Royalty Fee"). Franchisor, at Franchisor's election may pre-deduct and collect the Supplemental Royalty Fee from the Gross Sales of Franchisee's i4 Business and/or from the funds within Franchisee's i4 Business bank accounts, and/or as otherwise determined and invoiced by Franchisor. In calculating and determining the Supplemental Royalty Fee, the following Minimum Monthly Royalty Fee Requirements (the "Minimum Monthly Royalty Fee Requirements") shall be applicable and are imposed on Franchisee:

Minimum Monthly Royalty Fee Requirement
The Minimum Monthly Royalty Fee Requirement is determined based on the aggregate population within Franchisee's Operating Territory and on a per Specialty Line basis.
For a single Specialty Line, the Minimum Monthly Royalty Fee Requirement is \$350 per month per one million in population (as determined by Franchisor as of the Effective Date of this Agreement) within Franchisee's Operating Territory.
For multiple Specialty Lines, the Minimum Monthly Royalty Fee Requirement is \$350 per month, per Specialty Line, and per one million in population (as determined by Franchisor as of the Effective Date of this Agreement) within Franchisee's Operating Territory.
<b>Example Only:</b> By way of example only and for purposes of illustration, if an i4 Business were authorized to operate a single Specialty Line within an operating territory that included an aggregate population of four million people, the Minimum Monthly Royalty Fee Requirement would be \$1,400. If the foregoing i4 Business was authorized to operate two Specialty Lines then the Minimum Monthly Royalty Fee Requirement would be \$2,800.

**Payment and Due Date:**

The Royalty Fee shall be calculated and, at the election of Franchisor and as shall be determined by Franchisor, shall be payable and due to Franchisor (the "Due Date"), either: (a) instantly and continuously, on a per transaction / per receipt basis on each and every dollar of Gross Sales related to the Franchised Business that is received and/or processed by Franchisor, Franchisor's affiliates, Franchisor approved and designated third party vendors, and/or by Franchisee; or (b) as otherwise determined by Franchisor. The Supplemental Royalty Fee is payable and due on March 1 of each calendar year for the preceding calendar year period.

**Tax Obligations:** If any federal, state or local tax, other than an income tax, is imposed on the Royalty Fee paid by Franchisee to Franchisor that, Franchisor cannot directly and, dollar for dollar, offset against taxes required to be paid by Franchisor under any applicable federal or state laws, Franchisee must compensate Franchisor in the manner prescribed by Franchisor so that the net amount or net rate received by Franchisor for the Royalty Fee is not less than that which has been established by this Agreement and which was due to Franchisor on the effective date of this Agreement. If any state imposes a sales or other tax on the Royalty Fees, then Franchisor shall have the right to charge and collect the tax from Franchisee.

**Payment Authorization:** Upon the request of Franchisor and in no event not later than 30 days prior to the earlier of the Actual Opening Date or the Scheduled Opening Date, Franchisee shall execute Franchisor's designated ACH Authorization Form and such other authorization agreements, in the form proscribed by Franchisor and permitting Franchisor's direct withdrawal and/or electronic transfer of sums from

Franchisee's designated business bank account, for the payment of fees and sums due from Franchisee to Franchisor. As of the Effective Date, Franchisor's current ACH Authorization that must be executed and complied with by Franchisee is attached to this Agreement as Exhibit 4.

Royalty and Activity Reports: On the Due Date each week, Franchisee shall report, transmit, confirm, and/or otherwise make available to Franchisor, as designated by Franchisor, a Royalty and Activity Reports containing information as designated by Franchisor and relating to the Gross Sales, financial performance, and operations of the Franchised Business for the preceding weekly Accounting Period (the "Royalty and Activity Report").

Notwithstanding anything contained in this Article 5.B. to the contrary, Franchisee agrees that the foregoing Royalty Fees and Supplemental Royalty Fees may, at Franchisor's election and as determined by Franchisor from time to time, be paid by Franchisee to Franchisor upon invoice from Franchisor and subject to the payment terms set forth in Franchisor's invoice if Franchisee's Gross Sales and/or bank account funds are insufficient to satisfy fees due from Franchisee to Franchisor.

#### **5.C. TECHNOLOGY AND ADMINISTRATION FEE**

Throughout the Term of this Agreement and any applicable renewal term, Franchisee shall pay to Franchisor a continuing monthly non-refundable technology and administration fee (collectively the "Technology Fee") Franchisor, in Franchisor's Reasonable Business Judgment, possesses the right, at any and all times during the term of this Agreement have a principal throughout the Term, to implement, designate the amount and charge Franchisee a monthly Technology Fee in a monthly amount designated by Franchisor on a per Territory and per Specialty Line basis. The Technology Fee shall be paid to Franchisor on the first Due Date for each respective month.

#### **5.D. OTHER FEES**

As designated by Franchisor in this Agreement, the Manual or otherwise, Franchisee shall pay and, as applicable and, at Franchisor's election, may be pre-deducted by Franchisor from Franchisee's Gross Sales and/or bank account, the following additional fees that shall be due to either Franchisor, Franchisor's affiliates, or Franchisee's designees:

- (1) Brand Development Fund Fee – Franchisee shall pay to Franchisor, Franchisor's affiliates, or Franchisor's designees, the Brand Development Fund Fee as set forth in Article 9.A. of this Agreement.
- (2) Non-Compliance Fees – Franchisee shall pay to Franchisor all Non-Compliance Fees in accordance with the terms of this Agreement including, but not limited to, Payment Non-Compliance Fees, Operations Non-Compliance Fees, and Reporting Non-Compliance Fees.
- (3) Supplemental Training Fees – Franchisee shall pay to Franchisor all training fees in accordance with the terms of this Agreement including, but not limited to, Additional Initial Training Fees and Supplemental Training Fees.
- (4) Quality Assurance Audit Fees – Franchisee shall pay to Franchisor, Franchisor's affiliates, or Franchisor's designees on-going weekly, monthly, and/or per use fees related to quality assurance programs designated by Franchisor related to periodic inspections of Franchisee's i4 Business and secret shopper evaluations.
- (5) Annual Conference Attendance Fees – Franchisee shall be responsible for all expenses of its personnel attending the Annual System Conference including travel, meals and lodging. Franchisee shall be required to pay to Franchisor an Annual Conference Attendance Fee. Franchisee agrees that if Franchisee fails to attend the Annual System Conference that Franchisor shall, nevertheless, charge and

Franchisee shall pay the Annual Conference Attendance Fee – even if Franchisor waives such fee for franchisees who has successfully completed the Initial Training Program to Franchisor’s sole and complete satisfaction. No charge shall be made for up to two (2) individuals to take the Initial Training Program prior to opening the Franchised Business (“Initial Trainees”). Notwithstanding the foregoing, Franchisee shall be required to pay all of the expenses of the Initial Trainees, including, without limitation, costs of travel, meals and wages attend the Annual System Conference.

7.2 Satisfactory Completion.–(6) All Other Fees and Obligations Set Forth in this Agreement – Franchisee shall pay to Franchisor shall, Franchisor’s affiliates, or Franchisor’s designees such other fees, charges and expenses as set forth in this Agreement and in accordance with the terms of this Agreement or, otherwise, in accordance with the Manuals and/or Franchisor’s standards and specifications.

The foregoing fees, as applicable and, at Franchisor’s election, may be pre-deducted by Franchisor from Gross Sales, from Franchisee’s bank account, and/or, at the election of Franchisor payable by Franchisee to Franchisor upon invoice from Franchisor and subject to the payment terms set forth in Franchisor’s invoice.

#### **5.E. PAYMENT NON-COMPLIANCE FEES AND CHARGES**

In addition to all other rights afforded to Franchisor under this Agreement, in connection with each and every fee, charge, and/or obligation payable and due from Franchisee to Franchisor under the terms of this Agreement including, but not limited to, this Article 5, within 14 days of Franchisor’s invoice, Franchisee shall pay to Franchisor: (a) a payment non-compliance fee in the amount of \$150 (the “Payment Non-Compliance Fee”) for each and every instance where a fee, charge, and/or obligation payable to Franchisor under this Agreement is not paid in full when due; plus (b) interest on all unpaid fees, sums, and/or obligations payable and due from Franchisee to Franchisor at an interest rate equal to the lesser of either 18% per annum, or the maximum interest rate allowed by applicable law and with interest accruing on the date when such fee, sum, or obligation was due; plus (c) all costs incurred by Franchisor in the collection of such unpaid and past due obligations including, but not limited to, reasonable attorney’s fees, costs, and expenses. Additionally, if Franchisee’s bank account possesses insufficient funds and/or fails to process a payment related to any fee due to Franchisor, Franchisor may charge the greater of either (i) 5% of the amount; (ii) \$50 for each instance; or (iii) the maximum amount allowed by law. The foregoing does not constitute Franchisor’s agreement to accept payments after they are due or a commitment by Franchisor to extend credit to, or otherwise finance Franchisee’s operation of the Franchised Business. Nothing contained in this Article 5.E. shall be interpreted as interfering with and/or negating Franchisor’s rights and remedies as set forth in Article 16, and as otherwise set forth in this Agreement. All rights and remedies of Franchisor are cumulative and shall be interpreted as cumulative to one another.

#### **5.F. APPLICATION OF PAYMENTS**

Franchisor has sole discretion to apply any payments received from Franchisee or to offset any indebtedness of Franchisor to Franchisee to any past due indebtedness of Franchisee for Royalty Fees, Advertising Contributions, purchases from Franchisor or its affiliates, interest or any other indebtedness of Franchisee to Franchisor or its affiliates.

#### **5.G. WITHHOLDING PAYMENTS UNLAWFUL**

Franchisee agrees that under no circumstance is Franchisee entitled to withhold payments due to Franchisor under this Agreement. Among other things and without limitation to the foregoing, Franchisee expressly agrees that any claim by Franchisee as to the alleged non-performance of Franchisor’s obligations shall not permit and/or entitle Franchisee to withhold payments due Franchisor under this

Agreement.

**ARTICLE 6**  
**RESTRICTIVE COVENANTS AND OBLIGATIONS**

**6.A. NECESSITY FOR RESTRICTIVE COVENANTS**

Franchisee agrees that only through the course of entering into this Agreement is Franchisee being provided with access to the System, Franchisor's training, use of the Licensed Marks, and access to the Operations Manual and Confidential Information. Franchisee agrees that competition by Franchisee, Owners, Spouses and/or their immediate family members will jeopardize the System and cause irreparable harm to Franchisor and franchisees of i4 Businesses. Accordingly, Franchisee and Franchisee's Owners and Spouses agree to comply with the restrictive covenants set forth in this Agreement, including this Article 6.

**6.B. RESTRICTIVE COVENANTS: KNOW-HOW**

Franchisee agrees that, at all times, both during the Term of this Agreement and, after its expiration or termination, Franchisee: (a) shall not use the Know-How in any business or capacity other than the operation of the Franchised Business pursuant to this Agreement and as instructed by Franchisor; (b) shall maintain the confidentiality of the Know-How at all times; (c) shall not make unauthorized copies of documents containing any Know-How; (d) shall take all reasonable steps that Franchisor requires from time to time to prevent unauthorized use or disclosure of the Know-How; and (e) shall stop using the Know-How immediately upon the expiration, termination or Transfer of this Agreement. Franchisee agrees that the foregoing covenants shall also apply to: (a) Franchisee's Owners and Spouses and, that Franchisee's Owners and Spouses shall each execute and deliver to Franchisor the Franchise Owner and Spouse Agreement and Guaranty in the form attached to this Agreement as Exhibit 1; and (b) Franchisee's directors, officers, employees and agents where disclosure of the Know-How was necessary for the operations of the Franchised Business and where such director, officer, employee and/or agent previously executed and timely delivered to Franchisor the Confidentiality Agreement in the form attached as Exhibit 2.

**6.C. RESTRICTIVE COVENANTS: CONFIDENTIAL INFORMATION**

Franchisee agrees that, at all times, both during the Term of this Agreement and after its expiration or termination, Franchisee: (a) shall not use the Confidential Information in any business or capacity other than the i4 Business operated by Franchisee; (b) shall maintain the confidentiality of the Confidential Information at all times; (c) shall not make unauthorized copies of documents containing any Confidential Information; (d) shall take such reasonable steps as Franchisor may ask of Franchisee from time to time to prevent unauthorized use or disclosure of the Confidential Information; and (e) shall stop using the Confidential Information immediately upon the expiration, termination or Transfer of this Agreement. Franchisee agrees that the foregoing covenants and obligations shall also apply to: (a) Franchisee's Owners and Spouses and that Franchisee's Owners and Spouses shall each execute and deliver to Franchisor the Franchise Owner and Spouse Agreement and Guaranty in the form attached to this Agreement as Exhibit 1; and (b) Franchisee's directors, officers, employees and agents where disclosure of the Confidential Information was necessary for the operations of the Franchised Business and where such director, officer, employee and/or agent previously executed and timely delivered to Franchisor the Confidentiality Agreement in the form attached as Exhibit 2.

**6.D. RESTRICTIVE COVENANTS: UNFAIR COMPETITION AND IN-TERM NON-COMPETITION OBLIGATIONS**

Franchisee agrees that during the Term of this Agreement, Franchisee shall not engage in the following activities (the "Prohibited Activities"): (a) owning and/or having any legal or equitable interest whether, as an individual proprietor, owner, partner, member or shareholder of a Corporate Entity, or, in any similar capacity, in a Competitive Business other than, owning an interest of 3% or less in a publicly traded company that is a Competitive Business; (b) operating, managing, funding and/or performing services

whether, as an employee, officer, director, manager, consultant, representative, agent, and/or creditor or, in any similar capacity, for or benefitting a Competitive Business; (c) diverting or attempting to divert any business or customers from Franchisor or, one of Franchisor's affiliates or franchisees; (d) inducing any customer or client of Franchisor, Franchisor's affiliates, franchisees of the System, or, of Franchisee, to any other person or business that is not a i4 Business; and/or (e) engaging in any actions, inactions, and/or activities in violation of Articles 6.B. and/or 6.C. of this Agreement (all, individually and collectively, referred to as the "Prohibited Activities"). Franchisee agrees that if Franchisee were to engage in the Prohibited Activities that such actions would be unfair, would constitute unfair competition and would cause harm to Franchisor, the System and other i4 Business franchisees. Franchisee agrees that the foregoing covenants and obligations shall also apply to Franchisee's Owners and Spouses and that Franchisee's Owners and Spouses shall each execute and deliver to Franchisor the Franchise Owner and Spouse Agreement and Guaranty in the form attached to this Agreement as Exhibit 1.

**6.E. RESTRICTIVE COVENANTS: UNFAIR COMPETITION AND POST-TERMINATION NON-COMPETITION OBLIGATIONS**

Franchisee agrees that during the Post-Term Restricted Period, Franchisee shall not engage in any Prohibited Activities provided, however, that the Prohibited Activities relating to Franchisee's having an interest in a Competitive Business will only apply with respect to a Competitive Business that is located within a Restricted Territory. If Franchisee is engaged in any Prohibited Activities during the Post-Term Restricted Period, Franchisee agrees that Franchisee's Post-Term Restricted Period will be extended by the period of time during which Franchisee was engaging in the Prohibited Activity and, any such extension of time will not be construed as a waiver of Franchisee's breach or otherwise impair any of Franchisor's rights or remedies relating to Franchisee's breach. Franchisee agrees that the foregoing covenants and restrictions shall also apply to Franchisee's Owners and Spouses and that Franchisee's Owners and Spouses shall each execute and deliver to Franchisor the Franchise Owner and Spouse Agreement and Guaranty in the form attached to this Agreement as Exhibit 1. Franchisee agrees that the covenants and restrictions set forth in this Article 6.E. and otherwise in this Article 6, are fair and reasonable and that if Franchisee engaged in any Prohibited Activity that such actions would constitute acts of unfair competition, causing irreparable harm to Franchisor and the System.

**6.F. REASONABLENESS OF RESTRICTIVE COVENANTS AND OBLIGATIONS**

Franchisee agrees that: (a) the terms of this Article 6 are reasonable both in time and in scope of geographic area; and (b) Franchisee has sufficient resources and business experience and opportunities to earn an adequate living while complying with the terms of this Article 6. **Franchisee hereby waives any right to challenge the terms of this Article 6 (including the referenced defined terms set forth in Article 1 of this Agreement) as being overly broad, unreasonable or otherwise unenforceable.** Although Franchisee and Franchisor both believe that the restrictive covenants and obligations of this Article 6 to be reasonable in terms of scope, duration and geographic area, Franchisor may at any time unilaterally modify the terms of this Article 6 (provided that such modification is in writing and signed by Franchisor) by limiting the scope of the Prohibited Activities, narrowing the definition of a Competitive Business, shortening the duration of the Post-Term Restricted Period, reducing the geographic scope of the Restricted Territory and/or reducing the scope of any other covenant imposed upon Franchisee under this Article 6 to ensure that the terms and covenants are enforceable under applicable law.

**6.G. BREACH OF RESTRICTIVE COVENANTS AND OBLIGATIONS**

Franchisee agrees that Franchisee's failure and/or Franchisee's Owner(s) failure to comply with the restrictive covenants and obligations set forth in this Article 6 will cause irreparable harm to Franchisor and/or other i4 Business franchisees for which there is no adequate remedy at law. Franchisee agrees that any violation of these Article 6 covenants and obligations by either Franchisee and/or any Owner(s) will entitle Franchisor to injunctive relief. Franchisee agrees that Franchisor may apply for such injunctive relief, without bond, but upon due notice, in addition to such further and other relief as may be available at equity

or law, and the sole remedy of Franchisee, in the event of the entry of such injunction, will be the dissolution of such injunction, if warranted, upon a hearing duly held (all claims for damages by reason of the wrongful issuance of any such injunction being expressly waived hereby). If a court requires the filing of a bond notwithstanding the preceding sentence, the Franchisee and Franchisor agree that the amount of the bond shall not exceed \$1,000. Franchisor's remedies under this Article 6.G. are not exclusive of any other, but may be combined with others under this Agreement, or at law or in equity, including injunctive relief, specific performance and recovery of monetary damages.

#### **6.H. OWNERSHIP OF INNOVATIONS, IMPROVEMENTS AND CUSTOMER INFORMATION**

Franchisee agrees that with regard to the Franchised Business all customer lists and their contents and information represent Confidential Information and constitute an asset of Franchisor whether or not such information was supplied by Franchisor. During the Term of this Agreement and in connection with the development, establishment, marketing, promotion and operation of the Franchised Business, Franchisee shall disclose to Franchisor all of Franchisee's ideas, concepts, methods and products conceived or developed by Franchisee and Franchisee's affiliates, Owners, agents, and employees relating to the development and operation of i4 Businesses. Franchisee hereby assigns to Franchisor and Franchisee agrees to procure from Franchisee's Owners, affiliates and employees' assignment of any such ideas, concepts, methods, and products that Franchisee is required to disclose to Franchisor under this Article 6.H. Franchisor shall have no obligation to make any lump sum or on-going payments to Franchisee or Franchisee's Owners, affiliates or employees with respect to any such idea, concept, method, technique or product. Franchisee agrees that Franchisee will not use nor will Franchisee allow any other person or entity to use any such concept, method or product without obtaining Franchisor's prior written approval.

### **ARTICLE 7 OPERATING STANDARDS**

#### **7.A. OPERATING REQUIREMENTS**

At all times, Franchisee and the Franchised Business shall, as designated by Franchisor in the Operations Manual and/or as otherwise designated by Franchisor in writing and, as may be modified by Franchisor from time to time: (a) exclusively offer and provide the Approved Services and Products; (b) exclusively purchase and use the System Designated Resources; (c) maintain a complete and updated inventory and supply of System Designated Resources; and (d) maintain, update, replenish and replace Franchisee's System Designated Resources.

#### **7.B. MAINTENANCE, UPDATES AND UPGRADES**

At all times, Franchisee shall update, upgrade, maintain, replenish, replace, and recondition Franchisee's System Designated Resources, and, if applicable, Franchisee's Administrative Office as specified by Franchisor in the Operations Manual and/or otherwise in writing, in Franchisor's Reasonable Business Judgment, and as modified by Franchisor from time to time. Notwithstanding the foregoing, Franchisee expressly agrees that the foregoing obligations relate to brand standards and specifications associated with the Licensed Marks and the Approved Services and Products and that, at all times, Franchisee is and shall exclusively remain responsible for conditions involving the safety of customers and employees in connection with the operations of the Franchised Business.

#### **7.C. DAMAGE CAUSED BY CASUALTY**

If Franchisee's Administrative Office, and/or System Designated Resources is and/or are damaged or destroyed by fire or any other casualty, Franchisee must, as soon as practicable but in no event later than one month after such casualty, initiate repairs or reconstruction, and thereafter, in good faith and with due diligence, continue until completion of the repairs or reconstruction, to their/its original condition before casualty and otherwise in accordance with Franchisor's standards and specifications.

#### **7.D. ALTERATIONS**

At all times, Franchisee shall maintain Franchisee's System Designated Resources in accordance with Franchisor's current brand standards and specifications and, Franchisee shall not materially alter or modify same.

#### **7.E. BRAND STANDARDS AND FRANCHISOR DESIGNATED REQUIREMENTS**

Franchisee shall develop and operate the Franchised Business in strict conformity with the methods, standards, specifications, procedures, and operational requirements as, designated and determined by Franchisor, in Franchisor's Reasonable Business Judgment, and as set forth in the Operations Manual, as prescribed by Franchisor in writing, and, as Franchisor, in Franchisor's Reasonable Business Judgment, may supplement, modify, and amend from time to time. Supplementing, and without limitation to the foregoing, Franchisee, agrees that the foregoing standards, specifications, procedures, and operational requirements shall relate and include, among other things, the Approved Services and Products, the System Designated Resources, System standards as designated by Franchisor, authorized and mandatory inventory levels and inventory items, authorized and mandatory supplies and inventory supply levels, designated suppliers, standards related to brand uniformity including, brand standards regarding uniforms, marketing materials, marketing media, the appearance and operations of the Franchised Business, customer service and satisfaction standards including, customer rewards programs, refund policies, special promotions and other customer incentive and goodwill programs, brand standards and brand standard requirements as to employee knowledge and implementation of System brand standards but, not related to employment or joint employment policies, secret shopper programs, Franchisor designated secret quality control inspections, payment processing systems, Franchisor access to Business Management Systems, and the overall operations of the Franchised Business.

#### **7.F. APPROVED SERVICES, PRODUCTS, EQUIPMENT AND SUPPLIERS**

Franchisee agrees that, among other things, the products and services to be offered and sold by the Franchised Business, the supplies, suppliers and equipment utilized by the Franchised Business, the methods for monitoring customer satisfaction and, the methods for marketing and promoting the Franchised Business must conform to Franchisor's System standards and specifications as determined by Franchisor, in Franchisor's Reasonable Business Judgment, as designated by Franchisor in the Operations Manual, and/or as otherwise designated by Franchisor in writing and, as may be supplemented, modified, and/or amended by Franchisor from time to time. Without limitation to the foregoing, Franchisee agrees that:

(1) The Franchised Business shall exclusively offer and provide the Approved Services and Products to customers located within Franchisee's Operating Territory;

(2) The Franchised Business shall, in accordance with Franchisor's standards and specifications as, designated and determined by Franchisor from time to time, exclusively: (a) offer and serve the Approved Services and Products; (b) provide the Approved Services and Products in accordance with the System's standards and specifications; (c) exclusively purchase and use System Designated Resources from Franchisor or Franchisor's designated suppliers; (d) exclusively purchase and use equipment, supplies, promotional materials, point of sale systems and Business Management Systems designated by Franchisor and, subject to Franchisor's specifications; (e) purchase displays, point of sale displays, uniforms, supplies, marketing materials and promotional materials including, but not limited to, System Designated Resources as designated by Franchisor and only from Franchisor or Franchisor's approved supplier(s); and (f) purchase from distributors and other suppliers approved by Franchisor all other materials, goods, and supplies including, but not limited to, System Designated Resources used in preparing, offering, selling, promoting, and serving the Approved Services and Products;

(3) Franchisor has and will periodically approve suppliers and distributors of the equipment, materials, supplies and products including, but not limited to, System Designated Resources, that meet

Franchisor's standards, specifications, and requirements including, without limitation, standards, specifications, and requirements relating to the equipment and supplies to be used by the Franchised Business and, that Franchisee shall abide by same;

(4) Franchisor, in Franchisor's Reasonable Business Judgment, may, from time to time, modify the list of approved brands, suppliers and distributors of System Designated Resources, and approved equipment, supplies and services to be used by the Franchised Business and that Franchisee shall, after receipt in writing of such modification, abide by same and, among other things, not reorder any brand and/or purchase from any supplier or distributor that is no longer designated or approved by Franchisor;

(5) Franchisor reserves the right to designate, from time to time, a single supplier and/or distributor for any services, products, equipment, supplies, or materials including, but not limited to, the System Designated Resources and to require Franchisee to use such a designated supplier exclusively, which exclusive designated supplier and/or distributor may be Franchisor and/or Franchisor's affiliates. Franchisor and its affiliates may receive payments from suppliers and/or distributors on account of such supplier's or distributor's dealings with Franchisee and other franchisees of the System and that Franchisor may use all amounts so received without restriction and for any purpose, including Franchisor's profit; and

(6) If Franchisee proposes or requests that Franchisor consider the approval of products, services, equipment, supplies, suppliers and/or distributors for use in the Franchised Business where such products, services, equipment, supplies, suppliers and/or distributors are not, presently, at the time of Franchisee's request, approved for use in the System, Franchisee: (a) must provide Franchisor with a written request where Franchisee specifies the product, service, equipment, supply, supplier and/or distributor, the reason for Franchisee's request; (b) shall timely submit to Franchisor such information, reports, specifications, and samples as Franchisor, in Franchisor's Reasonable Business Judgment requests; and (c) shall pay to Franchisor a supplier evaluation fee per requested product, service, equipment, supply, supplier and/or distributor to be considered including, but not limited to, the supplier evaluation fees that Franchisor, in Franchisor's Reasonable Business Judgment, establishes and assesses based on, among other things, the administrative costs and time associated with evaluating, assessing and testing the proposed product, service, equipment, supply, supplier and/or distributor including, but not limited to Franchisor's internal employees and independent third-parties engaged and/or retained by Franchisor for evaluation and testing. The foregoing fees and payments shall be paid by Franchisee to Franchisor within 14 days of the date of Franchisor's invoice. Upon Franchisee's compliance with the foregoing, within 60 days of the completion of all evaluations, Franchisor shall notify Franchisee of Franchisor's approval or disapproval, which shall be determined by Franchisor in Franchisor's Reasonable Business Judgment. Under no circumstance shall the foregoing be construed as implying that Franchisor is required to approve alternative suppliers and Franchisor shall exclusively determine, in Franchisor's sole discretion, whether the Initial Trainees have Reasonable Business Judgment, the level of evaluation to be conducted by Franchisor.

#### **7.G. MARKET RESEARCH AND TESTING**

Franchisor may conduct market research and testing to evaluate, modify, test or sample the services, products, equipment and supplies authorized by Franchisor and to determine consumer trends and the viability of certain services and products. Franchisee agrees to participate in Franchisor's market research programs that may be conducted by Franchisor in its discretion, by test marketing services and/or products from the Franchised Business. Franchisee agrees to provide Franchisor with timely reports and other relevant information regarding such market research. Franchisee agrees to purchase a reasonable quantity of the tested products and effectively promote and make a reasonable effort to sell the products and/or services.

## **7.H. COMPLIANCE WITH LAWS AND GOOD BUSINESS PRACTICES**

(1) Franchisee shall, at all times, secure and maintain in full force all required licenses, permits and certificates relating to the operation of the Franchised Business, and Franchisee must operate the Franchised Business in full compliance with all applicable laws, ordinances, codes and regulations.

(2) Franchisee shall, at all times, investigate, review, and comply with all laws applicable to the operation of the Franchised Business, including, without limitation, all labor laws and obligations, wage and hour laws and obligations, employer practices laws and obligations, labor department rules and regulations, workers compensation and unemployment laws and rules, insurance obligations, and health and safety laws, rules and obligations.

(3) Franchisee shall, at all times, investigate, review, and comply with all laws, rules, and regulations related to all laws, rules, and regulations related to customer and employee privacy obligations and protections and, all laws, rules, and regulations, related to the privacy and protection of customer and employee information and data and, all laws, rules, and regulations related to customer and employee solicitations.

(4) Franchisee must, at all times, immediately notify Franchisor in writing of any of the following concerning Franchisee, and/or the Franchised Business: (a) any cause of action, claim, lawsuit, proceeding, and investigation; (b) issuance of any order, writ, injunction, award, and/or decree by any court, agency, or other governmental entity; and (c) any notice of violation of any law, ordinance, code, permit, or regulation.

(5) Franchisee shall, at all times, ensure that all advertising and promotion of the Franchised Business by Franchisee is completely factual and conforms to the highest standards of ethical advertising, and is in conformity with Franchisor's standards and specifications. Franchisee shall refrain from any business practice, advertising practice, or personal conduct that may be injurious to Franchisor, the System, i4 Businesses, and/or the Licensed Marks. Franchisor, in Franchisor's sole discretion, shall possess, among other things, the unilateral right to reject any and all advertising relating to the Franchised Business, Franchisor, the System, i4 Businesses and/or using the Licensed Marks.

In connection with Franchisee's compliance with the terms of this Article 7.H., if Franchisee discovers, learns of, and/or becomes aware of any conflict and/or discrepancy between Franchisee's obligations under this Article 7.H. with Franchisor's standards and/or specifications as contained in this Agreement, in the Operations Manual, and/or as otherwise designated by Franchisor from time to time, Franchisee shall immediately notify Franchisor in writing of such discrepancy. In the event of any conflict or ambiguity, Franchisor's determination and/or resolution made by Franchisor, in writing, and, specifically with regard to the presented conflict or ambiguity, shall be determinative as between Franchisor and Franchisee and the operations of the Franchised Business.

## **7.I. MANAGEMENT OF THE FRANCHISED BUSINESS**

(1) Franchisee agrees that, at all times, that the development and operation of the Franchised Business shall, on a full-time basis, be managed, operated, and maintained under the active, continuing management, substantial personal involvement and hands-on supervision, of Franchisee's Managing Owner. The Managing Owner must at all times, on a full-time basis, be actively involved in the operation of the Franchised Business unless Franchisee delegates management functions to an authorized Operating Manager who, among other things, satisfactorily completes Franchisor's Training Program, and otherwise meets the criteria and conditions for qualification as an Operating Manager as designated and determined by Franchisor from time to time. If the Operating Manager is a family

member of Franchisee and/or an Owner then the Operating Manager shall also sign and agree to be bound by the terms of the Franchise Owner and Spouse Agreement and Guaranty.

(2) Franchisee must, at all times, faithfully, honestly and diligently, on a continuing and full-time basis, perform its obligations hereunder, and continuously exert its best efforts to promote and enhance the business of the Franchised Business and the goodwill of the Licensed Marks and the System.

(3) If, at any time, the Franchised Business is not being managed by a Managing Owner or Operating Manager who satisfactorily completed the Initial Training Program. If the Initial Training Program and who is operating and managing the Franchised Business on a full-time basis, Franchisor is authorized, but is not required, to immediately appoint a manager to maintain the operations of the Franchised Business for and on behalf of Franchisee. Franchisor's appointment of a manager of the Franchised Business does not relieve Franchisee of its obligations or constitute a waiver of Franchisor's right to terminate the Franchise pursuant to Article 16. Franchisor is not liable for any debts, losses, costs or expenses incurred in the operations of the Franchised Business or to any creditor of Franchisee for any products, materials, supplies or services purchased by the Franchised Business while it is managed by Franchisor's appointed manager. Franchisee shall immediately pay to Franchisor and Franchisor is authorized to immediately charge and deduct Management Service Fees, on an on-going basis as applicable, from the accounts of Franchisee.

(4) Franchisee shall, at all times, maintain sufficient working capital to fulfill its obligations under this Agreement.

#### **7.J. REMEDIES FOR NON-COMPLIANCE WITH OPERATIONAL STANDARDS**

In addition to all other rights afforded to Franchisor under this Agreement, in connection with any, each, and every violation of any term, provision, and/or operational requirement as set forth in this Article 7 (an "Operations Violation"), within 14 days of Franchisor's invoice, Franchisee shall pay to Franchisor an operations non-compliance fee (the "Operations Non-Compliance Fee") in the amount of: (a) \$1,000 for each and every instance/event related to an Operations Violation involving the sale of services and/or products that are not Approved Services and Products; (b) \$1,000 for each and every instance/event related to an Operations Violation involving the failure to exclusively use System Designated Resources, and/or Franchisor designated suppliers; and (c) \$450 for all other Operations Violation. Additionally, in each of the foregoing instances, within 14 days of Franchisor's invoice, Franchisee shall pay to Franchisor all costs and expenses incurred by Franchisor in connection with any inspections, audits, and/or re-inspections directed and/or undertaken by Franchisor for the purpose, as determined by Franchisor in Franchisor's Reasonable Business Judgment, of determining whether or not Franchisee's Operations Violation has been cured in accordance with Franchisor's standards and specifications. The foregoing does not constitute Franchisor's consent to and/or acquiescence to Operations Violations. Nothing contained in this Article 7.J. shall be interpreted as interfering with and/or negating Franchisor's rights and remedies as set forth in Article 16, and as otherwise set forth in this Agreement. All rights and remedies of Franchisor are cumulative and shall be interpreted as cumulative to one another.

#### **ARTICLE 8**

**INSURANCE is not satisfactorily completed by the Initial Trainees, or if Franchisor, in Franchisor's reasonable business judgment based upon the performance of the Initial Trainees, determines that the Initial**

Franchisee, at Franchisee's sole expense, must purchase and maintain in full force at all times during the Term of this Agreement an insurance policy or policies protecting Franchisee as named insured and naming, as additional insureds, Franchisor, Franchisor's affiliates, Franchisor's successors and assigns, and the

officers, directors, shareholders, partners, agents, representatives, independent contractors and employees of Franchisor. The policy or policies must be written by a carrier or carriers with an A.M. Best Rating of at least A-, VII and reasonably acceptable to Franchisor. From time to time Franchisor may designate preferred insurance brokers and insurance carriers.

The currently required insurance policies, insurance coverage requirements, and insurance coverage amounts are designated and set forth in the Operations Manual. Franchisor may, in Franchisor's Reasonable Business Judgment, periodically change the amounts of coverage required under such insurance policies and require different or additional kinds of insurance at any time, including excess liability insurance, to reflect inflation, identification of new risks, changes in law or standards of liability, higher damage awards or other relevant changes in circumstances. Notwithstanding the immediately foregoing sentence, Franchisor shall not increase such minimum coverage more than once every two years. All public liability and property damages policies must contain a provision that Franchisor is entitled to recover under these policies on any loss occasioned to Franchisor, Franchisor's affiliates, Franchisor's successors and assigns, and the officers, directors, shareholders, members, owners, partners, agents, representatives, independent contractors, and employees of Franchisor by reason of the negligence of Franchisee and/or Franchisee's officers, directors, shareholders, members, owners, partners, agents, representatives, independent contractors, and employees. By the earlier of 90 days after the Effective Date or prior to the commencement of the Training Program cannot be satisfactorily completed by Franchisee or a Principal, Franchisor may require the Franchisee to repeat one (1) or more components of the Initial Training Program or may terminate this Agreement. Franchisee must deliver, or cause to be delivered, to Franchisor a copy of the certificates of insurance demonstrating Franchisee's compliance with this Article 8. All insurance policies required must expressly provide that no less than 30 days' prior written notice shall be given to Franchisor in the event of a material alteration to, or cancellation of, any insurance policy Franchisee is required to maintain in accordance with this Agreement.

~~7.3 — Additional Training. Franchisor may offer mandatory and/or optional additional training programs from time to time. If required by Franchisor, Franchisee, or Franchisee's Principal(s), shall participate in on-going training and/or a national business meeting or annual convention, for up to five (5) days per year. Franchisor reserves the right to impose a reasonable fee for all additional training programs. Franchisee shall be responsible for any and all incidental expenses incurred by Franchisee or Franchisee's personnel in connection with additional training or attendance at Franchisor's national business meeting or annual convention, including, without limitation, costs of travel, lodging, meals and wages. Franchisee's failure to attend and/or complete mandatory additional training or failure to attend Franchisor's national business meeting or annual convention is a default of this Agreement. Franchisee or Franchisee's principal(s) shall be required to obtain any missed mandatory additional training at a location Franchisor designates. Franchisee shall pay all costs and expenses for such additional missed training, including but not limited to, tuition at the then-current rate and any and all transportation, meals and lodging of Franchisee, Franchisee's principal(s) and Franchisor's training personnel. Franchisee shall pay to Franchisor any incurred expenses by Franchisor's training personnel within ten (10) days of Franchisor's billing thereof to Franchisee.~~

~~7.4 — In-Territory Remedial Training. Upon Franchisee's reasonable request or as Franchisor shall deem appropriate, Franchisor shall, during the term hereof, subject to the availability of personnel, provide Franchisee with additional trained representatives who shall provide on-site remedial training and assistance to Franchisee's personnel. For any additional on-site training and assistance, Franchisee shall pay the per diem fee then being charged to~~

franchisees under the System for the services of such trained representatives, plus their costs of travel, lodging, and meals.

7.5— Counseling and Assistance. In addition to visits by Franchisor’s field representatives, as Franchisor deems appropriate, Franchisor shall, within reasonable limits and subject to the availability of Franchisor’s personnel, upon Franchisee’s request and at no charge, unless such assistance is provided in Territory pursuant to Section 7.4, furnish consultation and assistance to Franchisee, either by phone, email or video conferencing, as determined by Franchisor, in Franchisor’s sole discretion, with respect to the operation of the Franchised Business, including consultation and advice regarding client satisfaction issues, marketing, operation issues, bookkeeping and System improvements.

## 8.— FRANCHISED BUSINESS SITE REQUIREMENTS

### 8.1— Site Requirements.

8.1.1— Franchisee shall operate the Franchised Business from a home-based office. Franchisee assumes all cost, liability, expense and responsibility for equipping and outfitting its home-based office as outlined in the Operations Manual.

8.1.2— At Franchisee’s option, Franchisee may relocate to a commercial office location within the Territory. Before signing a lease or other binding commitment for commercial premises, Franchisee shall submit to Franchisor, in writing, a description of the proposed office location, together with such other information and materials as Franchisor may reasonably require. Franchisor shall have ten (10) business days after receipt of this information and materials to consent, in its sole and absolute discretion, to the proposed site. Following consent, the office address shall be set forth on Attachment 2 of this Agreement. Franchisee shall be responsible for equipping and outfitting the Franchised Business office as outlined in the Operations Manual.

8.2— Time to Open. Franchisee acknowledges that time is of the essence in this Agreement. Upon Franchisee’s compliance with the conditions stated below, Franchisee shall open the Franchised Business, which shall be defined herein as the “Opening Date”. Prior to the Opening Date, Franchisee shall (i) satisfactorily complete Franchisor’s Initial Training Program, as further set forth in Article 7, (ii) outfit a home-based office, (iii) obtain all required licenses to operate the Franchised Business, (iv) obtain all equipment Franchisor requires, including but not limited to, computer systems, software, and applications, and (v) provide Franchisor with documentation for bank account(s) for use in the Franchised Business. If Franchisee fails to comply with any of such obligations, Franchisor shall have the right to prohibit Franchisee from opening for business. Franchisee’s failure to open the Franchised Business and commence business (i) in accordance with the foregoing and (ii) within sixty (60) days following the date of this Agreement, unless otherwise extended by Franchisor, shall be deemed a material event of default under this Agreement.

8.3— No Relocation. Franchisee’s rights to operate the Franchised Business shall be limited to the Territory set forth in Attachment 2, and no other. Franchisee shall notify Franchisor in writing prior to relocation of the office for the Franchised Business, which relocation shall be at

Franchisee's sole expense. Upon relocation, (i) Franchisee shall remove any signs or other property from the original Franchised Business office which identified the original Franchise Business office as part of the System and (ii) the parties shall amend Attachment 2 to reflect the address of the new Franchised Business office location.

#### 9. — MAINTENANCE AND IMPROVEMENT OF THE FRANCHISED BUSINESS AND SYSTEM

9.1 — Maintenance of Franchised Business Assets. Franchisee shall maintain the Franchised Business office location, all required Franchised Business equipment, the Computer System, and all hardware, software and related accessories to the standards of quality, repair and condition required by Franchisor, which standards are specified in the Manual and other written directives, standards and specifications. Franchisee, at Franchisee's expense, shall make such alterations, repairs, refurbishing and replacements as may be required to comply with Franchisor's standards, including, without limitation, periodic repairs or replacement of worn or impaired equipment, computer hardware, software and accessories, as Franchisor may direct.

9.2 — Equipment and Technology Updates. Franchisee shall make any and all upgrades to equipment and technology, including but not limited to, the Computer System, payment processing systems, telecommunications hardware and software, and any technology used in conjunction therewith, as Franchisor requires in its sole and absolute discretion.

9.3 — System Services. From time to time, Franchisor, in Franchisor's sole discretion, may modify or add to the recruiting and staffing services offered by the System. Upon written notice by Franchisor, Franchisee shall incorporate all modifications and additions to the services offered by Franchised Business, and Franchisee shall (i) purchase, or otherwise obtain access to, all necessary equipment, software, applications and/or supplies to perform such modified or additional services and (ii) attend any additional training, in accordance with Section 7.3 hereof, as Franchisor may direct.

#### 9.4 — Trade Dress Modifications.

9.4.1 — Franchisee is aware that to maintain and improve the image and reputation of the System, Franchisor, in its sole and absolute discretion, may change and modify identifying elements of the System, including but not limited to, the adoption and use of new or modified, color schemes, tag lines, logos or marks (collectively, "Trade Dress Modifications").

9.4.2 — Franchisee shall, at Franchisee's sole expense, modify identifying elements of the Franchised Business, as required by Franchisor to conform to Trade Dress Modifications. Franchisee, upon notice by Franchisor and in accordance with Section 14.6 hereof, shall immediately discontinue the use of any Mark that is no longer desirable or available to Franchisor and substitute a different Mark or Marks as Franchisor directs.

9.4.3 — Franchisee will accept, use and display any such Trade Dress Modifications as if they were a part of this Franchise Agreement at the time of execution hereof.

9.5 — No Liability/Waiver of Claims. Franchisor shall not be liable to Franchisee for any expenses, losses or damages sustained by Franchisee as a result of any of the additions or modifications, including Trade Dress Modifications, required by this Article 9. Franchisee hereby covenants not to commence or join in any litigation or other proceeding against Franchisor or any third party, complaining of any such or seeking expenses, losses or damages caused thereby. Further, Franchisee expressly waives any claims, demands or damages arising from or related to the additions and modifications contemplated by this Article 9, including, without limitation, any claim of breach of contract, breach of fiduciary duty, fraud, and/or breach of the implied covenant of good faith and fair dealing.

9.6 — Legal Restrictions. Franchisee acknowledges that laws, regulations and rules governing the jurisdiction of the Territory (“Local Laws”) may limit, at any time during the Term, the method, means or ability of Franchisee to perform System services or other of Franchisee’s obligations pursuant to this Agreement. Franchisee hereby acknowledges and agrees that Franchisee (i) has conducted due diligence regarding Local Laws, (ii) has determined that Local Laws permit Franchisee to operate as contemplated by this Agreement, (iii) recognizes that Local Laws may change, and (iv) expressly waives any and all claims against Franchisor or Franchisor’s affiliates for losses, damages and/or expenses in the event that current or future Local Law impedes Franchisee’s ability to operate as required hereunder.

9.7 — Franchisee Advisory Council. Franchisor reserves the right to create (and if created, the right to change or dissolve) a franchisee advisory council as a formal means for System franchisees to communicate ideas. In the event a franchisee advisory council is created, Franchisor may invite Franchisee to participate in council related activities and meetings, which invitation may be based on a franchisee’s level of success, superior performance and profitability.

## 10. — FRANCHISOR’S OBLIGATIONS

Franchisor and/or its designated representative will provide the services described below:

10.1 — Territory and Site Determination. Designate the boundaries of Franchisee’s Territory, by description and/or mapped boundaries, and set forth same in Attachment 2 attached hereto and incorporated herein.

10.2 — Manual. Provide Franchisee access to the Confidential Operations Manual and such other manuals and written materials as Franchisor may hereafter develop for use by franchisees, as the same may be revised by Franchisor from time to time. Such documents may be provided electronically or via the internet, at Franchisor’s sole and absolute discretion.

10.3 — Pre-Opening Requirements. Provide Franchisee with a written list of equipment, signage, supplies and products that will be required and/or recommended to open the Franchised Business for business.

10.4 — Facility Approval. Provide criteria for an organization to be eligible as a Facility for provision of permanent placement recruiting services through the System. For each Facility

solicited by Franchisee, Franchisee shall submit to Franchisor such information and forms, as required by Franchisor, for Franchisor's approval. Franchisee acknowledges that Franchisor or Franchisor's affiliate shall execute a contract directly with each Facility for permanent placement recruiting services. Franchisee has no right or authority to sign any binding agreement with any Facility to perform any permanent placement recruiting services, and any such action shall be a material default of this Agreement.

10.5—Recruitment Opportunities. Provided Franchisee is in compliance with this Agreement, notification to Franchisee of all existing Facility contracts in the Territory with permanent placement recruitment needs and authorization of Franchisee to render service to such Facilities.

10.6—Advertising Materials. In Franchisor's sole discretion, make available samples or digital artwork of certain advertising and promotional materials and information developed by Franchisor from time to time for use by Franchisee in marketing and conducting local advertising for the Franchised Business.

10.7—List of Suppliers. Make available from time to time, and amend as deemed appropriate by Franchisor, a list of approved, required, and/or recommended suppliers of products and services for System franchisees.

10.8—Training. The training programs specified in Article 7 herein.

10.9—On-Going Assistance. Post-opening assistance in accordance with the provisions of Article 7.

10.10—Brand Fund. Administer a Brand Fund in accordance with Section 13.3 and conduct Systemwide marketing efforts, as Franchisor determines in Franchisor's discretion. Franchisor has not established a Brand Fund at this time.

10.11—Website. Maintain the website for the System.

## 11. — FRANCHISEE'S REPRESENTATIONS, WARRANTIES AND COVENANTS

11.1—Best Efforts. Franchisee Entity and each and every Principal covenant and agree that Franchisee Entity and each Principal shall make all commercially reasonable efforts to operate the Franchised Business so as to achieve optimum sales.

11.2—Corporate Representations. Franchisee Entity and each Principal represent, warrant and covenant that:

11.2.1 Franchisee Entity is duly organized and validly existing under the state law of its formation;

11.2.2 Franchisee Entity has elected to be taxed as a corporation pursuant to the Internal Revenue Code and shall maintain such election throughout the Term;

~~11.2.3 Franchisee Entity is duly qualified and is authorized to do business in the jurisdiction of the Franchised Business location and the Territory;~~

~~11.2.4 Franchisee Entity's organizational documents shall at all times provide that the activities of Franchisee are confined exclusively to the operation of the Franchise granted herein, unless otherwise consented to in writing by Franchisor, which consent may be withheld by Franchisor in Franchisor's sole discretion;~~

~~11.2.5 The execution of this Agreement and the consummation of the transactions contemplated hereby are within Franchisee's power and have been duly authorized by Franchisee; and~~

~~11.2.6 Any financial statements and tax returns provided to Franchisor shall be certified as true, complete and correct and shall have been prepared in conformity with generally accepted accounting principles applicable to the respective periods involved and, except as expressly described in the applicable notes, applied on a consistent basis. No material liabilities, adverse claims, commitments or obligations of any nature exist as of the date of the statements or returns, whether accrued, unliquidated, absolute, contingent or otherwise, that are not reflected as liabilities.~~

~~11.3 — Guaranty. If any Principal is a married individual and the Principal's spouse has not executed this Agreement, such Principal shall cause his or her spouse to personally execute and bind himself or herself to the terms of a Guaranty, in the form attached as Attachment 6 hereof.~~

~~11.4 — Personal Supervision.~~

~~11.4.1 Franchisee shall personally supervise, and devote full time and attention to, the operation of the Franchised Business and may not appoint a manager, unless Franchisee receives Franchisor's prior written consent. Franchisee accepts full responsibility for, and shall be fully liable to, Franchisor for the acts and omissions of any and all agents, employees or third persons working for or with Franchisee. Franchisee shall ensure that its agents, employees and all third-party business affiliates observe and adhere to all applicable terms, conditions and restrictions contained in this Agreement and in the Manual; including but not limited to quality and service standards, confidentiality, works made for hire, non-compete and the agreement to return all Franchisor proprietary and confidential information. Any breach of a term or condition contained in this Agreement by an agent, employee or third party working for Franchisee shall be deemed to be the same as a direct breach by Franchisee and its Principals; and Franchisor shall have all the same rights and remedies as if the breach occurred through the direct acts or omissions of the Franchisee and/or its named Principals. Franchisee's agents, employees and third-party business affiliates shall further:~~

~~(i) — Meet all Franchisor's standards and criteria for such individual(s), as set forth in the Manual.~~

~~(ii) — Execute a confidentiality and non-compete agreement in a form substantially similar to Attachment 8.~~

(iii) — Satisfy the training requirements set forth in Article 7, including completion of the Initial Training Program, if required by Franchisor. Franchisee shall pay Franchisor the then-current fee for attendance at the Initial Training Program and shall pay all other costs of to attend training, including transportation, lodging, and meals.

11.4.2 Franchisee shall promptly notify Franchisor when any employee, agent or third-party affiliate previously granted access to Franchisor's proprietary or confidential information ceases to be employed or affiliated with Franchisee, so that any and all access rights to Franchisor proprietary or confidential information may be terminated and all such materials returned to Franchisor. Any failure by Franchisee to comply with the requirements of this Section shall be deemed a material event of default under this Agreement.

11.5 — Legal Compliance. Franchisee shall comply with all federal, state and local laws, rules and regulations and shall timely obtain any and all permits, certificates or licenses necessary for the full and proper conduct of the Franchised Business. Such laws, rules and regulations shall include, without limitation, licenses to do business, fictitious name registrations, sales and other tax permits, certificates or licenses required by any industry regulatory agency or association and any other requirement, rule, law or regulation of any federal, state or local jurisdiction.

11.6 — Claims and Potential Claims. Franchisee shall notify Franchisor in writing within three (3) days of any incident or injury that could lead to, or the actual commencement of any action, suit or proceeding and of the issuance of any order, writ, injunction, award or decree of any court, agency or other governmental instrumentality, which in any way relating to or affecting the operation or financial condition of the Franchised Business. Any and all media inquiries concerning the Franchised Business, including, but not limited to, the business operation and incidents and occurrences related to a Facility, Candidate, or employee, shall be referred to Franchisor. Neither Franchisee, Franchisee's employees nor anyone on Franchisee's behalf may comment to any broadcast medium, except as directed by Franchisor.

11.7 — Assignment of Numbers and Listings. At Franchisor's request, Franchisee shall execute such forms and documents as Franchisor deems necessary to appoint Franchisor its true and lawful attorney in fact, with full power and authority, for the sole purpose of assigning to Franchisor, Franchisee's telephone numbers and listings; and provide Franchisor with passwords and administrator rights for all email, software, social media or other such accounts used or created by Franchisee in order to operate the Franchised Business. Upon the expiration or termination of this Agreement, Franchisor may exercise its authority, pursuant to such documents, to obtain any and all of Franchisee's rights to the telephone numbers of the Franchised Business and all related telephone directory listings and other business listings, and all internet listings, domain names, internet advertising, websites, listings with search engines, electronic mail addresses, social media, or any other similar listing or usages related to the Franchised Business.

11.8 — Access to Tax Filings. Upon execution of this Agreement, and at any time thereafter upon Franchisor's request, Franchisee shall execute such forms and documents as Franchisor deems necessary, to appoint Franchisor its true and lawful attorney in fact with full power and

authority, for the sole purpose of obtaining any and all returns and reports filed by Franchisee with any state or federal taxing authority.

11.9—Continuing Obligation. Franchisee and each Principal acknowledge and agree that the representations, warranties and covenants set forth in this Article 11 are continuing obligations of Franchisee and each Principal, as applicable, and that any failure to comply with such representations, warranties and covenants shall constitute a material event of default under this Agreement. Franchisee and each Principal shall cooperate with Franchisor in any efforts made by Franchisor to verify compliance with such representations, warranties and covenants.

## 12.—FRANCHISEE’S OPERATIONS

12.1—Operation of Franchised Business. In order to maintain the highest degree of quality and service on a uniform System-wide basis, Franchisee shall operate the Franchised Business in conformity with the methods, standards and specifications prescribed by Franchisor. Franchisee agrees to comply with the Manual, as it is modified from time to time, and all directives, rules and procedures specified by Franchisor, and will, among other things:

12.1.1 Procure the necessary licenses or permits to allow the operation of the Franchised Business and otherwise comply with all applicable governmental laws, ordinances, rules and regulations;

12.1.2 Solicit Facilities and Candidates in accordance with Franchisor’s standards and specifications, as set forth in the Manual or otherwise. Franchisee shall use the Applicant Tracking Software (ATS) in accordance with Franchisor’s specifications. Failure to utilize the ATS as set forth in the Manual shall be a material default of this Agreement;

12.1.3 Employ sufficient employees or contractors so as to provide prompt and efficient customer service in conformity with the methods, standards, and specifications prescribed by Franchisor. Each Territory owned by Franchisee shall be staffed by at least one (1) full-time recruiter. Franchisee acknowledges and agrees that poorly trained employees or contractors, sloppy or unclean appearances and incompetent or discourteous service are extremely damaging to the goodwill of the System and the Marks and are a material default of this Agreement;

12.1.4 Timely make all required payments to suppliers and other contractors and creditors of the Franchised Business in accordance with the applicable agreements and provide documentation thereof, as requested by Franchisor;

12.1.5 Timely pay all taxes and provide documentation thereof, as requested by Franchisor. Franchisor reserves the right to require Franchisee, at Franchisee’s cost and expense, to use a third-party tax payment services vendor, designated and approved by Franchisor. Franchisor may designate new third-party tax payment services vendor(s) at any time, and Franchisee shall use such newly designated vendor(s) upon notice from Franchisor. Franchisor may collect taxes and associated filing fees through deduction from the Distributed Balance or as determined by Franchisor in its sole discretion;

12.1.6 Permit Franchisor or its agents, to inspect the Franchised Business office and any services, products or equipment, to determine whether they meet Franchisor's then-current standards, specifications and requirements. In addition to any other remedies Franchisor may have, Franchisee shall reimburse Franchisor for Franchisor's inspection costs of any product or service that does not conform to the System standards and specifications;

12.1.7 Prominently display identifying elements of the System of such nature, form, color, number, location and size, and containing such material, as Franchisor may from time to time reasonably direct or approve in writing; and to refrain from using any sign, advertising media or identifying element of any kind to which Franchisor reasonably objects, including signs and advertising media which have been outdated. Upon giving Franchisee notice of its objection to same or upon termination hereof, Franchisor may at any time enter upon the Franchised Business office location or elsewhere and remove any objectionable or non-approved sign, advertising media or identifying element and keep or destroy same without paying therefor or without being deemed guilty of trespass or any other tort;

12.1.8 Conduct all advertising programs in a manner consistent with Franchisor's standards and specifications, in a manner satisfactory to Franchisor and that will not detract from the reputation of the System or the Marks;

## 12.2—Bookkeeping and Reports.

12.2.1 Franchisee agrees to keep and maintain complete and accurate books and records of its transactions and business operations using the accounting procedures and chart of accounts specified by Franchisor. Franchisee agrees to purchase the computer systems specified in Section 12.3 to maintain the records and accounts of the Franchisee to the standards of the Franchisor. Franchisee acknowledges and agrees that the financial data of Franchisee's Franchised Business (i) is owned by Franchisor, (ii) is Franchisor's proprietary information, (iii) may be published in franchise disclosure document(s) issued by Franchisor following the Effective Date hereof, and (iv) may be shared with other franchisees in the System.

12.2.2 Within thirty (30) days after the close of each calendar quarter and within ninety (90) days after the close of each fiscal year, Franchisee will furnish Franchisor a full and complete written statement of income and expense and a profit and loss statement for the operation of the Franchised Business during said period, together with a balance sheet and tax reports for the Franchised Business, all of which shall be prepared in accordance with generally accepted accounting principles and practice. Franchisee's annual statements and balance sheets shall be prepared by an independent certified public accountant and certified to be correct.

12.2.3 The financial statements required hereunder shall be in such form and contain such information as Franchisor may from time to time reasonably designate.

12.2.4 Franchisor reserves the right to require Franchisee to engage the services of a third-party accounting services firm, designated and approved by Franchisor, in the event that (i) Franchisee fails to keep books and records in accordance with Franchisor's standards or (ii) Franchisor, in

its sole discretion, determines that use of a third-party accounting services firm by all System franchisees is beneficial to the System.

12.2.5 Franchisor shall have the right at all reasonable times to examine, at its expense, Franchisee's books, records, and tax returns. If Franchisor's examination finds any underpayment owed in any Revenue Report, unless due solely to Franchisor's error in the calculation of the Distributed Balance, Franchisee shall reimburse Franchisor for the cost of such examination and pay the Franchisor the amounts due together with interest thereon at the rate provided herein. Such understatement may be considered a material default hereunder. Two (2) such understatements during the Term of this Agreement may, at the option of Franchisor, be considered an incurable default and thereby subject to termination as provided herein.

### 12.3—Computer Systems.

12.3.1 Franchisee, at Franchisee's sole expense, shall install and maintain the Computer System and other computer hardware, software, applications and accounts Franchisor requires for the operation of the Franchised Business and shall follow the procedures related thereto that Franchisor specifies in the Manual or otherwise in writing.

12.3.2 Franchisor may require Franchisee, at Franchisee's sole expense, to install and maintain systems, and bookkeeping accounts that permit Franchisor to independently and electronically access and retrieve any information stored in Franchisee's Computer System and accounts, including, without limitation, information concerning Gross Revenue. Upon Franchisor's request, Franchisee shall execute such documents as Franchisor deems necessary to permit Franchisor to independently and electronically access and retrieve all information stored on Franchisee's Computer System, other systems and bookkeeping accounts.

12.3.3 Any and all data regarding Facilities or Candidates collected or provided by Franchisee, retrieved from Franchisee's Computer System, or otherwise collected from Franchisee by Franchisor or provided to Franchisor, is and will be owned exclusively by Franchisor and will be considered to be Franchisor's proprietary and Confidential Information. Franchisor has the right to use such data in any manner without compensation to Franchisee. Franchisor licenses to Franchisee the use of such data solely for the purpose of operating the Franchised Business; provided that, this license shall automatically and irrevocably terminate, without any additional action or notice required by Franchisor, upon the expiration or earlier termination of this Agreement.

12.3.4 Franchisor may require Franchisee, at Franchisee's sole expense, to enter into software license agreements in the form that Franchisor requires for software Franchisor develops or acquires for use in the System.

12.3.5 Franchisee shall have and maintain adequate hardware and software in order to access the internet at the speed required by Franchisor from time to time. Franchisee shall use the electronic mail account provided by Franchisor. Franchisee shall promptly read and respond to all electronic mail related to the Franchised Business no less often than on a daily basis and shall accept and acknowledge receipt of all electronic mail sent by Franchisor. Franchisee shall not

establish any website or other presence on the internet except as provided and specifically permitted herein.

12.3.6 Franchisor has established a website that provides information about the System and the services and products offered by the System (the "Website"). Franchisor has sole discretion and control over the Website. Franchisor shall include Franchisee's employment listings on the Website, in Franchisor's discretion. Franchisee has no ownership or other proprietary rights to Franchisor's Website and Franchisee will lose all rights to the Website upon expiration or termination of this Agreement for any reason.

12.3.7 In addition to the requirements of Section 6.6, Franchisee shall pay all fees, whether to Franchisor or to third party vendor(s), and expenses for technology required by this Agreement for operations of the Franchised Business, including but not limited to, the costs of computer hardware and software and applications, installation costs and regularly recurring fees for software, internet access, license fees, help desk fees, database access for candidate sourcing and subscriptions to recruiting websites as required by Franchisor, and licensing or user-based fees.

12.3.8 Franchisee is solely responsible for maintaining the security and integrity of the computer systems used in the Franchised Business and information contained thereon. Franchisee, at Franchisee's sole cost and expense, shall implement all computer hardware, software and internet security procedures, including required updates or upgrades thereto, that are reasonably necessary to protect Franchisee's computer and systems and the data stored therein from viruses, malware, privacy breaches or other unauthorized access.

12.4 Pricing. Subject to applicable law, Franchisor shall maintain a standard pricing structure for recruitment services and/or other products and services offered by the Franchised Business. Franchisor reserves the right to set minimum prices for such System recruitment and/or other products and services. Franchisee acknowledges that Franchisor has made no guarantee or warranty that offering services or products at any particular rate or price will enhance Franchisee's sales or profits.

12.5 Unapproved Item/Suppliers. If Franchisee desires to purchase, lease or use any unapproved equipment, product, or service or to purchase, lease or use any equipment, product or service from an unapproved supplier, Franchisee shall submit to Franchisor a written request for such approval prior to using such product, service or supplier. Franchisee shall not purchase or lease any item or use any supplier until and unless such item or supplier has been approved in writing by Franchisor. Franchisor shall have the right to require that its representatives be permitted to inspect the supplier's facilities and to test or otherwise evaluate samples from the supplier. Franchisor reserves the right to charge Franchisee an evaluation fee equal to Five Hundred Dollars (\$500), plus the actual cost of evaluation, inspection and/or testing. Franchisor shall notify Franchisee whether Franchisor approves or disapproves of the proposed item or supplier within sixty (60) days after Franchisor receives all required information to evaluate the product, service or supplier. Franchisor reserves the right, at its option, to re-inspect from time to time the facilities and products of any such approved supplier and to revoke its approval upon the supplier's failure to continue to meet any of Franchisor's then-current criteria. Nothing in the foregoing shall be construed to require Franchisor to approve any particular item or supplier.

12.6—External Quality Assurance Services. Franchisor reserves the right to establish quality assurance programs conducted by third-party providers, including, but not limited to, client surveys and periodic quality assurance audits (“Quality Review Services”). Upon Franchisor’s request and at Franchisee’s sole cost and expense, Franchisee shall subscribe, to any such third-party provider for Quality Review Services to monitor the operations of the Franchised Business as directed by Franchisor.

12.7—Variations in Standards. Notwithstanding anything to the contrary contained in this Agreement and this Article 12 in particular, Franchisee acknowledges and agrees that because complete and detailed uniformity under many varying conditions may not be possible or practical, Franchisor specifically reserves the right and privilege, at its sole discretion and as it may deem in the best interests of all concerned in any specific instance, to vary performance standards for some franchisees based upon the peculiarities and characteristics of the particular circumstance, business potential, existing business practices or any other condition which Franchisor deems to be of importance to the successful operation of such particular franchised business. Franchisor has full rights to vary standard specifications and practices for any other franchisee at any time without giving Franchisee comparable rights. Franchisee shall not be entitled to require Franchisor to disclose or grant to Franchisee a like or similar variation.

### 13.— ADVERTISING, PROMOTIONS AND RELATED FEES

13.1—Advertising Programs. Franchisor may from time to time develop and administer advertising and sales promotion programs designed to promote and enhance the collective success of all Franchised Businesses operating under the System. Franchisee shall participate in all such advertising and sales promotion programs in accordance with the terms and conditions established by Franchisor from time to time for each program. In all aspects of these programs, including, without limitation, the type, quantity, timing, placement and choice of media, market areas and advertising agencies, the standards and specifications established by Franchisor, as modified from time to time, shall be final and binding upon Franchisee.

13.2—Local Advertising. Franchisee must spend a minimum of Two Hundred Fifty Dollars (\$250) per month for advertising and promotion of the Franchised Business in the Territory. Franchisee is required to conduct networking and marketing activities to retain Facilities and identify new potential Facilities in the Territory on an on-going basis. Within ten (10) business days of Franchisor’s request, Franchisee shall provide a quarterly report accurately reflecting Franchisee’s marketing activities within the Territory for the preceding quarterly period.

#### 13.3—Brand Fund.

13.3.1 Franchisor has established a national fund on behalf of the System for national advertising, marketing, and brand development (the “Brand Fund”). Franchisee is required to contribute three percent (3%) of Gross Revenue every other Friday to the Brand Fund (“Brand Fund Contribution”). Payments will be made in the same manner and time as the Royalty Fees. Franchisor reserves the right to increase the Brand Fund Contribution at any time during the Term of this Agreement to any amount not to exceed four percent (4%) of Gross Revenue.

13.3.2 Franchisor shall direct the Brand Fund and shall have sole discretion to approve or disapprove the creative concepts, materials and media used in such programs and the placement and allocation thereof. Franchisee agrees and acknowledges that the Brand Fund is intended to maximize general public recognition and acceptance of the Marks and enhance the collective success of all Franchised Businesses operating under the System.

13.3.3 Franchisor may, but has no obligation to, contribute to the Brand Fund on the same basis as Franchisee with respect to System outlets operated by Franchisor or Franchisor's affiliates.

13.3.4 Franchisor may use the Brand Fund to satisfy any and all costs of developing, preparing, producing, directing, administering, conducting, maintaining and disseminating advertising, marketing, promotional and public relations materials, programs, campaigns, sales and marketing seminars and training programs of every kind and nature, through media now existing or hereafter developed (including, without limitation, the cost of television, radio, magazine, social media, newspaper and electronic advertising campaigns; direct mail and outdoor billboard advertising; public relations activities; conducting marketing research, employing advertising agencies to assist therein; developing, enhancing and maintaining the Website; and staff salaries for dedicated personnel and other departmental costs for advertising that Franchisor internally administers or prepares). While Franchisor does not intend that any part of the Brand Fund will be used for advertising which is principally a solicitation for franchisees, Franchisor reserves the right to use the Brand Fund for public relations, to explain the franchise system, and/or to include a notation in any advertisement indicating "Franchises Available."

13.3.5 The Brand Fund will not be used to defray any of Franchisor's general operating expenses, except for reasonable administrative costs, staff salaries of Brand Fund personnel and overhead that Franchisor may incur in activities related to the administration and direction of the Brand Fund and such costs and expenses pursuant Section 13.3.4. The Brand Fund and its earnings shall not otherwise inure to Franchisor's benefit except that any resulting technology and intellectual property shall be deemed the property of Franchisor.

13.3.6 Franchisor will prepare an unaudited annual statement of the Brand Fund's operations and will make it available to Franchisee upon request. In administering the Brand Fund, Franchisor undertakes no obligation to make expenditures for Franchisee that are equivalent or proportionate to Franchisee's contribution or to ensure that any particular franchisee benefits directly or pro rata from the production or placement of advertising.

13.3.7 Although the Brand Fund is intended to be of perpetual duration, Franchisor may terminate it at any time and for any reason or no reason. Franchisor will not terminate the Brand Fund, however, until all monies in the Brand Fund have been spent for advertising or promotional purposes or returned to contributors, without interest, on the basis of their respective contributions.

13.4 — Directory Listings. At Franchisee's sole cost and expense, Franchisee must list the Franchised Business in local business directories, including, but not limited to, listings on internet search engines. Notwithstanding the foregoing, Franchisee may not maintain any business profile on Facebook, Instagram, Twitter, LinkedIn, YouTube, TikTok, Pinterest, or any

other social media and/or networking site without Franchisor's prior written approval and in strict accordance with Franchisor's requirements.

13.5— Approval of Advertising. All advertising and promotion by Franchisee, in any medium, shall be conducted in a professional manner and shall conform to the standards and requirements of Franchisor as set forth in the Manual or otherwise. Franchisee shall submit to Franchisor for its approval samples of all advertising, press releases, promotional plans and materials and public relations programs that Franchisee desires to use, including, without limitation, any materials in digital, electronic or computerized form, or in any form of media now or hereafter developed that have not been either provided or previously approved by Franchisor. Franchisor shall approve or disapprove such plans and materials within ten (10) business days of Franchisor's receipt thereof. If Franchisor fails to respond to Franchisee's submission within ten (10) business days, such plans and materials shall be deemed "disapproved". Franchisee shall not use such unapproved plans or materials until they have been approved by Franchisor in writing and shall promptly discontinue use of any advertising or promotional plans or materials, whether or not previously approved, upon notice from Franchisor. Any advertising, marketing or sales concepts, programs or materials proposed or developed by Franchisee for the i4 Search Group brand and approved by Franchisor may be used by other System franchisees without any compensation to Franchisee.

#### 14.— INTELLECTUAL PROPERTY

##### 14.1— Ownership.

14.1.1 Franchisee expressly understands and acknowledges that Franchisor's affiliate, or its successor ("Licensor") is the record owner of the Marks. Franchisor holds the exclusive right to license the Marks to franchisees of the System for use pursuant to the System. Franchisee further expressly understands and acknowledges that Franchisor and/or Licensor claims copyrights on certain material used in the System, including but not limited to the Website, documents, standard agreements, advertisements, promotional materials and the Manual, whether or not Franchisor has filed for copyrights thereto with the U.S. Copyright Office. The Marks and copyrights, along with Franchisor's trade secrets, service marks, trade dress and proprietary systems are hereafter collectively referred to as the "Intellectual Property".

14.1.2 As between Franchisor and Franchisee, Licensor and Franchisor are the owner of all right, title and interest in and to the Intellectual Property and the goodwill associated with and symbolized by them.

14.2— No Interference. Neither Franchisee nor any Principal shall take any action that would prejudice or interfere with the validity of Franchisor's or Licensor's rights with respect to the Intellectual Property. Nothing in this Agreement shall give the Franchisee any right, title, or interest in or to any of the Intellectual Property or any of Franchisor's or Licensor's service marks, trademarks, trade names, trade dress, logos, copyrights or proprietary materials, except the right to use the Intellectual Property and the System in accordance with the terms and conditions of this Agreement for the operation of a Franchised Business and only at or from the Franchised Business office location or in approved advertising related to the Franchised Business.

14.3— Goodwill. Franchisee understands and agrees that any and all goodwill arising from Franchisee's use of the Intellectual Property and the System shall inure solely and exclusively to the benefit of Franchisor and Licensor, and upon expiration or termination of this Agreement and the license herein granted, no monetary amount shall be assigned as attributable to any goodwill associated with Franchisee's use of the Intellectual Property.

14.4— Validity. Franchisee shall not contest the validity of, or Franchisor's or Licensor's interest in, the Intellectual Property or assist others to contest the validity of, or Franchisor's or Licensor's interest in, the Intellectual Property.

14.5— Infringement. Franchisee acknowledges that any unauthorized use of the Intellectual Property shall constitute an infringement of Franchisor's or Licensor's rights in the Intellectual Property and a material event of default hereunder. Franchisee shall provide Franchisor or Licensor with all assignments, affidavits, documents, information and assistance Franchisor or Licensor reasonably requests to fully vest in Franchisor or Licensor all such rights, title and interest in and to the Intellectual Property, including all such items as are reasonably requested by Franchisor or Licensor to register, maintain and enforce such rights in the Intellectual Property.

14.6— Substitution. Franchisor reserves the right to substitute different Marks for use in identifying the System and the Franchised Business, if it in its sole discretion, determines that substitution of different Marks will be beneficial to the System. Franchisor will not be liable to Franchisee for any expenses, losses or damages sustained by Franchisee as a result of any additions, modifications, substitutions or discontinuation of the Marks. Franchisee covenants not to commence or join in any litigation or other proceeding against Franchisor for any of these expenses, losses or damages.

14.7— Franchisee's Use of the Intellectual Property. With respect to Franchisee's use of the Intellectual Property pursuant to this Agreement, Franchisee further agrees that:

14.7.1 Unless otherwise authorized or required by Franchisor, Franchisee shall advertise the Franchised Business only under the Mark "i4 Search Group" and its designs. Franchisee shall not use the Marks, or any portions, variations, or derivatives thereof, as part of its corporate or other legal name. All fictitious names used by Franchisee shall bear the designation "a franchisee of i4 Franchise Development Inc."

14.7.2 Franchisee shall identify itself as the owner of the Franchised Business and as an independent i4 Search Group franchisee in conjunction with any use of the Intellectual Property, including, but not limited to, uses on invoices, receipts and correspondence, as well as the display of a notice in such content and form and at such conspicuous location upon the office and vehicle, as directed by Franchisor, used in the Franchised Business, as Franchisor may designate in writing.

14.7.3 Franchisee shall not use the Intellectual Property to incur any obligation or indebtedness on behalf of Franchisor.

14.7.4 Any item offered by Franchisee that contains the Marks, must be approved by Franchisor in writing prior to being distributed or sold by Franchisee and such approval may be granted or denied in Franchisor's sole and absolute discretion.

14.8— ~~Claims.~~ Franchisee shall notify Franchisor immediately via both email and telephone, of any apparent infringement of or challenge to Franchisee's use of any Intellectual Property and of any claim by any person of any rights in any Intellectual Property. Franchisee shall not communicate with any person other than Franchisor or any designated affiliate thereof, their counsel and Franchisee's counsel in connection with any such infringement, challenge or claim. Franchisor shall have complete discretion to take such action as it deems appropriate in connection with the foregoing, and the right to control exclusively, or to delegate control to any of its affiliates of, any settlement, litigation or other proceeding arising out of any such alleged infringement, challenge or claim or otherwise relating to any Intellectual Property. Franchisee agrees to execute any and all instruments and documents, render such assistance, and do such acts or things as may, in the opinion of Franchisor, reasonably be necessary or advisable to protect and maintain the interests of Franchisor or any other person or entity in any litigation or other proceeding or to otherwise protect and maintain the interests of Franchisor or any other interested party in the Intellectual Property. Franchisor will indemnify and defend Franchisee against and reimburse Franchisee for actual damages (including settlement amounts) for which Franchisee is held liable in any proceeding arising out of Franchisee's use of any of the Intellectual Property that infringes on the rights of any other party, provided that the conduct of Franchisee with respect to such proceeding and use of the Intellectual Property is in full compliance with the terms of this Agreement.

14.9— Franchisor may use and grant franchises and licenses to others to use the Intellectual Property and the System and to establish, develop and franchise other systems, different from the System licensed to Franchisee herein, without offering or providing Franchisee any rights in, to or under such other systems and Franchisor may modify or change, in whole or in part, any aspect of the Intellectual Property or the System, so long as Franchisee's rights thereto are in no way materially harmed thereby.

14.10— Franchisee shall not register or attempt to register the Intellectual Property in Franchisee's name or that of any other person, firm, entity or corporation.

## 15. — INSURANCE AND INDEMNIFICATION

— 15.1— ~~Required Insurance Coverage.~~ In the event Franchisee shall procure, prior to the commencement of any operations under this Agreement, and thereafter maintain in full force and effect during the term of this Agreement at Franchisee's sole cost and expense and to Franchisor's sole satisfaction, an Errors and Omissions Insurance policy that provides coverage for permanent employment placement of not less than One Million Dollars (\$1,000,000) per occurrence/One Million Dollars (\$1,000,000) aggregate. As of the Effective Date, Franchisor's insurance policy shall provide the errors and omissions insurance coverage for Franchisee, at Franchisee's option and expense.

—— 15.2 — Recommended Insurance Coverage. Franchisor recommends, but does not require, Franchisee to procure, prior to the commencement of any operations under this Agreement, the following insurance policies:

15.2.1 Liability. Comprehensive general liability insurance, including personal and advertising injury coverage, together with the costs and expenses of the defense and/or adjustment of injury or damage, in the amount of at least One Million Dollars (\$1,000,000) per occurrence and Two Million Dollars (\$2,000,000) in the aggregate;

15.2.2 Cyber Coverage. Comprehensive data security and privacy cyber insurance, including coverage for unauthorized access and use, security failure, breach of confidential information, privacy perils, and breach mitigation costs and regulatory coverage, in the amount of One Million Dollars (\$1,000,000) per occurrence and Two Million Dollars (\$2,000,000) in the aggregate;

15.2.3 Business. Business interruption insurance in an amount not less than the greater of (i) One Hundred Thousand Dollars (\$100,000) or (ii) an amount necessary to satisfy Franchisee's obligations under this Agreement for a minimum period of three (3) months; and

15.2.4 Employment. Worker's compensation coverage in the limits required by state law, employment practices/abuse and employee dishonesty insurance with third party coverage in the amount of at least One Million Dollars (\$1,000,000), and employer liability insurance with a minimum policy limit of One Million Dollars (\$1,000,000) is recommended to be carried on all of Franchisee's employees, as well as such other insurance as may be required by statute or rule of the state in which the Franchised Business is located and operated.

—— Notwithstanding the foregoing, Franchisee shall be required to procure and maintain any insurance required by the state or municipality in which the Franchised Business is located, or required per any lease for the premises of the Franchised Business, in the event commercial space is leased by Franchisee, and shall be maintained in the amounts and with the required limits as prescribed by the laws of the state or municipality or by the lease for the premises.

15.3 — Policy Requirements. All insurance policies maintained by Franchisee shall be primary and non-contributory to any insurance that Franchisor may carry. Franchisee's insurance shall be provided by insurance companies with an A.M. Best rating of not less than A-VII, protecting Franchisee and Franchisor, and naming Franchisor, Licensor, and their members, officers, directors, partners, owners, employees and affiliates as additional insureds as their interests may appear. All public liability policies shall contain a provision that the additional insureds, although named as insureds, shall nevertheless be entitled to recover under such policies on any loss caused by Franchisee or Franchisee's servants, agents or employees.

15.4 — Evidence of Insurance. Franchisee shall deliver to, and maintain at all times with Franchisor, current Certificates of Insurance evidencing the existence and continuation of the coverages Franchisee maintains. In addition, if requested by Franchisor, Franchisee shall deliver to Franchisor a copy of the insurance policy or policies maintained by Franchisee.

15.5 — Failure to Procure. If fails, for any reason, Franchisee should fail to procure or maintain any the insurance required by Section 15.1 hereof or by the state or municipality in which the Franchised

~~Business is located, or any insurance required per the lease for the premises of the Franchised Business, this Agreement, then Franchisor shall have~~has the right and authority (without, however, any but not the obligation) to immediately procure such insurance and to charge all costs, fees, and expenses associated with same to Franchisee for the cost thereof, which such charges, together with a reasonable administrative fee of ten percent (10%) for Franchisor's expenses in so acting, including all attorneys' fees. ~~Franchisee shall pay Franchisor shall be immediately upon notice~~payable by Franchisee to Franchisor to Franchisee that upon demand. The foregoing remedies are in addition to any other remedies Franchisor has undertaken such action and the cost thereof. ~~may have~~ under this Agreement, at law, or in equity.

15.6 — Increase in Coverage. The levels and types of insurance stated herein are minimum requirements. Franchisor reserves the right to raise the recommended minimum requirements for any type of insurance or add additional types of insurance recommendations as Franchisor deems reasonably prudent to recommend. Within thirty (30) days of any such new limits or types of coverage, Franchisee shall submit proof to Franchisor of the changes to Franchisee's coverage pursuant to Franchisor's recommendations.

15.7 — Indemnification. TO THE FULLEST EXTENT PERMITTED BY LAW, FRANCHISEE AGREES TO EXONERATE AND INDEMNIFY AND HOLD HARMLESS i4 FRANCHISE DEVELOPMENT INC., i4 SEARCH GROUP LLC, AND ANY OF EITHER'S PARENT COMPANY, SUBSIDIARIES, DIVISIONS, AFFILIATES, SUCCESSORS, ASSIGNS AND DESIGNEES AS WELL AS THEIR DIRECTORS, OFFICERS, EMPLOYEES, AGENTS, SHAREHOLDERS, SUCCESSORS, DESIGNEES AND REPRESENTATIVES (COLLECTIVELY REFERRED TO AS THE "i4 INDEMNITEES"), FROM ALL CLAIMS BASED UPON, ARISING OUT OF, OR IN ANY WAY RELATED TO THE OPERATION, CONDITION, OR ANY PART OF FRANCHISEE'S FRANCHISE, THE FRANCHISED BUSINESS, THE SERVICES OR PRODUCTS, OR THE FRANCHISED BUSINESS OFFICE LOCATION, WHETHER CAUSED BY FRANCHISEE, FRANCHISEE'S AGENTS OR EMPLOYEES, OR ARISING FROM FRANCHISEE'S ADVERTISING OR BUSINESS PRACTICES. FRANCHISEE AGREES TO PAY FOR ALL THE i4 INDEMNITEES' LOSSES, EXPENSES (INCLUDING, BUT NOT LIMITED TO ATTORNEYS' FEES) OR CONCURRENT OR CONTRIBUTING LIABILITY INCURRED IN CONNECTION WITH ANY ACTION, SUIT, PROCEEDING, INQUIRY (REGARDLESS OF WHETHER THE SAME IS REDUCED TO JUDGMENT OR DETERMINATION), OR ANY SETTLEMENT THEREOF FOR THE INDEMNIFICATION GRANTED BY FRANCHISEE HEREUNDER. THE i4 INDEMNITEES SHALL HAVE THE RIGHT TO SELECT AND APPOINT INDEPENDENT COUNSEL TO REPRESENT ANY OF THE i4 INDEMNITEES IN ANY ACTION OR PROCEEDING COVERED BY THIS INDEMNITY. FRANCHISEE AGREES THAT TO HOLD THE i4 INDEMNITEES HARMLESS, FRANCHISEE WILL REIMBURSE THE i4 INDEMNITEES AS THE COSTS AND EXPENSES ARE INCURRED BY THE i4 INDEMNITEES.

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16. — TRANSFERS

#### 16.1—Transfers by Franchisor.

16.1.1 Franchisor shall have the right to assign this Agreement, and all of Franchisor's rights and privileges hereunder, to any person, firm, corporation or other entity, without Franchisee's permission or prior knowledge, provided that, with respect to any assignment resulting in the subsequent performance by the assignee of Franchisor's obligations, the assignee shall expressly assume and agree to perform Franchisor's obligations hereunder. Specifically, and without limitation to the foregoing, Franchisee expressly affirms and agrees that Franchisor may: (i) sell Franchisor's assets and Franchisor's rights to the Marks and the System outright to a third party; (ii) engage in a public or private placement of some or all of Franchisor's securities; (iii) merge, acquire other corporations, or be acquired by another corporation, including competitors; (iv) undertake a refinancing, recapitalization, leveraged buy-out or other economic or financial restructuring; and (v) with regard to any or all of the above sales, assignments and dispositions, Franchisee expressly and specifically waives any claims, demands or damages arising from or relating to the loss of association with or identification of Franchisor. Nothing contained in this Agreement shall require Franchisor to remain in the business franchised herein or to offer the same products and services, whether or not bearing the Marks, in the event that Franchisor exercises its prerogative hereunder to assign Franchisor's rights in this Agreement.

16.1.2 Franchisee agrees that Franchisor has the right, now or in the future, to purchase, merge, acquire or affiliate with an existing competitive or non-competitive franchise network, chain or any other business regardless of the location of that chain or business, and to operate, franchise or license those businesses operating under the Marks or any other marks following Franchisor's purchase, merger, acquisition or affiliation, regardless of the location (which Franchisee acknowledges may be within the Territory, proximate thereto, or proximate to any of Franchisee's Facilities).

16.1.3 If Franchisor assigns its rights in this Agreement, nothing herein shall be deemed to require Franchisor to remain in the permanent placement recruitment business or to offer or sell any products or services to Franchisee.

16.2—Restrictions on Transfers by Franchisee. Franchisee's rights and duties under this Agreement are personal to Franchisee as it is organized and with the Principal(s) of the business as they exist on the date of execution of this Agreement, and Franchisor has made this Agreement with Franchisee in reliance on Franchisor's perceptions of the individual and collective character, skill, aptitude, attitude, business ability, and financial capacity of Franchisee. Thus, no transfer, as hereafter defined, may be made without Franchisor's prior written approval. Franchisor may void any transfer made without such approval.

16.3—Transfers by Franchisee. Franchisee shall not directly or indirectly sell, assign, transfer, give, devise, convey or encumber this Agreement or any right or interest herein or hereunder (a "Transfer"), the Franchise, the Franchised Business or any assets thereof (except in the ordinary course of business) or suffer or permit any such assignment, transfer, or encumbrance to occur by operation of law unless it first obtains the written consent of Franchisor. A transfer of any stock in the Franchisee if it is a corporation or a transfer of any ownership rights in Franchisee if it is a partnership, a limited liability company or limited partnership shall be considered a

Transfer restricted hereunder. If Franchisee has complied fully with this Agreement and subject to Franchisor's Right of First Refusal set forth in Section 16.6, Franchisor will not unreasonably withhold its consent of a Transfer that meets the following requirements:

16.3.1 The proposed transferee and all its principals must have the demeanor and be individuals of good character and otherwise meet Franchisor's then-applicable standards for franchisees.

16.3.2 The transferee must have sufficient business experience, aptitude and financial resources to operate the Franchised Business and to comply with this Agreement;

16.3.3 The transferee has agreed to complete Franchisor's Initial Training Program to Franchisor's satisfaction;

16.3.4 Franchisee has paid all amounts owed to Franchisor and third-party creditors, including any refunds owed to Facilities as a result of failed placements;

16.3.5 The transferee has executed Franchisor's then-standard form of Franchise Agreement, which may have terms and conditions different from this Agreement, except that the transferee shall not be required to pay the Initial Franchise Fee;

16.3.6 Franchisee and the transferee and each of Franchisee's and the transferee's Principals shall have executed a general release, in a form satisfactory to Franchisor, of any and all claims against Franchisor and Franchisor's officers, directors, shareholders, members and employees in their corporate and individual capacities, including, without limitation, claims arising under federal, state and local laws, rules and ordinances. Franchisee will agree to subordinate any claims Franchisee may have against the transferee to Franchisor, and indemnify Franchisor against any claims by the transferee relating to misrepresentations in the transfer process, specifically excluding those representations made by Franchisor in the Franchise Disclosure Document given to the transferee;

16.3.7 Franchisor has granted written approval of the material terms and conditions of the Transfer, including, without limitation, that the price and terms of payment will not adversely affect the Franchised Business's operation. However, Franchisor's approval of a Transfer is not in any way a representation or warranty of the transferee's success or the soundness of transferee's decision to purchase the Franchise on such terms and conditions. Franchisee shall provide Franchisor all proposed transfer documents for Franchisor's review at least thirty (30) days prior to a closing of the proposed Transfer; and

16.3.8 If Franchisee or any Principal finances any part of the sale price of the Transfer, Franchisee or its Principal have agreed that all obligations of the transferee under any notes, agreements or security interests to Franchisee or its Principal will be subordinate to the transferee's obligations to Franchisor.

16.4 — Transfer Fee. As a condition to any Transfer, Franchisee shall pay Franchisor a transfer fee equal to Ten Thousand Dollars (\$10,000); provided however, (i) for transfers to an existing franchisee in good standing with Franchisor, the transfer fee is Seven Thousand Five Hundred

Dollars (\$7,500), (ii) for transfers to an entity, for purposes of convenience, or of ownership interest among existing shareholders or members, or to add a new shareholder or member of the Franchisee entity, and such transfer does not change management control of the Franchisee entity, the transfer fee is One Thousand Five Hundred Dollars (\$1,500), and (iii) for a transfer to a spouse, parent or child upon death or permanent disability of Franchisee or Franchisee's Principal, as the case may be, the transfer fee is Three Thousand Five Hundred Dollars (\$3,500).

16.5 — Entity Formation Documents. The By-Laws of a corporation or Operating Agreement of a limited liability company of a Franchisee that is an entity must state that (i) the issuance and assignment of any interest in Franchisee are restricted by this Article 16; (ii) Franchisee may conduct no business except the operation of a Franchised Business pursuant to the terms of this Agreement; (iii) transfers of interests in Franchisee are subject to the terms of this Agreement governing transfers; and (iv) stock or member certificates will contain a legend so indicating.

#### 16.6 — Franchisor's Right of First Refusal.

16.6.1 If Franchisee wishes to transfer all or part of its interest in the Franchised Business or this Agreement or if a Principal wishes to transfer any ownership interest in Franchisee, pursuant to any bona fide offer to purchase such interest, then Franchisee or such Principal shall promptly notify Franchisor in writing of each such offer and shall provide such information and documentation relating to the offer as Franchisor may require.

16.6.2 Franchisor has the right, exercisable by written notice to Franchisee within thirty (30) days after receipt of written notification and copies of all documentation required by Franchisor describing such offer, to buy the interest in this Agreement and the Franchised Business or the Principal's interest in Franchisee for the price and on the terms and conditions contained in the offer, subject to Section 16.6.3.

16.6.3 Franchisee further agrees, in the event Franchisor exercises its right of first refusal, notwithstanding anything to the contrary contained in the offer, that (i) Franchisor may substitute cash for any other form of consideration contained in the offer; (ii) at Franchisor's option, Franchisor may pay the entire purchase price at closing; (iii) Franchisor's credit will be deemed equal to the credit of any proposed transferee; (iv) Franchisor will have at least sixty (60) days to close the purchase; and (v) Franchisor will be entitled to receive from the Franchisee all customary representations and warranties given by a seller of the assets of a business or equity interest in an entity, as applicable.

16.6.4 If Franchisor does not exercise its right to buy within thirty (30) days, Franchisee may thereafter transfer the interest to the transferee on terms no more favorable than those disclosed to Franchisor, provided that such transfer is subject to Franchisor's prior written approval pursuant to Section 16.3 hereof. However, if (i) the sale to the transferee is not completed within one hundred twenty (120) days after the offer is given to Franchisor or (ii) there is any material change in the terms of the offer, the offer will again be subject to Franchisor's right of first refusal.

16.7—~~Death or Permanent Disability.~~ The grant of rights under this Agreement is personal to Franchisee, and on the death or permanent disability of Franchisee or any of Franchisee's Principals, the executor, administrator, conservator or other personal representative of Franchisee or Principal, as the case may be, shall be required to transfer Franchisee's or Principal's interest in this Agreement within six (6) months from the date of death or permanent disability to a third party approved by Franchisor. ~~Failure to transfer in accordance with the forgoing will constitute a material default and the Franchise granted by this Agreement will terminate. A transfer under this Section 16.7, including without limitation, transfer by devise or inheritance, is subject to the conditions for Transfers in this Article 16 and unless transferred by gift, devise or inheritance, subject to the terms of Section 16.6 above. For purposes of this Agreement, the term "permanent disability" means a mental or physical disability, impairment or condition that is reasonably expected to prevent or actually does prevent such person from providing continuous and material supervision of the operation of Franchisee's Franchised Business during the six (6)-month period from its onset.~~

~~Immediately after the death or permanent disability of such person, or while the Franchise is owned by an executor, administrator, guardian, personal representative or trustee of that person, the Franchised Business shall be supervised by an interim successor manager satisfactory to Franchisor, or Franchisor, in its sole discretion, may provide interim management for a fee equal to the then current interim management support fee, plus any and all costs of travel, lodging, meals and other expenses reasonably incurred by Franchisor, pending transfer of the Franchise to the deceased or disabled individual's lawful heirs or successors.~~

16.8—~~Effect of Consent to Transfer.~~ Franchisor's consent to a Transfer will not waive any claims Franchisor may have against the Franchisee or any Franchisee's Principals nor waive its right to demand that the transferee comply strictly with this Agreement.

16.9—~~Security Interests to Lender.~~ If Franchisee is in full compliance with this Agreement, Franchisee may pledge or give a security interest in Franchisee's interest in the Assets and the Franchised Business to a lender of the funds needed by Franchisee for Franchisee's initial investment, provided that the security interest is subordinate to Franchisee's obligations to Franchisor, that a foreclosure on such a pledge or security interest and/or any Transfer resulting from such a foreclosure shall be subject to all provisions of this Agreement, and that Franchisee obtains from the lender a written acknowledgement to Franchisor of these restrictions.

## 17.—~~DEFAULTS~~

17.1—~~Default and Automatic Termination.~~ Franchisee shall be deemed to be in material default under this Agreement, and all rights granted herein shall automatically terminate without notice to Franchisee, if Franchisee or Principal shall become insolvent or makes a general assignment for the benefit of creditors; or if Franchisee or Principal files a voluntary petition under any section or chapter of federal bankruptcy law or under any similar law or statute of the United States or any state thereof, or admits in writing an inability to pay debts when due; or if Franchisee or Principal is adjudicated a bankrupt or insolvent in proceedings filed against Franchisee or Principal under any section or chapter of federal bankruptcy laws or under any similar law or statute of the United States or any state; or if a bill in equity or other proceeding

for the appointment of a receiver of Franchisee or Principal or other custodian for Franchisee's business or assets is filed and consented to by Franchisee or Principal; or if a receiver or other custodian (permanent or temporary) of Franchisee's or Principal's assets or property, or any part thereof, is appointed by any court of competent jurisdiction; or if proceedings for a composition with creditors under any state or federal law should be instituted by or against Franchisee or Principal; or if a final judgment remains unsatisfied or of record for thirty (30) days or longer (unless supersedeas bond is filed); or if Franchisee is dissolved; or if execution is levied against Franchisee's or Principal's business or property; or if suit to foreclose any lien or mortgage against the Franchised Business premises or equipment is instituted against Franchisee and not dismissed within thirty (30) days.

17.2— Defaults with No Opportunity to Cure. Franchisee shall be deemed to be in material default and Franchisor may, at its option, terminate this Agreement and all rights granted hereunder, without affording Franchisee any opportunity to cure the default, effective immediately upon notice to Franchisee, if Franchisee, or any Principal, as the case may be:

17.2.1 fails to obtain all required licenses and permits before opening or to open the Franchised Business within the time and in the manner specified in Article 8.

#### **ARTICLE 9 BRAND DEVELOPMENT AND MARKETING**

Franchisor is not required to conduct any marketing on behalf of Franchisee or the System.

##### **9.A. BRAND DEVELOPMENT FUND**

At all times and from time to time, as determined by Franchisor, in Franchisor's Reasonable Business Judgment, Franchisor has and may continue to institute, implement, maintain, delegate and administer a brand development fund (the "Brand Development Fund"). The following shall apply to the Brand Development Fund at all times throughout the Term:

(1) Franchisee shall pay, on the Due Date, a mandatory and continuing fee to the Brand Development Fund in an amount equal to a percentage of Gross Sales (as determined and designated by Franchisor in Franchisor's Reasonable Business Judgment) for each weekly Accounting Period (the "Brand Development Fund Fee"), provided, however, Franchisee will not be required to contribute more than 4% of the Gross Sales of the Franchised Business for each weekly Accounting Period.

(2) Franchisor will provide Franchisee with written notice of the percentage of Gross Sales that Franchisee is required to contribute to the Brand Development Fund and/or, at Franchisor's election, pre-deducted from Franchisee's Gross Sales by Franchisor. Upon such written notice to Franchisee, the percentage of Gross Sales to be paid by Franchisee to the Brand Development Fund will be applicable for each and every weekly Accounting Period thereafter during the Term until otherwise designated by Franchisor in writing. The Brand Development Fund Fee shall be paid to Franchisor on the Due Date and in accordance with the payment terms and method set forth in Article 5.B. for the payment of Royalty Fees or as otherwise designated by Franchisor;

(3) Franchisor, in Franchisor's Reasonable Business Judgment, shall direct all advertising, media placement, marketing and public relations programs and activities financed by the Brand Development Fund, with sole discretion over the strategic direction, creative concepts, materials, and endorsements used by the Brand Development Fund, and the geographic, market, and media placement and allocation thereof. Without limiting the foregoing, the Brand Development Fund may also be utilized for

evaluation and monitoring of the Business Management Systems, maintenance and upgrades to the System Website, and development of Digital Media;

(4) Franchisee agrees that the purpose of the advertising, media, marketing and activities financed by the Brand Development Fund is and shall be for the general enhancement of the System brand as associated with the Licensed Marks and general public brand recognition and awareness of the Licensed Marks. The Brand Development Fund will not be utilized to directly or indirectly market or promote the Franchised Business or, unless otherwise directed by Franchisor, in Franchisor's Reasonable Business Judgment, pay for media placements that may benefit or include any media market that includes Franchisee's Administrative Office or Operating Territory;

(5) Franchisee agrees that the Brand Development Fund may be used to pay various costs and expenses of Franchisor for such reasonable salaries, wages, administrative costs and overhead as Franchisor may incur in activities reasonably related to the administration, activities and/or the brand awareness goals of the Brand Development Fund including expenses incurred by Franchisor for advertising, advertising councils, franchisee advisory councils, marketing, product and service testing, product and service development, maintenance, evaluation and monitoring of the Business Management Systems, upgrades to the System Website, development of Digital Media and creative development that is internally administered or prepared by Franchisor and other marketing activities made by Franchisor, provided, however, that salary expenses for Franchisor's personnel paid by the Brand Development Fund shall be commensurate with the amount of that time spent by such personnel on Brand Development Fund matters. Franchisor shall not use contributions to the Brand Development Fund to defray any of Franchisor's general operating expenses, except for such reasonable salaries, administrative costs and overhead as Franchisor may incur in activities reasonably related to the administration and activities of the Brand Development Fund and creation or conduct of its marketing programs including, without limitation, conducting market research, preparing advertising and marketing materials and collecting and accounting for contributions to the Brand Development Fund. Franchisor may spend in a fiscal year an amount greater or less than the aggregate contributions of all i4 Businesses to the Brand Development Fund in that year;

(6) Franchisee agrees to participate in all advertising, marketing, promotions, research and public relations programs instituted by the Brand Development Fund;

(7) i4 Businesses owned by Franchisor or Franchisor's affiliates are not required to pay any Brand Development Fund Fee or contribute to or make any contribution to the Brand Development Fund;

(8) Franchisee and Franchisor acknowledge and agree that (a) the Brand Development Fund is not a trust, (b) Franchisor is not a trustee or fiduciary of the Brand Development Fund, and (c) Franchisor may deposit and maintain any and all funds of the Brand Development Fund Fee in Franchisor's general accounts. Brand Development Fund Fees are not required to be segregated from other assets or accounts of Franchisor. The Brand Development Fund is not required to expend Brand Development Fund Fees in the year that they are collected and the Brand Development Fund may borrow from Franchisor or other lenders at standard commercial interest rates to cover deficits of the Brand Development Fund, and Franchisor may cause the Brand Development Fund to invest any surplus for future use by the Brand Development Fund. All interest earned on monies contributed to the Brand Development Fund will be used to pay costs of the Brand Development Fund before other assets of the Brand Development Fund are expended. A summary statement of monies collected and costs incurred by the Brand Development Fund for Franchisor's immediately preceding fiscal year shall be made available to Franchisee upon Franchisee's written request. Franchisor will have the right to cause the Brand Development Fund to be incorporated or operated through an entity separate from Franchisor at such time as Franchisor deems appropriate, and such successor entity shall have all rights and duties of

Franchisor pursuant to this Article 9.A.;

(9) Although Franchisor will endeavor to utilize the Brand Development Fund to develop advertising and marketing materials and programs, Franchisor undertakes no obligation to ensure that expenditures by the Brand Development Fund in or affecting any geographic area are proportionate or equivalent to the contributions to the Brand Development Fund by i4 Businesses operating in that geographic area or that any i4 Businesses will benefit directly or in proportion to its contribution to the Brand Development Fund from the development of advertising and marketing materials. Franchisor may use the Brand Development Fund to promote or benefit any type of i4 Businesses in the System. Franchisor may use the Brand Development Fund to promote or benefit i4 Businesses located within a particular region of the United States. Franchisee agrees that Franchisee's failure to derive any such benefit will not serve as a basis for a reduction or elimination of its obligation to contribute to the Brand Development Fund. Franchisee agrees that the failure (whether with or without Franchisor's permission) of any other franchisee to make the appropriate amount of contributions to the Brand Development Fund shall not in any way release Franchisee from or reduce Franchisee's obligations under this Article 9, such obligations being separate and independent obligations of Franchisee under this Agreement. Except as expressly provided in this Article 9, Franchisor assumes no direct or indirect liability, responsibility, or obligation to Franchisee with respect to the maintenance, direction, and/or administration of the Brand Development Fund; and

(10) Franchisor, in Franchisor's Reasonable Business Judgment, has and/or establish a council to provide guidance respecting the administration of the Brand Development Fund and marketing matters concerning the Brand Development Fund. The council shall only serve in an advisory capacity and Franchisor shall select members of the council which may be comprised of employees of Franchisor, Franchisor, franchisees of the System and third parties.

#### **9.B. LOCAL MARKETING**

On an on-going monthly basis, Franchisee must spend not less than \$750 per month, per Territory and per Specialty Line on the local marketing of your i4 Business within your operating territory and in accordance with our standards and specifications (the "Minimum Monthly Local Marketing Requirement"). On or before the 5<sup>th</sup> day of each calendar year month, or, such other dates as specified by Franchisor, Franchisee shall provide Franchisor with an accurate accounting of Franchisee's local marketing expenditures, placements, activities, and metrics for the immediately preceding calendar year month. At the request of Franchisor, Franchisee shall provide Franchisor with on-going access to any and all data and systems that record and/or report information related to Franchisee's local marketing activities and expenditures and to provide Franchisor such other periodic reports and records as may be requested by Franchisor.

If the Franchisee's expenditures in any monthly period do not, in aggregate as to any and/or each respective calendar year monthly period, equal or exceed the Minimum Monthly Local Marketing Requirement for the respective monthly period or periods then Franchisor, in Franchisor's discretion and Reasonable Business Judgment, may require that the deficiency be added as additional local marketing expenditures, for future local marketing over and above the Minimum Monthly Local Marketing Requirement for any particular month or period of time.

Franchisor reserves the right to reject any and all marketing efforts requested by Franchisee and to prescribe all marketing, marketing media, marketing channels, promotions, copy, creative, and messaging that Franchisee may or may not use in Franchisee's marketing of the Franchised Business. Franchisee further agrees that:

(1) In addition to calendar year monthly reports, Franchisee shall provide Franchisor with monthly reports documenting Franchisee's marketing initiatives, expenses incurred, placements secured, and other metrics and financial information as designated by Franchisor;

(2) Prior to opening the Franchised Business, Franchisee shall submit to Franchisor, Franchisee's initial marketing plan for review and approval by Franchisor.

(3) Within 120 days of the Actual Opening Date, franchisee must contract with 3<sup>rd</sup> party business development designated supplier(s) for initial business development support services in accordance with Franchisor's specifications and requirements and at a cost to Franchisee of not less than \$5,000.

(4) Franchisee's marketing efforts and the distribution of each marketing channel and media engaged by Franchisee must be directly targeted to Facilities within Franchisee's Operating Territory. Franchisee shall not direct or target Franchisee's marketing efforts with the purpose or effect of soliciting or attracting Facilities outside of Franchisee's Operating Territory.

(5) Franchisee grants to Franchisor the right, without compensation to Franchisee, to use Franchisee's name, address, photograph, and biographical information in any publication related to the System, including in relation to the sale of i4 Business franchises; and

(6) Franchisee grants to Franchisor the right to use of Franchisee's financial data and information related to the financial performance of the Franchised Business for reporting purposes within Franchisor's publicly issued and published Franchise Disclosure Document, including in relation to the sale of franchises.

#### **9.C. REQUIRED FRANCHISOR APPROVAL OF ALL MARKETING**

All marketing and promotion of the Franchised Business and all marketing media, campaigns, marketing channels, and efforts used by Franchisee must conform to Franchisor's standards and specifications as set forth in the Operations Manual or, as may be otherwise directed by Franchisor in writing from time to time. If Franchisee wishes to propose to Franchisor for approval or disapproval marketing or promotional efforts, campaigns, and/or media that are not presently and expressly approved and authorized by Franchisor, Franchisee shall submit a written request, including samples of all proposed marketing materials and a description of the marketing channels and distribution to Franchisor for Franchisor's approval or disapproval, that shall be at the sole discretion of Franchisor, in Franchisor's Reasonable Business Judgment. Provided that Franchisee has satisfied the written notice requirements set forth in this Article 9.C. and provided that Franchisee otherwise timely responds in writing to any and all requests by Franchisor for additional information, if Franchisor does not notify Franchisee that Franchisor disapproves the materials within 15 days from the date Franchisor receives the materials, then Franchisee may commence using the materials. However, Franchisor may still disapprove such materials by notice to Franchisee, and Franchisee must then cease using such materials upon receipt of such notice. Franchisee must not use any advertising or promotional materials that Franchisor has disapproved.

#### **9.D. WAIVERS OR DEFERRALS**

On written request from Franchisee with reasons supporting such request, Franchisor may, at Franchisor's sole discretion and on conditions Franchisor deems appropriate, temporarily waive or defer the obligations of Franchisee under the Brand Development Fund and/or, if applicable, Advertising Cooperative. In no event shall such waiver or deferral extend beyond six months. However, at the end of any waiver or deferral period, Franchisee may resubmit a request for waiver or deferral of its obligations under the Brand Development Fund and/or, if applicable, Advertising Cooperative. Franchisor shall not be under any obligation to grant any waiver or deferral. Franchisor may reject Franchisee's request for a waiver or deferral based on any reason or no reason at all and, nevertheless grant the request of another system franchisee.

#### **9.E. DIGITAL MEDIA AND WEBSITE PROHIBITIONS**

Franchisee's use of Digital Media shall be subject to and require Franchisor's express written consent which shall and may be withheld by Franchisor for any or no reason at all. Without limitation to the foregoing, Franchisee possesses no right or authority to utilize Digital Media and Franchisee agrees that Franchisor reserves all rights respecting the marketing, sale and distribution of Approved Services and Products through Digital Media. Franchisee agrees that all Digital Media and Digital Media accounts associated with and/or relating to the Franchised Business and/or the System shall, upon demand of Franchisor, be transferred to Franchisor. Upon execution of this Agreement and any and all future dates demanded by Franchisor, Franchisee shall execute and deliver to Franchisor the Assignment of Telephone Numbers and Digital Media Accounts agreement attached to this Agreement as Exhibit 3. The foregoing shall not be interpreted or construed as permitting Franchisee to establish, designate, utilize and/or otherwise establish accounts as to Digital Media respecting and/or concerning the Franchised Business and/or the System.

### **ARTICLE 10 RELATIONSHIP OF THE PARTIES AND INDEMNIFICATION**

#### **10.A. INDEPENDENT CONTRACTORS**

This Agreement does not create a fiduciary relationship between Franchisor and Franchisee, Franchisor and Franchisee are independent contractors, and nothing in this Agreement is intended to make either party a general or special agent, legal representative, subsidiary, joint venturer, partner, employee or servant of the other for any purpose. The parties' relationship is strictly a Franchisor and Franchisee relationship. Franchisee is the sole employer of the employees of the Franchised Business. Franchisee has the sole right to select, hire and discharge Franchisee's employees. Franchisee is responsible for all decisions regarding hiring, firing, training, supervising, disciplining, scheduling and paying wages to, and withholding and paying taxes for Franchisee's employees. Franchisee, each Owner, each Spouse, and Franchisee's officers, directors, manager, agents, representatives, independent contractors and employees shall not be construed, considered, or represented as Franchisor's employees, representatives, or agents. There is no joint employer relationship between Franchisor and Franchisee or Franchisee's employees. Franchisee's compliance with all federal, state and local labor laws rules and regulations shall be exclusively determined and managed by Franchisee. To the extent that the Operations Manual includes information, specifications, procedures, criteria and/or requirements as to employees of the Franchised Business, such requirements shall be interpreted exclusively for the purpose of maintaining brand standards associated with the System, to protect the good will associated with the System, and to ensure System uniformity requirements and standards concerning the Approved Services and Products, and under no circumstance shall same relate to the employer-employee relationship. As to the foregoing issue of "joint employer" and the non-existence thereof, in the event of any inconsistency or conflict between this Agreement and the Operations Manual, the terms of this Agreement shall take precedence and govern.

Franchisee must conspicuously identify itself in all dealings with customers, lessors, contractors, suppliers, public officials and others as the owner of a i4 Business under a franchise from Franchisor, and Franchisee must place other notices of independent ownership on signs, forms, stationery, advertising and other materials as Franchisor requires. Franchisee must not employ any Licensed Mark in signing any contract, lease, mortgage, check, purchase agreement, negotiable instrument, or other legal obligation. Franchisee must not employ any Licensed Mark in a manner that is likely to result in liability of Franchisor for any indebtedness, action, inaction, or obligation of Franchisee.

Franchisor and Franchisee shall not make any express or implied agreements, guaranties or representations, or incur any debt, in the name, or on behalf, of the other. Franchisor and Franchisee shall not represent that their relationship is anything other than franchisor and franchisee. Franchisor and Franchisee shall not be obligated by, or have any liability under, any agreements or representations made by the other that are not

expressly authorized. Franchisor shall not be obligated for any damages to any person or property directly or indirectly arising out of the operation of the Franchised Business, whether or not caused by Franchisee's negligent, willful act or failure to act. Franchisor shall have no liability for any sales, use, excise, gross receipts, property or other taxes, whether levied upon Franchisee, the Franchised Business or its assets, or upon Franchisor in connection with sales made, services performed or business conducted by Franchisee.

#### **10.B. INDEMNIFICATION BY FRANCHISEE**

Franchisee and each Owner shall indemnify, defend through counsel acceptable to Franchisor, and hold Franchisor, Franchisor's affiliates, and their respective officers, directors, shareholders, members, owners, partners, agents, representatives, independent contractors, employees, assigns and successors (the "Franchisor Indemnified Parties") harmless from all losses, expenses, claims, causes of action, lawsuits, liabilities, taxes, costs, demands, proceedings, investigations, hearings, and/or damages arising out of, or relating to, the Franchised Business (including, without limitation, the ownership and operation of the Franchised Business), unless such loss, expense, claim, cause of action, lawsuit, liability, tax, cost, demand, proceeding, or damage is solely due to Franchisor's gross negligence, and Franchisee shall pay all of the Franchisor Indemnified Parties' reasonable costs, fees and expenses of defending any such claim, cause of action, lawsuit, demand, proceeding, investigation, and/or hearing brought against any of the Franchisor Indemnified Parties or any such claim, cause of action, lawsuit, demand, proceeding, investigation, and/or hearing in which any of the Franchisor Indemnified Parties is named as a party, including, without limitation, reasonable accountant fees, attorney fees, and expert witness fees, court costs, deposition fees, travel expenses and other litigation expenses. At the expense and risk of Franchisee and each Owner, Franchisor may elect to assume (but is not obligated to undertake) the defense and/or settlement of any action, lawsuit, proceeding, claim, or demand. Such an election by Franchisor to assume its defense shall not diminish the obligation of Franchisee and each Owner to indemnify, defend and hold harmless Franchisor. Franchisee and each Owner acknowledge and agree that the terms of this Article 10.B. shall survive the termination, expiration or Transfer of this Agreement. Franchisor Indemnified Parties are not required or obligated to seek recovery from third parties or otherwise mitigate their respective losses in order to maintain a claim against Franchisee or any Owner. Franchisee and each of the Owners agree that Franchisor's failure to pursue recovery or mitigate loss in no way reduces the amounts recoverable from Franchisee or any Owner.

#### **10.C. INDEMNIFICATION BY FRANCHISOR**

Franchisor shall indemnify, defend, and hold Franchisee and Franchisee's officers, directors, shareholders, members, owners, partners, agents, representatives, independent contractors, employees, assigns and successors (the "Franchisee Indemnified Parties") harmless from all losses, expenses, claims, causes of action, lawsuits, liabilities, taxes, costs, demands, proceedings, investigations, hearings, and/or damages solely arising out of, or solely relating to, Franchisor's gross negligence in the operation of Franchisee's i4 Business that was the direct cause of any such loss, expense, liability or damage provided Franchisee immediately notifies Franchisor of such claim, cause of action, lawsuit, demand, proceeding, investigation or hearing, and Franchisor shall pay all of the Franchisee Indemnified Parties' reasonable costs, fees and expenses of defending any such claim, cause of action, lawsuit, demand, proceeding, investigation, and/or hearing brought against any of the Franchisee Indemnified Parties or any such claim, cause of action, lawsuit, demand, proceeding, investigation, and/or hearing in which any of the Franchisee Indemnified Parties is named as a party, including, without limitation, reasonable accountant fees, attorney fees, and expert witness fees, court costs, deposition fees, travel expenses and other litigation expenses provided Franchisee immediately notifies Franchisor of such claim, cause of action, lawsuit, demand, proceeding, investigation or hearing. Franchisor agrees that the terms of this Article 10.C. shall survive the termination, expiration or Transfer of this Agreement.

### **ARTICLE 11** **LICENSED MARKS AND SYSTEM**

#### **11.A. OWNERSHIP AND GOODWILL**

Franchisee agrees that Franchisor is the owner of all right, title and interest in and to the Licensed Marks, the System, Web Based Media, Published Content and the goodwill associated with the Licensed Marks and the System. Except as otherwise specifically provided in this Agreement, Franchisee agrees that Franchisee possesses no interest or right, whatsoever, in or to the Licensed Marks, the System, Web Based Media, Published Content and the goodwill associated with the Licensed Marks and the System, and Franchisee's right to use the Licensed Marks and the System is derived solely from this Agreement. Any unauthorized use of the Licensed Marks and/or the System by Franchisee or any of Franchisee's affiliates shall constitute an infringement of the rights of Franchisor in and to the Licensed Marks and/or the System. Franchisee agrees that all usage of the Licensed Marks and/or the System by Franchisee, and all goodwill associated with the Licensed Marks and System, shall exclusively benefit Franchisor without granting any goodwill interests or rights to Franchisee except for Franchisee's non-exclusive interest and limited right to use the Licensed Marks and the System in the operation of the Franchised Business, subject to the terms and conditions of this Agreement. Franchisee shall not, at any time during the Term or after the expiration, termination or Transfer of this Agreement, contest the validity or ownership of the Licensed Marks, the System, Web Based Media, Published Content, and/or the goodwill associated with the Licensed Marks and the System, and at no time shall Franchisee assist any other person in contesting the validity or ownership of the Licensed Marks, the System, Web Based Media, Published Content, and/or the goodwill associated with the Licensed Marks and the System. Franchisee and each Owner shall not take any action that prejudices or interferes with the validity of Franchisor's rights with respect to Licensed Marks, the System, Web Based Media, Published Content, and/or the goodwill associated with the Licensed Marks and the System.

#### **11.B. USE OF THE LICENSED MARKS**

Franchisee agrees that the Licensed Marks shall be the sole identification of the Franchised Business. Franchisee must operate, advertise and market the Franchised Business only under the Licensed Marks as designated and specified by Franchisor in Franchisor's Reasonable Business Judgment. Franchisee shall not use the Licensed Marks as part of its corporate or other legal name, and Franchisee shall not use the Licensed Marks with modifying words, terms, designs, or symbols, or in any modified form. Franchisee shall comply with Franchisor's instructions in filing and maintaining their requisite trade name or fictitious name registrations as may be required by applicable law.

#### **11.C. NOTIFICATION OF INFRINGEMENT AND CLAIMS**

Franchisee must notify Franchisor immediately in writing of any apparent infringement of or challenge to Franchisee's use of any Licensed Mark, the System, or claim by any person of any rights in any Licensed Mark, System feature or component or any similar trade name, trademark or service mark of which Franchisee becomes aware. Franchisee must not communicate with any person other than Franchisor and its counsel in connection with any infringement, challenge or claim. Franchisor and/or its licensor has sole discretion to take any action it deems appropriate and the right to exclusively control any litigation or administrative proceeding arising out of any infringement, challenge or claim or otherwise relating to any Licensed Mark. Franchisee agrees to execute all documents, render assistance and take all actions as may be necessary or advisable to protect and maintain the interests of Franchisor and/or its licensor in any litigation or other administrative proceeding or to otherwise protect and maintain the interests of Franchisor and/or its licensor in the Licensed Marks. Franchisor will reimburse Franchisee for reasonable direct expenses incurred by Franchisee in assisting Franchisor in any such litigation or administrative proceeding.

#### **11.D. DISCONTINUANCE OF USE OF LICENSED MARKS**

Franchisee agrees that at any time should Franchisor determine, in Franchisor's sole discretion and based on Franchisor's Reasonable Business Judgment, that it is advisable for Franchisor, the System, and/or Franchisee to replace, modify, substitute, and/or discontinue use of any Licensed Marks, then Franchisee

shall comply with Franchisor's determination and instructions as to the replacement, modification, substitution, and/or discontinuance of such Licensed Marks. Franchisee shall comply within the foregoing requirements within a reasonable time period after notice by Franchisor. If Franchisee is required to take action pursuant to instruction by Franchisor pursuant to this Article 11.D. or, if Franchisee is otherwise required to replace, modify, substitute, and/or discontinue use of any Licensed Marks, the sole liability and obligation of Franchisor to Franchisee shall be to reimburse Franchisee for the reasonable and direct costs incurred by Franchisee in complying with this obligation, which Franchisee shall document to the satisfaction of Franchisor. Franchisor maintains the exclusive right, in Franchisor's Reasonable Business Judgment, to, in whole or in part, replace, modify, substitute and/or discontinue any and all features and/or components of the Licensed Marks and/or the System at any time.

#### **11.E. INDEMNIFICATION OF FRANCHISEE**

If Franchisee is sued in a legal proceeding or is threatened with legal action and/or a notice of infringement by a third party where the claims and/or causes of action directly relate to a third party claiming trademark infringement, unfair competition, and/or trademark dilution as a result of Franchisee's use of the Licensed Marks in accordance with the terms of this Agreement and the System (the "IP Claim"), then Franchisor shall indemnify Franchisee for the reasonable and direct costs incurred by Franchisee and/or a judgment entered against Franchisee, provided: (a) Franchisee immediately notified Franchisor of the IP Claim by a written notice sent to Franchisor via priority overnight courier; (b) Franchisee provided and afforded Franchisor the absolute opportunity and right to defend against the IP Claim and to select and appoint legal counsel of Franchisor's choosing; and (c) Franchisee utilized the Licensed Marks in accordance with the terms of this Agreement and the System. Franchisee agrees that time is of the essence with respect to notifying Franchisor of the IP Claim in accordance with this Agreement, including this Article 11.E.

#### **11.F. OWNERSHIP OF INNOVATIONS, IMPROVEMENTS AND INFORMATION**

Franchisee agrees that with regard to the Franchised Business, all customer lists, including the contents and information contained in all customer lists, constitute Confidential Information and an asset of Franchisor whether or not such information was supplied by Franchisor. During the Term, and in connection with the development, establishment, marketing, promotion and operation of the Franchised Business, Franchisee shall disclose to Franchisor all of Franchisee's ideas, concepts, methods, and products conceived or developed by Franchisee, any Owner, and/or Franchisee's affiliates, officers, directors, shareholders, partners, agents, members, representatives, independent contractors, servants and employees relating to the development and operation of i4 Businesses and the System. Franchisee hereby assigns to Franchisor, and Franchisee agrees to procure an assignment of any such ideas, concepts, methods, and products that Franchisee is required to disclose to Franchisor under this Article 11.F. from each Owner and Franchisee's affiliates, officers, directors, shareholders, partners, agents, members, representatives, independent contractors, servants and employees. Franchisor shall have no obligation to tender any

~~17.2.2 falsifies any report required to be furnished Franchisor hereunder;~~

~~17.2.3 ceases to operate the Franchised Business for a period of five (5) days or more;~~

~~17.2.4 fails to comply with any federal, state or local law, rule or regulation, applicable to the operation of the Franchised Business, including, but not limited to, the failure to pay taxes;~~

~~17.2.5 understates Gross Revenue on two (2) occasions or more, whether or not cured on any or all of those occasions;~~

~~17.2.6 fails to comply with the covenants in Article 15;~~

~~17.2.7 permits a Transfer in violation of the provisions of Article 16 of this Agreement;~~

~~17.2.8 fails, or Franchisee's legal representative fails, to transfer the interests in this Franchise Agreement and the Franchised Business upon death or permanent disability of Franchisee or any Principal of Franchisee as required by Section 16.7.~~

~~17.2.9 has misrepresented or omitted material facts in applying for the Franchise;~~

~~17.2.10 is convicted of, or pleads no contest to, a felony or to a crime that could damage the goodwill associated with the Marks or does anything that could harm the reputation of the System, or the goodwill associated with the Marks;~~

~~17.2.11 receives an adverse judgment or a consent decree in any case or proceeding involving allegations of fraud, racketeering, unfair or improper trade practices or similar claim which is likely to have an adverse effect on the System, or the Marks, the goodwill associated therewith or Franchisor's interest therein, in Franchisor's sole opinion;~~

~~17.2.12 conceals revenues, knowingly maintains false books or records, or knowingly submits any false reports;~~

~~17.2.13 fails to input all required Facility, Candidate and tracking data into Franchisor's computer systems, falsifies such data, or otherwise attempts to circumvent Franchisor's computer systems;~~

~~17.2.14 creates a threat or danger to public health or safety from operation of the Franchised Business;~~

~~17.2.15 refuses to permit Franchisor to inspect or audit Franchisee's books or records or inspect or audit the Franchised Business as required by this Agreement;~~

~~17.2.16 makes any unauthorized use of the Marks or copyrighted material or any unauthorized use or disclosure of Confidential Information (as defined in Section 19.2);~~

~~17.2.17 fails to comply with the non-competition covenants in Section 19.5;~~

~~17.2.18 defaults in the performance of Franchisee's obligations under this Agreement three (3) or more times during the term of this Agreement or has been given at least two (2) notices of default in any consecutive twelve (12) month period, whether or not the defaults have been corrected;~~

~~17.2.19 has insufficient funds to honor a check or electronic funds transfer two (2) or more times within any consecutive twelve (12)-month period;~~

~~17.2.20 receives three (3) or more Facility complaints within a twelve (12)-month period. A "Complaint" is any issue that rises to the level where the contract with the Facility is in danger of being canceled or not renewed;~~

17.2.21 — commits a default of any material provision of any contract with a Facility for the provision of permanent placement recruitment services on two (2) or more occasions within a twelve (12)-month period;

17.2.22 — defaults, or an affiliate of Franchisee defaults, under any other agreement, including any other franchise agreement, with Franchisor or any of its affiliates, or suppliers and does not cure such default within the time period provided in such other agreement;

17.2.23 — fails to meet Minimum Royalty; or

17.2.24 — terminates this Agreement without cause.

17.3 — Curable Defaults. Franchisee shall be deemed to be in material default and Franchisor may, at its option, terminate this Agreement and all rights granted hereunder, if Franchisee fails to cure the default within the time period set forth in this Section 17.3, effective immediately upon notice to Franchisee, if Franchisee, or any Principal, as the case may be:

17.3.1 fails to pay when due any amounts due to Franchisor under this Agreement or any related agreement and does not correct the failure within five (5) days after written notice; provided, however, Franchisor has no obligation to give written notice of a late payment more than two (2) times in any twelve (12) month period, and the third such late payment in any twelve (12) month period shall be a non-curable default under Sections 17.2.18 and/or 17.2.19;

17.3.2 fails to perform any non-monetary obligation imposed by this Agreement (excepting those defaults of obligations set forth in Sections 17.1 and 17.2 for which there is no opportunity to cure) and such default shall continue for five (5) days after Franchisor has given written notice of such default, or if the default cannot be reasonably corrected within said five (5) day period, then if it is not corrected within such additional time as may be reasonably required assuming Franchisee proceeds diligently to cure; provided, however, Franchisor has no obligation to give written notice of a non-monetary default more than two (2) times in any twelve (12) month period, and the third such default, whether monetary or non-monetary, in any twelve (12) month period shall be a non-curable default under Section 17.2.18.

17.4 — Franchisor's Cure of Franchisee's Defaults. In the event of a default by Franchisee, in addition to Franchisor's right to terminate the Franchise Agreement, and not in lieu thereof, Franchisor may, but has no obligation to:

17.4.1 effect a cure on Franchisee's behalf and at Franchisee's expense, and Franchisee shall immediately pay Franchisor the costs incurred by Franchisor upon demand; or

17.4.2 exercise complete authority with respect to the operation of the Franchised Business until such time as Franchisor determines that the default of Franchisee has been cured and that Franchisee is complying with the requirements of this Agreement. Franchisee specifically agrees that a designated representative of Franchisor may take over, control and operate the Franchised Business. In addition to all other fees payable under this Agreement, Franchisee shall pay Franchisor a fee for interim management equal to the then-current interim management support

fee, plus any and all costs of travel, lodging, meals and other expenses reasonably incurred by Franchisor, until the default has been cured and Franchisee is complying with the terms of this Agreement.

17.5— Notice to Suppliers. In the event of a default by Franchisee, in addition to Franchisor's right to terminate the Franchise Agreement, and not in lieu thereof, Franchisor reserves the right with five (5) days' prior written notice to Franchisee, to direct suppliers to stop furnishing any and all products and services, including, but not limited to products and services sold under Franchisor's discounted pricing schedules, until such time as Franchisee's default is cured. In no event shall Franchisee have recourse against Franchisor for loss of revenue, customer goodwill, profits or other business arising from Franchisor's actions and the actions of suppliers.

17.6— Reimbursement of Costs. Franchisee shall reimburse Franchisor all costs and expenses, including but not limited to attorney's fees, incurred by Franchisor as a result of Franchisee's default, including costs in connection with collection of any amounts owed to Franchisor and/or enforcement of Franchisor's rights under this Agreement.

## 18.— POST-TERMINATION

18.1— Franchisee's Obligations. Upon termination or expiration of this Agreement, all rights and licenses granted hereunder to Franchisee shall immediately terminate and Franchisee and each Principal shall:

18.1.1— immediately cease to operate the Franchised Business, including cessation of all recruitment activities for any Facility, and shall not thereafter, directly or indirectly identify himself, herself, or itself as a current i4 Search Group owner, franchisee or licensee;

18.1.2— immediately and permanently cease to use the Marks, any imitation of any Mark, Franchisor's copyrighted material or other intellectual property, confidential or proprietary material or indicia of the Franchised Business, or use any trade name, trade or service mark or other commercial symbol that suggests a current or past association with Franchisor, Licensor, or the System. In particular, Franchisee shall cease to use, without limitation, all signs, billboards, advertising materials, displays, stationery, forms and any other articles, which display the Marks;

18.1.3— take such action as may be necessary to cancel any assumed name or equivalent registration that contains the Mark or any other service mark or trademark of Franchisor, and Franchisee shall furnish Franchisor with evidence of compliance with this obligation, which is satisfactory to Franchisor, within five (5) days after termination or expiration of this Agreement;

18.1.4— promptly pay all sums owing to Franchisor and its affiliates. Such sums shall include all committed payments to vendors, any refunds owed to Facilities as a result of failed placements, and damages, costs and expenses, including reasonable attorneys' fees, incurred by Franchisor as a result of any default by Franchisee. The payment obligation herein shall give rise to and remain, until paid in full, a lien in favor of Franchisor against any and all of the personal property, furnishings, equipment, fixtures, and inventory or other business assets owned by Franchisee at the time of default;

~~18.1.5 pay to Franchisor all damages, costs and expenses, including reasonable attorneys' fees, incurred by Franchisor in connection with obtaining any remedy available to Franchisor for any violation of this Agreement and, subsequent to the termination or expiration of this Agreement, in obtaining injunctive or other relief for the enforcement of any provisions of this Agreement that survive its termination;~~

~~18.1.6 immediately deliver at Franchisee's sole cost and expense, to Franchisor the Manual and all records, files, instructions, correspondence, invoices, agreements, all confidential, proprietary and copyrighted material and all other materials related to operation of the Franchised Business, including but not limited to Facility and Candidate lists and records, (all of which are acknowledged to be Franchisor's property), delete all electronic copies and retain no copy or record of any of the foregoing, except Franchisee's copy of this Agreement and of any correspondence between the parties and any other documents that Franchisee reasonably needs for compliance with any provision of law;~~

~~18.1.7 comply with the non-disclosure and non-competition covenants contained in Article 19; and~~

~~18.1.8 pay Franchisor a lump sum payment, on-going payments, or any other consideration to Franchisee, any Owner, each Owner and Franchisee's affiliates, officers, directors, shareholders, partners, agents, members, representatives, independent contractors, servants and employees with respect to any such idea, concept, method, technique or product. Franchisee agrees that Franchisee shall not use, or allow any other person or entity to use, any such concept, method, technique, or product without obtaining Franchisor's prior written approval.~~

## **ARTICLE 12** **RECORDS AND REPORTS**

### **12.A. MAINTENANCE AND PRESERVATION OF RECORDS**

Franchisee shall maintain during the Term and preserve for at least three years from the dates of their preparation, full, complete and accurate books, records, and accounts from the Franchised Business. Such records shall be maintained and preserved in the form and manner by Franchisor in the Operations Manual or otherwise in writing.

### **12.B. REPORTING OBLIGATIONS**

In additional to the reporting obligations otherwise set forth in this Agreement, Franchisee agrees to the following additional reporting obligations that shall include all of the data and information requested by Franchisor, in Franchisor's Reasonable Business Judgment, and as may be modified by Franchisor from time to time:

(1) Royalty and Activity Reports – on the Due Date each week, Franchisee shall report, transmit, confirm, and/or otherwise make available to Franchisor, the Royalty and Activity Report as designated by Franchisor and in accordance with the terms of this Agreement.

(2) Monthly Financial Statements and Reports – within 30 days of the end of each calendar month Franchisee shall submit to Franchisor monthly financial statements and other reports related to the operations of the Franchised business including, but not limited to, income statement, statement of cash flows, balance sheet, and other operational reports designated by Franchisor. Franchisee represents that

the financial statements, information, and reports submitted to and/or made available to Franchisor shall be and remain true and accurate. The financial statements must be prepared in accordance with GAAP and, additionally, shall reconcile Gross Sales per GAAP to Gross Sales per this Agreement;

(3) Annual Financial Statements and Reports – within 60 days of the end of each calendar year, Franchisee shall submit to Franchisor Franchisee’s annual financial statements and other reports related to the operations of the Franchised business including, but not limited to, income statement, statement of cash flows, balance sheet, and other operational reports designated by Franchisor. The financial statements must be prepared by a licensed CPA and in accordance with GAAP and, additionally, shall reconcile Gross Sales per GAAP to Gross Sales per this Agreement;

(4) Tax Returns – Franchisee shall provide to Franchisor, Franchisee’s annual federal, state and local tax returns as same are prepared and submitted to the applicable federal, state and local entities. Said tax returns shall be submitted to Franchisor within 45 days of Franchisee or Franchisee’s agent filing such returns with the applicable federal, state and local entities; and

(5) Other Reports – Franchisee shall timely submit to Franchisor, all other forms, reports, records, information, and data as Franchisor may reasonably request in writing or as otherwise set forth in the Operations Manual.

#### **12.C. REMEDIES FOR NON-COMPLIANCE WITH RECORDS AND REPORTING**

In addition to all other rights afforded to Franchisor under this Agreement, in connection with any, each, and every violation of any term, provision, and/or operational requirement as set forth in this Article 12 (a “Reporting Violation”), within 14 days of Franchisor’s invoice, Franchisee shall pay to Franchisor a reporting non-compliance fee (the “Reporting Non-Compliance Fee”) in the amount of \$150 for each and every failure to timely submit a report and/or record as set forth in this Article 12. The foregoing does not constitute Franchisor’s consent to and/or acquiescence to Reporting Violations. Nothing contained in this Article 12.C. shall be interpreted as interfering with and/or negating Franchisor’s rights and remedies as set forth in Article 16 and as otherwise set forth in this Agreement. All rights and remedies of Franchisor are cumulative and shall be interpreted as cumulative to one another.

### **ARTICLE 13 INSPECTION AND AUDITS**

#### **13.A. FRANCHISOR’S RIGHT TO INSPECT**

Franchisor has the right at any time during business hours, and without prior notice to Franchisee, to inspect Franchisee’s System Designated Resources. Franchisee shall fully cooperate with representatives of Franchisor making any inspection and permit such representatives of Franchisor to take photographs, videos, and/or recordings of the Franchised Business, operations of the Franchised Business, interview employees and customers of the Franchised Business, conduct secret-shopper inspections, and other inspections either with or without notice to Franchisee. Franchisor shall undertake reasonable efforts to minimize the impact of any inspection on the operations of the Franchised Business.

#### **13.B. FRANCHISOR’S RIGHT TO EXAMINE BOOKS AND RECORDS**

Franchisor has the right at any time during business hours, and without prior notice to Franchisee, to examine or audit, or cause to be examined or audited by a third party, the business records, cash control devices, bookkeeping and accounting records, bank statements, sales and income tax records and returns, and other books, statements, and records of the Franchised Business and Franchisee. Franchisee shall maintain complete and accurate copies all such books, statements, records and supporting documents at all times at Franchisee’s Administrative Office. Franchisee must fully cooperate with Franchisor, representatives of Franchisor, and third parties hired by Franchisor to conduct any such examination or

audit. In the event Franchisor's examination of Franchisee's records reveals that Franchisee underreported any figure to Franchisor by more than 2%, then Franchisee shall reimburse to Franchisor, all of Franchisor's costs in connection with Franchisor's audit/examination.

#### **ARTICLE 14** **TRANSFER OF INTEREST**

##### **14.A. TRANSFER BY THE FRANCHISOR**

At all times, Franchisor possesses and maintains the sole, absolute and unilateral right to Transfer and/or assign this Agreement, Franchisor's rights and obligations under this Agreement, and the Ancillary Agreements, in whole and/or in part (for any purpose and in any form of transaction as may be designated and/or elected by Franchisor, in Franchisor's sole discretion) to any person, entity, Corporate Entity and/or third party without the consent of Franchisee and without the approval of Franchisee or any other party. Nothing contained in this Agreement shall prevent, prohibit, restrict, hinder, enjoin or otherwise restrain Franchisor from selling, transferring, conveying, or assigning this Agreement and the Ancillary Agreements, and/or Franchisor's rights and obligations under this Agreement and the Ancillary Agreements, to any person, entity, Corporate Entity or other third party. Franchisor has an unrestricted and unequivocal right to Transfer and/or assign any of its rights or obligations under this Agreement and the Ancillary Agreements, in whole or in part, in Franchisor's sole discretion. In the event Franchisor Transfers and/or assigns this Agreement and/or the Ancillary Agreements, and/or any or all of Franchisor's rights and obligations set forth in this Agreement and/or the Ancillary Agreements, to a person, an entity, Corporate Entity, or other third party, this Agreement and the Ancillary Agreements, shall survive, remain in full force and effect, and inure to the benefit of the purchaser, transferee, conveyee, and/or assignee of this Agreement and/or the Ancillary Agreements and/or Franchisor's rights and obligations under this Agreement and/or the Ancillary Agreements.

##### **14.B. FRANCHISEE MAY NOT TRANSFER WITHOUT FRANCHISOR APPROVAL**

Franchisee agrees, and, Franchisee represents and warrants that Franchisee's Owners understand and agree, that the rights and duties set forth in this Agreement are personal to Franchisee and each Owner. Therefore, Franchisee agrees that:

(1) No ownership interest of any Owner in Franchisee may be Transferred without the prior written consent of Franchisor;

(2) No obligations, rights or interest of Franchisee in (a) this Agreement, (b) the Franchised Business, or (c) all or substantially all of the assets of the Franchised Business may be Transferred without the prior written consent of Franchisor. This restriction shall not prohibit Franchisee from granting a mortgage, charge, lien, or security interest in the assets of the Franchised Business or this Agreement for the exclusive purpose of securing financing for the initial development (occurring prior to the Actual Opening Date) of the Franchised Business;

(3) Without limitation to the foregoing, any Transfer by Franchisee respecting and/or relating to this Agreement and/or the Franchised Business and/or assets associated with the Franchised Business will require the prior written consent of Franchisor where such Transfer occurs by virtue of: (a) divorce or legal dissolution of marriage; (b) insolvency; (c) dissolution of a Corporate Entity; (d) last will and testament; (e) intestate succession; or (f) declaration of, or transfer in trust;

(4) Any purported Transfer without the written consent of Franchisor, or otherwise in violation of this Agreement including, but not limited to this Article 14.B, shall constitute a breach of this Agreement and shall convey to the transferee no rights or interests in this Agreement; and

(5) In the event of a Transfer of this Agreement that is approved by Franchisor, Franchisee shall not be

relieved of Franchisee's obligations under this Agreement whether said obligations accrued and/or arose prior to and/or after the date of Transfer.

#### **14.C. CONDITIONS FOR APPROVAL OF TRANSFER**

Provided Franchisee and each Owner and Spouse, respectively, are in substantial compliance with this Agreement and the Ancillary Agreements, and Franchisor does not elect to exercise Franchisor's right of first refusal as set forth in Article 14.F. below, Franchisor shall not unreasonably withhold its approval of a Transfer by Franchisee or an Owner. The proposed transferee (including such assignee's owner(s) and spouse(s) if the proposed transferee is a Corporate Entity) must be of good moral character, have sufficient business experience, aptitude and financial resources to own and operate a i4 Business, and otherwise meet Franchisor's then applicable standards for franchisees as determined by Franchisor in its sole, but reasonable discretion. Furthermore, the proposed transferee and the proposed transferee's owners and spouses may not own or operate, or intend to own or operate, a Competitive Business. Franchisee agrees that Franchisor may condition approval of a Transfer upon Franchisee's satisfaction (either before, or contemporaneously with, the effective date of the Transfer) of the following:

(1) Franchisee must provide written notice to Franchisor of the proposed Transfer of this Agreement at least 30 days prior to the Transfer, and Franchisee must have also satisfied the obligations set forth in Article 14.F. below;

(2) All accrued monetary obligations of Franchisee and all other outstanding obligations to Franchisor and/or Franchisor's affiliates under this Agreement and the Ancillary Agreements must be satisfied in a timely manner, and Franchisee must satisfy all trade, supplier, and vendor accounts and other debts, of whatever nature or kind, in a timely manner;

(3) Franchisee, each Owner, and each Spouse must not be in default or material breach of this Agreement or the Ancillary Agreements;

(4) The transferee shall be bound by all terms and conditions of this Agreement, and each owner of the transferee and their respective spouses shall personally execute the Franchise Owner and Spouse Agreement and Guaranty in the form attached to this Agreement as Exhibit 1;

(5) All obligations of Franchisee under this Agreement and the Ancillary Agreements shall be assumed by the transferee, each individual owner of transferee, and their respective spouses in a manner satisfactory to Franchisor;

(6) Franchisee, each Owner, and each Spouse must execute the General Release attached to this Agreement as Exhibit 5 releasing Franchisor, Franchisor's affiliates and Franchisor's past and present officers, directors, shareholders, members, partners, agents, representatives, independent contractors, servants and employees, of any and all claims against Franchisor for matters arising on, or before, the effective date of the Transfer;

(7) If the proposed Transfer includes or entails the Transfer of this Agreement, substantially all of the assets of the Franchised Business, a controlling interest in Franchisee, or is one of a series of Transfers which in the aggregate Transfers substantially all of the assets of the Franchised Business or a controlling interest in Franchisee, then, at the election of Franchisor and upon notice from Franchisor to Franchisee, the transferee may be required to execute (and/or, upon Franchisee's request, shall cause all interested parties to execute) for a term ending on the expiration date of the original Term of this Agreement, the then current standard form Franchise Agreement offered to new franchisees of i4 Businesses and any other agreements as Franchisor requires. Such agreements shall supersede this Agreement and its associated agreement in all respects, and the terms of Franchisor's then current

agreements may differ from the terms in this Agreement, provided that such agreements shall provide for the same Royalty Fee, Advertising Contributions, and all other financial or monetary obligations established in this Agreement;

(8) Franchisee, each Owner, and each Spouse shall remain liable for all obligations to Franchisor set forth in this Agreement;

(9) At the transferee's expense, the transferee, and the transferee's Managing Owner, managers and/or any other applicable employees of transferee's i4 Business must complete any training programs then in effect for franchisees of i4 Businesses upon terms and conditions set forth in this Agreement or as Franchisor otherwise reasonably requires;

(10) Franchisee must pay the Transfer Fee;

(11) Franchisor's approval of the material terms and conditions of the Transfer, and Franchisor determines in Franchisor's Reasonable Business Judgment that the price and terms of payment are not so burdensome as to be detrimental to the future operations of the Franchised Business by the transferee;

(12) Transferee's employees, directors, officers, independent contractors, and agents who will have access to Confidential Information shall execute the Confidentiality Agreement attached hereto as Exhibit 2;

(13) Franchisee entering into an agreement with Franchisor agreeing to subordinate any obligations of transferee to make installment payments of the purchase price to Franchisee to the transferee's obligations to Franchisor, including, without limitation, transferee's obligations with respect to Royalty Fees and Advertising Contributions;

(14) Franchisee and transferee acknowledge and agree that Franchisor's approval of the Transfer indicates only that the transferee meets, or Franchisor waived, the criteria established by Franchisor for franchisees as of the time of such transfer, and Franchisor's approval thereof does not constitute a warranty or guaranty by Franchisor, express or implied, of the suitability of the terms of sale, successful operation, or profitability of the Franchised Business;

(15) Franchisee and transferee acknowledge and agree that Franchisor's approval of the Transfer at issue does not constitute Franchisor's approval of future or other Transfers or the waiver of the requirement that Franchisor must approve such future or other Transfers in accordance with this Agreement;

(16) The Transfer must be made in compliance with all applicable laws; and

(17) Franchisor's consent to a Transfer of any interest that is subject to the restrictions of this Agreement shall not constitute a waiver of any claims it may have against Franchisee or deemed a waiver of Franchisor's right to demand strict and exact compliance with this Agreement by the transferee.

#### **14.D. DEATH OR DISABILITY OF FRANCHISEE OR AN OWNER**

(1) If Franchisee is an individual and not a Corporate Entity, upon the death or permanent disability of Franchisee, the executor, administrator, conservator or other personal representative of Franchisee, must appoint a manager that meets the equivalent of an Operating Manager within a reasonable time, which shall not exceed 30 days from the date of death or permanent disability. The appointed manager (as applicable) must serve and qualify as an Operating Manager and attend and successfully complete

the Training Program within 60 days of the appointment. If Franchisee's i4 Business is not being managed by a Franchisor approved Operating Manager (as applicable) within 30 days after such death or permanent disability, Franchisor is authorized, but is not required, to immediately appoint a manager to maintain the operations of Franchisee's i4 Business for, and on behalf of, Franchisee at Franchisee's sole costs until an approved Operating Manager is able to assume the management and operation of Franchisee's i4 Business. Franchisor's appointment of a manager for Franchisee's i4 Business does not relieve Franchisee of its obligations under this Agreement, including this Article 14.D., or constitute a waiver of Franchisor's right to terminate this Agreement pursuant to Article 16, below. At all times, including while Franchisee's i4 Business may be managed by Franchisor's appointed manager, Franchisor shall not be liable for any debts, losses, costs, or expenses incurred in the operations of Franchisee's i4 Business or to any creditor of Franchisee for any products, materials, supplies or services purchased by Franchisee's i4 Business. Franchisee shall pay to Franchisor and/or Franchisor may deduct from the accounts of the Franchised Business Management Services Fees and Franchisor may cease to provide management services at any time.

(2) If Franchisee is a Corporate Entity, upon the death or permanent disability of Franchisee's Managing Owner, the remaining Owners within a reasonable time, which shall not exceed 30 days from the date of death or permanent disability, must appoint a new Managing Owner that is approved by Franchisor. The appointed Managing Owner must attend and successfully complete the Training Program within 60 days of the appointment. If Franchisee's i4 Business is not being managed by a Franchisor approved Managing Owner (as applicable) within 30 days after such death or permanent disability, Franchisor is authorized, but is not required, to immediately appoint a manager to maintain the operations of Franchisee's i4 Business for, and on behalf of, Franchisee at Franchisee's sole costs until an approved Managing Owner is able to assume the management and operation of Franchisee's i4 Business. Franchisor's appointment of a manager for Franchisee's i4 Business does not relieve Franchisee of its obligations under this Agreement, including this Article 14.D., or constitute a waiver of Franchisor's right to terminate this Agreement pursuant to Article 16, below. At all times, including while Franchisee's i4 Business may be managed by Franchisor's appointed manager, Franchisor shall not be liable for any debts, losses, costs, or expenses incurred in the operations of Franchisee's i4 Business or to any creditor of Franchisee for any products, materials, supplies or services purchased by Franchisee's i4 Business. Franchisor has the right to charge a reasonable fee for such management services and may cease to provide management services at any time. Notwithstanding the foregoing, if Franchisee is a Corporate Entity and the Managing Owner is the only Owner of Franchisee, then Article 14.D.(1) shall apply as if the Managing Owner were the sole individual Franchisee.

(3) Upon the death of Franchisee or any Owner, the executor, administrator, conservator or other personal representative of that deceased person must transfer his interest to a person Franchisor approves within a reasonable time, not to exceed 12 months from the date of death.

(4) If Franchisee is an individual, then in the event of the death or permanent disability of Franchisee, this Agreement may be Transferred to any designated person, heir or beneficiary without the payment of the Transfer Fee. Notwithstanding the immediately foregoing sentence, the Transfer of this Agreement to such transferee of Franchisee shall be subject to the applicable terms and conditions of this Article 14, and the Transfer shall not be valid or effective until Franchisor has received the properly executed legal documents, which Franchisor's attorneys deem necessary to properly and legally document such Transfer of this Agreement. Furthermore, said transferee must agree to be unconditionally bound by the terms and conditions of this Agreement, personally guarantee the performance of Franchisee's obligations under this Agreement, and execute the Franchise Owner and Spouse Agreement and Guaranty attached to this Agreement as Exhibit L.

#### **14.E. TRANSFER TO WHOLLY OWNED CORPORATE ENTITY**

In the event Franchisee is an individual/are individuals, this Agreement may be Transferred by Franchisee to a Corporate Entity (the "Assignee Corporate Entity"), provided that: (a) Franchisee has provided Franchisor with 30 days prior written notice of the proposed Assignment of this Agreement; (b) Franchisee (individually, jointly and severally as to each individual Franchisee) shall sign and be bound by the Franchise Owner and Spouse Agreement and Guaranty attached to this Agreement as Exhibit 1; (c) the Spouse of each Franchisee (individually, jointly and severally as to each individual Spouse) sign and be bound by the Franchise Owner and Spouse Agreement and Guaranty attached to this Agreement as Exhibit 1; (d) Franchisee has provided Franchisor with true and accurate copies of corporate formation documents related to the Assignee Corporate Entity and the ownership of the Assignee Corporate Entity and has further provided Franchisor with all additional documentation as Franchisee may request concerning the proposed assignment and/or Assignee Corporate Entity; and (e) Franchisee is otherwise in compliance with the terms and conditions of this Agreement and any Ancillary Agreements. Franchisee agrees that an assignment to an Assignee Corporate Entity shall not relieve Franchisee of Franchisee's individual obligations under this Agreement as such obligations existed between Franchisee and Franchisor prior to the date of any assignment to the Assignee Corporate Entity.

#### **14.F. FRANCHISOR'S RIGHT OF FIRST REFUSAL**

If Franchisee or an Owner desire to engage, in whole or in part, in a Transfer of Franchisee and/or this Agreement, then Franchisee or such Owner (as applicable) must obtain a bona fide, signed written offer from the fully disclosed purchaser (the "Offer") and submit an exact copy of the Offer to Franchisor. Franchisor shall have 30 days after receipt of the Offer to decide whether Franchisor will purchase the interest in Franchisee and/or Franchisee's i4 Business for the same price and upon the same terms contained in the Offer (however, Franchisor may substitute cash for any form of payment proposed in the Offer). If Franchisor notifies Franchisee that Franchisor intends to purchase the interest within said 30 day period, Franchisee or Owner (as applicable) must sell the interest to Franchisor. Franchisor will have at least an additional 60 days to prepare for closing. Franchisor shall be entitled to receive from Franchisee or Owner (as applicable) all customary representations and warranties given by Franchisee or Owner (as applicable) as the seller of the assets and/or the ownership interest or, at Franchisor's election, the representations and warranties contained in the offer. If Franchisor does not exercise its right of first refusal, Franchisee or Owner (as applicable) may complete the Transfer to the purchaser pursuant to and in accordance with the terms of the Offer, provided that separate and apart from this Article 14.F. right of first refusal, Franchisee complies with the terms of this Article 14. However, if the sale to the purchaser is not completed within 120 days after delivery of the Offer to Franchisor, or there is a material change in the terms of the sale, Franchisor will again have the right of first refusal specified in this Article 14.F. Franchisor's right of first refusal in this Article 14.F. shall not apply to any Transfer pursuant to Article 14.E. of this Agreement.

### **ARTICLE 15** **RENEWAL OF FRANCHISE**

#### **15.A. FRANCHISEE'S RIGHT TO RENEW**

Subject to Franchisee's satisfaction of the terms of this Agreement, including this Article 15, Franchisee shall possess the option to renew the franchise for Franchisee's continued license and franchised operation of the Franchised Business for up to two 5 year renewal terms (each, a "Renewal Term") provided that Franchisee is in compliance with the terms of this Agreement and timely and independently complies with the renewal conditions set forth in this Article 15.

#### **15.B. CONDITIONS FOR RENEWAL**

Franchisee's renewal rights under this Article 15 are subject to and contingent upon Franchisee's satisfaction of the following conditions and criteria:

(1) Not less than 180 days prior to the expiration of the Term but not greater than 270 days prior to the expiration of the Term, Franchisee shall have provided Franchisor with written notice (the “Renewal Notice”) of Franchisee’s election to renew;

(2) At the time of delivering the Renewal Notice and at all times thereafter, Franchisee and Franchisee’s Owners must be in compliance with the terms of this Agreement and all Ancillary Agreements, and without any default of this Agreement or the Ancillary Agreements;

(3) Franchisee must possess, present, and demonstrate to Franchisor and, subject to Franchisor’s reasonable satisfaction, that Franchisee maintains the ability to continue to operate the Franchised Business within Franchisee’s Operating Territory;

(4) Franchisee must satisfy the maintenance, update, and upgrade obligations as set forth in this Agreement;

(5) Franchisee pays the Renewal Fee and Franchisee agrees to, signs, and delivers to Franchisor, within 30 days of the date of delivery by Franchisor to Franchisee, Franchisor’s then current form Franchise Agreement for the Renewal Term (the “Renewal Franchise Agreement”);

(6) Franchisee’s Owners and their Spouses, respectively, must agree to, sign, and deliver to Franchisor, within 30 days of the date of delivery by Franchisor to Franchisee, Franchisor’s then current individual guaranty agreements, and, thereby, among other things, individually and jointly guarantee the full and complete performance of the Renewal Franchise Agreement including, but not limited to, payment obligations, non-compete obligations, and restrictive covenants (the “Renewal Ancillary Agreements”);

(7) Franchisee and the Owners must, prior to the Renewal Term, undertake and complete, to Franchisor’s satisfaction, such additional training, if any, as designated and determined by Franchisor in Franchisor’s Reasonable Business Judgment; and

(8) Franchisee and the Owners must agree to, sign, and deliver to Franchisor, within 30 days of the date of delivery by Franchisor to Franchisee, Franchisor’s then current form of general release whereby Franchisee and Franchisee’s Owners shall each fully release and discharge Franchisor, Franchisor’s affiliates and it’s officers, directors, shareholders, partners, agents, representatives, independent contractors, servants, employees, successors and assigns from any and all claims, causes of action, and suits arising from and/or related to this Agreement. If local law precludes Franchisee’s issuance of a general release, Franchisor at Franchisor’s election, may condition renewal on Franchisee’s and each Owner’s delivery to Franchisor of an estoppel letter advising and informing Franchisor that the undersigned possesses no legal claim or cause of action against Franchisor and is not aware of any facts of circumstances involving any breach of this Agreement by Franchisor or Franchisor’s agents or employees.

Failure by Franchisee, and, as applicable, each Owner and Spouse to timely comply with the foregoing conditions shall be deemed an election by Franchisee to not renew the Franchise Agreement.

#### **15.C. RENEWAL FRANCHISE AGREEMENT**

Franchisee agrees that the Renewal Franchise Agreement and Renewal Ancillary Agreements, as determined by Franchisor in Franchisor’s sole discretion, may contain terms, conditions, requirements, and rights that are materially and substantively different from those granted and contained in this Agreement.

### **ARTICLE 16** **DEFAULTS AND REMEDIES**

## **16.A. DEFAULTS BY FRANCHISEE AND TERMINATION BY FRANCHISOR**

(1) Defaults and Automatic Termination – At the election of Franchisor, Franchisee shall be in default of this Agreement and this Agreement shall be automatically and immediately terminated, without notice to Franchisee and without providing Franchisee any opportunity to cure, upon the occurrence of any one or more of the following actions, inactions, omissions, events, and/or circumstances:

(a) Franchisee becomes insolvent, and/or Franchisee makes a general assignment for the benefit of creditors or takes any other similar action for the protection or benefit of creditors;

(b) Franchisee admits in writing Franchisee’s inability to pay its debts as they mature, and/or Franchisee gives notice to any governmental body or agency of insolvency, pending insolvency, suspension of operations and/or pending suspension of operations;

(c) Franchisee files a voluntary petition in bankruptcy, Franchisee is adjudicated bankrupt or insolvent, and/or Franchisee files any petition or answer seeking any reorganization, arrangement, composition, readjustment, liquidation, dissolution or other similar relief under any applicable federal and/or state law relative to bankruptcy, insolvency or similar relief for debtors;

(d) An involuntary petition in bankruptcy is filed against Franchisee and Franchisee fails to have the involuntary petition discharged within 35 days of the petition filing, and/or Franchisee seeks, consents to, or acquiesces in, the appointment of any trustee, receiver, conservator, custodian or liquidator for Franchisee’s business or any assets of Franchisee;

(e) A bill in equity or other proceeding for the appointment of any trustee, receiver, conservator, custodian or liquidator of Franchisee for Franchisee’s business or any assets of Franchisee is filed and Franchisee consents to same;

(f) A court of competent jurisdiction appoints or orders any trustee, receiver, conservator, custodian or liquidator for Franchisee’s business or any assets of Franchisee and such appointment or order remains for an aggregate of 60 days, whether or not consecutive, from the date of entry thereof;

(g) Franchisee initiates proceedings for a composition with creditors under any state or federal law or such a proceeding is initiated against Franchisee;

(h) This Agreement, or any of Franchisee’s rights under this Agreement, is levied upon under any attachment or execution, and/or Execution is levied upon or against the Franchised Business or any assets of Franchisee, and/or a final judgment against Franchisee remains of record or unsatisfied for 30 days or more, unless an appeal and/or bond is filed;

(i) Franchisee is dissolved;

(j) A cause of action or lawsuit to foreclose any lien or mortgage against the assets of the Franchised Business;

(k) A cause of action or lawsuit to foreclose any lien against equipment used in the operation of the Franchised Business and not dismissed within 60 days after the summons is served on Franchisee;

(l) Real or personal property of Franchisee used in the operation of the Franchised Business is sold after levy thereupon by any sheriff, marshal or other law enforcement officer; and/or

(m) Upon termination by Franchisor pursuant to Article 16.A.(2), Article 16.A.(3), or Article 16.A.(4) of this Agreement.

(2) Defaults and Automatic Termination upon Written Notice without Cure Period – Franchisee shall be in default of this Agreement, and, this Agreement may be terminated by Franchisor, at Franchisor’s sole discretion, upon written notice from Franchisor to Franchisee and without providing Franchisee any opportunity to cure, upon the occurrence of any one or more of the following actions, inactions, omissions, events, and/or circumstances, with such termination effective on the date of Franchisor’s notice:

(a) Franchisee, on three or more instances and/or occasions, engages, commits, and/or suffers an action, inaction, omission, event, and/or circumstance that constitutes or qualifies as a default under Articles 16.A.(3) and/or 16.A.(4) of this Agreement, irrespective of whether or not such action, inaction, omission, event, and/or circumstance is the subject of a notice of default from Franchisor to Franchisee pursuant to Articles 16.A.(3) and/or 16.A.(4) of this Agreement and irrespective of whether or not such default was timely cured and irrespective of whether or not Franchisee paid any penalties or additional fees to Franchisor;

(b) Franchisee, intentionally and knowingly, refuses to comply with and/or breaches any term, condition, provision, and/or requirement of this Agreement with the intent of causing harm to Franchisor, the System, other System franchisee and/or customers of the Franchised Business;

(c) Franchisee intentionally, knowingly, with prior notice, and/or through negligence, at any time, develops, manages, maintains, and/or operates the Franchised Business in violation of federal, state, and/or local laws, rules, regulations, ordinances, permits, codes and/or conduct resulting in a foreseeable, immediate and/or imminent threat to the health and/or safety of any third party including customers, employees, and/or the public at large;

(d) Franchisee abandons, surrenders and/or fails to continuously and actively operate the Franchised Business, unless prevented from doing so by casualty that is the subject of Article 7.C. of this Agreement and that is cured/remedied in accordance with Article 7.C.;

(e) Franchisee, as to applicable, laws, rules and/or regulations, loses and/or fails to continuously possess, the legal right to operate Franchised Business in accordance with the terms of this Agreement and the standards, specifications, and requirements set forth in the Operations Manual and/or as otherwise communicated by Franchisor from time to time;

(f) As to information, records, statements, and/or data that Franchisee must maintain and/or report to Franchisor pursuant to the terms of this Agreement, the Operations Manual, or as otherwise requested by Franchisor from time to time, the information, records, statements, and/or data maintained by Franchisee and/or reported by Franchisee contains intentional inaccuracies and/or material inaccuracies that are either misleading or false;

(g) Franchisee attempts to Transfer, or purportedly attempts to Transfer, this Agreement or any of Franchisee’s rights under this Agreement, without Franchisor’s prior approval, written consent, and/or otherwise not in accordance with this Agreement;

(h) If Franchisee is a Corporate Entity, an Owner of Franchisee attempts to Transfer, or purportedly Transfers, the Owners equity interests, ownership interests, and/or rights in Franchisee without Franchisor’s prior approval, written consent, and/or otherwise not in accordance with this

Agreement;

(i) Franchisee discloses, divulges, provides access to, communicates, and/or permits the communication of the contents, data and/or information contained in the Operations Manual to any third party not otherwise authorized by Franchisor;

(j) Franchisee discloses, divulges, provides access to, communicates, and/or permits the communication of Confidential Information to any third party not otherwise authorized by Franchisor;

(k) Franchisee engages in any activity that injures, harms, damages, or otherwise has a material adverse effect on Franchisor, the System, the Licensed Marks, i4 Businesses, the Franchised Business, and/or the reputation of the i4 Search Group brand;

(l) Franchisee, an Owner, and/or a Spouse, as applicable and whether individually or jointly, breaches or is in default of an Ancillary Agreement, and, if the applicable agreement provides for the opportunity to cure, fails to timely cure the breach or default of the Ancillary Agreement, including, without limitation, the Franchise Owner and Spouse Agreement and Guaranty;

(m) Franchisee and/or an Owner of Franchisee is convicted of a felony crime, and/or pleads guilty or nolo contendere to a felony crime;

(n) Franchisee and/or an Owner of Franchisee engages in intentionally dishonest and/or unethical conduct that, in Franchisor's Reasonable Business Judgment, results in embarrassment to Franchisor, the System, the Licensed Marks, i4 Businesses, the Franchised Business, and/or the reputation of the i4 Search Group brand;

(o) Franchisee fails to complete, to Franchisor's reasonable satisfaction, the Training Program and/or supplemental training programs designated by Franchisor;

(p) Franchisee fails, upon receiving actual or constructive notice, to: (1) immediately notify Franchisor of any known breach of the Confidentiality Agreement by any person or entity; (2) immediately notify Franchisor of facts and information that would cause a reasonable person to believe that a person or entity violated the Confidentiality Agreement and/or is in the process of violating the Confidentiality Agreement; and (3) take reasonable steps including notice to Franchisor and Franchisee's consultation with Franchisee's legal counsel, to prevent any person or entity from violating the terms of the Confidentiality Agreement and/or otherwise publicly disseminating Confidential Information;

(q) Franchisee misappropriates, misuses, or makes any unauthorized use of the Licensed Marks, the Confidential Information, and/or the System and/or Franchisee materially impairs the goodwill associated with the Licensed Marks, and/or Franchisee applies for registration of the Licensed Marks anywhere in the world; and/or

(r) Franchisee and/or an Owner fails to comply with Anti-Terrorism Laws or becomes listed on the Annex to Executive Order 13244.

**(3) Defaults and Automatic Termination After 10 Day Cure Period** – Franchisee shall be in default of this Agreement and, this Agreement shall be terminated, upon the occurrence of any one or more of the following actions, inactions, omissions, events, and/or circumstances, unless, Franchisee timely cures, to the satisfaction of Franchisor, such default/action, inaction, omission, event, and/or

circumstance within 10 calendar days of Franchisor's written notice:

(a) Franchisee fails, refuses, and/or is unable to timely pay and/or satisfy the Royalty Fee, Advertising Contribution, and/or any other payment, fee, financial obligation, charge, and/or monetary obligation payable and/or due to Franchisor pursuant to the terms of this Agreement, under this Agreement, and/or any other agreement between Franchisor and Franchisee;

(b) Franchisee and/or Franchisee's affiliate fails, refuses, and/or is unable to pay and/or satisfy any payment, fee, financial obligation, charge, and/or monetary obligation payable to Franchisor and/or Franchisor's affiliates pursuant to this Agreement and/or any other agreement between or among Franchisor, Franchisor's affiliate, Franchisee and/or Franchisee's affiliate; and/or

(c) Franchisee fails or refuses, at any time, and, without legal justification as may be determined by Franchisor in Franchisor's Reasonable Business Judgment, to pay any third party supplier or vendor for any goods, products, supplies, equipment, materials and/or any other items used by, benefitting, and/or intended to benefit the Franchised Business.

The foregoing events of default set forth in this Article 16.A.(3) shall exclude events of default that are otherwise governed by and/or constitute events of default under Article 16.A.(1) or Article 16.A.(2). In the event of any inconsistency or conflict between the provisions of this Article 16.A.(3) with Article 16.A.(1), Article 16.A.(1) shall take precedence and govern. In the event of any inconsistency or conflict between the provisions of this Article 16.A.(3) with Article 16.A.(2), Article 16.A.(2) shall take precedence and govern.

**(4) Defaults and Automatic Termination After 30 Day Cure Period – Franchisee shall be in default of this Agreement and, this Agreement shall be terminated, upon the occurrence of any one or more of the following actions, inactions, omissions, events, and/or circumstances, unless, Franchisee timely cures, to the satisfaction of Franchisor, such default/action, inaction, omission, event, and/or circumstance within 30 calendar days of Franchisor's written notice:**

(a) Franchisee fails or refuses to comply with and/or breaches any term, condition, provision, and/or requirement of this Agreement that is not otherwise a default under Articles 16.A.(1), 16.A.(2), or 16.A.(3) of this Agreement;

(b) Franchisee fails or refuses to comply with and/or breaches any term, condition, provision, and/or requirement of any agreement, other than this Agreement, between Franchisor and Franchisee, and/or an affiliate of Franchisor and Franchisee;

(c) Franchisee fails or refuses to develop and open the Franchised Business on or before the Scheduled Opening Date, in compliance with the terms of this Agreement, as designated or specified in the Operations Manual, and/or in accordance with Franchisor's standards and specifications as communicated to Franchisee from time to time;

(d) Franchisee fails or refuses, at any time, to manage, maintain, and/or operate the Franchised Business in compliance with the terms of this Agreement, as designated or specified in the Operations Manual, and/or in accordance with Franchisor's standards, specifications, and requirements as communicated to Franchisee from time to time;

(e) Franchisee fails or refuses, at any time, to develop, manage, maintain, and/or operate the Franchised Business in compliance with all applicable federal, state, and local laws, rules, regulations, ordinances, permits, and codes;

(f) At any time, an inspection and/or evaluation of the operations of the Franchised Business – whether by mystery shopper programs, third party inspection services, or as otherwise designated by Franchisor, and, whether or not such inspections are on notice or secret – Franchisor, in Franchisor’s Reasonable Business Judgment, determines that the operations of the Franchised Business do not meet or are in violation of the operational standards and requirements set forth in this Agreement, the Operations Manual, and/or as communicated to Franchisee from time to time;

(g) Franchisee fails or refuses to timely submit to Franchisor records, reports, stored media, recordings, financial statements, books, accounts, statements, data, documentation and/or other information as required by this Agreement, as set forth in the Operations Manual, and/or as requested by Franchisor;

(h) If any inspection or review of Franchisee’s records, reports, books, accounts, statements, data, documentation and/or other information discloses, within any week, month, or Accounting Period selected by Franchisor, the underreporting of Franchisee’s Gross Sales, and/or any other metrics or data, resulting in the underpayment, by 5% or more, of the obligations, payments, and/or fees due by Franchisee to Franchisor under the terms of this Agreement;

(i) Franchisee fails or refuses, at any time, to maintain the required insurance policies and insurance coverage required for the Franchised Business as set forth in this Agreement, and/or in the Operations Manual; and/or

(j) Franchisee fails to timely satisfy and pay all vendors, suppliers and/or contractors in connection with the development, construction, and/or establishment of the Franchised Business.

The foregoing events of default set forth in this Article 16.A.(4) shall exclude events of default that are otherwise governed by and/or constitute events of default under Article 16.A.(1) and Article 16.A.(2). In the event of any inconsistency or conflict between the provisions of this Article 16.A.(4) with Article 16.A.(1), Article 16.A.(1) shall take precedence and govern. In the event of any inconsistency or conflict between the provisions of this Article 16.A.(4) with Article 16.A.(2), Article 16.A.(2) shall take precedence and govern.

#### **16.B. TERMINATION BY FRANCHISEE**

If Franchisee, each Owner and Spouse (as applicable) are in full compliance with each and every term and provision of this Agreement, any amendment or successor agreement, and any of the Ancillary Agreements, and Franchisor materially breaches Franchisor’s substantive and material obligations set forth in this Agreement, Franchisee may terminate this Agreement in the event of the following:

(1) Franchisor does not correct the material breach within 30 days after Franchisor’s receipt of Franchisee’s written notice of such material breach to Franchisor; or

(2) In a case where Franchisor’s material breach cannot reasonably be cured within 30 days, within 30 days of Franchisor’s receipt of Franchisee’s written notice of Franchisor’s material breach, Franchisor shall be provided a reasonable time period to cure such material breach provided that Franchisor provides reasonable evidence to Franchisee of Franchisor’s current, continuing and/or planned efforts to correct the material breach within a reasonable time.

In either case, Franchisee’s termination of this Agreement shall not take effect until expiration of the 30 day period set forth above and or such reasonable time period as necessary to cure the material breach, and Franchisee delivers to Franchisor a separate written notice of termination. The termination date must be 10 days after Franchisor’s receipt of Franchisee’s notice of termination. Franchisee’s termination of this

Agreement for any reason other than as set forth in and in compliance with this Article 16.B. shall not constitute the termination of this Agreement and shall constitute a material breach of this Agreement by Franchisee.

#### **16.C. FRANCHISOR'S ADDITIONAL RIGHTS, REMEDIES, AND DAMAGES**

Franchisee agrees that Article 16.A. sets forth actions, inactions, omissions, events, and/or circumstances that, among other things, constitute, in each and every instance and subject to any applicable cure period, if any, a default of this Agreement permitting Franchisor to, among other things, terminate this Agreement and/or resulting in the automatic termination of this Agreement. The grounds constituting a default under Article 16.A. are in addition to any and all other grounds for default as may be otherwise set forth in the Franchise Agreement. In the event of an event of default of this Agreement by Franchisee under Article 16.A., or as otherwise set forth in this Agreement, Franchisee agrees that termination of this Agreement is not the sole or exclusive remedy of Franchisor and that Franchisor's right or remedy of termination shall be in addition to any and all other rights set forth in this Agreement, and as otherwise available to Franchisor in law or equity.

Without limitation to the foregoing, additionally, in the event of the termination of this Agreement as a result of a default or breach by Franchisee and/or, by Franchisee's Owners and/or affiliates of any Ancillary Agreements, Franchisor, in addition to any and all other rights and remedies available to Franchisor as set forth in this Agreement, and, at law and in equity, shall possess the following rights and remedies, each of which are not exclusive of the other and may be/are in conjunction with one another:

(1) To void and terminate this Agreement, and thereafter to market, sell, transfer, convey and assign the rights granted to Franchisee under this Agreement to any other person or entity in Franchisor's sole discretion and without compensation to Franchisee.

(2) To hold Franchisee and Franchisee's Owners liable for, and recover from each of them, jointly and severally, all payments, fees, monetary obligations, financial obligations, interest, and charges due and owing to Franchisor from Franchisee pursuant to this Agreement, the Ancillary Agreements, and/or any other agreements between Franchisee and Franchisor, including, without limitation, Royalty Fees and Advertising Contributions with each and every payment and obligation to be accelerated and due immediately.

(3) To hold Franchisee and Franchisee's Owners liable for, and recover from each of them, jointly and severally, a lump sum payment, as liquidated damages and not as a penalty, in an amount equal to: (a) ~~the greater of~~ the average weekly Royalty Fee ~~and Brand Fund Contribution payable by Franchisee or Minimum Monthly Royalty Fee Requirement~~ over the ~~twelve (12)~~ 12 month period immediately prior to the date of termination or, such shorter time period if the Franchised Business has been open less than 12 months, plus Brand Fund Fees payable or due by Franchisee over the 12 month period immediately prior to the date of termination (or, such shorter time period if the Franchised Business has been open less than ~~twelve (12)~~ months); (b) multiplied by the lesser of (i) ~~twenty-four (24) months or~~ (ii) the number of 24 months then remaining in or (ii) the number of months then remaining in the then current ~~term~~ Term of this Agreement. Franchisee acknowledges that, as to lost Royalty Fees and Brand Development Fund Fees, a precise calculation of the full extent of the damages Franchisor will incur in the event of termination of this Agreement as a result of Franchisee's default is difficult to determine and that this lump sum payment is reasonable in light thereof. The liquidated damages payable by Franchisee pursuant to this ~~Section 18.1.8~~ Article 16.C.(3) shall be in addition to all other amounts payable under this Agreement and shall not affect Franchisor's right to obtain appropriate injunctive relief and remedies pursuant to any other provision of this Agreement.

18.2.—Right to Purchase.

18.2.1 Franchisor shall have the option, to be exercised within thirty (30) days after termination or expiration of this Agreement, to purchase from Franchisee any or all of the equipment (including any computer systems), signs, fixtures, advertising materials, and supplies of Franchisee related to the operation of the Franchised Business, at Franchisee's cost or fair market value, whichever is less. Franchisor shall purchase Franchisee's assets free and clear of any liens, charges, encumbrances or security interests and Franchisor shall assume no liabilities whatsoever, unless otherwise agreed to in writing by the parties. If the parties cannot agree on the fair market value within thirty (30) days of Franchisor's exercise of its option, fair market value shall be determined by two (2) appraisers, with each party selecting one (1) appraiser, and the average of their determinations shall be binding. In the event of such appraisal, each party shall bear its own legal and other costs and shall split the appraisal fees equally. If Franchisor elects to exercise its option to purchase herein provided, it shall have the right to set off (i) all fees for any such independent appraiser due from Franchisee, (ii) all amounts due from Franchisee to Franchisor or any of its affiliates and (iii) any costs incurred in connection with any escrow arrangement (including reasonable legal fees), against any payment therefor and shall pay the remaining amount in cash. Closing of the purchase shall take place no later than thirty (30) days after determination of the fair market value.

18.2.2 With respect to the option described in Section 18.2.1, Franchisee shall deliver to Franchisor in a form satisfactory to Franchisor, such warranties, releases of lien, bills of sale, assignments and such other documents and instruments that Franchisor deems necessary in order to perfect Franchisor's title and possession in and to the assets being purchased or assigned and to meet the requirements of all tax and government authorities. If, at the time of closing, Franchisee has not obtained all of these certificates and other documents, Franchisor may, in its sole discretion, place the purchase price in escrow pending issuance of any required certificates or documents.

18.2.3 Franchisor shall be entitled to assign any and all of its option in Section 18.2.1 to any other party, without the consent of Franchisee.

18.3 — Assignment of Communications. Franchisee, at the option of Franchisor, shall assign to Franchisor all rights to the telephone numbers of the Franchised Business and any related public directory listing or other business listings and execute all forms and documents required by Franchisor and any telephone company at any time, to transfer such service and numbers to Franchisor. Further, Franchisee shall assign to Franchisor any and all social media and internet listings, domain names, internet advertising, websites, listings with search engines, subscriptions, databases, electronic mail addresses or any other similar listing or usage related to the Franchised Business. Notwithstanding any forms and documents that may have been executed by Franchisee under Section 11.7, Franchisee shall provide Franchisor with all passwords and administrative rights, and hereby appoints Franchisor its true and lawful agent and attorney-in-fact with full power and authority, for the sole purpose of taking such action as is necessary to complete such assignment. This power of attorney shall survive the expiration or termination of this Agreement. Franchisee shall thereafter use different telephone numbers, electronic mail addresses, social media accounts or other listings or usages at or in connection with any subsequent business conducted by Franchisee.

18.4— Survival. The rights and obligations of the parties contained in this Article 18 shall survive the expiration or sooner termination of this Agreement.

## 19.— NON-DISCLOSURE AND NON-COMPETITION COVENANTS

### 19.1— Operations Manual.

19.1.1 Franchisor has provided to Franchisee, on loan, a current copy of the Manual. The Manual may be in hard copy or made available to Franchisee in digital, electronic or computerized form or in some other form now existing or hereafter developed that would allow Franchisee to view the contents thereof. If the Manual (or any changes thereto) are provided in a form other than physical copy, Franchisee shall pay any and all costs to retrieve, review, use or access the Manual. To protect the reputation and goodwill of Franchisor and to maintain high standards of operation under Franchisor's Marks, Franchisee shall operate all aspects of the Franchised Business in accordance with the Manual, as they may from time to time be modified by Franchisor, other written directives that Franchisor may issue to Franchisee from time to time, whether or not such directives are included in the Manual, and any other manual and materials created or approved for use in the operation of the Franchised Business.

19.1.2 Franchisee and all Principals shall at all times treat the Manual, written directives, and other materials and any other confidential communications or materials, and the information contained therein, as confidential and shall maintain such information as trade secret and confidential in accordance with this Article and this Agreement. Franchisee and Franchisee's Principal(s) shall not divulge and make such materials available to anyone other than those of Franchisee's employees who require the information contained therein to operate the Franchised Business. Franchisee shall, prior to disclosure, fully train and inform its employees on all the restrictions, terms and conditions under which it is permitted to use Franchisor's intellectual, proprietary and confidential information; and shall ensure its employees' compliance with such restrictions, terms and conditions. Franchisee, Franchisee's Principal(s), and any person working with Franchisee shall agree not, at any time to use, copy, duplicate, record or otherwise reproduce these materials, in whole or in part, or otherwise make the same available to any person other than those authorized above, without Franchisor's prior written consent.

19.1.3 The Manual, written directives, and other materials and any other confidential communications provided or approved by Franchisor shall at all times remain the sole property of Franchisor. Franchisee shall maintain the Manual and all Franchisor's confidential and proprietary materials at all times in a safe and secure location, shall take all reasonable measures to prevent unauthorized access thereto, whether any attempted unauthorized access takes the form of physical access or access via computer or telecommunications networks or otherwise, and shall report the theft or loss of the Manual, or any portion thereof, immediately to Franchisor. At a minimum, Franchisee shall, in the case of computer and telecommunications networks, use the latest available firewall, encryption and similar technology to prevent unauthorized access. Franchisee shall delete all electronic copies and return and cease using any physical copy of the Manual and other confidential and proprietary materials to Franchisor immediately upon request or upon transfer, termination or expiration of this Agreement.

19.1.4 Franchisor may from time to time revise the contents of the Manual and other materials created or approved for use in the operation of the Franchised Business. Franchisee expressly agrees to comply with each new or changed policy, standard or directive. In the event of any dispute as to the contents of the Manual, the terms of the master copy of the Manual maintained by Franchisor shall control.

19.2— Confidential Information. Franchisee along with its Principal(s) acknowledge and accept that during the term of this Agreement, Franchisee and any Principal will have access to Franchisor's trade secrets, including, but not limited to, methods, processes, pricing structures, vendor partnerships and/or relationships, sales and technical information, costs, software tools and applications, website and/or email design, products, services, equipment, technologies and procedures relating to the operation of the Franchised Business; the Manual; methods of advertising and promotion; instructional materials; any other information which Franchisor may or may not specifically designate as "confidential" or "proprietary"; and the components of the System, whether or not such information is protected or protectable by patent, copyright, trade secret or other proprietary rights (collectively referred to herein as the "Confidential Information"). Neither Franchisee nor any Principal shall, during the term of this Agreement and thereafter, communicate or divulge to, or use for the benefit of, any other person or entity, and, following the expiration or termination of this Agreement, shall not use for their own benefit, any Confidential Information that may be communicated to Franchisee or any Principal or of which Franchisee or any Principal may be apprised in connection with the operation of the Franchised Business under the terms of this Agreement. Franchisee and any Principal shall not divulge and make any Confidential Information available to anyone other than those of Franchisee's employees who require the Confidential Information to operate the Franchised Business and who have themselves entered into confidentiality and non-compete agreements containing the same provisions as contained in this Agreement, in accordance with Section 19.10 hereof. Franchisee and any Principal shall not at any time copy, duplicate, record or otherwise reproduce any Confidential Information, in whole or in part, or otherwise make the same available to any person other than those authorized above, without Franchisor's prior written consent. The covenant in this Section 19.2 shall survive the expiration, termination or transfer of this Agreement or any interest herein and shall be perpetually binding upon Franchisee and each Principal.

19.3— Protection of Information. Franchisee shall take all steps necessary, at Franchisee's own expense, to protect the Confidential Information and shall immediately notify Franchisor if Franchisee finds that any Confidential Information has been divulged in violation of this Agreement.

19.4— New Concepts. If Franchisee or any Principal develops any new concept, process, product, service, or improvement in the operation or promotion of the Franchised Business ("Improvements"), Franchisee is required to promptly notify Franchisor and provide Franchisor with all related information, processes, products or other improvements, and sign any and all forms, documents and/or papers necessary for Franchisor to obtain full proprietary rights to such Improvements, without compensation and without any claim of ownership or proprietary rights to such Improvements. Franchisee and any Principal acknowledge that any such Improvements

will become the property of Franchisor, and Franchisor may use or disclose such information to other franchisees as it determines to be appropriate.

19.5— Non-Competition Covenants. Franchisee and each Principal specifically acknowledge that, pursuant to this Agreement, Franchisee and each Principal will receive valuable training, trade secrets and Confidential Information of the System that are beyond the present knowledge, training and experience of Franchisee, each Principal and Franchisee's employees. Franchisee and each Principal acknowledge that such specialized training, trade secrets and Confidential Information provide a competitive advantage and will be valuable to them in the development and operation of the Franchised Business, and that gaining access to such specialized training, trade secrets and Confidential Information is, therefore, a primary reason why Franchisee and each Principal are entering into this Agreement. In consideration for such specialized training, trade secrets, Confidential Information and rights, Franchisee and each Principal covenant that, except as otherwise approved in writing by Franchisor:

19.5.1 During the term of this Agreement, Franchisee and each Principal shall not, either directly or indirectly, for themselves or through, on behalf of, or in conjunction with, any person or entity (i) divert, or attempt to divert, any business, Facility, Candidate, vendor or referral source of the Franchised Business or of other franchisees in the System to any competitor, by direct or indirect inducement or otherwise; or (ii) participate as an owner, partner, director, officer, employee, consultant, or agent or serve in any other capacity in any medical recruiting or medical staffing business, whether similar or dissimilar to the System, in any Specialty Line; or (iii) do or perform, directly or indirectly, any other act injurious or prejudicial to the goodwill associated with the Marks and the System or (iv) in any manner interfere with, disturb, disrupt, decrease or otherwise jeopardize the business of the Franchisor or any System franchisees or Franchisor affiliated outlets.

19.5.2 Upon the expiration or earlier termination of this Agreement or upon a Transfer and continuing for twenty-four (24) months thereafter, Franchisee and Principals shall not, either directly or indirectly, for themselves or through, on behalf of or in conjunction with any person or entity (i) divert, or attempt to divert, any business, Facility, Candidate, vendor or referral source of the Franchised Business, Franchisor or of other franchisees in the System to any competitor, by direct or indirect inducement or otherwise; or (ii) participate as an owner, partner, director, officer, employee, consultant or agent or serve in any other capacity in any medical recruiting or medical staffing business within fifty (50) miles of the Territory or within fifty (50) miles of any System office location; or (iii) do or perform, directly or indirectly, any other act injurious or prejudicial to the goodwill associated with the Marks and the System or (iv) in any manner interfere with, disturb, disrupt, decrease or otherwise jeopardize the business of the Franchisor or any System franchisees.

19.6— Reasonableness of Restrictions. Franchisee and each Principal acknowledges and agrees that the covenants not to compete set forth in this Agreement are fair and reasonable and will not impose any undue hardship on Franchisee or Principal(s), since Franchisee or Principal(s), as the case may be, have other considerable skills, experience and education which afford Franchisee or Principal(s), as the case may be, the opportunity to derive income from other endeavors.

19.7—Reduction of Time or Scope. If the period of time or the geographic scope specified above, should be adjudged unreasonable in any proceeding, then the period of time will be reduced by such number of months or the geographic scope will be reduced by the elimination of such portion thereof, or both, so that such restrictions may be enforced for such time and scope as are adjudged to be reasonable. In addition, Franchisor shall have the right, in its sole discretion, to reduce the scope of any covenant set forth in this Article 19 or any portion thereof, without Franchisee's consent, effective immediately upon receipt by Franchisee of written notice thereof, and Franchisee agrees to forthwith comply with any covenant as so modified.

19.8—Injunction. Franchisee and each Principal acknowledges that a violation of the covenants not to compete contained in this Agreement would result in immediate and irreparable injury to Franchisor for which no adequate remedy at law will be available. Accordingly, Franchisee and each Principal hereby consents to the entry of an injunction prohibiting any conduct by Franchisee or any Principal in violation of the terms of the covenants not to compete set forth in this Agreement.

19.9—No Defense. Franchisee and each Principal expressly agree that the existence of any claims they may have against Franchisor, whether or not arising from this Agreement, shall not constitute a defense to the enforcement by Franchisor of the covenants in this Section.

19.10—Covenants of Employees, Agents and Third Persons. Franchisee shall require and obtain execution of covenants similar to those set forth in this Section (including covenants applicable upon the termination of a person's employment with Franchisee) from all employees, contractors or third persons who will have access to Franchisor's confidential and proprietary information. Such covenants shall be substantially in the form set forth in Attachment 8 as revised and updated from time to time and contained in the Manual. Franchisee is required to maintain copies of all such agreements and provide them to Franchisor upon Franchisor's request.

## 20.—DISPUTE RESOLUTION

20.1—Internal Dispute Resolution. Franchisee shall first bring any claim, controversy or dispute arising out of or relating to this Agreement, the Attachments hereto or the relationship created by this Agreement to Franchisor's president and/or chief executive officer for resolution. After providing notice as set forth in Section 21.7 below, Franchisee must exhaust this internal dispute resolution procedure before Franchisee may bring Franchisee's dispute before a third party. This agreement to first attempt resolution of disputes internally shall survive termination or expiration of this Agreement.

20.2—Mediation. At Franchisor's option, any claim, controversy or dispute that is not resolved pursuant to Section 20.1 hereof shall be submitted to non-binding mediation. Franchisee shall provide Franchisor with written notice of Franchisee's intent to pursue any unresolved claim, controversy or dispute, specifying in sufficient detail the nature thereof, prior to commencing any legal action. Franchisor shall have thirty (30) days following receipt of Franchisee's notice to exercise Franchisor's option to submit such claim, controversy or dispute to mediation. Mediation shall be conducted through a mediator or mediators in accordance with the American Arbitration Association Commercial Mediation Rules. Such mediation shall take place in the

then-current location of Franchisor's corporate headquarters. The costs and expenses of mediation, including compensation and expenses of the mediator (and except for the attorneys' fees incurred by either party), shall be borne by the parties equally. Franchisor may specifically enforce Franchisor's rights to mediation, as set forth herein.

### 20.3—Arbitration.

20.3.1 Except disputes not subject to alternative dispute resolution as set forth in Section 20.4, any dispute between Franchisor and Franchisee and/or any Principal arising out of or relating to this Agreement, the Attachments hereto, or any breach thereof, including any claim that this Agreement or any of its parts, is invalid, illegal or otherwise voidable or void, which has not been resolved in accordance with Sections 20.1 or 20.2, will be resolved by submission to the American Arbitration Association or its successor organization to be settled by a single arbitrator in accordance with the Commercial Arbitration Rules then in effect for such Association or successor organization.

20.3.2 All issues relating to arbitrability or the enforcement of the agreement to arbitrate contained in this Article 20 will be governed by the Federal Arbitration Act (9 U.S.C. §1 et seq.) and the federal common law of arbitration. All hearings and other proceedings will take place in Butler County, Ohio, or the offices of the American Arbitration Association, or, if Franchisor so elects, in the county where the principal place of business of Franchisee is then located.

20.3.3 This arbitration provision is self-executing and will remain in full force and effect after expiration or termination of this Agreement. Any arbitration will be conducted on an individual, and not a class-wide or multiple plaintiffs, basis. If either party fails to appear at any properly noticed arbitration proceeding, an award may be entered against the party by default or otherwise, notwithstanding the failure to appear. Judgment upon an arbitration award may be entered in any court having jurisdiction and will be binding, final and not subject to appeal. No punitive or exemplary damages will be awarded against Franchisor, Franchisee, or entities related to either of them, in an arbitration proceeding or otherwise, and are hereby waived.

20.3.4 The provisions of this Section 20.3 are independent of any other covenant or provision of this Agreement; provided, however, that if a court of competent jurisdiction determines that any of the provisions are unlawful in any way, the court will modify or interpret the provisions to the minimum extent necessary to have them comply with the law.

20.3.5 In proceeding with arbitration and in making determinations hereunder, no arbitrator shall extend, modify, or suspend any terms of this Agreement or the reasonable standards of business performance and operation established by Franchisor in good faith. No notice, request or demand for arbitration shall stay, postpone, or rescind the effectiveness of any termination of this Agreement.

20.3.6 Except as expressly required by law, Franchisor, Franchisee and any Principal shall keep all aspects of any mediation and/or arbitration proceeding in confidence and shall not disclose any information about the proceeding to any third party other than legal counsel who shall be required to maintain the confidentiality of such information.

~~20.4—Exceptions. Notwithstanding the requirements of Sections 20.2 or 20.3, the following claims shall not be subject to mediation or arbitration:~~

~~20.4.1 Franchisor’s claims for injunctive or other extraordinary relief;~~

~~20.4.2 disputes and controversies arising from the Sherman Act, the Clayton Act or any other federal or state antitrust law;~~

~~20.4.3 disputes and controversies based upon or arising under the Lanham Act, as now or hereafter amended, relating to the ownership or validity of the Marks;~~

~~20.4.4 disputes and controversies relating to actions to obtain possession of the premises of the Franchised Business; and~~

~~20.4.5 enforcement of Franchisee’s post-termination obligations, including but not limited to, Franchisee’s non-competition covenants.~~

~~20.5—Governing Law and Venue. This Agreement is made in, and shall be substantially performed in, the State of Ohio. Any claims, controversies, disputes or actions arising out of this Agreement shall be governed, enforced and interpreted pursuant to the laws of the State of Ohio. Franchisee and its Principals, except where specifically prohibited by law, hereby irrevocably submit themselves to the sole and exclusive jurisdiction of the state and federal courts in Ohio. Franchisee and its Principal(s) hereby waive all questions of personal jurisdiction for the purpose of carrying out this provision.~~

~~20.6—Mutual Benefit. Franchisee, each Principal, if any, and Franchisor acknowledge that the parties’ agreement regarding applicable state law and forum set forth in Section 20.5 provide each of the parties with the mutual benefit of uniform interpretation of this Agreement and any dispute arising hereunder. Each of Franchisee, Principal(s), and Franchisor further acknowledge the receipt and sufficiency of mutual consideration for such benefit and that each party’s agreement regarding applicable state law and choice of forum have been negotiated in good faith and are part of the benefit of the bargain reflected by this Agreement.~~

~~20.7—Waiver of Jury Trial and Certain Damages. Franchisee and each Principal hereby waive, to the fullest extent permitted by law, any right to or claim for (i) a trial by jury in any action, proceeding or counterclaim brought by or against Franchisor, and (ii) any punitive, exemplary, incidental, indirect, special, consequential or other damages (including, without limitation, loss of profits) against Franchisor, its affiliates, and their respective officers, directors, shareholders, partners, agents, representatives, independent contractors, servants and employees, in their corporate and individual capacities, arising out of any cause whatsoever. Each of Franchisee and Principal(s) agree that in the event of a dispute, Franchisee and each Principal shall be limited to the recovery of any actual damages sustained.~~

~~20.8—Injunctive Relief. Nothing herein contained (including, without limitation, Sections 20.1 through 20.4 above) shall bar Franchisor from the right to obtain immediate injunctive relief~~

from any court of competent jurisdiction against threatened conduct by Franchisee that may cause Franchisor loss or damage, under the usual equity rules, including the applicable rules for obtaining specific performance, restraining orders, and preliminary injunctions.

20.9—Limitations of Claims. Any and all claims asserted by Franchisee arising out of or relating to this Agreement or the relationship among the parties will be barred unless a proceeding for relief is commenced within one (1) year from the date on which Franchisee knew or should have known of the facts giving rise to such claims.

20.10—Attorney’s Fees. In the event of any action in law or equity by and between Franchisor and Franchisee concerning the operation, enforcement, construction or interpretation of this Agreement, the prevailing party in such action shall be entitled to recover reasonable attorney’s fees and court costs incurred.

20.11—Survival. The provisions of this Article 20 shall continue in full force and effect notwithstanding the expiration or termination of this Agreement or a transfer by Franchisee or any Principal of their respective interests in this Agreement.

## 21.—GENERAL

### 21.1—Relationship of the Parties.

21.1.1 Independent Licensee. Franchisee is and shall be an independent licensee under this Agreement, and no partnership shall exist between Franchisee and Franchisor. This Agreement does not constitute Franchisee as an agent, legal representative, or employee of Franchisor for any purpose whatsoever, and Franchisee is not granted any right or authority to assume or create any obligation for or on behalf of, or in the name of, or in any way to bind Franchisor. Franchisee agrees not to incur or contract any debt or obligation on behalf of Franchisor or commit any act, make any representation, or advertise in any manner which may adversely affect any right of Franchisor or be detrimental to Franchisor or other franchisees of Franchisor. Franchisor does not assume any liability, and will not be considered liable, for any agreements, representations, or warranties made by Franchisee which are not expressly authorized under this Agreement. Franchisor will not be obligated for any damages to any person or property which directly or indirectly arise from or relate to Franchisee’s operation of the Franchised Business. Pursuant to the above, Franchisee agrees to indemnify Franchisor and hold Franchisor harmless from any and all liability, loss, attorneys’ fees, or damage Franchisor may suffer as a result of claims, demands, taxes, costs, or judgments against Franchisor arising out of any allegation of an agent, partner, or employment relationship.

21.1.2 No Relationship. Franchisee acknowledges and agrees that Franchisee alone exercises day-to-day control over all operations, activities, and elements of the Franchised Business, and that under no circumstance shall Franchisor do so or be deemed to do so. Franchisee further acknowledges and agrees, and will never claim otherwise, that the various restrictions, prohibitions, specifications, and procedures of the System which Franchisee is required to comply with under this Agreement, whether set forth in Franchisor’s Operations Manual or otherwise, does not directly or indirectly constitute, suggest, infer or imply that Franchisor controls any aspect or element of the day-to-day operations of the Franchised Business, which

Franchisee alone controls, but only constitute standards Franchisee must adhere to when exercising control of the day-to-day operations of the Franchised Business.

21.1.3 Franchisee's Employees. Franchisee acknowledges and agrees that any training Franchisor provides for Franchisee's employees is geared to impart to those employees, with Franchisee's ultimate authority, the various procedures, protocols, systems, and operations of a System outlet and in no fashion reflects any employment relationship between Franchisor and such employees. If ever it is asserted that Franchisor is the employer, joint employer or co-employer of any of Franchisee's employees in any private or government investigation, action, proceeding, arbitration or other setting, Franchisee irrevocably agree to assist Franchisor in defending said allegation, appearing at any venue requested by Franchisor to testify on Franchisor's behalf participate in depositions, other appearances or preparing affidavits rejecting any assertion that Franchisor is the employer, joint employer or co-employer of any of Franchisee's employees.

21.2—Successors. This Agreement shall bind and inure to the benefit of the successors and assigns of Franchisor and shall be personally binding on and inure to the benefit of Franchisee (including the individuals executing this Agreement on behalf of the Franchisee entity) and its or their respective heirs, executors, administrators and successors or assigns; provided, however, the foregoing provision shall not be construed to allow a transfer of any interest of Franchisee or Principals in this Agreement or the Franchised Business, except in accordance with Article 16 hereof.

21.3—Invalidity of Part of Agreement. Should any provisions in this Agreement, for any reason, be declared invalid, then such provision shall be invalid only to the extent of the prohibition without in any way invalidating or altering any other provision of this Agreement.

21.4—Entire Agreement. This Agreement, including all Attachments, is the entire agreement of the parties, superseding all prior written or oral agreements of the parties concerning the same subject matter, and superseding all prior written or oral representations made to Franchisee, except that nothing herein is intended to disclaim any representations made to Franchisee in Franchisor's Franchise Disclosure Document. No agreement of any kind relating to the matters covered by this Agreement and no amendment of the provisions hereof shall be binding upon either party unless and until the same has been made in writing and executed by all interested parties.

21.5—Construction. All terms and words used in this Agreement, regardless of the number and gender in which they are used, shall be deemed and construed to include any other number, singular or plural, and any other gender, masculine, feminine or neuter, as the context or sense of this Agreement or any provision herein may require, as if such words had been fully and properly written in the appropriate number and gender. All covenants, agreements and obligations assumed herein by Franchisee and any Principal shall be deemed to be joint and several covenants, agreements and obligations of each of the persons named as Franchisee, if more than one (1) person is so named.

21.6— Captions. Captions and section headings are used herein for convenience only. They are not part of this Agreement and shall not be used in construing it.

21.7— Notices. Whenever notice is required or permitted to be given under the terms of this Agreement, it shall be given in writing, and be delivered personally or by certified mail or courier, postage prepaid, addressed to the party for whom intended, and shall be deemed given on the date of delivery or delivery is refused. All such notices shall be addressed to the party to be notified at their respective addresses as set forth in the introductory paragraph of this Agreement, or at such other address or addresses as the parties may from time to time designate in writing.

21.8— Effect of Waivers. No waiver, delay, omission or forbearance on the part of Franchisor to exercise any right, option, duty or power arising from any default or breach by Franchisee shall affect or impair the rights of Franchisor with respect to any subsequent default of the same or of a different kind. Any use by Franchisee of the System or any part thereof at any place other than in the Territory shall not give Franchisee any rights not specifically granted hereunder. Failure to take action to stop such use shall not in any event be considered a waiver of the rights of Franchisor at any time to require Franchisee to restrict said use to the Territory.

21.9— Remedies Cumulative. All rights and remedies of the parties to this Agreement shall be cumulative and not alternative, in addition to and not exclusive of any other rights or remedies that are provided for herein or that may be available at law or in equity in case of any breach, failure or default or threatened breach, failure or default of any term, provision or condition of this Agreement or any other agreement between Franchisee or any of its affiliates and Franchisor or any of its affiliates. The rights and remedies of the parties to this Agreement shall be continuing and shall not be exhausted by any one or more uses thereof and may be exercised at any time or from time to time as often as may be expedient; and any option or election to enforce any such right or remedy may be exercised or taken at any time and from time to time. The expiration, earlier termination or exercise of Franchisor's rights pursuant to Articles 17 and 18 shall not discharge or release Franchisee or any Principal from any liability or obligation then accrued, or any liability or obligation continuing beyond, or arising out of, the expiration, the earlier termination or the exercise of such rights under this Agreement.

21.10— Consent to Do Business Electronically. The parties to the Franchise Agreement hereby consent to do business electronically. Pursuant to the Uniform Electronic Transactions Act as adopted by the State of Ohio, the parties hereby affirm to each other that they agree with the terms of the Franchise Agreement, and by attaching their digital signature, including any DocuSign signature, to the Franchise Agreement, they are executing the document and intending to attach their digital signature to it. Furthermore, the parties acknowledge that the other parties to the Franchise Agreement can rely on a digital signature, including a DocuSign signature, as the respective party's signature.

21.11— Counterparts. This Agreement may be executed in multiple counterparts, each of which when so executed shall be an original, and all of which shall constitute one and the same instrument.

21.12— Survival. Any obligation of Franchisee or any Principal that contemplates performance of such obligation after termination or expiration of this Agreement or the transfer of any interest of Franchisee or any Principal therein shall be deemed to survive such termination, expiration or transfer.

\_\_\_\_\_ The parties hereto have executed this Franchise Agreement on the day and year first above written.

FRANCHISEE: \_\_\_\_\_ FRANCHISOR:  
\_\_\_\_\_ i4 FRANCHISE DEVELOPMENT INC.

By: \_\_\_\_\_ By: \_\_\_\_\_  
Name: \_\_\_\_\_ Name: \_\_\_\_\_  
Title: \_\_\_\_\_ Title: \_\_\_\_\_

PRINCIPALS:

\_\_\_\_\_  
Name: \_\_\_\_\_

\_\_\_\_\_  
Name: \_\_\_\_\_

ATTACHMENT 1

TRADEMARKS

Service Mark --



ATTACHMENT 2

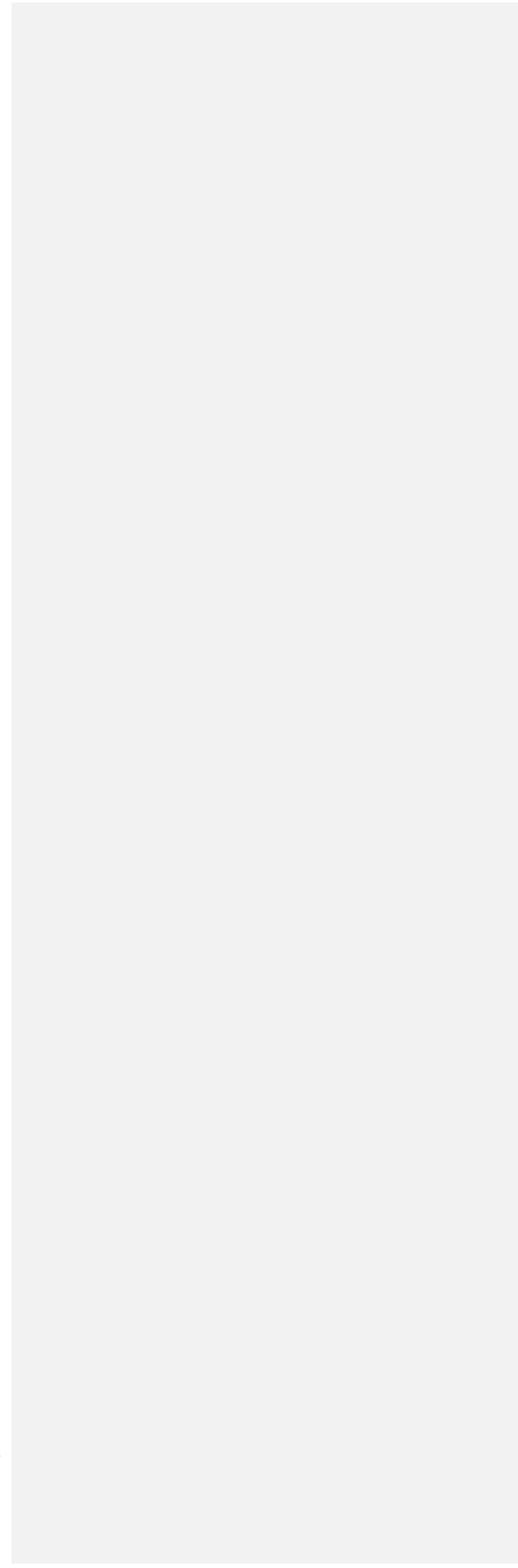
TERRITORY DESCRIPTION

Franchised Business Office Address:

\_\_\_\_\_

\_\_\_\_\_

Territory (insert map and/or define by counties):



ATTACHMENT 3

MINIMUM ROYALTY STANDARDS

Minimum Monthly Royalty\* of \$2,500 per one (1) million of population in the Territory as of the Effective Date.

Territory Population: \_\_\_\_\_

Initial Fee: \_\_\_\_\_

\*Commencing Month 6 of the Term

ATTACHMENT 4

GENERAL RELEASE

\_\_\_\_\_ (“Franchisee”) and its principal(s):  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

(a) — Franchisee and Franchisee’s Principal(s) do, for themselves and their successors and assigns, hereby release and forever discharge generally Franchisor and any affiliate, wholly owned or controlled limited liability company, subsidiary, successor or assign thereof and any shareholder, officer, director, employee, agent, executor, administrator, estate, trustee or heir of any of them (the “Released Franchisor Party”), from any and all claims, demands, damages, injuries, agreements and contracts, indebtedness, accounts of every kind or nature, whether presently known or unknown, suspected or unsuspected, disclosed or undisclosed, actual or potential, which Franchisee or Franchisee’s Principal(s) may now have, or may hereafter claim to have or to have acquired of whatever source or origin, arising out of or related to any and all transactions of any kind or character at any time prior to and including the date hereof, including generally any and all claims at law or in equity, those arising under the common law or state or federal statutes, rules or regulations such as, by way of example only, franchising, securities and antitrust statutes, rules or regulations, in any way arising out of or connected with the Franchise Agreement or this General Release, and further promises never from this day forward, directly or indirectly, to institute, prosecute, commence, join in, or generally attempt to assert or maintain any action thereon against any Released Franchisor Party, in any court or tribunal of the United States of America, any state thereof, or any other jurisdiction for any matter or claim arising before execution of this General Release. In the event Franchisee or Franchisee’s Principal(s) breaches any of the promises, covenants, or undertakings made herein by any act or omission, Franchisee and Franchisee’s Principal(s) shall pay, by way of indemnification, all costs and expenses of any Released Franchisor Party caused by the act or omission, including reasonable attorneys’ fees and costs.

(b) — Franchisee and Franchisee’s Principal(s) represent and warrant that no portion of any claim, right, demand, obligation, debt, guarantee, or cause of action released hereby has been assigned or transferred by Franchisee or Franchisee’s Principal(s) to any other party, firm or entity in any manner including, but not limited to, assignment or transfer by subrogation or by operation of law. In the event that any claim, demand, or suit shall be made or institute against any Released Franchisor Party because of any such purported assignment, transfer or subrogation, Franchisee and Franchisee’s Principal(s) agree to indemnify and hold such Released Franchisor Party free and harmless from and against any such claim, demand, or suit, including reasonable costs and attorneys’ fees incurred in connection therewith. It is further agreed that this indemnification and hold harmless agreement shall not require payment to such claimant as a condition precedent to recovery under this paragraph.

~~(c) — THIS RELEASE IS A GENERAL RELEASE AND THE PARTIES INTEND AND AGREE THAT IT SHALL BE INTERPRETED, CONSTRUED AND ENFORCED AS SUCH.~~

~~(d) — Franchisee and Franchisee’s Principal(s) acknowledge, warrant, and represent that no promises, representations, or inducements, except as set forth in this General Release, have been offered or made by any Franchisor Released Party to secure the execution of this General Release, and that this General Release is executed without reliance on any statements or any representations not contained herein. Franchisee and Franchisee’s Principal(s) knowingly waive (1) any claim that this General Release was induced by any misrepresentation or nondisclosure, and (2) any right to rescind or avoid this General Release based upon presently existing facts, known or unknown.~~

~~FRANCHISEE AND FRANCHISEE’S PRINCIPAL(S) ON BEHALF OF THEMSELVES AND THE FRANCHISEE RELEASORS WAIVE ANY RIGHTS AND BENEFITS CONFERRED BY ANY APPLICABLE PROVISION OF LAW EXISTING UNDER ANY FEDERAL, STATE OR POLITICAL SUBDIVISION THEREOF WHICH WOULD INVALIDATE ALL OR ANY PORTION OF THE RELEASE CONTAINED HEREIN BECAUSE SUCH RELEASE MAY EXTEND TO CLAIMS WHICH THE FRANCHISEE RELEASORS DO NOT KNOW OR SUSPECT TO EXIST IN THEIR FAVOR AT THE TIME OF EXECUTION OF THIS AGREEMENT. Franchisee and Franchisee’s Principal(s) also covenant not to bring any suit, action, or proceeding, or make any demand or claim of any type, against any Released Franchisor Party with respect to any Franchisee Released Claim, and Franchisee and Franchisee’s Principal(s) shall defend, indemnify, and hold harmless each of Franchisor Releasees against same.~~

~~[Washington Residents]: A release or waiver of rights executed by a franchisee shall not include rights under the Washington Franchise Investment Protection Act except when executed pursuant to a negotiated settlement after the franchise agreement is in effect and where the franchisee is represented by independent counsel. See RCW 19.100.180(g); RCW 19.100.220.~~

Executed as of \_\_\_\_\_.

\_\_\_\_\_ FRANCHISEE:  
\_\_\_\_\_

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_

\_\_\_\_\_ PRINCIPALS:

\_\_\_\_\_  
Name: \_\_\_\_\_

Name:

ATTACHMENT 5

AUTHORIZATION AGREEMENT  
AUTOMATIC DEPOSITS (ACH WITHDRAWALS)

Franchisor Name: i4 Franchise Development Inc.

I (We) hereby authorize i4 Franchise Development Inc., hereinafter called Franchisor, to initiate debit entries to my (our) Checking Account/Savings Account (Select One) indicated below at the depository financial institution named below, and to debit the same to such account. I (We) acknowledge that the origination of ACH transactions to my (our) account must comply with the provisions of U.S. Law, and that I will be responsible for any banking fees that my institution charges.

Financial Institution Name: \_\_\_\_\_ Branch: \_\_\_\_\_

City: \_\_\_\_\_ State: \_\_\_\_\_ Zip: \_\_\_\_\_ Phone: \_\_\_\_\_

ACH/Routing Number: \_\_\_\_\_ Account Number: \_\_\_\_\_

(Nine Digits)

This authorization is to remain in full force and effect until Franchisor has received a written replacement ACH Withdrawal Form notification from me. I (We) understand that revocation of this Authorization Agreement by me (us) may constitute an event of Default under the Franchise Agreement.

I (We) understand that the amount to be withdrawn by Franchisor will not be the same each month and I (We) therefore authorize all monetary transfers pursuant to Articles 6 and 18 of the Franchise Agreement.

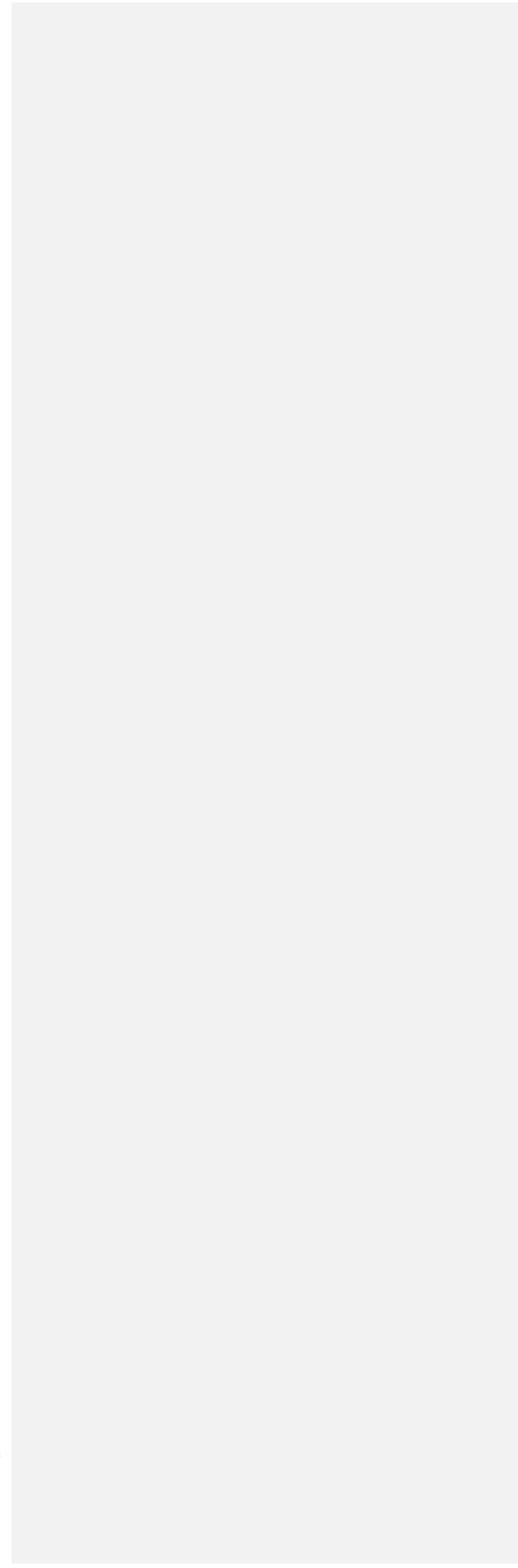
\_\_\_\_\_  
Print Franchisee / Account Holder Name \_\_\_\_\_ Print Franchisee/Co Account Holder Name

\_\_\_\_\_  
Franchisee/ Account Holder Signature-Date \_\_\_\_\_ Franchisee/Co Account Holder  
Signature-Date

\_\_\_\_\_  
Daytime Phone Number \_\_\_\_\_ Email Address

PLEASE ATTACH A VOIDED CHECK TO THIS FORM  
Please Return Form to:

i4 Franchise Development Inc.  
7185 Liberty Centre Drive, Suite A  
West Chester, Ohio 45069  
(513) 860-0600



ATTACHMENT 6

SPOUSE GUARANTY

This Guaranty and Covenant (this “Guaranty”) is given by the undersigned (“Guarantor”) on \_\_\_\_\_, (the “Effective Date”) to i4 Franchise Development Inc., an Arizona corporation (“Franchisor”), in order to induce Franchisor to enter into that certain Franchise Agreement dated on or about the Effective Date hereof (the “(4) To hold Franchise Agreement”) with \_\_\_\_\_, a(n) \_\_\_\_\_ and \_\_\_\_\_ (collectively “Franchisee”).

Guarantor acknowledges that Guarantor is the spouse of and Franchisee’s Principal, as that term is used in the Franchise Agreement.

Guarantor acknowledges that Guarantor has read the terms and conditions of the Franchise Agreement and acknowledges that the execution of this Guaranty is in partial consideration for, and a condition to the granting of, the rights granted in the Franchise Agreement to Franchisee, and that Franchisor would not have granted these rights without the execution of this Guaranty by Guarantor.

Guarantor hereby individually makes, agrees to be bound by, and agrees to perform, all of the monetary obligations and non-disclosure and non-competition covenants and agreements of the Franchisee as set forth in the Franchise Agreement, including but not limited to, the covenants set forth in Sections 19.2, 19.5, 19.6, 19.8 and 19.9 of the Franchise Agreement (“Guaranteed Obligations”). Guarantor shall perform and/or make punctual payment to Franchisor of the Guaranteed Obligations in accordance with the terms of the Franchise Agreement or other applicable document forthwith upon demand by Franchisor.

This Guaranty is an absolute and unconditional continuing guaranty of payment and performance of the Guaranteed Obligations. This Guaranty shall not be discharged by renewal of any obligations guaranteed by this instrument, change in ownership or control of the Franchisee entity, transfer of the Franchise Agreement, the suffering of any indulgence to any debtor, extension of time of payment thereof, nor the discharge of Franchisee by bankruptcy, operation of law or otherwise. Presentment, demand, protest, notice of protest and dishonor, notice of default or nonpayment and diligence in collecting any obligation under any agreement between Franchisee and Franchisor are each and all waived by Guarantor and/or acknowledged as inapplicable. Guarantor waives notice of amendment of any agreement between Franchisee and Franchisor and notice of demand for payment by Franchisee. Guarantor further agrees to be bound by any and all amendments and changes to any agreement between Franchisee and Franchisor.

Franchisor may pursue its rights against Guarantor without first exhausting its remedies against Franchisee and without joining any other guarantor hereto and no delay on the part of Franchisor in the exercise of any right or remedy shall operate as a waiver of such right or remedy, and no

~~single or partial exercise by Franchisor of any right or remedy shall preclude the further exercise of such right or remedy.~~

~~If other guarantors have guaranteed any and or all of the Guaranteed Obligations, their liability shall be joint and several to that of Guarantor.~~

~~Until all of the Guaranteed Obligations have been paid in full and/or performed in full, Guarantor shall not have any right of subrogation, unless expressly given to Guarantor in writing by Franchisor.~~

~~All Franchisor's rights, powers and remedies hereunder and under any other agreement now or at any time hereafter in force between Franchisor and Guarantor shall be cumulative and not alternative and shall be in addition to all rights, powers and remedies given to Franchisor by law.~~

~~Should any one or more provisions of this Guaranty be determined to be illegal or unenforceable, all other provisions nevertheless shall remain effective.~~

~~This Guaranty shall extend to and inure to the benefit of Franchisor and its successors and assigns and shall be binding on Guarantor and its successors and assigns.~~

~~Guarantor has signed this Guaranty as of the date set forth above.~~

~~GUARANTOR – SPOUSE OF FRANCHISEE'S PRINCIPAL:~~

~~\_\_\_\_\_~~  
~~Print Name: \_\_\_\_\_~~

~~Print Address: \_\_\_\_\_~~  
~~\_\_\_\_\_~~  
~~\_\_\_\_\_~~

ATTACHMENT 7

INTERNET ADVERTISING, SOCIAL MEDIA, SOFTWARE,  
AND TELEPHONE LISTING AGREEMENT

THIS INTERNET ADVERTISING, SOCIAL MEDIA, SOFTWARE, AND TELEPHONE LISTING AGREEMENT (the "Agreement") is made and entered into this day of \_\_\_\_\_ (the "Effective Date"), by and between i4 Franchise Development Inc., an Arizona corporation, with its principal place of business at 7185 Liberty Centre Drive, Suite A, West Chester, Ohio, 45069 (the "Franchisor"); and \_\_\_\_\_, a(n) \_\_\_\_\_, with its principal place of business located at \_\_\_\_\_, and \_\_\_\_\_'s principal(s), \_\_\_\_\_, an individual, residing at \_\_\_\_\_, and \_\_\_\_\_, an individual, residing at \_\_\_\_\_ ("Principal(s)"). and Principal(s) shall be collectively referred to in this Agreement as the "Franchisee".

WHEREAS, Franchisee desires to enter into a franchise agreement with Franchisor for an i4 Search Group business ("Franchise Agreement") which will allow Franchisee to conduct internet-based advertising, maintain social media accounts, use software, and use telephone listings linked to the i4 Search Group brand.

WHEREAS, Franchisor would not enter into the Franchise Agreement without Franchisee's agreement to enter into, comply with, and be bound by all the terms and provisions of this Agreement;

NOW, THEREFORE, for and in consideration of the foregoing and the mutual promises and covenants contained herein, and in further consideration of the Franchise Agreement and the mutual promises and covenants contained therein, and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereto agree as follows:

1. Definitions

All terms used but not otherwise defined in this Agreement shall have the meanings set forth in the Franchise Agreement. "Termination" of the Franchise Agreement shall include, but shall not be limited to, the voluntary termination, involuntary termination, or natural expiration thereof.

2. Internet Advertising and Telephone Listings

2.1 Interest in Websites, Social Media Accounts, Other Electronic Listings and Software. Franchisee may acquire (whether in accordance with or in violation of the Franchise Agreement) during the term of Franchise Agreement, certain right, title, or interest in and to certain domain names, social media accounts, hypertext markup language, uniform resource locator addresses, access to corresponding internet websites, the right to hyperlink to certain websites and listings on various internet search engines, and the right to use certain software

(collectively, “Electronic Advertising and Software”) related to the Franchised Business or the Marks.

——— 2.2 ——— Interest in Telephone Numbers and Listings. Franchisee has or will acquire during the term of the Franchise Agreement, certain right, title, and interest in and to those certain telephone numbers and regular, classified, internet page, and other telephone directory listings (collectively, the “Telephone Listings”) related to the Franchised Business or the Marks.

——— 2.3 ——— Transfer. On Termination of the Franchise Agreement, or on periodic request of Franchisor, Franchisee will immediately:

direct all internet service providers, domain name registries, internet search engines, other listing agencies and software companies (collectively, the “Internet and Software Companies”) with which Franchisee has Electronic Advertising and Software: (i) to transfer all of Franchisee’s interest in such Electronic Advertising and Software to Franchisor; and (ii) to execute such documents and take such actions as may be necessary to effectuate such transfer. In the event Franchisor does not desire to accept any or all such Electronic Advertising and Software, Franchisee will immediately direct the Internet and Software Companies to terminate such Electronic Advertising and Software or will take such other actions with respect to the Electronic Advertising and Software as Franchisor directs; and

direct all telephone companies, telephone directory publishers, and telephone directory listing agencies (collectively, the “Telephone Companies”) with which Franchisee has Telephone Listings: (i) to transfer all Franchisee’s interest in such Telephone Listings to Franchisor; and (ii) to execute such documents and take such actions as may be necessary to effectuate such transfer. In the event Franchisor does not desire to accept any or all such Telephone Listings, Franchisee will immediately direct the Telephone Companies to terminate such Telephone Listings or will take such other actions with respect to the Telephone Listings as Franchisor directs.

——— 2.4 ——— Appointment; Power of Attorney. Franchisee hereby constitutes and appoints Franchisor and any officer or agent of Franchisor, for Franchisor’s benefit under the Franchise Agreement and this Agreement or otherwise, with full power of substitution, as Franchisee’s true and lawful attorney in fact with full power and authority in Franchisee’s place and stead, and in Franchisee’s name or the name of any affiliated person or affiliated company of Franchisee, to take any and all appropriate action and to execute and deliver any and all documents that may be necessary or desirable to accomplish the purposes of this Agreement. Franchisee further agrees that this appointment constitutes a power coupled with an interest and is irrevocable until Franchisee has satisfied all of its obligations under the Franchise Agreement and any and all other agreements to which Franchisee and any of its affiliates on the one hand, and Franchisor and any of its affiliates on the other, are parties, including without limitation this Agreement. Without limiting the generality of the foregoing, Franchisee hereby grants to Franchisor the power and right to do the following:

——— 2.4.1 ——— Direct the Internet and Software Companies to transfer all Franchisee’s interest in and to the Electronic Advertising and Software to Franchisor, or alternatively, to direct

~~the Internet and Software Companies to terminate any or all of the Electronic Advertising and Software;~~

~~2.4.2 Direct the Telephone Companies to transfer all Franchisee's interest in and to the Telephone Listings to Franchisor, or alternatively, to direct the Telephone Companies to terminate any or all of the Telephone Listings; and~~

~~2.4.3 Execute such standard assignment forms or other documents as the Internet and Software Companies and/or Telephone Companies may require in order to affect such transfers or terminations of Franchisee's interest.~~

~~2.5 Certification of Termination. Franchisee hereby directs the Internet and Software Companies and Telephone Companies to accept, as conclusive proof of Termination of the Franchise Agreement, Franchisor's written statement, signed by an officer or agent of Franchisor, that the Franchise Agreement has terminated.~~

~~2.6 Cessation of Obligations. After the Internet and Software Companies and the Telephone Companies have duly transferred all Franchisee's interests as described in paragraph 2.3 above to Franchisor, as between Franchisee and Franchisor, Franchisee will have no further interest in, or obligations with respect to the particular Electronic Advertising and Software and/or Telephone Listings. Notwithstanding the foregoing, Franchisee will remain Owners liable to each and all of the Internet and Software Companies and Telephone Companies for the respective sums Franchisee is obligated to pay to them for obligations Franchisee incurred before the date Franchisor duly accepted the transfer of such interests, or for any other obligations not subject to the Franchise Agreement or this Agreement.~~

### ~~3. Miscellaneous~~

~~3.1 Release. Franchisee hereby releases, remises, acquits, and forever discharges each and all of the Internet and Software Companies and/or Telephone Companies and each and all of their parent corporations, subsidiaries, affiliates, directors, officers, stockholders, employees, and agents, and the successors and assigns of any of them, from any and all rights, demands, claims, damage, losses, for all costs, fees, expenses, actions, and causes of action whatsoever, whether in tort or in contract, at law or in equity, known or unknown, contingent or fixed, suspected or unsuspected, arising out of, asserted in, assertible in, or in any way related to this Agreement.~~

~~3.2 Indemnification. Franchisee is solely responsible for all costs and expenses related to its performance, its nonperformance, and Franchisor's enforcement of this Agreement, which costs and expenses Franchisee will pay Franchisor in full, without defense or setoff, on demand. Franchisee agrees that it will indemnify, defend, and hold harmless Franchisor and its affiliates, and its and their directors, officers, shareholders, partners, members, employees, agents, and attorneys, and the successors and assigns of any and all of them, from and against, and will reimburse Franchisor and any and all of them for, any and all loss, losses, damage, and/or damages, debts, claims, demands, or obligations that are related to or are based on this Agreement.~~

~~3.3 — No Duty. The powers conferred on Franchisor hereunder are solely to protect Franchisor's interests and shall not impose any duty on Franchisor to exercise any such powers. Franchisee expressly agrees that in no event shall Franchisor be obligated to accept the transfer of any or all of Franchisee's interest in any matter hereunder.~~

~~3.4 — Further Assurances. Franchisee agrees that at any time after the date of this Agreement, Franchisee will perform such acts and execute and deliver such documents as may be necessary to assist in or accomplish the purposes of this Agreement.~~

~~3.5 — Successors, Assigns, and Affiliates. All Franchisor's rights and powers, and all Franchisee's obligations, under this Agreement shall be binding on Franchisee's successors, assigns, and affiliated persons or entities as if they had duly executed this Agreement.~~

~~3.6 — Effect on Other Agreements. Except as otherwise provided in this Agreement, all provisions of the Franchise Agreement and attachments and schedules thereto shall remain in effect as set forth therein.~~

~~3.7 — Survival. This Agreement shall survive the Termination of the Franchise Agreement.~~

~~3.8 — Governing Law. This Agreement shall be governed by and construed under the laws of the State of Ohio, without regard to the application of Ohio conflict of law rules.~~

~~Remainder of page intentionally left blank~~

~~The undersigned have executed or caused their duly authorized representatives to execute this Agreement as of the Effective Date.~~

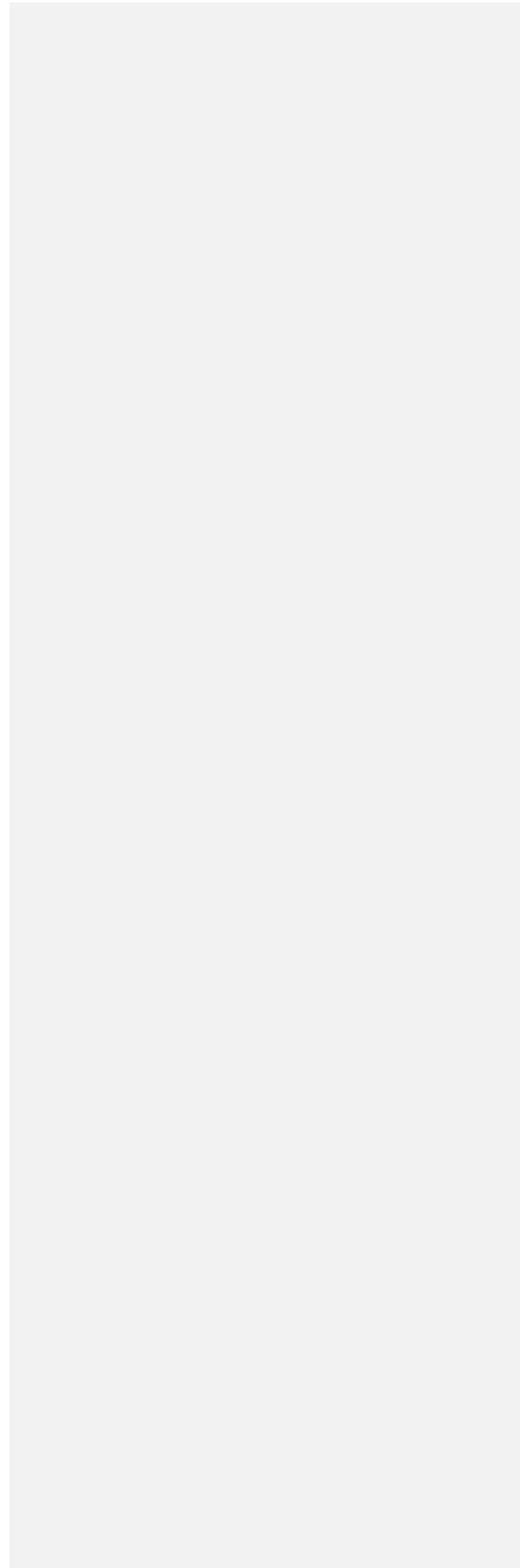
FRANCHISEE: \_\_\_\_\_ FRANCHISOR: \_\_\_\_\_  
\_\_\_\_\_ i4 FRANCHISE DEVELOPMENT INC.

By: \_\_\_\_\_ By: \_\_\_\_\_  
Name: \_\_\_\_\_ Name: \_\_\_\_\_  
Title: \_\_\_\_\_ Title: \_\_\_\_\_

PRINCIPALS:

\_\_\_\_\_  
Name: \_\_\_\_\_  
\_\_\_\_\_

Name: \_\_\_\_\_



ATTACHMENT 8

CONFIDENTIALITY AND NON-COMPETE AGREEMENT

This Confidentiality and Non-Compete Agreement (the "Agreement") is made and entered into this day of \_\_\_\_\_, by \_\_\_\_\_, a(n) \_\_\_\_\_ ("Franchisee"), a franchisee of i4 Franchise Development Inc., an Arizona corporation ("Franchisor"), and \_\_\_\_\_, an individual ("Covenantor").

incurred by Franchisor and/or suffered by Franchisor as a result of a breach or termination including, but not limited to, the recovery of

WHEREAS, Franchisee and Franchisor are parties to a franchise agreement dated \_\_\_\_\_ (the "Franchise Agreement"), whereby Franchisor has granted Franchisee the right to use certain trademarks, including, the trademark "i4 Search Group" and its designs, and certain proprietary products, services, promotions and methods (the "System") for the establishment and operation of an i4 Search Group franchise (the "Franchised Business");

WHEREAS, in connection with his or her duties, it will be necessary for Covenantor to have access to some or all of the confidential information, knowledge, know-how, techniques, contents of the i4 Search Group operations manual and other materials used in or related to the System and/or concerning the methods of operation of the System (collectively referred to as "Confidential Information");

WHEREAS, the Confidential Information provides economic advantages to Franchisor and licensed users of the System, including Franchisee;

WHEREAS, Franchisee has acknowledged the importance of restricting the use, access and dissemination of the Confidential Information, and Franchisee therefore has agreed to obtain from Covenantor a written agreement protecting the Confidential Information and further protecting the System against unfair competition; and

WHEREAS, Covenantor acknowledges that receipt of and the right to use the Confidential Information constitutes independent valuable consideration for the representations, promises and covenants made by Covenantor herein.

NOW, THEREFORE, in consideration of the mutual covenants and obligations contained herein, the parties agree as follows:

1. Confidentiality Agreement.

a. Covenantor shall, at all times, maintain the confidentiality of the Confidential Information and shall use such Confidential Information only in the course of his or her employment by or association with Franchisee in connection with the operation of a Franchised Business under the Franchise Agreement.

b. — Covenantor shall not at any time make copies of any documents or compilations containing some or all of the Confidential Information without Franchisor's express written permission.

c. — Covenantor shall not at any time disclose or permit the disclosure of the Confidential Information except, and only then to the limited extent necessary, to those employees of Franchisee for training and assisting such employees in the operation of the Franchised Business.

d. — Covenantor shall surrender any material containing some or all of the Confidential Information to Franchisee or Franchisor, upon request, or upon termination of employment or association with Franchisee.

e. — Covenantor shall not at any time, directly or indirectly, do any act or omit to do any act that would or would likely be injurious or prejudicial to the goodwill associated with the System.

f. — Covenantor agrees that no Confidential Information may be reproduced, in whole or in part, without written consent.

## 2. — Covenants Not to Compete.

a. — In order to protect the goodwill and unique qualities of the System, and in consideration for the disclosure to Covenantor of the Confidential Information, Covenantor further agrees and covenants that during Covenantor's employment or association with Franchisee, Covenantor shall not, for Covenantor or through, on behalf of or in conjunction with any person or entity:

(i) — divert, or attempt to divert, any business, customer, vendor or referral source of the Franchised Business or of other System franchisees to any competitor, by direct or indirect inducement or otherwise, or

(ii) — participate as an owner, partner, director, officer, employee, consultant or agent or serve in any other capacity in any medical recruiting or medical staffing business, whether similar or dissimilar to the System, in any specialty line.

b. — In further consideration for the disclosure to Covenantor of the Confidential Information and to protect the goodwill and unique qualities of the System, Covenantor further agrees and covenants that, upon the termination of Covenantor's employment or association with Franchisee and continuing for twenty-four (24) months thereafter, Covenantor shall not, for Covenantor or through, on behalf of or in conjunction with any person or entity:

(i) — divert, or attempt to divert, any business, customer, vendor or referral source of the Franchised Business or of other franchisees in the System to any competitor, by direct or indirect inducement or otherwise, or

(ii) — participate as an owner, partner, director, officer, employee, consultant or agent or serve in any other capacity in any medical recruiting or medical staffing business similar to the System

across all specialties within fifty (50) miles outside of the boundaries of the Franchisee's Territory or within fifty (50) miles of any System office location.

c. — The parties acknowledge and agree that each of the covenants contained herein are reasonable limitations as to time, geographical area, and scope of activity to be restrained and do not impose a greater restraint than is necessary to protect the goodwill or other business interests of Franchisor.

d. — If the period of time or the geographic scope specified Section 2.b. above, should be adjudged unreasonable in any proceeding, then the period of time will be reduced by such number of months or the geographic scope will be reduced by the elimination of such portion thereof, or both, so that such restrictions may be enforced for such time and scope as are adjudged to be reasonable. In addition, Franchisor shall have the right, in its sole discretion, to reduce the scope of any covenant set forth in this Agreement or any portion thereof, without Covenantor's or Franchisee's consent, effective immediately upon receipt by Covenantor of written notice thereof, and Covenantor agrees to forthwith comply with any covenant as so modified.

### 3. — General.

a. — Franchisee shall take full responsibility for ensuring that Covenantor acts as required by this Agreement.

b. — Covenantor agrees that in the event of a breach of this Agreement, Franchisor would be irreparably injured and be without an adequate remedy at law. Therefore, in the event of such a breach, or threatened or attempted breach of any of the provisions hereof, Franchisee is obligated to enforce the provisions of this Agreement and shall be entitled, in addition to any other remedies that are made available to it at law or in equity, to a temporary and/or permanent injunction and a decree for the specific performance of the terms of this Agreement, without the necessity of showing actual or threatened harm and without being required to furnish a bond or other security.

e. — Covenantor agrees to pay all expenses (attorney fees and expenses including court costs and reasonable attorneys' fees) incurred by Franchisor and Franchisee in enforcing this Agreement, arbitration fees, mediation fees, arbitrator fees, mediator fees, depositions and other related expenses.

d. — Any failure (5) To enjoin, restrain, and otherwise prohibit Franchisee to object from operating the Franchised Business or exercising any rights granted to Franchisee under this Agreement pursuant to or take action with respect to a court order restraining order, injunction or other means.

(6) Declaratory judgment that this Agreement and all rights granted to any Franchisee under this Agreement are terminated, null and void.

(7) All other remedies and/or rights available to Franchisor as otherwise set forth in the Agreement and/or as may be otherwise available by law or equity.

In the event of a breach or default of this Agreement, should Franchisor elect, at Franchisor's sole

discretion, to not terminate this Agreement, such action shall be without prejudice and without waiver of Franchisor's rights in the future. Further, at all times, and without prejudice to Franchisor's right to declare a default and, among other things, terminate this Agreement, Franchisor may: (i) temporarily or permanently suspend any existing credit arrangements or accommodations previously extended to Franchisee and/or refrain from offering or making available to Franchisee any credit arrangements or accommodations that may be offered or made available to other System franchisees; (ii) modify payment terms for approved products, supplies, or other merchandise purchased by Franchisee which may include, without limitation, requiring cash on delivery; (iii) disqualify Franchisee from being eligible for, or from participating in, special promotion programs, rebates, and/or rebate sharing that may be offered or made available to other System franchisees; and/or (iv) refrain from providing or making available to Franchisee promotional materials or other materials developed by the Brand Development Fund and/or Advertising Cooperative.

If Franchisor does not pursue termination of this Agreement in the event of a default or breach by Franchisee, and/or Franchisor accepts any royalties, payments, contributions, funds, or other monetary sums from Franchisee, such actions do not constitute a waiver or acceptance of Franchisee's default or breach, and Franchisor reserves the right to pursue any and all additional remedies set forth in this Agreement, at law, or in equity. Franchisor's rights and remedies are cumulative, and no exercise or enforcement by Franchisor of any such right or remedy precludes the exercise or enforcement by Franchisor of any other right or remedy which Franchisor is entitled by law to enforce.

#### **16.D. GUARANTY**

The payment of all payments, amounts, fees, charges and other financial obligations payable by Franchisee to Franchisor pursuant to this Agreement, and Franchisee's observance and performance of all terms and conditions of this Agreement, are guaranteed pursuant to The Franchise Owner and Spouse Agreement and Guaranty attached to this Agreement as Exhibit 1.

#### **16.E. NOTICE OF LEGAL PROCEEDINGS AGAINST FRANCHISOR**

Franchisee shall give Franchisor advance written notice of Franchisee's intent to commence or otherwise institute any legal action or proceeding against Franchisor, specifying the basis for such proposed action, and Franchisee shall grant Franchisor 30 days from receipt of said notice to cure the alleged act upon which such legal action is to be based (hereinafter, the "30 Day Cure Notice"). Franchisee agrees that the 30 Day Cure Notice is a strict condition precedent to Franchisee commencing, or otherwise instituting, legal action or proceeding against Franchisor for any reason whatsoever.

### **ARTICLE 17** **OBLIGATIONS UPON TERMINATION OR EXPIRATION**

#### **17.A. PAYMENT OF AMOUNTS OWED TO FRANCHISOR**

Without limitation as to any other Article or provision of this Agreement, upon expiration or termination of this Agreement for any reason, Franchisee shall immediately pay to Franchisor all sums and fees due from Franchisee to Franchisor under the terms of this Agreement including, but not limited to Royalty Fees and Advertising Contributions and all other sums and fees due from Franchisee to Franchisor and/or Franchisor affiliates and/or suppliers for products and services including, but not limited to, System Designated Resources.

#### **17.B. CEASE OPERATIONS AND PROTECTION OF THE SYSTEM**

Upon expiration, termination, or Transfer of this Agreement for any reason, Franchisee shall immediately:

- (1) Permanently cease to be a franchise owner of the i4 Business that was the subject of this Agreement and cease to operate such i4 Business under the System;

(2) Refrain from directly or indirectly, holding oneself/itself out to any person or entity, or represent themselves/itself as a present or former i4 Search Group franchisee;

(3) Permanently cease to use, in any manner: (a) the System including, without limitation, the Confidential Information, the Licensed Marks, the Business Management System Data, and the Operations Manual; (b) any methods, procedures, or techniques associated with the System in which Franchisor possesses proprietary rights or that constitute Franchisor's trade secrets; (c) System Designated Resources, including communicating with or ordering products from Franchisor's designated suppliers and vendors of System Designated Resources; (d) the Approved Services and Products; and (e) any other advertising, marketing, media, and any other information, documents or things associated with Franchisor, the System, the Licensed Marks, i4 Businesses, the Franchised Business, and Franchisee's former i4 Business, including, without limitation, any confidential, proprietary methods, procedures, descriptions of products, techniques, trade secrets, proprietary marks, distinctive forms, slogans, symbols, signs, stationary, advertising material, articles, logos, devices, items and all other things, tangible or intangible, associated with Franchisor, the System, the Licensed Marks, and i4 Businesses;

(4) Return to Franchisor the Operations Manual (including any and all parts, supplements, and copies of the Operations Manual), the Confidential Information (including without limitation the Business Management System Data and all customer lists and information), and all other confidential materials, equipment, software, information, and property owned by Franchisor and all copies thereof provided, however, that Franchisee may retain Franchisee's copies of this Agreement, correspondence between Franchisor and Franchisee, but not including Confidential Information that may be contained in or attached thereto, and other documents that Franchisee needs to retain pursuant to applicable law;

(5) Permanently cease accessing, immediately disconnect from, and discontinue using any and all digital media, intra-nets, cloud based systems, and/or servers that store, maintain, and/or provide access to the Operations Manual, Confidential Information, and all other standards, specifications of Franchisor;

(6) Immediately notify Franchisor, in writing, of any and all locations where Franchisee may have maintained and/or stored digital files and/or media containing all or parts of the Operations Manual, any Confidential Information, and all other standards and specifications of Franchisor, immediately turn over such digital files and media to Franchisor, and follow Franchisor's instructions as to the destruction of such digital files and media;

(7) (a) modify and alter Franchisee's former i4 Business, Franchisee's former i4 Search Group Administrative Office, and Franchisee's Administrative Office, as reasonably necessary or otherwise required by Franchisor, to ensure that Franchisee's Administrative Office has been completely de-identified and differentiated from its former appearance to prevent any confusion by the public as to the continued existence of a i4 Business at your Administrative Office; (b) remove from Franchisee's Administrative Office all distinctive physical and structural features identifying a i4 Business and all distinctive signs, trade dress and emblems associated with the System including, without limitation, signs, trade dress, and emblems bearing the Licensed Marks; and (c) make specific additional changes to Franchisee's Administrative Office as Franchisor reasonably requests for the purpose of completely de-identifying Franchisee's former i4 Business. Franchisee shall immediately initiate the foregoing actions and complete such actions within the period of time designated by Franchisor, and Franchisee agrees that Franchisor and/or Franchisor's designated agents may enter the premises of Franchisee's Administrative Office at any time to make foregoing alterations at Franchisee's sole risk and expense. Franchisee agrees that Franchisee's failure to timely make modifications and alterations to Franchisee's

Administrative Office will cause irreparable injury to Franchisor, and Franchisee consents to the entry, at Franchisee's expense, of any ex-parte order by any court of competent jurisdiction authorizing Franchisor or its agents to take action, if Franchisor seeks such an order;

(8) Take all actions necessary and/or reasonably required to cancel all fictitious or assumed names or equivalent registrations relating to the Licensed Marks;

(9) At no cost to Franchisor, take such action as may be determined by Franchisor to: (a) provide and assign to Franchisor the Business Management System, the Business Management System Data, and all customer lists, customer information, and customer data; and (b) transfer, disconnect, and/or otherwise assign, as directed by Franchisor, all telephone numbers, email addresses, yellow pages telephone directories, telephone directory type listings, Web Based Media listings, accounts and log-in information used in connection with Franchisee's former i4 Business and/or otherwise associated with the System and/or the Licensed Marks, cancel Franchisee's interests in same as such cancellation may be directed by Franchisor, and effectuate, perform, honor, and comply with Franchisee's obligations under the Assignment of Telephone Numbers and Digital Media Accounts attached to this Agreement as Exhibit 3;

(10) Abide by, and comply with, the restrictive covenants and obligations set forth in this Agreement, including, without limitation, the restrictive covenants and obligations set forth in Article 6 of this Agreement; and

(11) Provide Franchisor, within 30 days of the expiration, termination, or Transfer of this Agreement, with written proof demonstrating that Franchisee has complied with the terms of this Article 17 and all other obligations under this Agreement that Franchisee must perform, abide by, and comply with, subsequent to the termination, expiration, or Transfer of this Agreement.

**17. by Covenantor shall not operate or beC. CONTINUING OBLIGATIONS**

All obligations under this Agreement that expressly, or by their nature, survive, or are intended to survive, the expiration, termination, or Transfer of this Agreement shall continue in full force and effect subsequent to, and notwithstanding, this Agreement's termination, expiration, or Transfer until such obligations are satisfied in full or, by the nature and/or terms, such obligation(s) expire.

Franchisee agrees that in the event of a Transfer of this Agreement by Franchisee, whether or not such Transfer is authorized by Franchisor or made in violation of this Agreement, Franchisee shall not be relieved of Franchisee's obligations under this Agreement and no Owner or Spouse shall be relieved of their respective guarantees, agreements, and obligations related to, or associated with, this Agreement, including, without limitation, the guarantees, agreements, and obligations set forth in the Franchise Owner and Spouse Agreement and Guaranty attached to this Agreement as Exhibit 1. The immediately foregoing shall not be interpreted or otherwise construed as a waiver of or constituting consent to that breach or any subsequent breach by Covenantor any Transfer of this Agreement without the express written consent by Franchisor and Franchisee's compliance with this Agreement respecting any such Transfer.

**ARTICLE 18  
ENFORCEMENT AND CONSTRUCTION**

**18.A. SEVERABILITY AND SUBSTITUTION OF VALID PROVISIONS**

(1) Except as expressly provided to the contrary in this Agreement, each and every term and provision of this Agreement shall be interpreted or otherwise construed to be independent of each other and

severable. Although each term and provision of this Agreement are considered by the parties to be reasonable and intended to be enforceable, if any such term or provision of this Agreement is found by a court of competent jurisdiction, agency, or other government agency to be unenforceable as written or otherwise, then such term and condition shall be modified, rewritten, interpreted, or “blue-lined” to include as much of its nature and scope as will render it enforceable. If such term and condition cannot be so modified, rewritten, interpreted, or “blue-lined” in any respect, then it will not be given effect and severed from this Agreement, and the remainder of this Agreement shall be interpreted, construed and enforced as if such term and condition was not included in this Agreement.

(2) If any applicable and binding law or rule requires a greater prior notice of the termination of this Agreement than is required in this Agreement, or the taking of some other action not required by this Agreement, or if under any applicable and binding law or rule, any term and condition of this Agreement, or any specification, standard, or operating procedure Franchisor prescribes is invalid or unenforceable, then the greater prior notice and/or other action required by law or rule shall be substituted for the comparable provisions, and Franchisor has the right, in its sole discretion, to modify the invalid or unenforceable term and condition, specification, standard, or operating procedure to the extent required to be valid and enforceable. Franchisee agrees to be bound by any such substituted and/or modified term and condition of this Agreement imposing the maximum duty permitted by law that is prescribed within the terms of any provision of this Agreement as though it were originally and separately articulated in, and made a part of, this Agreement as of the Effective Date and/or any specification, standard or operating procedure Franchisor prescribes, which may result from striking from any terms and conditions, specifications, standards, or operating procedures, and any portion or portions thereof, a court may hold to be unenforceable or from reducing the scope of any promise or covenant to the extent required to comply with a court order. Modifications to this Agreement shall be effective only in those jurisdictions in which such terms and conditions, specifications, standards, or operating procedures are found to be unenforceable, unless Franchisor elects to give them greater applicability, in which case, this Agreement shall be enforced as originally made in all other jurisdictions.

#### **18.B. WAIVER OF OBLIGATIONS**

No delay, waiver, omission, or forbearance on the part of Franchisor to enforce any term and condition of this Agreement or exercise any of Franchisor’s rights, options, or powers under this Agreement constitutes a waiver by Franchisor to enforce any other term and condition of this Agreement or exercise any of Franchisor’s other rights, options, or powers under this Agreement. No such delay, waiver, omission, or forbearance shall constitute a waiver by Franchisor to subsequently enforce such term and condition of this Agreement or subsequently exercise such right, option, or power. Acceptance by Franchisor of any payments, fees, charges, or other amount from Franchisee payable to Franchisor pursuant to this Agreement shall not constitute a waiver or acceptance of Franchisee’s default or breach of this Agreement or otherwise a waiver of any term and condition of this Agreement, and Franchisor reserves the right to pursue any and all additional remedies set forth in this Agreement, at law, or in equity. Franchisor shall likewise not be deemed to have waived or impaired any term and condition, right, option or power set forth in this Agreement by virtue of any custom or practice of the parties at variance with the terms and conditions of this Agreement or Franchisor’s insistence upon Franchisee’s strict compliance with Franchisee’s obligations, including any mandatory specification, standard or operating procedure. No waiver by Franchisor of any term and condition of this Agreement shall be valid unless in writing and signed by Franchisor.

#### **18.C. FORCE MAJEURE**

If either Franchisor or Franchisee is delayed in performing any obligation under this Agreement by any cause reasonably beyond its control when such cause would affect any person or entity similarly situated, including, without limitation, war, civil disorder, catastrophic weather, power outage, acts of God and/or

labor strikes unassociated with Franchisee or Franchisor (collectively, "Force Majeure"), then the time period for performing such obligation shall be extended by a period of time equal to the period of delay. Notwithstanding the immediately foregoing sentence, any delay resulting from Force Majeure shall not excuse Franchisee's payment of any fee, charge, amount, and/or any other monetary or financial obligation to Franchisor under this Agreement, including, without limitation, the payment of the Royalty Fee and Advertising Contributions, and the non-performance of any obligation under this Agreement due to Force Majeure shall not be extended or otherwise excused for more than six months.

#### **18.D. SPECIFIC PERFORMANCE AND INJUNCTIVE RELIEF**

Nothing in this Agreement bars Franchisor's right to obtain specific performance of the provisions of this Agreement and injunctive relief under legal and/or equity rules against threatened conduct that will cause damages or loss to it, the Licensed Marks or the System. Without limitation to the rights set forth in Article 6 of this Agreement, Franchisee agrees that Franchisor may obtain such injunctive relief. Franchisee agrees that Franchisor will not be required to post a bond (other than as set forth in Article 6.G. of this Agreement) to obtain injunctive relief and that Franchisee's only remedy if an injunction is entered against Franchisee will be the dissolution of that injunction, if warranted, upon a hearing duly held (all claims for damages by reason of the wrongful issuance of any such injunction being expressly waived hereby). The remedies available to Franchisor under Article 6.G. are not exclusive of one another and may be combined with others under this Agreement, or at law or in equity, including injunctive relief, specific performance and recovery of monetary damages. Without limitation to the foregoing Franchisee agrees that in the event of a breach of this Agreement by Franchisee respecting and/or concerning the System and/or the Licensed Marks shall cause irreparable harm to Franchisor, the System and the Licensed Marks. The foregoing shall not be interpreted to invalidate the mediation and arbitration requirements set forth in Article 18.G. of this Agreement and shall be consistent with same.

#### **18.E. RIGHTS OF PARTIES ARE CUMULATIVE**

The rights under this Agreement are cumulative and no exercise or enforcement by a party of any right or remedy precludes the exercise or enforcement by that party of any other right or remedy which Franchisor or Franchisee is entitled by law to enforce.

#### **18.F. GOVERNING LAW**

EXCEPT TO THE EXTENT GOVERNED BY THE UNITED STATES TRADEMARK ACT OF 1946 (LANHAM ACT, 15 U.S.C. §§ 1051 ET SEQ.) OR OTHER FEDERAL LAW, THIS AGREEMENT AND THE RELATIONSHIP BETWEEN THE PARTIES HERETO SHALL BE GOVERNED BY AND CONSTRUED IN ACCORDANCE WITH THE INTERNAL LAWS OF THE STATE OF OHIO, EXCEPT THAT ITS CHOICE OF LAW AND CONFLICTS OF LAWS RULES SHALL NOT APPLY AND ANY FRANCHISE REGISTRATION, DISCLOSURE, RELATIONSHIP OR SIMILAR STATUTE WHICH MAY BE ADOPTED BY THE STATE OF OHIO SHALL NOT APPLY UNLESS ITS JURISDICTIONAL REQUIREMENTS ARE MET INDEPENDENTLY WITHOUT REFERENCE TO THIS PARAGRAPH.

#### **18.G. NON-BINDING MEDIATION AND BINDING ARBITRATION**

(1) **Non-Binding Mediation** – Franchisee and Franchisor agree that before either party may bring any action, dispute and/or controversy arising from or related to this Agreement and/or the franchise relationship between Franchisor and Franchisee in arbitration, the parties must first mediate the dispute through non-binding mediation. Mediation shall be non-binding and shall be conducted by the American Arbitration Association ("AAA") in accordance with AAA's then current rules for the mediation of commercial disputes. All mediation proceedings shall be conducted in West Chester County, Ohio or, if a mediator is not available in West Chester County, Ohio, then at a suitable location selected by the mediator that is located closest to West Chester County, Ohio. Mediation shall be

conducted by one mediator and if Franchisor and Franchisee cannot agree on a mediator then the mediator shall be selected by AAA. Mediation shall be conducted within 45 days of AAA's designation and/or acknowledgment of the selected mediator or such longer period as may be agreed to between Franchisor and Franchisee in writing and signed by each respective party. Franchisor and Franchisee shall each be responsible for their own costs associated with mediation and Franchisor and Franchisee shall each be responsible for and shall each pay 50% of the mediator's fee and AAA's mediation fees.

Notwithstanding the preceding paragraph, Franchisor and Franchisee agree this Sub-Article 18.G.(1) and, thereby, the prerequisite requirement of non-binding mediation, shall not, at Franchisor's election, apply to: (a) any claims or disputes related to or concerning a breach of this Agreement by Franchisee that, under the terms of this Agreement, may entitle Franchisor to the award of injunctive relief including, but not limited to, Franchisee's violation or purported violation of Article 6 of this Agreement; and/or (b) claims by either Franchisor or Franchisee under this Agreement that relates to either Franchisor's or Franchisee's failure to pay fees or other monetary obligations due under this Agreement.

(2) **Arbitration** – Subject to the prerequisite requirements of non-binding mediation as set forth in Sub-Article 18.G.(1), and, except at Franchisor's election, as to any claims or disputes related to or concerning a breach of this Agreement by Franchisee that, under the terms of this Agreement, may entitle Franchisor to the award of injunctive relief including, but not limited to, Franchisee's violation or purported violation of Article 6 of this Agreement, Franchisor and Franchisee agree that all disputes, controversies, and claims, arising from and/or related to this Agreement, the relationship between Franchisor and Franchisee, the System, and/or the validity of this Agreement and/or the Ancillary Agreements, shall be submitted, on demand of either Franchisor or Franchisee, to AAA for binding arbitration. Arbitration shall be conducted by one arbitrator in accordance with AAA's then current rules for commercial disputes, except as may be otherwise required in this Article 18.G. All arbitration proceedings shall be conducted in West Chester County, Ohio, or, if suitable AAA facilities are not available in West Chester County, Ohio, then at a suitable AAA location selected by the arbitrator that is located closest to West Chester County, Ohio. In connection with binding arbitration, Franchisor and Franchisee further agree that:

(a) All matters relating to arbitration, will be governed by the United States Federal Arbitration Act, except as expressly or otherwise set forth in this Agreement;

(b) The arbitration hearing shall be conducted within 180 days of the demand for arbitration;

(c) The arbitrator shall render written findings of fact and conclusions of law;

(d) Except as may be otherwise required and/or prohibited by this Agreement including, but not limited to Articles 18.I., 18.J., 18.N., 18.O., 18.R., 18.T., and 18.X. of this Agreement, the arbitrator has the right to award or include in his or her award any relief that he or she determines to be proper, including monetary damages, interest on unpaid sums, specific performance, injunctive relief, attorneys' fees, and costs and expenses as allowable under this Agreement. Notwithstanding the foregoing, under no circumstance shall the Arbitrator be authorized to award or declare the Licensed Marks to be descriptive or invalid;

(e) They shall each be bound to the limitation's periods set forth in Article 18.I. of this Agreement and that, in any arbitration proceeding, Franchisor and Franchisee must each timely submit, within the same arbitration proceeding, any claim that would constitute a compulsory counterclaim as such claims are defined and set forth under Rule 13 of the United States Federal Rules of Civil Procedure. Any claim that is not submitted or filed as required shall be forever barred;

(f) Judgment upon the arbitrator's award may be entered in any court of competent jurisdiction;

(g) Arbitration and/or any arbitration award must be conducted in accordance with the terms of this Agreement including, but not limited to, the requirements set forth in this Article 18.

(3) **Consent to Jurisdiction and Venue** – Subject to the non-binding mediation and arbitration provisions set forth in this Article 18.G., Franchisor and Franchisee agree that any judicial action or legal proceeding must be brought in a court of competent jurisdiction located within Ohio and within West Chester County or the county closest to West Chester County. Franchisor and Franchisee do hereby irrevocably consent to and waive any objection to such jurisdiction or venue. Without limitation to the foregoing and notwithstanding same, Franchisor and Franchisee agree that Franchisor, at Franchisor's election, may bring any legal action or proceeding seeking a temporary restraining order, preliminary injunction, or any action seeking Franchisor's enforcement of an arbitration award or any judicial decision in the federal or state court located in the county and state where either the Franchised Business was located or where Franchisee resides.

#### **18.H. VARIANCES AND DIFFERENT FORMS OF AGREEMENT**

FRANCHISEE AGREES THAT FRANCHISOR HAS AND MAY AT DIFFERENT TIMES, IN FRANCHISOR'S ABSOLUTE AND SOLE DISCRETION, APPROVE EXCEPTIONS OR CHANGES FROM THE UNIFORM STANDARDS OF THE SYSTEM, WHICH FRANCHISOR DEEMS DESIRABLE OR NECESSARY UNDER PARTICULAR CIRCUMSTANCES. FRANCHISEE AGREES THAT FRANCHISEE HAS NO RIGHT TO OBJECT TO OR OBTAIN SUCH VARIANCES. FRANCHISEE AGREES THAT EXISTING AND FUTURE FRANCHISEES MAY OPERATE UNDER DIFFERENT FORMS OF AGREEMENTS AND THAT THE RIGHTS AND OBLIGATIONS OF EXISTING FRANCHISEES AND FUTURE FRANCHISEES MAY DIFFER MATERIALLY FROM THIS AGREEMENT.

#### **18.I. LIMITATIONS OF CLAIMS**

EXCEPT FOR CLAIMS BROUGHT BY FRANCHISOR WITH REGARD TO FRANCHISEE'S OBLIGATIONS TO MAKE PAYMENTS TO FRANCHISOR PURSUANT TO THIS AGREEMENT, FRANCHISOR'S ENFORCEMENT OF THE RESTRICTIVE COVENANTS SET FORTH IN ARTICLE 6 OF THIS AGREEMENT, AND FRANCHISEE'S OBLIGATION TO INDEMNIFY FRANCHISOR IN ACCORDANCE WITH THIS AGREEMENT, ANY AND ALL CLAIMS AND/OR CAUSES OF ACTION ARISING OUT OF, OR RELATING TO, THIS AGREEMENT, OR THE RELATIONSHIP BETWEEN FRANCHISEE AND FRANCHISOR RESULTING FROM THIS AGREEMENT, SHALL BE BARRED UNLESS SUCH CLAIM AND/OR CAUSE OF ACTION IS COMMENCED WITHIN TWO YEARS FROM THE DATE ON WHICH THE ACT OR EVENT GIVING RISE TO THE CLAIM OCCURRED OR ONE YEAR FROM THE DATE ON WHICH FRANCHISEE OR FRANCHISOR KNEW, OR SHOULD HAVE KNOWN, IN THE EXERCISE OF REASONABLE DILIGENCE, OF THE FACTS GIVING RISE TO SUCH CLAIM AND/OR CAUSE OF ACTION, WHICHEVER OCCURS FIRST IN TIME.

#### **18.J. WAIVER OF PUNITIVE DAMAGES**

FRANCHISOR AND FRANCHISEE HEREBY WAIVE TO THE FULLEST EXTENT PERMITTED BY LAW, ANY RIGHT TO OR CLAIM FOR ANY PUNITIVE, EXEMPLARY, CONSEQUENTIAL OR SPECULATIVE DAMAGES AGAINST THE OTHER AND AGREE THAT IN THE EVENT OF A DISPUTE BETWEEN THEM, EXCEPT AS OTHERWISE PROVIDED HEREIN, EACH SHALL BE LIMITED TO THE RECOVERY OF ACTUAL DAMAGES SUSTAINED BY IT, PROVIDED THAT SUCH WAIVER SHALL NOT APPLY TO ANY CLAIM: (A) ALLOWED BY FRANCHISOR OR FRANCHISEE FOR ATTORNEY'S FEES OR COSTS AND EXPENSES UNDER THIS AGREEMENT;

AND/OR (B) FOR LOST PROFITS BY FRANCHISOR OR FRANCHISEE AND THE OWNERS UPON OR ARISING OUT OF THE TERMINATION OF THIS AGREEMENT. NOTWITHSTANDING ANYTHING TO THE CONTRARY IN THIS AGREEMENT, IF ANY OTHER TERM OF THIS AGREEMENT IS FOUND OR DETERMINED TO BE UNCONSCIONABLE OR UNENFORCEABLE FOR ANY REASON, THE FOREGOING PROVISIONS OF WAIVER BY AGREEMENT OF PUNITIVE, EXEMPLARY, INCIDENTAL, INDIRECT, SPECIAL, CONSEQUENTIAL OR OTHER SIMILAR DAMAGES SHALL CONTINUE IN FULL FORCE AND EFFECT.

**18.K. WAIVER OF JURY TRIAL**

FRANCHISOR AND FRANCHISEE IRREVOCABLY WAIVE TRIAL BY JURY IN ANY ACTION, PROCEEDING, OR COUNTERCLAIM, WHETHER AT LAW OR IN EQUITY, BROUGHT BY EITHER OF THEM AGAINST THE OTHER, WHETHER A LEGAL ACTION, IN MEDIATION, OR IN ARBITRATION.

**18.L. BINDING EFFECT**

This Agreement is binding upon the parties of this Agreement and their respective executors, administrators, heirs, assigns and successors in interest, and shall not be modified except by written agreement signed by both Franchisee and Franchisor.

**18.M. COMPLETE AGREEMENT**

This Agreement, the documents referred to in this Agreement and the Schedules and Exhibits to this Agreement, together with the Operations Manual, constitute the entire, full and complete Agreement between Franchisor and Franchisee concerning the subject matter of this Agreement and supersedes all prior related agreements between Franchisor and Franchisee. The foregoing shall not constitute and does not constitute any disclaimer as to the express representations made by Franchisor in the Franchise Disclosure Document disclosed to Franchisee in connection with this Franchise Agreement.

**18.N. ATTORNEY FEES AND EXPENSES**

Franchisee agrees that in the event that an arbitrator in any arbitration proceeding and/or, a court of competent jurisdiction shall issue an award, judgment, decision and/or order finding, holding and/or declaring Franchisee's breach of this Agreement than Franchisor shall also be entitled to the recovery of all reasonable attorney fees, costs and expenses associated with and/or related to such arbitration and/or litigation. Said fees, costs and expenses shall include, but not be limited to, attorney fees, arbitration fees, arbitrator fees, deposition expenses, expert witness fees and filing fees.

**18.O. NO CLASS ACTION OR MULTI-PARTY ACTIONS**

FRANCHISOR AND FRANCHISEE AGREE THAT ALL PROCEEDINGS AND/OR LEGAL ACTIONS ARISING OUT OF OR RELATED TO THIS AGREEMENT AND/OR THE OFFER AND SALE OF THE I4 SEARCH GROUP BUSINESS FRANCHISE FROM FRANCHISOR TO FRANCHISEE, WILL BE CONDUCTED ON AN INDIVIDUAL BASIS AND NOT A CLASS-WIDE BASIS, AND THAT ANY PROCEEDING BETWEEN FRANCHISEE, FRANCHISEE'S OWNERS, SPOUSES AND/OR GUARANTORS AND FRANCHISOR AND/OR FRANCHISOR'S AFFILIATES, OFFICERS, DIRECTORS AND/OR EMPLOYEES MAY NOT BE CONSOLIDATED WITH ANY OTHER PROCEEDING BETWEEN FRANCHISOR AND ANY OTHER THIRD PARTY.

**18.P. ACCEPTANCE BY FRANCHISOR**

This Agreement will not be binding on Franchisor unless and until an authorized officer of Franchisor has signed it.

**18.Q. OPPORTUNITY FOR REVIEW BY FRANCHISEE'S ADVISORS**

Franchisor recommends that Franchisee have this Agreement and the Franchise Disclosure Document reviewed by Franchisee's lawyer, accountant, and other business advisors, prior to signing this Agreement.

**18.R. NO PERSONAL LIABILITY BY FRANCHISOR'S EMPLOYEES, OFFICERS AND/OR AUTHORIZED AGENTS**

Franchisee agrees that the fulfillment of any of Franchisor's obligations written in this Agreement or based on any oral communications ruled to be binding in a court of law shall be Franchisor's sole obligation and none of Franchisor's employees, officers and/or authorized agents shall be personally liable to Franchisee for any reason. In addition to the foregoing, Franchisor and Franchisee are not joint employers. The foregoing shall not be construed to imply that Franchisor and/or Franchisor's agents have made any oral promises as pursuant to Article 18.M. of this Agreement, this written Agreement represents the sole Agreement between Franchisor and Franchisee.

**18.S. NON-UNIFORM AGREEMENTS**

Franchisee agrees and acknowledges that Franchisor makes no representations or warranties that all other agreements with i4 Franchise Development Inc. franchisees entered into before or after the Effective Date do or will contain terms substantially similar to those contained in this Agreement. Franchisee agrees that Franchisor may waive or modify comparable provisions of other Franchise Agreements to other System franchisees in a non-uniform manner.

**18.T. NO RIGHT TO OFFSET**

Franchisee shall not, on grounds of the alleged nonperformance, material breach, or default by Franchisor of this Agreement, any other agreement between Franchisor and Franchisee, or for any other reason, withhold any payment, fee, or any other amount payable by Franchisee to Franchisor pursuant to this Agreement, including, without limitation, the payment of Royalty Fees and Advertising Contributions, or any other payment obligation by Franchisee to Franchisor. Franchisee shall not have the right to offset or withhold any liquidated or unliquidated amount allegedly due to Franchisee from Franchisor against any payment, fee, or any other amount payable to Franchisor pursuant to this Agreement or any other payment obligation by Franchisee to Franchisor.

**18.U. HEADINGS**

The headings and subheadings in this Agreement are strictly for convenience and reference only, and they shall not limit, expand, or otherwise affect the interpretation or construction of the terms and conditions of this Agreement.

**18.V. AUTHORITY TO EXECUTE AND BIND**

Each party acknowledges, warrants and represents that it has all requisite power and authority to enter into this Agreement. The execution, delivery, and performance of this Agreement has been duly and lawfully authorized by all necessary actions of each party, and the signatory to this Agreement for each party has been duly and lawfully authorized to execute this Agreement for and on behalf of the party for whom each signatory has signed.

**18.W. COUNTERPARTS, ELECTRONIC SIGNATURES, AND MULTIPLE COPIES**

This Agreement may be executed electronically. This Agreement may be executed in counterparts, all of which counterparts shall be deemed originals and taken together shall constitute a single agreement. Executed electronic or print duplicates of this Agreement, if any, and their respective signatures shall be deemed originals.

**18.X. JOINT AND SEVERAL LIABILITY**

If Franchisee consists of more than one person or entity, then their liability under this Agreement shall be joint and several among each and every individual and/or Corporate Entity franchisee.

**18.Y. RECITALS**

The parties agree that the recitals and representations contained on the first page of this Agreement constitute a part of this Agreement and are hereby fully incorporated into the terms of this Agreement.

**ARTICLE 19  
NOTICES**

All written notices and reports permitted or required to be delivered by this Agreement shall be deemed so delivered, at the time delivered by hand, one business day after being placed in the hands of a national commercial courier service for overnight delivery (properly addressed and with tracking confirmation), or three business days after placed in the U.S. mail by registered or certified mail, postage prepaid, and addressed to the party to be notified at its most current principal business address of which the notifying party has been notified. Reports requiring delivery shall be delivered by certified U.S. mail and/or electronically, as designated by Franchisor. The addresses for the parties set forth in the initial paragraph of this Agreement shall be used unless and until a different address has been designated by written notice to the other party. Any notice required under this Agreement shall not be deemed effective or given by Franchisee to Franchisor unless given in strict compliance with this Agreement.

In all cases where Franchisor’s prior approval is required and no other method or timing for obtaining such approval is prescribed, Franchisee shall request such approval in writing, and Franchisor shall respond within 10 business days after receiving Franchisee’s written request and all supporting documentation, provided if Franchisor does not respond, such request shall be deemed unapproved. Franchisor’s consent to, or approval of, any act or request by Franchisee shall be effective only to the extent specifically stated, and Franchisor’s consent or approval shall not be deemed to waive, or render unnecessary, consent or approval of any other subsequent similar act or request.

**IN WITNESS WHEREOF**, the parties have executed, sealed and delivered this Agreement as of the Effective Date set forth in the first paragraph of this Agreement.

**Franchisor:** \_\_\_\_\_  
i4 Franchise Development Inc.

**Franchisee:** \_\_\_\_\_

By: \_\_\_\_\_  
Signature

\_\_\_\_\_  
Signature

\_\_\_\_\_  
Name and Title (please print)

\_\_\_\_\_  
Name (please print)

\_\_\_\_\_  
Dated

\_\_\_\_\_  
Dated

\_\_\_\_\_  
Signature

\_\_\_\_\_  
Name (please print)

\_\_\_\_\_  
Dated



FRANCHISE AGREEMENT  
Schedule 1  
Operating Territory Acknowledgment

Franchisee’s Operating Territory – Franchisee’s “Operating Territory”, as such term is identified and defined in the Franchise Agreement, including, but not limited to, Article 1 of the Franchise Agreement, is identified, as follows:

[IF LEFT INCOMPLETE THE OPERATING TERRITORY SHALL BE DESIGNATED AND DETERMINED BY FRANCHISOR]

Total Population within Franchisee’s Operating Territory - \_\_\_\_\_

The foregoing Operating Territory has been determined based on negotiations initiated by Franchisee. To the extent that the foregoing description of the Operating Territory includes and/or delineates geographic or political boundaries such determinations will be considered fixed as of the Effective Date of the Franchise Agreement and will not change for the purpose of this Agreement notwithstanding a change or reorganization to such boundaries or regions. All street boundaries, if any, will be deemed to end at the street center lines unless otherwise specified above.

Franchisor: \_\_\_\_\_ Franchisee: \_\_\_\_\_  
i4 Franchise Development Inc.

By: \_\_\_\_\_ Signature \_\_\_\_\_  
Signature

\_\_\_\_\_  
Name and Title (please print) \_\_\_\_\_ Name (please print)



**FRANCHISE AGREEMENT**  
**Schedule 2A**  
Territory, Specialty Line, and Franchise Fee Acknowledgment

As of the Effective Date of the Franchise Agreement, Franchisor and Franchisee agree that:

**Franchisee’s Operating Territory Qualifies as a:** (Check appropriate box below)

	Single Territory Only – Territory Type _____ Total Territory Population _____
--	--

	Multiple Territories – Territory Type _____
Total Number of Territories	_____
Total Population	_____

**Franchisee’s Specialty Lines:** (Check appropriate box below)

The Franchised Business includes the following Specialty Line(s) listed below:

	Single Specialty Line: _____
--	------------------------------

	Multiple Specialty Lines: _____
Total Number of Specialty Lines	_____

**Initial Franchise Fee.** The Initial Franchise Fee is:

**Franchisor:** \_\_\_\_\_  
i4 Franchise Development Inc. \_\_\_\_\_

**Franchisee:** \_\_\_\_\_

By: \_\_\_\_\_  
Signature

\_\_\_\_\_  
Signature

\_\_\_\_\_  
Name and Title (please print)

\_\_\_\_\_  
Name (please print)



**FRANCHISE AGREEMENT**  
**Schedule 3**  
 Statement of Franchisee's Owners

Franchisee represents that the following schedule is complete and accurately identifies Franchisee's Owners, Franchisee's Managing Owner, and their respective ownership interests in Franchisee. Defined terms shall have the meanings set forth in the Franchise Agreement between Franchisor and Franchisee.

If Franchisee is a Corporate Entity, Franchisee represents and affirms to Franchisor that the following list identifies each and every Owner of Franchisee and their respective ownership interests.		
<u>Owner Name</u>	<u>Owner Address</u>	<u>Ownership Interest Percentage</u>
<u>Name of designated Managing Owner:</u>		

**Franchisor:**  
 i4 Franchise Development Inc.

**Franchisee:**  
 \_\_\_\_\_

By:  
Signature

\_\_\_\_\_  
Signature

\_\_\_\_\_  
 Name and Title (please print)

\_\_\_\_\_  
 Name (please print)

\_\_\_\_\_  
Signature

\_\_\_\_\_  
 Name (please print)



Franchise Agreement  
Exhibit 1  
Owner and Spouse Agreement and Guaranty



OWNER AND SPOUSE AGREEMENT AND GUARANTY

This Franchise Owner and Spouse Agreement and Individual Guaranty (the “Agreement”) is individually entered into by you as either an owner of \_\_\_\_\_ (hereinafter referred to as “**Franchisee**”), Franchisee, or the spouse of the owner of franchisee and is given and signed by you in favor of i4 Franchise Development Inc., franchisor of the i4 Search Group franchise system and in favor of i4 Franchise Development Inc.’s successors and assigns, upon the terms and conditions set forth in this Agreement. In this Agreement i4 Franchise Development Inc. is referred to as “**us**”, “**our**” or “**we**”, and each individual that signs this Agreement is referred to as “**you**”.

Recitals and Representations

WHEREAS, Franchisee has entered into a i4 Search Group Franchise Agreement (the “Franchise Agreement”) for the development and operation of a i4 Business (the “Franchised Business” or “i4 Business”) that offers and provides permanent placement recruitment services (the “Approved Services and Products”) for healthcare facilities, service providers, and outlets (each a “Facility”) as to the placement of healthcare related professionals (each a “Candidate”) operating within distinct specialty lines (each a “Specialty Line”), under the Licensed Marks (defined below);

WHEREAS, you represent that you have received and have thoroughly reviewed the completed Franchise Agreement, including schedules and exhibits attached to the Franchise Agreement;

WHEREAS, we have recommended that you thoroughly review the Franchise Agreement, this Agreement and all schedules and exhibits to the Franchise Agreement with a lawyer selected and hired by you;

WHEREAS, you represent to us that you are either: (a) an Owner of Franchisee such that you own or control a legal, equitable or beneficial ownership or equity interest in Franchisee and/or otherwise meet the definition of an “Owner” as set forth in this Agreement; and/or (b) the “Spouse” of an Owner of Franchisee;

WHEREAS, you acknowledge that this Agreement will apply to you individually, jointly, and severally with all others individual who sign this Agreement including, if this Agreement is signed in counterparts or electronically among other individuals;

WHEREAS, e. THIS AGREEMENT SHALL BE INTERPRETED BY AND CONSTRUED AND ENFORCED IN ACCORDANCE WITH THE LAWS OF THE STATE OF OHIO. COVENANTOR HEREBY IRREVOCABLY SUBMITS HIMSELF OR HERSELF TO THE JURISDICTION OF THE STATE AND FEDERAL COURTS OF STATE OF OHIO. COVENANTOR HEREBY WAIVES ALL QUESTIONS OF PERSONAL JURISDICTION OR VENUE FOR THE PURPOSE OF CARRYING OUT THIS PROVISION. COVENANTOR HEREBY AGREES THAT SERVICE OF PROCESS MAY BE MADE UPON COVENANTOR IN ANY PROCEEDING RELATING TO OR ARISING UNDER THIS AGREEMENT OR THE RELATIONSHIP CREATED BY THIS AGREEMENT BY ANY MEANS ALLOWED BY THE LAWS OF SUCH STATE OR FEDERAL LAW. COVENANTOR FURTHER AGREES THAT VENUE FOR ANY PROCEEDING RELATING TO OR ARISING OUT OF THIS AGREEMENT SHALL BE IN THE STATE OF OHIO;

~~PROVIDED, HOWEVER, WITH RESPECT TO ANY ACTION THAT INCLUDES INJUNCTIVE RELIEF OR OTHER EXTRAORDINARY RELIEF, FRANCHISOR OR FRANCHISEE MAY BRING SUCH ACTION IN ANY COURT IN ANY STATE THAT HAS JURISDICTION.~~

~~f. — The parties agree that each of the foregoing covenants contained herein shall be construed as independent of any other covenant or provision of this Agreement.~~

~~g. — Covenantor acknowledges and agrees that each of the covenants contained herein will not impose any undue hardship on Covenantor since Covenantor has other considerable skills, experience and education which affords Covenantor the opportunity to derive income from other endeavors.~~

~~h. — This Agreement contains the entire agreement of the parties regarding the subject matter hereof. This Agreement may be modified only by a duly authorized writing executed by all parties.~~

~~i. — All notices and demands required to be given hereunder shall be in writing and shall be delivered personally or by certified or registered mail, postage prepaid, addressed to the party for whom intended, and shall be deemed given on the date of delivery or the date delivery is refused. All such notices shall be addressed to the party to be notified at the following addresses:~~

~~If directed to Franchisee: \_\_\_\_\_  
\_\_\_\_\_~~

~~If directed to Covenantor: \_\_\_\_\_  
\_\_\_\_\_~~

~~Any change in the foregoing addresses shall be effected by giving written notice of such change to the other parties.~~

~~j. — Franchisor you acknowledge that this Agreement, among other things, personally obligates you to guarantee Franchisee's obligations to us and obligates you to brand protection, confidentiality and non-competition restrictions and covenants and that you enter into this Agreement to induce us to enter into the Franchise Agreement with Franchisee; and~~

~~WHEREAS, you acknowledge that we are relying on this Agreement and that without this Agreement we would not have entered into and/or would not be simultaneously entering into the Franchise Agreement with Franchisee.~~

~~NOW THEREFORE, to induce us to enter into the Franchise Agreement and as consideration to us for entering into the Franchise Agreement with Franchisee and other consideration, the receipt and sufficiency of which you acknowledge, you agree as follows:~~

**1. Recitals and Representations.**

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

## **2. Definitions.**

Supplementing the terms and definitions contained in the Recitals and Representations:

“**Administrative Office(s)**” means the fixed administrative offices from which i4 Businesses are established, operated and managed.

“**Approved Services and Products**” shall have the meaning defined in the Recitals and Representations section of this Agreement and shall further refer to and mean, as to Franchisee’s Designated Specialty Line, those services and products that we authorize for sale by i4 Businesses. We shall exclusively designate and determine the Approved Services and Products and, in our Reasonable Business Judgment, we may change, modify, reduce or supplement the Approved Services and Products that must be offered and sold by the Franchised Business and those products and services that may not be sold by the Franchised Business.

“**Business Management System**” means the software, internet, web based and/or cloud based system or systems, point of sale system or systems and customer relationship management system or systems as same may be individually or collectively designated by us, in our Reasonable Business Judgment, as being required for use by the Franchised Business, including, but not limited to, the day-to-day sales, ordering, operations and management of the Franchised Business. We reserve the right to modify and designate alternative Business Management Systems as we determine in our Reasonable Business Judgment.

“**Business Management System Data**” means the forms, data, tools, customer information, inventory and sales information that: (a) is pre-populated or entered into the Business Management System utilized by Franchisee; (b) is entered (whether by us or Franchisee) into the Business Management System utilized by Franchisee; and/or (c) is recorded, stored and/or maintained by the Business Management System in connection with the management and operations of the Franchised Business.

“**Competitive Business**” means any business that (i) is the same as or similar to a i4 Business; and/or (ii) that offers, sells, and/or provides staffing and/or recruitment services, as to any and/or all Specialty Lines, on behalf of healthcare facilities and/or healthcare service providers.

“**Confidential Information**” means all of our and/or our affiliates’ trade secrets, methods, standards, techniques, procedures, data and information, as same may exist as of the Effective Date of the Franchise Agreement and as same may be developed, modified and supplemented in the future, constituting and comprising: (a) methods, specifications, standards, policies, procedures, information, concepts, programs and systems relating to the development, establishment, marketing, promotion and operation of i4 Businesses; (b) information concerning consumer preferences for services, products, materials and supplies used or sold by, and specifications for and knowledge of suppliers of certain materials, equipment, products, supplies and procedures used or sold by i4 Businesses; (c) information concerning customers, customer lists, email lists, database lists, product sales, operating results, financial performance and other financial data of i4 Businesses; (d) customer lists and information related to i4 Businesses and the Franchised Business; (e) Business Management System Data; (f) current and future information contained in the Operations Manual; and (g) Know-How.

**“Copyrights”** means all works and materials for which we or any affiliate of ours has secured common law or registered copyright protection and we utilize and/or allow i4 Business franchisees to use, sell or display in connection with the development, marketing and/or operation of a i4 Business, whether as of the Effective Date or any time in the future.

**“Corporate Entity”** means a corporation, limited liability company, partnership or other corporate legal entity that is not an individual person.

**“Digital Media”** means any interactive or static digital document, listing, directory, application, advertisement, link, metadata, or media that is transmitted within a closed or private network, or that is connected to, in communication with, and/or networked with computers, applications, or other devices linked by communications systems, data systems, a part of the world wide web including, traditional websites, web based applications, distributed databases, including, blockchain, software applications, smart phone applications, or social media platforms such as Facebook, LinkedIn, X, Pinterest, Instagram, SnapChat, TikTok, and YouTube, that refers, references, identifies, reviews, promotes and/or relates, in any way, to, a , i4 Business, the Franchised Business, the Licensed Marks, the System and/or us. Digital Media includes the System Website, and all other media and/or publications relating to the System that is displayed and/or transmitted digitally.

**“Effective Date”** means the “Effective Date” of the Franchise Agreement as the term “Effective Date” is set forth and defined in the Franchise Agreement. If, for any reason, the Effective Date cannot be determined by reference to the Franchise Agreement, the Effective Date shall be the date that you sign this Agreement.

**“Franchised Business”** means the i4 Business to be developed and operated by Franchisee pursuant to the terms of the Franchise Agreement.

**“Franchisee’s Administrative Office”** means the Administrative Office from which Franchisee establishes, operates and manages the Franchised Business.

**“Franchisee’s Designated Specialty Line”** means the Specialty Line and/or Specialty Lines for which Franchisee is authorized to provide the Approved Services and Products within Franchisee’s Operating Territory as set forth in the Franchise Agreement.

**“Franchisee’s Operating Territory”** means the “Operating Territory” as such term is set forth and defined in the Franchise Agreement.

**“i4 Business”** shall have the meaning defined in the Recitals and Representations section of this Agreement and, without limitation to the Recitals and Representations section of this Agreement, the definition of “i4 Businesses”, shall further include, refer to and mean: every business and all businesses owned and/or operated by us, our affiliates and/or our authorized franchisee(s) that utilize and/or is/are required to utilize the System and/or Licensed Marks including, but not limited to, the Franchised Business.

**“Immediate Family Member”** means the spouse of a person and any other member of the household of such person, including, without limitation, children of such person.

**“Intellectual Property”** means, individually and collectively, our Licensed Marks, Copyrights, Know-How, and System.

**“Know-How”** means our trade secrets and proprietary information relating to the development, establishment, marketing, promotion and/or operation of a i4 Business including, but not limited to, methods, techniques, specifications, procedures, policies, marketing strategies and information reflected in, included in, comprising and/or constituting a part of the System. Without limitation to the foregoing, Know-How shall further include information contained in the Operations Manual and the Confidential Information.

**“Licensed Marks”** means the trademarks, service marks, emblems and indicia of origin, including the “i4 Search Group” trademark, the i4 Search Group logo, Trade Dress, and other trade names, service marks, trademarks, logos, slogans and designs authorized by us in connection with the identification of i4 Businesses and the Approved Services and Products, provided that such trade names, trademarks, service marks, logos and designs are subject to modification, replacement and discontinuance by us in our Reasonable Business Judgment.

**“Operations Manual”** means, individually and collectively, the manual(s) designated by us and relating to the development and/or operations of i4 Businesses including, but not limited to, the policies, procedures and requirements for the development and operation of i4 Businesses. The Operations Manual may consist of one or more volumes, handbooks, manuals, written materials, videos, electronic media files, cloud/internet based list-service, intranet, internet based and accessed databases, computer media, email, webinars and other materials as may be modified, added to, replaced or supplemented by us from time to time in our Reasonable Business Judgment, whether by way of supplements, replacement pages, franchise bulletins, or other official pronouncements or means. Subject to our modification from time to time and based on our Reasonable Business Judgment, the Operations Manual shall, among other things, designate the Approved Services and Products that must be offered and sold by the Franchised Business and the System Designated Resources that must be exclusively utilized by the Franchised Business.

**“Owner”** means collectively, individually, jointly and, as of the Effective Date: (a) the officers and directors of Franchisee (including the officers and directors of any general partner of Franchisee) who hold an ownership interest in Franchisee; (b) the managing member or manager of Franchisee, if franchisee is a limited liability company; (c) all holders of a 5% or more direct or indirect ownership interest in Franchisee and/or of any entity directly or indirectly controlling Franchisee; and (d) the Managing Owner(s).

**“Prohibited Activities”** means any or all of the following: (a) owning and/or having any legal or equitable interest (whether as an individual proprietor or as an owner, partner, member or shareholder of a Corporate Entity or, in any similar capacity) in a Competitive Business (other than owning an interest of 3% or less in a publicly traded company that is a Competitive Business); (b) operating, managing, funding and/or performing services (whether as an employee, officer, director, manager, consultant, representative, agent, and/or creditor or in any similar capacity) for a Competitive Business; (c) diverting or attempting to divert any business or customers from us (or one of our affiliates or franchisees); and/or (d) inducing any customer or client of ours (or of one of our affiliates or franchisees) or of Franchisee to any other person or business that is not a i4 Business.

**“Reasonable Business Judgment”** means, and relates to any and all decisions, actions and choices made by us concerning or relating to the Franchise Agreement, the System, i4 Businesses and the Franchised Business where we undertake or make such decision with the intention of benefitting or acting in a way that could benefit the System including, as examples and without limitation, enhancing the value of the

Licensed Marks, increasing customer satisfaction, minimizing potential customer confusion as to the Licensed Marks, determining operating territory markets, minimizing potential customer confusion as to the location of i4 Businesses, expanding brand awareness of the Licensed Marks, implementing marketing and accounting control systems, approving products, services, supplies and equipment. The Franchisee has agreed, and you agree, that when a decision, determination, action and/or choice is made by us in our Reasonable Business Judgment that such decision, determination, action or choice made by us takes precedence and prevails, even if other alternatives, determinations, actions and/or choices are reasonable or arguably available and/or preferable. Franchisee has agreed, and you agree, that in connection with any decision, determination, action and/or choice made by us in our Reasonable Business Judgment as franchisor that: (a) we possess a legitimate interest in seeking to maximize our profits; (b) we shall not be required to consider Franchisee's or your individual economic or business interests as compared to the overall System; and (c) should we economically benefit from such decision, determination, action and/or choice that such economic benefit to us shall not be relevant to demonstrating that we did not exercise reasonable business judgment with regard to our obligations under the Franchise Agreement and/or with regard to the System. Franchisee agreed and you agree that neither Franchisee and/or any third party, including, but not limited to, any third party acting as a trier of fact, shall substitute Franchisee's or such third party's judgment for our Reasonable Business Judgment. Franchisee agreed, and you agree, that should Franchisee challenge our Reasonable Business Judgment in any legal proceeding that Franchisee shall possess the burden of demonstrating, by clear and convincing evidence, that we failed to exercise our Reasonable Business Judgment.

“Restricted Period” means the 24 month period after the earliest to occur of the following: (a) the expiration of the Franchise Agreement; (b) the termination of the Franchise Agreement; (c) the date on which Franchisee assigns the Franchise Agreement to another person (other than you or your Spouse or an Immediate Family Member) provided that you do not and your Spouse does not own or hold, in the assignee, any direct or indirect ownership and/or equity interest whether legal, equitable or otherwise; (d) if you are an Owner of Franchisee, the date on which you cease to be an Owner of Franchisee; or (e) if you are the Spouse of an Owner of Franchisee, the date on which your Spouse ceases to be an Owner of Franchisee. Provided however, that if a court of competent jurisdiction determines that this period of time is too long to be enforceable, then the “Restricted Period” means the 18 month period after the earliest to occur of the following: (a) the expiration of the Franchise Agreement; (b) the termination of the Franchise Agreement; (c) the date on which Franchisee assigns the Franchise Agreement to another person (other than you or your Spouse or an Immediate Family Member) provided that you do not and your Spouse does not own or hold, in the assignee, any direct or indirect ownership and/or equity interest whether legal, equitable or otherwise; (d) if you are an Owner of Franchisee, the date on which you cease to be an Owner of Franchisee; or (e) if you are the Spouse of an Owner of Franchisee, the date on which you cease to be the Spouse of an Owner of Franchisee.

“Restricted Period” means the 24 month period after the earliest to occur of the following: (a) the expiration of the Franchise Agreement; (b) the termination of the Franchise Agreement; (c) the date on which Franchisee, in compliance with the terms of the Franchise Agreement, assigns the Franchise Agreement to another person (other than you or your Spouse) provided that you do not and your Spouse does not own or hold, in the assignee, any direct or indirect ownership and/or equity interest whether legal, equitable or otherwise; (d) if you are an Owner of Franchisee, the date on which you, in compliance with the terms of the Franchise Agreement, cease to be an Owner of Franchisee; or (e) if you are the Spouse of an Owner of Franchisee, the date on which your Spouse, in compliance with the terms of the Franchise Agreement, ceases to be an Owner of Franchisee. Provided however, that if a court of competent jurisdiction determines that this period of time is too long to be enforceable, then the “Restricted Period” means the 18 month period after the earliest to occur of the following: (a) the

expiration of the Franchise Agreement; (b) the termination of the Franchise Agreement; (c) the date on which Franchisee, in compliance with the terms of the Franchise Agreement, assigns the Franchise Agreement to another person (other than you or your Spouse) provided that you do not and your Spouse does not own or hold, in the assignee, any direct or indirect ownership and/or equity interest whether legal, equitable or otherwise; (d) if you are an Owner of Franchisee, the date on which you, in compliance with the terms of the Franchise Agreement, cease to be an Owner of Franchisee; or (e) if you are the Spouse of an Owner of Franchisee the date on which your Spouse, in compliance with the terms of the Franchise Agreement, ceases to be an Owner of Franchisee.

“Restricted Territory” means the geographic area: (a) comprising Franchisee’s Operating Territory; (b) comprising a 25 mile radius surrounding Franchisee’s Operating Territory; (c) comprising each of the operating territories, respectively, of other i4 Businesses that are in operation or under development during all or any part of the Restricted Period; provided, however, that if a court of competent jurisdiction determines that the foregoing Restricted Territory is too broad to be enforceable, then the “Restricted Territory” means the geographic area within Franchisee’s Operating Territory plus a 25 mile radius surrounding Franchisee’s Operating Territory.

“Specialty Line” means, respectively, a category and/or group of healthcare professionals and/or providers based on area of practice, training, and/or expertise as designated and determined by Franchisor including the following separate and distinct specialty lines (each, respectively, a “Specialty Line”):

(1) **Nursing, Advanced Practice, Administrative, and Leadership Positions** – comprised of positions that include: (a) all nursing positions including but not limited to Director of Nursing, Registered Nurse, Nurse Manager, and Licensed Practical Nurse; (b) all advanced practice professional positions including Physician Assistants, Certified Nurse Anesthetist, Nurse Practitioners, and Nurse Midwife; and (c) non-clinical administration and leadership positions that do not require nursing or advanced practice degrees including CEO, COO, Controller, and Director of Human Resources;

(2) **Allied Health Professionals** – comprised of positions that include Certified Medical Assistants, Dietitians, EMTs, Paramedics, and Tech and Therapy positions like Pharmacy Tech or Respiratory Therapist, and administration and leadership roles that require an allied health degree or are working in an allied only facility;

(3) **Providers** – comprised of licensed Physicians, Psychiatrists, Psychologists, Pharmacists, and Chiropractors;

(4) **Dental** – comprised of positions that include Dentists, Registered Dental Hygienists, Dental Assistants, Dental Lab Professionals, and dental non-clinical administration and leadership positions including CEO, COO, Controller, and Director of Human Resources; and

(5) **Other Designations by Us** – Such other specialty lines designated and established by Us in our Reasonable Business Judgment.

At all times, We, in Our Reasonable Business Judgment and as may be designated and set forth by Us in the Operations Manual, possesses the right to refine, clarify, and further designate, determine, and modify the classification of professionals and/or providers belonging to and included within a particular Specialty Line and to create and define new Specialty Line designations.

“Spouse” means, as of the Effective Date, the legal spouse of an Owner.

“System” means our system for the development, establishment and operation of i4 Businesses including, but not limited to: (a) the Approved Services and Products, System Designated Resources, and services, procedures and systems that are designated by us, whether presently or in the future, for use in connection with the development, establishment, marketing, promotion and operation of a i4 Business; (b) the Licensed Marks; (c) the Trade Dress; (d) Copyrights; (e) other trade names, service marks, signs, and logos, copyrights and trade dress that is designated by us, whether presently or in the future, for use in connection with the development, establishment, marketing, promotion and operation of a i4 Business; (f) Operations Manual; (g) Business Management System Data; (h) Know-How; (i) Confidential Information; and (j) Digital Media. All determinations as to the system including components to the system and modifications and replacements thereto shall be determined by us in our Reasonable Business Judgment.

“System Designated Resources” means the equipment and supplies designated by us as required for use in connection with Franchisee’s i4 Business and the Approved Services and Products.

“System Website” means the web page and pages located on the world wide web at the www.i4searchgroup.com domain and shall further include all webpages and subdomains including, those that are franchisee and/or geography specific, that are a part of www.i4searchgroup.com, or as designated by Franchisor being associated with the URL of www.i4searchgroup.com and/or i4 Businesses.

“Trade Dress” means the i4 Business designs, images, marketing materials, packaging, branding and/or branding images which we authorize and require Franchisee to use in connection with the operation of the Franchised Business and as may be revised and further developed by us from time to time.

“Transfer” means and shall include, without limitation, the following, whether voluntary or involuntary, conditional or unconditional, and/or direct or indirect: (a) an assignment, sale, gift, transfer, pledge or sub-franchise; (b) the grant of a mortgage, charge, lien or security interest, including, without limitation, the grant of a collateral assignment; (c) a merger, consolidation, exchange of shares or other ownership interests, issuance of additional ownership interests or securities representing or potentially representing ownership interests, or redemption of ownership interests; and/or (d) a sale or exchange of voting interests or securities convertible to voting interests, or an agreement granting the right to exercise or control the exercise of the voting rights of any holder of ownership interests or to control the operations or affairs of Franchisee.

**3. Additional Acknowledgments by You.**

The Recitals and Representations set forth in the beginning of this Agreement are hereby incorporated into this Agreement. In addition to the foregoing, you acknowledge and represent that:

- (a) \_\_\_\_\_ as of the Effective Date you are an Owner and/or Spouse;

[REMAINDER OF PAGE INTENTIONALLY LEFT BLANK]

(b) you are signing this Agreement in your individual capacity and that you are bound to the terms and conditions of this Agreement and irrespective of any change in your status as an Owner and/or Spouse;

(c) in your capacity as an Owner of Franchisee or as the Spouse of an Owner of Franchisee that you have and may be gaining access to, among other things, the System and Intellectual Property;

(d) you acknowledge that all of the components and aspects of the System and Intellectual Property (both individually and as they relate to one another collectively) are critical to our success as the franchisor of the System and to the overall System;

(e) you acknowledge that we need to protect the System and Intellectual property and that to do so we require that you, in your individual capacity, to agree to the brand protection, non-competition and other covenants and restrictions contained in this Agreement and that you personally guarantee the financial and other obligations of Franchisee to us; and

(f) you acknowledge that the terms of this Agreement are fair and reasonable and that you have elected, based on your own decision, to enter into this Agreement to induce us to enter into the Franchise Agreement with Franchisee.

#### **4. Intellectual Property, Brand Protection and Non-Competition Covenants and Restrictions.**

(a) Know-How. You agree that: (i) you will not use the Know-How in any business or capacity other than the Franchised Business; (ii) you will maintain the confidentiality of the Know-How at all times; (iii) you will not make unauthorized copies of documents containing any Know-How; (iv) you will take such reasonable steps as we may ask of you from time to time to prevent unauthorized use or disclosure of the Know-How; and (v) you will stop using the Know-How immediately if you are no longer an Owner of Franchisee or your Spouse is no longer an Owner of Franchisee, as applicable. You will not use the Intellectual Property for any purpose other than the development and operation of the Franchised Business pursuant to the terms of the Franchise Agreement and Operations Manual. You agree to assign to us or our designee, without charge, all rights to any Improvement developed by you, including the right to grant sublicenses. If applicable law precludes you from assigning ownership of any Improvement to us, then such Improvement shall be perpetually licensed by you to us free of charge, with full rights to use, commercialize, and sublicense the same.

(b) Non-Competition During Franchise Relationship. Subject to the terms and conditions of Article 5 of this Agreement, below, you represent and agree that while you are an Owner of Franchisee or while your Spouse is an Owner of Franchisee (as applicable) that you will not engage in any Prohibited Activities. You agree that this restriction is fair and reasonable and that if you did engage in a Prohibited Activity that such actions would constitute acts of unfair competition and will irreparably harm the System and us.

(c) Non-Competition After Franchise Relationship. You represent, acknowledge and agree that during the Restricted Period you will not engage in any Prohibited Activities; provided, however, that the Prohibited Activity relating to having an interest in a Competitive Business will only apply with respect to a Competitive Business that is located within or provides competitive goods or services to customers/clients who are located within the Restricted Territory. If you

engage in any Prohibited Activities during the Restricted Period, then you agree that your Restricted Period will be extended by the period of time during which you were engaging in the prohibited activity (any such extension of time will not be construed as a waiver of your breach or otherwise impair any of our rights or remedies relating to your breach). You agree that this restriction is fair and reasonable and that if you did engage in a Prohibited Activity that such actions would constitute acts of unfair competition and will irreparably harm us and the System.

(d) Confidentiality Restrictions. You represent, acknowledge and agree that, at all times you: (i) shall not use the Confidential Information in any business or capacity other than the Franchised Business; (ii) shall maintain the confidentiality of the Confidential Information; (iii) shall not make unauthorized copies of documents containing any Confidential Information; (iv) shall take such reasonable steps as we may ask of you and/or Franchisee from time to time to prevent unauthorized use or disclosure of the Confidential Information; (v) shall immediately and permanently stop using the Confidential Information upon the expiration or termination of the Franchise Agreement; (vi) shall immediately and permanently stop using the Confidential Information if you are no longer an Owner of Franchisee and/or the Spouse of an Owner; (vii) shall immediately and permanently stop using the Confidential Information upon Franchisee's Transfer of the Franchise Agreement; and (viii) shall not disclose the Confidential Information to any third party except in a legal proceeding pursuant to an order of a court of competent jurisdiction and after affording us no less than 15 business days prior notice and an opportunity for us, at our election, to appear in such action.

(e) Immediate Family Members. You acknowledge that should you circumvent the purpose and protections (due to us) of this Agreement by disclosing Know-How to an immediate family member (i.e., parent, sibling, child, or grandchild) we will and the System will be irreparably harmed. You acknowledge that if you did disclose the Know-How to an immediate family member and your immediate family member used the Know-How to engage in activities that, for you, qualify as Prohibited Activities as defined above, that we and the System will be irreparably harmed. You agree that as between you and us that you are in a better position to know if you permitted and/or provide an immediate family member with access to the Know-How. Therefore, you agree that you will be presumed to have violated the terms of this Agreement if any member of your immediate family (i) engages in any Prohibited Activities during any period of time during which you are prohibited from engaging in the Prohibited Activities or (ii) uses or discloses the Know-How. However, you may rebut this presumption by providing evidence conclusively demonstrating that you did not disclose the Know-How nor permit disclosure of the Know-How to the family member.

(f) Reasonableness of Covenants and Restrictions. You agree that: (i) the terms of this Agreement are reasonable both in time and in scope of geographic area; and (ii) you have sufficient resources and business experience and opportunities to earn an adequate living while complying with the terms of this Agreement. **You waive any right to challenge the terms of this Agreement as being overly broad, unreasonable or otherwise unenforceable.** Although you and we both believe that the covenants in this Agreement are reasonable in terms of scope, duration and geographic area, we may at any time unilaterally modify the terms of this Article 4 (Intellectual Property, Brand Protection and Non-Competition Covenants and Restrictions) by limiting the scope of the Prohibited Activities, narrowing the definition of a Competitive Business, shortening the duration of the Restricted Period, reducing the geographic scope of the Restricted Territory and/or reducing the scope of any other covenant imposed upon you under this Article 4 to ensure that the terms are enforceable under applicable law.

(g) Breach. You agree that failure to comply with these Article 4 Intellectual Property, Brand Protection and Non-Competition Covenants and Restrictions will cause irreparable harm to us and/or other i4 Business franchisees for which there is no adequate remedy at law. Therefore, you agree that any violation of these covenants will entitle us to injunctive relief. You agree that we may apply for such injunctive relief, without bond, but upon due notice, in addition to such further and other relief as may be available at equity or law, and the sole remedy of yours, in the event of the entry of such injunction, will be the dissolution of such injunction, if warranted, upon a hearing duly held (all claims for damages by reason of the wrongful issuance of any such injunction being expressly waived hereby). If a court requires the filing of a bond notwithstanding the preceding sentence, the parties agree that the amount of the bond shall not exceed \$1,000. None of the remedies available to us under this Article are exclusive of any other, but may be combined with others under this Agreement, or at law or in equity, including injunctive relief, specific performance and recovery of monetary damages.

#### **5. Transfer Restrictions and Non-Competition Covenants and Restrictions.**

Notwithstanding anything contained in this Agreement to the contrary, you agree that if you are an Owner, and/or the Spouse of an Owner, that, prior to Transferring an Owner's equity and/or ownership interests in Franchisee that, among other things, Franchisee must notify us and obtain our written consent. Likewise, you agree that under the Franchise Agreement that prior to Franchisee's Transfer of the Franchise Agreement, among other things, Franchisee must notify us and obtain our written consent. For our protection and to prevent the subversion of the non-competition covenants contained in Article 4 of this Agreement and, to induce us to enter into the Franchise Agreement with Franchisee, you agree, that:

(a) if you are an Owner, should Franchisee fail to properly and timely notify us in writing of the proposed Transfer of your equity and/or ownership interests in Franchisee and/or should Franchisee, fail to obtain our consent to the proposed Transfer of your equity and/or ownership interests in Franchisee (which we may either reject or approve, in accordance with the terms and conditions of the Franchise Agreement), you shall remain subject to the non-competition covenants contained in Article 4 of this Agreement and irrespective of any purported and/or actual Transfer in violation of the terms and conditions of the Franchise Agreement;

(b) if you are a Spouse, should Franchisee fail to properly and timely notify us in writing of the proposed Transfer of your Spouse's equity and/or ownership interests in Franchisee and/or should Franchisee, fail to obtain our consent to the proposed Transfer of your Spouse's equity and/or ownership interests in Franchisee (which we may either reject or approve, in accordance with the terms and conditions of the Franchise Agreement), you shall remain subject to the non-competition covenants contained in Article 4 of this Agreement and irrespective of any purported and/or actual Transfer in violation of the terms and conditions of the Franchise Agreement;

(c) if you are an Owner, should Franchisee fail to properly and timely notify us in writing of the proposed Transfer of the Franchise Agreement to a third party and/or should Franchisee, fail to obtain our consent to the proposed Transfer of the Franchise Agreement to a third party (which we may either reject or approve, in accordance with the terms and conditions of the Franchise Agreement), you shall remain subject to the non-competition covenants contained in Article 4 of this Agreement and irrespective of any purported and/or actual Transfer in violation of the terms and conditions of the Franchise Agreement; and

(d) if you are the Spouse of an Owner, should Franchisee fail to properly and timely notify us

in writing of the proposed Transfer of the Franchise Agreement to a third party and/or should Franchisee, fail to obtain our consent to the proposed Transfer of the Franchise Agreement to a third party (which we may either reject or approve, in accordance with the terms and conditions of the Franchise Agreement), you shall remain subject to the non-competition covenants contained in Article 4 of this Agreement and irrespective of any purported and/or actual Transfer in violation of the terms and conditions of the Franchise Agreement.

#### **6. Personal Guaranty of Franchise Agreement and Financial Obligations.**

To secure Franchisee's financial obligations under the Franchise Agreement and all ancillary agreements executed by Franchisee in connection with the Franchise Agreement, including, but not limited to, any agreement for the purchase of goods or services from us or an affiliate of ours (collectively the "Ancillary Agreements") you individually, jointly and severally, and personally and unconditionally:

(a) guarantee to us and our successor and assigns, that Franchisee shall punctually satisfy and pay all of Franchisee's payment and other obligations under the Franchise Agreement;

(b) guarantee to us and our successor and assigns, that Franchisee shall punctually satisfy and pay all of Franchisee's payment and other obligations under the Ancillary Agreements;

(c) agree, at all times, to be personally bound by and personally liable for each and every fee, payment and monetary obligation due from Franchisee to us pursuant to the terms of the Franchise Agreement (including, but not limited to, the fee obligations of Article 5 of the Franchise Agreement, the advertising obligations of Article 9 of the Franchise Agreement, and the indemnification obligations of Article 10 of the Franchise Agreement);

(d) agree, at all times, to be personally bound by and personally liable for each and every fee, payment and monetary obligation due from Franchisee to us and/or our affiliates under the Ancillary Agreements;

(e) do, at all times, hereby personally guarantee payment of each and every fee, payment and monetary obligation due or that may become due from Franchisee to us pursuant to the terms of the Franchise Agreement including, but not limited to, the fee obligations of Article 5 of the Franchise Agreement, the marketing obligations of Article 9 of the Franchise Agreement, and the indemnification obligations of Article 10 of the Franchise Agreement; and

(f) do, at all times, hereby personally guarantee payment of each and every fee, payment and monetary obligation due or that may become due from Franchisee to us pursuant to the terms of the Ancillary Agreements.

**You waive:** (a) acceptance and notice of acceptance by us of the foregoing undertakings; (b) notice of demand for payment of any indebtedness guaranteed; (c) protest and notice of default to any party with respect to the indebtedness guaranteed; (d) any right you may have to require that an action be brought against Franchisee or any other person as a condition of liability; and (e) the defense of the statute of limitations in any action hereunder or for the collection of any indebtedness hereby guaranteed.

**You agree that:** (a) your direct and immediate liability under this guaranty shall be joint and several with Franchisee and all other signatories to this Agreement; (b) you will render any payment required under the Franchise Agreement and the Ancillary Agreements upon demand if Franchisee fails or refuses punctually

to do so; (c) your liability shall not be contingent or conditioned upon pursuit by us of any remedies against Franchisee or any other person; and (d) liability shall not be diminished, relieved or otherwise affected by any extension of time, credit or other indulgence that we may grant to Franchisee or to any other person, including the acceptance of any partial payment or performance, or the compromise or release of any claims, none of which shall in any way modify or amend this guarantee, which shall be continuing and irrevocable during the term of each of the Franchise Agreement and the Ancillary Agreements and following the termination, expiration or Transfer of each of the Franchise Agreement and the Ancillary Agreements to the extent any financial obligations under any such Franchise Agreement and Ancillary Agreements survive such termination, expiration or Transfer. This guaranty will continue unchanged by the occurrence of any bankruptcy with respect to Franchisee or any assignee or successor of Franchisee or by any abandonment of one or more of the Franchise Agreement and/or Ancillary Agreements by a trustee of Franchisee. Neither your obligation to make payment in accordance with the terms of this undertaking nor any remedy for enforcement shall be impaired, modified, changed, released or limited in any manner whatsoever by any impairment, modification, change, release or limitation of the liability of Franchisee or its estate in bankruptcy or of any remedy for enforcement, resulting from the operation of any present or future provision of the U.S. Bankruptcy Act or other statute, or from the decision of any court or agency.

#### **7. Arbitration, Consent to Jurisdiction and Venue, and Cross-Default.**

Any dispute between the parties relating to this Agreement shall be brought in accordance with the dispute resolution procedures set forth in the Franchise Agreement. Notwithstanding the foregoing, if any of the dispute resolution procedures set forth in the Franchise Agreement conflict with any of the terms of this Agreement, the terms of this Agreement shall prevail. Without limitation to the foregoing, you agree that:

(a) Arbitration – Except, at our option, as to any claims or disputes related to or concerning a breach of this Agreement by you that may entitle us to the award of injunctive relief, you agree that any and all disputes, controversies, and claims, arising from and/or related to this Agreement, shall be submitted to the American Arbitration Association (“AAA”) for binding arbitration. Arbitration shall be conducted by one arbitrator in accordance with the AAA’s then current rules for commercial disputes, except as may be otherwise required in this Agreement. All arbitration proceedings shall be conducted in West Chester County, Ohio or, if suitable AAA facilities are not available in West Chester County, Ohio, then at a suitable AAA location selected by the arbitrator that is located closest to West Chester County, Ohio.

In connection with binding arbitration, you agree that:

(i) All matters relating to arbitration, will be governed by the United States Federal Arbitration Act, except as expressly or otherwise set forth in this Agreement;

(ii) The arbitration hearing shall be conducted within 180 days of the demand for arbitration;

(iii) The arbitrator shall render written findings of fact and conclusions of law;

(iv) Except as may be otherwise required and/or prohibited by this Agreement, the arbitrator has the right to award or include in his or her award any relief that he or she determines to be proper, including monetary damages, interest on unpaid sums, specific performance, injunctive relief, attorneys’ fees, and costs and expenses as allowable under this Agreement. Notwithstanding the foregoing, under no circumstance shall the Arbitrator be authorized to award or declare the Licensed Marks to be generic or invalid; and

(v) Judgment upon the arbitrator's award may be entered in any court of competent jurisdiction.

(b) Consent to Jurisdiction and Venue – You agree that any judicial action or legal proceeding must be brought in a court of competent jurisdiction located within Ohio State and within West Chester County or the county closest to West Chester County. You do hereby irrevocably consent to and waive any objection to such jurisdiction or venue. Without limitation to the foregoing and notwithstanding same, you agree that we, at our election, may bring any legal action or proceeding seeking a temporary restraining order, preliminary injunction, or any action seeking our enforcement of an arbitration award or any judicial decision in the federal or state court located in the county and state where you reside.

(c) Acknowledgment as to Cross-Default – You agree that a breach of this Agreement by you shall constitute a material event of default under the Franchise Agreement, permitting us, among other things, to terminate the Franchise Agreement in accordance with the terms thereof.

#### 8. Miscellaneous.

(a) If either party hires an attorney or files suit against the other party in relating to and alleging a breach of this Agreement, the losing party agrees to pay the prevailing party's reasonable attorneys' fees and costs incurred in connection with such breach.

(b) This Agreement will be governed by, construed and enforced under the laws of Ohio and the courts in that state shall have jurisdiction over any legal proceedings arising out of this Agreement.

(c) Any claim, defense or cause of action that you may have against us or against Franchisee, regardless of cause or origin, cannot be used as a defense against our enforcement of this Agreement.

(d) Each section of this Agreement, including each subsection and portion thereof, is severable. In the event that any section, subsection or portion of this Agreement is unenforceable, it shall not affect the enforceability of any other section, subsection or portion; and each party to this Agreement agrees that the court may impose such limitations on the terms of this Agreement as it deems in its discretion necessary to make such terms reasonable in scope, duration and geographic area.

(e) You agree that we may deliver to you any notice or other communication contemplated by this Agreement in the same manner and to the same address listed in the notice provisions of the Franchise Agreement and any such delivery shall be deemed effective for purposes of this Agreement. You may change the address to which notices must be sent by sending us a written notice requesting such change, which notice shall be delivered in the manner and to the address listed in the Franchise Agreement.

[SIGNATURE PAGE TO FOLLOW]

IN WITNESS WHEREOF, each undersigned has executed this Agreement as of the date set forth below.

**Owner/Spouse:** \_\_\_\_\_ **Owner/Spouse:** \_\_\_\_\_

\_\_\_\_\_  
Signature of Owner/Spouse

\_\_\_\_\_  
Signature of Owner/Spouse

\_\_\_\_\_  
Name (please print individual name)

\_\_\_\_\_  
Name (please print individual name)

\_\_\_\_\_  
Date

\_\_\_\_\_  
Date

\_\_\_\_\_  
Signature of Owner/Spouse

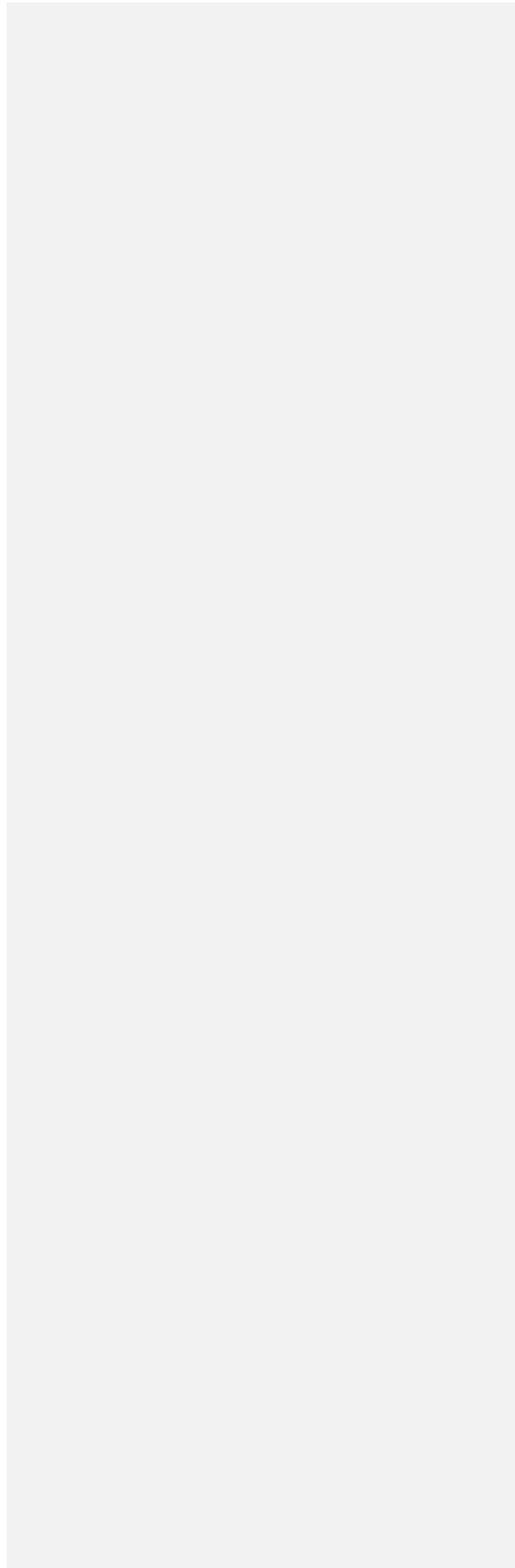
\_\_\_\_\_  
Signature of Owner/Spouse

\_\_\_\_\_  
Name (please print individual name)

\_\_\_\_\_  
Name (please print individual name)

\_\_\_\_\_  
Date

\_\_\_\_\_  
Date





Franchise Agreement  
Exhibit 2  
Confidentiality Agreement

THIS EXHIBIT IS FOR REFERENCE PURPOSES ONLY AS A SAMPLE FORM CONFIDENTIALITY AGREEMENT THAT FRANCHISOR MAY APPROVE FOR USE BY FRANCHISEE – BEFORE USING WITH AN EMPLOYEE OR CONTRACTOR FRANCHISEE SHOULD HAVE THIS AGREEMENT REVIEWED AND APPROVED BY AN INDEPENDENT LOCAL ATTORNEY HIRED BY FRANCHISEE



CONFIDENTIALITY AGREEMENT (Sample Only)

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

[Insert On the Line Below Name of Franchisee that Owns and Operates the i4 Business]

\_\_\_\_\_ (hereinafter referred to as “us”, “our” or “we”)

Recitals and Representations

WHEREAS, we are the owners of a licensed i4 Business (hereinafter referred to as the “i4 Business”) that we independently own and operate as a franchisee;

WHEREAS, you are or are about to be an employee, independent contractor, officer and/or director of a i4 Business that is independently owned and operated by us;

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

WHEREAS, our franchisor, i4 Franchise Development Inc. is not a party to this agreement and does not own or manage the i4 Business but is an intended third- party beneficiary of this Agreement, and Franchisor may take whatever action it deems necessary to enforce Covenantor’s obligations hereunder. The rights and remedies of Franchisor under this Agreement are fully assignable and transferable and shall inure to the benefit of its respective affiliates, successors and assigns; and

WHEREAS, this Agreement is not an employment agreement and is only a confidentiality agreement in connection with information, materials and access that may be provided to you in connection with the i4 Business.

NOW THEREFORE, you acknowledge and agree as follows:

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

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

“Business Management System” refers to and means the software and/or internet or cloud based system and/or systems, point of sale system or systems and customer relationship management system or systems as used in connection with the operations of the i4 Business.

“Business Management System Data” refers to and means the forms, data, tools, customer information, inventory and sales information, and other information that is entered into and/or maintained on the Business Management System of the i4 Business.

“Confidential Information” refers to and means: (a) non-public methods, specifications, standards, policies, procedures, information, concepts, programs and systems relating to the development, establishment, marketing, promotion and operation of the i4 Business; (b) information concerning customers, customer lists, email lists, database lists, product sales, operating results, financial performance and other financial data of the i4 Business; (c) customer lists and information related to the i4 Business; (d) Business Management System Data; (e) current and future information contained in i4 Search Group Operations Manual made available to the i4 Business by i4 Franchise Development Inc.; and (f) production, supply, and service procedures that are not disclosed to the public but used by the i4 Business.

“Digital Media” refers to and means any interactive or static electronic document, application or media including, but not limited to, www.i4searchgroup.com, social media platforms and applications such as Facebook, LinkedIn, X, Pinterest, Instagram, SnapChat, YouTube, and world wide web and internet based directories and local directories that refers, references, identifies, reviews, promotes and/or relates, in any way, to the i4 Business or other i4 Business.

“Licensed Marks” refers to and means the word marks, trademarks, service marks, and logos now or hereafter utilized in the operation of a i4 Business, including, but not limited to, the “i4 Search Group” word mark, associated logos, and any other trademarks, service marks or trade names that we designate for use in a i4 Business.

“Operations Manual” refers to and means the confidential Operations Manual made available to the i4 Business by our franchisor or as otherwise designated by us. The Operations Manual may consist of one or more volumes, handbooks, manuals, written materials, video, electronic media files, cloud/internet based list-service, intra-net, internet based and accessed databases, computer media, webinars and other materials as may be modified, added to, replaced or supplemented.

“Trade Dress” refers to and means i4 Search Group designs, images, marketing materials, packaging, branding and/or branding images used in connection with the operation of the i4 Business.

**3. Your Access to Confidential Information.** In addition to the representations and acknowledgments contained in the Recitals and Representations, above, you acknowledge and represent that in your capacity as an employee, independent contractor, officer and/or director of the i4 Business that you will be gaining access to, among other things, the Confidential Information. You acknowledge that the terms of this Agreement are fair and reasonable.

**4. Protection of the Confidential Information.** You agree that: (i) you will not use the Confidential Information in any business or capacity other than the i4 Business; (ii) you will maintain the confidentiality of the Confidential Information at all times; (iii) you will not make unauthorized copies of documents containing the Confidential Information; (iv) you will take such reasonable steps as the we may ask of you from time to time to prevent unauthorized use or disclosure of the Confidential Information; and (v) you will stop using the Confidential Information immediately at our request or demand. You will not use the Confidential Information for any purpose other than for the performance of your duties on behalf of us and in accordance with the scope of your work with us.

**5. Reasonableness of Covenants and Restrictions.** You agree that the terms of this Agreement are reasonable and fair and that you have sufficient resources and business experience and opportunities to earn an adequate living while complying with the terms of this Agreement. **You hereby waive any right to challenge the terms of this Agreement as being overly broad, unreasonable or otherwise unenforceable.**

**6. Breach.** You agree that failure to comply with the terms of this Agreement will cause irreparable harm to us and to our franchisor i4 Franchise Development Inc., and other i4 Search Group franchisees for which there is no adequate remedy at law. Therefore, you agree that any violation of these covenants will entitle us or our Franchisor i4 Franchise Development Inc. to injunctive relief. You agree that we and/or our Franchisor i4 Franchise Development Inc. may apply for such injunctive relief, without bond, but upon due notice, in addition to such further and other relief as may be available at equity or law, and the sole remedy of yours, in the event of the entry of such injunction, will be the dissolution of such injunction, if warranted, upon a hearing duly held (all claims for damages by reason of the wrongful issuance of any such injunction being expressly waived hereby). If a court requires the filing of a bond notwithstanding the preceding sentence, you agree that the amount of the bond shall not exceed \$1,000. None of the remedies available to us under this Article are exclusive of any other, but may be combined with others under this Agreement, or at law or in equity, including injunctive relief, specific performance and recovery of monetary damages.

**7. Miscellaneous.**

(a) If we hire an attorney or file suit against you because you have breached this Agreement and if we prevail in such lawsuit, you agree to pay the reasonable attorney fees and costs that we incur.

(b) Each section of this Agreement, including each subsection and portion thereof, is severable. In the event that any section, subsection or portion of this Agreement is unenforceable, it shall not affect the enforceability of any other section, subsection or portion; and each party to this Agreement agrees that the court may impose such limitations on the terms of this Agreement as it deems in its discretion necessary to make such terms reasonable in scope, duration and geographic area.

**(c) YOU ACKNOWLEDGE THAT THIS IS NOT AN EMPLOYMENT AGREEMENT.**

**(d) YOU ACKNOWLEDGE AND AGREE THAT OUR FRANCHISOR, i4 FRANCHISE DEVELOPMENT INC., IS NOT A PARTY TO THIS AGREEMENT BUT IS AN INTENDED THIRD PARTY BENEFICIARY OF THIS AGREEMENT.**

IN WITNESS WHEREOF, each of the undersigned has executed this Agreement as of the date or dates set forth below.

\_\_\_\_\_  
Individual Signature of Restricted Party

\_\_\_\_\_  
Individual Signature of Restricted Party

\_\_\_\_\_  
Name (please print)

\_\_\_\_\_  
Name (please print)

\_\_\_\_\_  
Date:

\_\_\_\_\_  
Date:



Franchise Agreement  
Exhibit 3  
Assignment of Telephone Numbers and Digital Media  
Accounts



**ASSIGNMENT OF TELEPHONE NUMBERS AND DIGITAL MEDIA ACCOUNTS**

(for the benefit of i4 Franchise Development Inc. and its assigns)

THIS ASSIGNMENT OF TELEPHONE NUMBERS AND DIGITAL MEDIA ACCOUNTS (the "Assignment") is entered into between \_\_\_\_\_ (the "Assignor") and i4 Franchise Development Inc. and its successors and assigns (the "Assignee").

WHEREAS, Assignee is the franchisor of the i4 Business franchise system (the "i4 Business Franchise System");

WHEREAS, Assignor, as franchisee, and Assignee, as franchisor, are parties to a i4 Business Franchise Agreement (the "Franchise Agreement");

WHEREAS, the term "Digital Media" shall refer to and mean any interactive or static digital document, listing, directory, application, advertisement, link, metadata, or media that is transmitted within a closed or private network, or that is connected to, in communication with, and/or networked with computers, applications, or other devices linked by communications systems, data systems, a part of the world wide web including, traditional websites, web based applications, distributed databases, including, blockchain, software applications, smart phone applications, or social media platforms such as Facebook, LinkedIn, X, Pinterest, Instagram, SnapChat, TikTok, and YouTube, that refers, references, identifies, reviews, promotes and/or relates, in any way, to a i4 Business, i4 Businesses, Assignor's i4 Business and/or trademarks associated with the i4 Business, the i4 Business Franchise System and/or Assignee; and

WHEREAS, in connection with Assignor's establishment and operation of a i4 Business, Assignor will be utilizing accounts, information, phone numbers and Digital Media subject to strict requirements set forth in the Franchise Agreement.

NOW THEREFORE, Assignor, in exchange for good and valuable consideration provided and paid by Assignee (receipt of which is hereby acknowledged), agrees:

1. That Assignor does hereby assign to assignee all telephone numbers, facsimile numbers, listings, domain names and Digital Media that is associated with Assignor's i4 Business including, the following (all collectively referred to as the "Media"):

- (a) All phone numbers, facsimile numbers and listings that are currently, or in the future, associated with Assignor's i4 Business;
- (b) The following telephone and facsimile numbers:  
\_\_\_\_\_  
\_\_\_\_\_ ; and
- (c) All Digital Media, all Digital Media accounts and all Digital Media log-in information.

The foregoing shall not be construed and/or interpreted as Assignee's acknowledgment and/or agreement that Assignor owns and/or possesses any ownership interests in the foregoing telephone numbers, accounts

and/or Digital Media. Any and all rights of Assignor in and to same exist subject to a limited license pursuant to the i4 Business Franchise Agreement which shall take precedence and govern. However, this Assignment is intended by Assignor and Assignee to be an instrument that may be relied upon by all third parties to authorize and permit the assignments and transfers set forth in this Assignment and to facilitate the transfer of accounts and media to within the control of Assignee. Nothing contained in this Assignment shall be used to construe nor imply that Assignor possesses any ownership interests or rights in the Digital Media and in the event of any inconsistency or conflict between this Assignment and the Franchise Agreement, the Franchise Agreement shall take precedence and govern.

2. This Assignment will become effective automatically upon the termination or expiration of the Franchise Agreement for any reason. As to all third parties proof of the expiration or termination of the Franchise Agreement shall exist exclusively upon the written declaration of Assignee and Assignee's declaration shall be dispositive and not subject to challenge. Assignor acknowledges that all third parties may rely on this Assignment for the purpose of taking any and all actions to ensure that access to and control of the Media is maintained by Assignee.

**UTILIZATION OF THIS ASSIGNMENT SHALL EXIST AT THE SOLE DISCRETION OF ASSIGNEE AND FOR THE SOLE BENEFIT OF ASSIGNEE.**

**Assignee:** \_\_\_\_\_  
i4 Franchise Development Inc. \_\_\_\_\_

**Assignor:** \_\_\_\_\_

\_\_\_\_\_  
Signature

\_\_\_\_\_  
Signature

\_\_\_\_\_  
Name and Title (please print)

\_\_\_\_\_  
Name (please print)

\_\_\_\_\_  
Dated

\_\_\_\_\_  
Dated



Franchise Agreement  
Exhibit 4  
ACH Authorization Form



**AUTOMATED CLEARING HOUSE PAYMENT AUTHORIZATION FORM**

**Franchisee Information:**

Franchisee Name \_\_\_\_\_ Business No. \_\_\_\_\_

Franchisee Mailing Address (street) \_\_\_\_\_ Franchisee Phone No. \_\_\_\_\_

Franchisee Mailing Address (city, state, zip) \_\_\_\_\_

Contact Name, Address and Phone Number (if different from above) \_\_\_\_\_

Franchisee Fax No. \_\_\_\_\_ Franchisee Email Address \_\_\_\_\_

**Bank Account Information:**

Bank Name \_\_\_\_\_

Bank Mailing Address (street, city, state, zip) \_\_\_\_\_

Checking  Savings

Bank Account No. \_\_\_\_\_ (check one) Bank Routing No. \_\_\_\_\_

Bank Phone No. \_\_\_\_\_

**Authorization:**

Franchisee hereby authorizes i4 Franchise Development Inc. ("Franchisor") to initiate debit entries to Franchisee's account with the Bank listed above and Franchisee authorizes the Bank to accept and to debit the amount of such entries to Franchisee's account. Each debit shall be made from time to time in an amount sufficient to cover any fees payable to Franchisor pursuant to any agreement between Franchisor and Franchisee as well as to cover any purchases of goods or services from Franchisor or any affiliate of Franchisor. Franchisee agrees to be bound by the National Automated Clearing House Association (NACHA) rules in the administration of these debit entries. Debit entries will be initiated only as authorized above. This authorization is to remain in full force and effect until Franchisor has received written notification from Franchisee of its termination in such time and in such manner as to afford Franchisor and the Bank a reasonable opportunity to act on it. Franchisee shall notify Franchisor of any changes to any of the information contained in this authorization form at least 30 days before such change becomes effective.

Signature: \_\_\_\_\_ Date: \_\_\_\_\_

~~Name: k. The respective obligations of Franchisee and Covenantor hereunder may not be assigned by Franchisee or Covenantor, without the prior written consent of Franchisor.~~

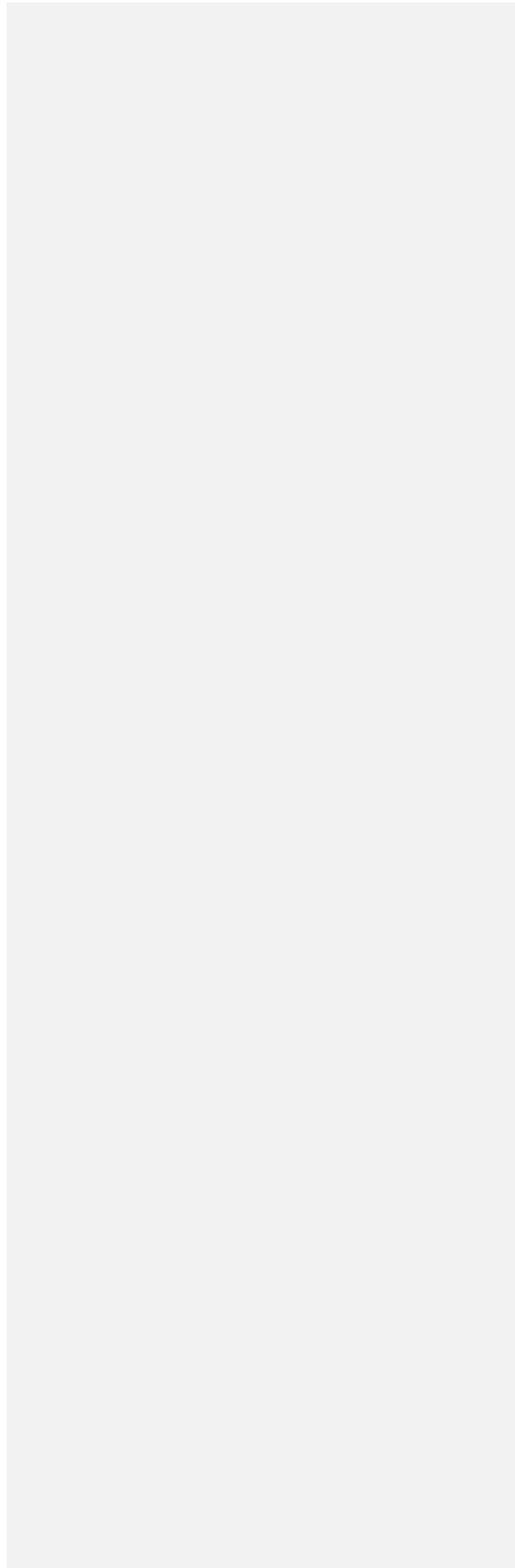
The undersigned have entered into this Confidentiality and Non-Compete Agreement as witnessed by their signatures below.

\_\_\_\_\_ FRANCHISEE:  
\_\_\_\_\_

\_\_\_\_\_ By: \_\_\_\_\_  
\_\_\_\_\_ Name: \_\_\_\_\_  
\_\_\_\_\_ Title: \_\_\_\_\_

\_\_\_\_\_ COVENANTOR:

\_\_\_\_\_  
\_\_\_\_\_ Name: \_\_\_\_\_



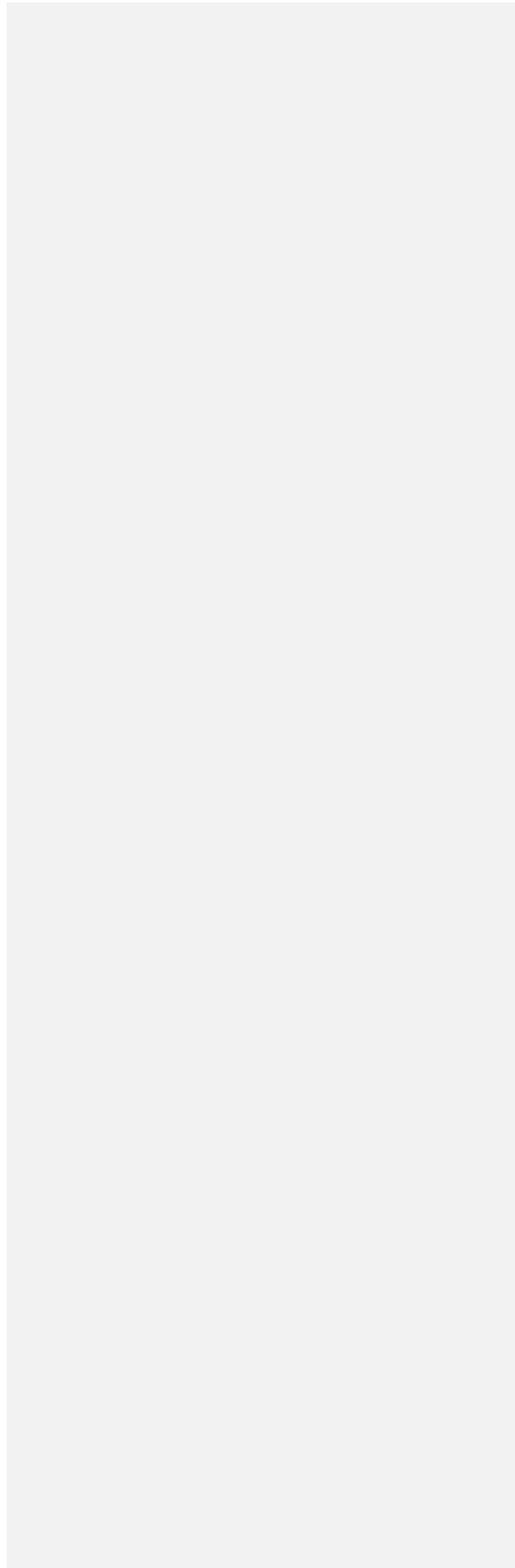
ATTACHMENT 9

STATEMENT OF OWNERSHIP INTERESTS IN FRANCHISEE/ENTITY

Name \_\_\_\_\_ Percentage of Ownership

\_\_\_\_\_

\_\_\_\_\_



ATTACHMENT 10

Federal Tax TD No.: \_\_\_\_\_

Its: \_\_\_\_\_

**NOTE: FRANCHISEE MUST ATTACH A VOIDED CHECK RELATING TO THE BANK ACCOUNT**



Franchise Agreement  
Exhibit 5  
General Release

FORM OF GENERAL RELEASE

GENERAL RELEASE

THIS GENERAL RELEASE (the "Release") is made as of \_\_\_\_\_ (the "Effective Date") by:

(a) \_\_\_\_\_, a(n) \_\_\_\_\_, and \_\_\_\_\_, a(n) \_\_\_\_\_ (individually, jointly, severally, and collectively referred to as "Franchisee"), and

(b) if Franchisee is a Corporate Entity, the following individuals: \_\_\_\_\_, an individual residing at \_\_\_\_\_, and \_\_\_\_\_, an individual residing at \_\_\_\_\_ (individually, jointly, severally, and collectively referred to as the "Individual Guarantors") (Franchisee and the Individual Guarantors, respectively, are hereinafter individually, jointly, severally, and collectively referred to as the "Releasor").

In Favor of, i4 Franchise Development Inc., an Arizona corporation with a principal address at 7185 Liberty Centre Drive, Suite A West Chester, Ohio 45069, and i4 Franchise Development Inc.'s predecessors, affiliates, successors, assigns, officers, directors, managers, employees, and agents (hereinafter individually, jointly, severally, and collectively referred to as the "Releasee").

IN EXCHANGE FOR GOOD AND VALUABLE CONSIDERATION FROM i4 Franchise Development Inc. AND/OR RELEASEE, AND WITH THE RECEIPT AND SUFFICIENCY OF SUCH CONSIDERATION BEING HEREBY ACKNOWLEDGED BY RELEASOR, RELEASOR DOES HEREBY, FOR ITSELF AND FOR RELEASOR'S SUCCESSORS AND ASSIGNS HEREBY RELEASE AND FOREVER DISCHARGE RELEASEE FROM:

Any and all claims including, but not limited to Franchise Claims (defined below), causes of action, violations, damages, actions, contracts, covenants, promises, judgments, suits, indebtedness, liabilities, accounts, and demands of every kind and nature (hereinafter all collectively referred to as the "Claims" or "Claim"), whether or not such Claims are presently known or unknown, disclosed or undisclosed, actual or potential, accrued or unaccrued and whether in law, admiralty, common law, or equity which against the Releasee, Releasor ever had, now has or hereafter can, shall or may, have for, upon, or by reason of any Claim, matter, cause or thing whatsoever from the beginning of the world to the Effective Date of this Release.

Without limitation to the foregoing, the definition of the term "Claims" or "Claim," includes and, thereby this Release shall apply to, any and all claims, causes of action, violations, damages, actions, contracts, covenants, promises, judgments, suits, indebtedness, liabilities, accounts, and demands of every kind and nature, whether or not such Claims are presently known or unknown, disclosed or undisclosed, actual or potential, accrued or unaccrued, relating to and/or with regard to each and every violation and breach of any and all federal and state franchise laws, franchise rules, or franchise regulations, including those franchise laws, rules, and regulations that relate to and govern the offer or sale of franchises, the offer or sale of business opportunities, the terms of the Franchise Agreement, and the offer and sale of the franchise opportunity related to the Franchise Agreement (collectively, referred to as "Franchise Claims").

This Release may not be changed orally.

This Release may be signed in counterparts, with each counterpart being binding against the party executing it and considered as an original.

This Release shall be interpreted in accordance with the laws of the State of Ohio. In the event that any action or legal proceeding is commenced respecting or related to this Release or the enforceability of this Release, the prevailing party in such legal action or proceeding shall be entitled to the recovery of reasonable attorneys' fees.

IN WITNESS WHEREOF, the Releasor has hereunto set Releasor's hand and seal on the date set forth below.

**Releasor:** \_\_\_\_\_

\_\_\_\_\_  
Signature

\_\_\_\_\_  
Signature

\_\_\_\_\_  
Name (please print)

\_\_\_\_\_  
Name (please print)

\_\_\_\_\_  
Dated

\_\_\_\_\_  
Dated

\_\_\_\_\_  
Signature

\_\_\_\_\_  
Signature

\_\_\_\_\_  
Name (please print)

\_\_\_\_\_  
Name (please print)

\_\_\_\_\_  
Dated

\_\_\_\_\_  
Dated



**EXAMPLE OF SPECIALTY LINES POSITIONS LIST**

*For Reference Purposes Only and Subject to Modification by Franchisor in Franchisor's Reasonable Business Judgment and the terms of the i4 Search Group Franchise Agreement.*

**NURSING, ADVANCE PRACTICE, & ADMINISTRATION, and LEADERSHIP**

- All Nurse Positions (Including, but not limited to, examples below)
  - Certified Nurse Assistant - CNA
  - Charge Nurse
  - Chief Nursing Officer - CNO
  - Clinical Nurse Specialist
  - Director of Nursing
  - Licensed Practical Nurse - LPN / Licensed Vocational Nurse - LVN
  - Nurse Director
  - Nurse Manager
  - Registered Nurse – RN
  - Case Manager
- All Advanced Practice Professional positions (Including, but not limited to, examples below)
  - Certified Registered Nurse Anesthetist – CRNA
  - Clinical Nurse Specialist - CNS
  - Nurse Midwife - CNM
  - Nurse Practitioner – NP
  - Physician Assistant – PA
- Administration & Leadership positions
  - Non-Clinical Administration & Leadership positions (Including, but not limited to, examples below)
    - C-Suite positions
      - CEO, COO, President, CFO, CHRO, etc
    - Controller, Accounting Manager, HR Manager, Recruiter
    - Director of IT, Director of Human Resources, Director of Talent Acquisition  
Director of Accounting
  - Administration & Leadership positions that require a nursing or advanced practice degree or background

**PROVIDER DIVISION**

**PROVIDERS**

- Chiropractor
- Pharmacist
- Physician

- Psychiatrist
- Psychologist

**ALLIED HEALTH PROFESSIONALS**

- Administration & Leadership positions that require an Allied Health degree or background
- Audiologist
- Certified Medical Assistant
- Dietitian
- Diagnostic medical personnel (Including, but not limited to, examples below)
  - Clinical Lab Scientist
  - Clinical Chemists
  - Cytotechnologists
  - Diagnostic molecular scientists
  - Histotechnologists
  - Medical laboratory scientists
  - Molecular Biologists
  - Pathologists' assistants
- Exercise science professionals (Including, but not limited to, examples below)
  - Athletic trainers
  - Exercise physiologists
  - Kinesiotherapists
- EMT / Paramedic
- Imaging specialists (Including, but not limited to, examples below)
  - Nuclear medicine technologists
  - Radiographers
  - Sonographers
- Lactation Consultant
- Medical Billing
- Medical Coder
- Medical Dosimetrists
- Medical Physicists
- Medical Scribe
- Nutritionist
- Optometrist
- Orthoptist
- Pedorthist
- Perfusionist
- Pharmacy Assistants
- Phlebotomist
- Prosthetist
- All Tech Positions (Including, but not limited to, examples below)
  - Anesthesia Tech

- Cardiovascular Tech
- Clinical Lab Tech
- Dialysis Tech
- Electrocardiogram Tech
- EMT
- Endoscopy Tech
- Lab Tech
- Medical Records Tech
- Medical Laboratory Tech
- MRI Tech
- Patient Care Tech
- Pharmacy Tech
- Radiology Tech
- Rehab Tech
- Sterile Processing Tech
- Surgical Tech
- Ultrasound Tech

● All Therapist Positions (Including, but not limited to, examples below)

- Family Therapists
- Occupational Therapist
- Physical Therapist
- Physiotherapist
- Radiation Therapist
- Radiotherapist
- Recreational Therapist
- Respiratory Therapist
- Speech and Language Therapist

**EXHIBIT C**

**DEPOSIT AGREEMENT**

~~THIS DEPOSIT AGREEMENT (this "Agreement") is made and entered into as of \_\_\_\_\_ (the "Effective Date"), by and between i4 Franchise Development Inc., an Arizona corporation, with its principal place of business at 7185 Liberty Centre Drive, Suite A, West Chester, Ohio, 45069 (herein "Franchisor"), and \_\_\_\_\_, an individual, residing at \_\_\_\_\_ ("Depositor"). Franchisor and Depositor are sometimes referred to herein individually as a "Party" and together as the "Parties".~~

**RECITALS**

~~WHEREAS, Franchisor is in the business of developing and operating a franchise system of businesses that provide professional staff recruitment services for healthcare facilities, under Franchisor's trademarks, service marks, and system (each a "Franchised Business");~~

~~WHEREAS, Depositor wishes to become a franchisee under Franchisor's system pursuant to a franchise agreement, which, if entered into by Depositor and Franchisor, would confer upon Depositor the right and obligation to open a Franchised Business within an agreed-upon territory for an agreed-upon Specialty Line (the Territory);~~

~~WHEREAS, to reserve the Territory, Depositor is willing to place a deposit with Franchisor; and~~

~~WHEREAS, upon receipt of a deposit, Franchisor is willing to remove the Territory as an available area for franchise sales for the agreed-upon Specialty Line, in accordance with the terms and conditions of this Agreement.~~

~~NOW, THEREFORE, for good and valuable consideration, the sufficiency and receipt of which are hereby acknowledged, the parties agree as follows:~~

- ~~1. Deposit. Upon execution of this Agreement, Depositor shall pay Franchisor the sum of Ten Thousand Dollars (\$10,000) as a non-interest bearing deposit (the "Deposit"). The Deposit shall be refundable to Depositor only if Franchisor terminates this Agreement as provided for in Section 4(a) below; otherwise, the Deposit is non-refundable.~~
- ~~2. Territory Reservation. During the twelve (12) months immediately following the Effective Date (the "Reservation Period"), Franchisor shall not offer or sell the Territory set forth on Attachment A hereto to anyone other than Depositor for the purpose of owning and/or operating a Franchised Business therein.~~
- ~~3. Application. Unless Franchisor terminates this Agreement as provided in Section 4(a), the full amount of the Deposit shall be applied by Franchisor toward payment of the initial franchise fee due under the franchise agreement entered into by the parties.~~
- ~~4. Termination.~~

- (a) ~~Franchisor and Depositor shall each have the right to terminate this Agreement at any time, with or without cause, by providing written notice to the other party. If Franchisor terminates this Agreement, Franchisor shall refund the Deposit as provided in Section 2 above.~~
- (b) ~~This Agreement shall terminate at the earlier of: (i) notice from one (1) party to the other, pursuant to Section 4(a), exercising such party's right to terminate, (ii) the parties' execution of a franchise agreement for a Franchised Business, or (iii) the end of the Reservation Period.~~

~~5. No Franchise Rights. Depositor acknowledges that this Agreement is not a franchise agreement. Depositor has no right to use the i4 Search Group marks and/or system, and Franchisor has no obligation to provide any products or services to Depositor, by virtue of this Agreement.~~

~~6. Acknowledgment. Depositor acknowledges receipt of Franchisor's Franchise Disclosure Document at least fourteen (14) days prior to the Effective Date and payment of the Deposit.~~

~~7. Full Agreement. This Agreement incorporates the full and complete agreement between the parties concerning the subject of this Agreement, and supersedes any and all prior correspondence, conversations, representations, or statements of whatever nature concerning the subject of this Agreement. This Agreement shall be interpreted under the laws of the State of Ohio without regard to its conflict of laws principles.~~

~~The undersigned have entered into this Deposit Agreement as witnessed by their signatures below.~~

~~DEPOSITOR: \_\_\_\_\_ FRANCHISOR:  
 \_\_\_\_\_ i4 FRANCHISE DEVELOPMENT INC.~~

~~\_\_\_\_\_  
 Name: \_\_\_\_\_ By: \_\_\_\_\_  
 \_\_\_\_\_ Name: \_\_\_\_\_  
 \_\_\_\_\_ Title: \_\_\_\_\_~~

ATTACHMENT A

[INSERT RESERVED TERRITORY AND SPECIALTY LINE]

**EXHIBIT D**  
**FINANCIAL STATEMENTS**

**EXHIBIT E**

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**EXHIBIT F**

**FRANCHISED OUTLETS AND FORMER FRANCHISEES**

As of December 31, 2022

<b>ARIZONA</b>	
<u>AS4 LLC</u> Guillermo Abascal 22496 East Via Del Verde Queen Creek, Arizona 85142 480-690-6560 AZ Nursing	
<b>CALIFORNIA</b>	
<u>Golden Recruiting, Inc.</u> Rachel Brown 3501 McKinley Village Way Sacramento, California 95816 916-610-1455 CA7 Nursing	<u>R5 Enterprises LLC</u> Eric & Loren Reynoso 4205 California Avenue Long Beach, California 90807 562-517-7575 CA2 Nursing
<b>COLORADO</b>	
<u>Savoy Enterprises LLC</u> Mandisa Richardson 15379 Avenida De Portugal Moreno Valley, California 92555 720-677-4494 CO Nursing	<u>MK Consulting Group, LLC</u> Mark Kulaski 5754 South Harlan Street Littleton, Colorado 45069 720-740-2070 CO Allied
<b>FLORIDA</b>	
<u>BS Consulting, LLC</u> Betty Alison Ford & Shannon Crotts 148 Jack Daniel Road Manson, North Carolina 27553 623-264-0200 469-447-9351 FL2 Nursing <i>Transferred from Wardell in 2022</i>	<u>R7 Careers LLC</u> Paul Ciulla & Julia Ciulla 29424 North 66 <sup>th</sup> Street Cave Creek, Arizona 85331 469-447-9354 FL4 Nursing
<b>KANSAS</b>	
<u>TAAD Bit Recruiting LLC</u> Taira Marie Miceli 2246 Tennessee Street Lawrence, Kansas 66046 913-270-4282 KS & parts of MO Nursing	
<a href="#">Franchise Disclosure Document</a> <a href="#">Exhibit F – List of Franchisees</a>	
<b>MICHIGAN</b>	
<u>LD14, LLC</u> Laci Dallaire 515 Heather Lane	



Grosse Pointe Woods, Michigan 48236 313-740-6500 MI1 Nursing	
<b>NEW JERSEY</b>	
<u>Thoughtfully Allied Recruiting, LLC</u> Stephy Opatola 5241 Jericho Avenue North Port, Florida 34288 771-203-4100 NJ2 Nursing	
<b>NEW MEXICO</b>	
<u>Cactus Holdings Group, LLC</u> Keith Tench & Anna Iniguez 4960 South Gilbert Road, #1-104 Chandler, Arizona 85249 623-264-0206 NM Nursing	
<b>NEW YORK</b>	
<u>Doherty Recruiting LLC</u> 8243 Alpine Aster Court Liberty Township, Ohio 45044 513-653-7575 NY3 Nursing	
<b>TENNESSEE</b>	
<u>LDI4, LLC</u> Laci Dallaire 515 Heather Lane Grosse Pointe Woods, Michigan 48236 313-740-6500 TN Nursing	
<b>TEXAS</b>	
Justin Andrews 11811 Sutter Avenue Yucaipa, California 92399 909-248-7674 TX6 Nursing	<u>R7 Careers LLC</u> Paul Ciulla & Julia Ciulla 29424 North 66 <sup>th</sup> Street Cave Creek, Arizona 85331 469-447-9354 TX2 Nursing
<u>R7 Careers LLC</u> Paul Ciulla & Julia Ciulla 29424 North 66 <sup>th</sup> Street Cave Creek, Arizona 85331 469-447-9354 TX5 Nursing	<u>BS Consulting, LLC</u> Betty Alison Ford & Shannon Crotts 148 Jack Daniel Road Manson, North Carolina 27553 623-264-0200 469-447-9354 TX4 Nursing
<u>BS Consulting, LLC</u> Betty Alison Ford & Shannon Crotts 148 Jack Daniel Road Manson, North Carolina 27553 623-264-0200	<u>Imagine More Consulting, Inc.</u> Sandra Gallina Gruner 16 Cassidy Drive Greenbrier, Arkansas 72058 945-218-2828

469-447-9351 TX3 Nursing	TX7 Allied
<u>BS Consulting, LLC</u> Betty Alison Ford & Shannon Crotts 148 Jack Daniel Road Manson, North Carolina 27553 623-264-0200 469-447-9351 TX7 Nursing	<u>Duval Executive Recruiting, LLC</u> Lindsay Weakley & Michael Duval 11302 Fannin Trail Court Needville, Texas 77461 346-577-9292 TX3 Allied
<u>Golden Recruiting, Inc.</u> Rachel Brown 3501 McKinley Village Way Sacramento, California 95816 916-610-1455 TX5 Allied	<u>WKLF Capital Inc</u> Wendy R. Ford 401 Cold Springs Court Keller, Texas 76248 <del>682-339-2044</del> TX2 Allied

Franchisees who had signed a franchise agreement, but whose outlet had not yet opened as of December 31, 2022:

<b>FLORIDA FRANCHISEES</b> (as of December 31, 2023)			
State	Business Location	Franchisee	Contact Information
CA	3501 McKinley Village Way, Sacramento, CA, 95816	Golden Recruiting, Inc.* 2 Territories (one opened in 2023)	rachel@i4searchgroup.com 916-610-1455
	4205 California Ave, Long Beach, CA 90807	R5 Enterprises, LLC	ereynoso@i4searchgroup.com 562-517-7575
	1211 Lamplighter Ct., Marco Island, FL 34145	Lamplighter Search Group, LLC (opened December 2023)	monica@i4searchgroup.com 773-681-9918
TX	3755 E San Pedro Place, Chandler, AZ 85249	Cactus Holdings Group, LLC	Anna@i4searchgroup.com 623-264-0206
	401 Cold Springs Court, Keller, Texas 76248	WKLF Capital, Inc.* 2 Territories (opened 1/13/2023)	wendy@i4searchgroup.com 682-339-2044
	Araglin Drive, Gastonia, NC 28056 148 Jack Daniel Road, Manson, NC 27553	Duval Executive Recruiting / BS Consulting, LLC	shannon@i4searchgroup.com 469-447-9351 betty@i4searchgroup.com 623-264-0200
	Araglin Drive, Gastonia, NC 28056 148 Jack Daniel Road, Manson, NC 27553	BS Consulting, LLC* 3 Territories	shannon@i4searchgroup.com 469-447-9351 betty@i4searchgroup.com 623-264-0200
	29424 North 66th Street, Cave Creek, AZ 85331	R7 Careers LLC* 2 Territories	paul@i4searchgroup.com 469-447-9354
	16 Cassidy Cove, Greenbrier, AR 72058	Imagine More Consulting, Inc.	sandee@i4searchgroup.com 945-218-2828
	29424 North 66th Street, Cave Creek, AZ 85331	MODERN RECRUITING / R7 Careers LLC	paul@i4searchgroup.com 469-447-9354
NJ		Thoughtfully Allied Recruiting, LLC	

	119 Hillston Lane, Mooreville, NC 28115	BCW Consulting, LLC (opened June 2023)	brian@i4searchgroup.com 732-790-8572
FL	Araglin Drive, Gastonia, NC 28056 148 Jack Daniel Road, Manson, NC 27553	Wardell Enterprises / BS Consulting, LLC	shannon@i4searchgroup.com 469-447-9351 betty@i4searchgroup.com 623-264-0200
	29424 North 66th Street, Cave Creek, AZ 85331	R7 Careers LLC	paul@i4searchgroup.com 469-447- 9354
	Haripriya Dondapati 740 Stone Oak Drive Sanford, Florida, 32771 321-461-2002 FL1 Nursing	Vcare Staffing, Inc* 2 Territories (opened 1/13/2023)	Haripriya Dondapati 740 Stone Oak Drive Sanford, Florida 32771 srinivas@i4searchgroup.com 321-461-2002 FL3 Nursing
<b>NORTH CAROLINA</b>	1211 Lamplighter Ct., Marco Island, FL 34145	Lamplighter Search Group, LLC (Opened August 2023)	monica@i4searchgroup.com 773-681-9918
NY	8243 Alpine Aster Court Liberty Township, Ohio, 45044	Doherty Recruiting, LLC	N/A
CO	15379 Avenida De Portugal, Moreno Valley, CA, 92555	Savoy Enterprises, LLC	disa@i4searchgroup.com 720-677-4494
	5754 S Harlan St, Littleton, CO 80123	MK Consulting Group, LLC	mark@i4searchgroup.com 720-740-2070
AZ	2058 N Steele Cir, Mesa, AZ 85207	JEH Solutions, LLC	jason@i4searchgroup.com 480-428-0567
MI	515 Heather Lane , Grosse Pointe Woods, MI 48236	LDI4, LLC	laci@i4searchgroup.com 313-710-6500
	3831 Boulder Drive, Troy, MI 48084	DMG and Associates, LLC (opened Feb 2023)	DennisG@i4searchgroup.com 313-823-2003
NC	M. Nicole Saffell, LLC M. Nicole Saffell 248 Mother Vineyard Road Manteo, North Carolina NC 27954 252-668-6883 NC Nursing	M. NICOLE SAFFELL, LLC	nicole@i4searchgroup.com 252-424-6959
SC	178 Mayfield Ct., Whispering Pines, NC 28327	Engage Your Power Recruiting, LLC	dashika@i4searchgroup.com 803-850-3100
MA	515 Heather Lane , Grosse Pointe Woods, MI 48236	LDI4, LLC	laci@i4searchgroup.com 313-710-6500
WI	869 Wedgewood Drive, Kronenwetter, WI 54455	Dream Tracer, LLC	tracey@i4searchgroup.com 715-354-0290

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### FORMER FRANCHISEES

As of December 31, 2022

**CALIFORNIA**



Franchise Disclosure Document  
Exhibit G – List of Franchisees that Have  
Left the System

Inserted Cells

Lance Richard Wagner 15315 La Alameda Drive Morgan Hill, California 95037 408-838-2044 <i>CA6 Nursing opened by franchisee and later reacquired by Franchisor in 2022</i>	
<b>FLORIDA</b>	
Wardell Enterprises, LLC Renee Wardell & Brian Wardell 1946 Belwood Drive Okemos, Michigan 48864 469-310-1011 <i>FL2 Nursing transferred to Ford &amp; Crofts in 2022</i>	

**EXHIBIT G**  
**STATE ADDENDA**  
**ADDENDUM TO THE FRANCHISE DISCLOSURE DOCUMENT**  
**REQUIRED BY THE STATE OF CALIFORNIA**

<b>FRANCHISEES THAT HAVE LEFT THE SYSTEM</b> <b>(January 1, 2023 through December 31, 2023)</b>			
<b>State</b>	<b>Business Address</b>	<b>Franchisee</b>	<b>Phone Number</b>
NJ	Never opened, abandoned business	ReveNew Healthcare Consulting, Inc	N/A
KS	Ceased operations	TAAD BIT Recruiting, LLC	N/A



Franchise Disclosure Document  
Exhibit H – State Specific Addenda

**California FDD Amendment**  
Amendments to the i4 Search Group  
Franchise Disclosure Document

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**The registration of this franchise offering by the California Department of Financial Protection and Innovation for the State of California requires that certain provisions contained in franchise documents be amended to be consistent with California Franchise Investment Law, Cal. Corp. Code Section 31000 et seq., does not constitute approval, recommendation, or endorsement by the commissioner.**

1. Item 17 “Renewal, Termination, Transfer and Dispute Resolution: The Franchise Relationship,” is supplemented by the addition of the Rules and Regulations promulgated thereunder. To the extent that this Disclosure Document contains provisions that are inconsistent with the following, such provisions are hereby amended.:

4.—A. 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.

B. The franchisor, any person or franchise broker in Item 2 of the FDD is not subject to any currently effective order of any national securities association or national securities exchange, as defined in the Securities Exchange Act of 1934, 15 U.S.C.A. 78a et seq., suspending or expelling such persons from membership in such association or exchange.

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

D. 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.).

E. The Franchise Agreement contains a covenant not to compete, which extends beyond the termination of the franchise. This provision may not be enforceable under California law.

F. The Franchise Agreement requires binding arbitration. The arbitration will occur in Ohio, with the costs being borne by the franchisee and franchisor.

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.

G. The Franchise Agreement requires application of the laws of the State of Ohio. This provision may not be enforceable under California law.

2. Section 31125 of the California Corporations Code requires us to give you a disclosure document, in a form containing the information that the commissioner may by rule or order require, before a solicitation of a proposed material modification of an existing franchise.

3. You must sign a general release of claims if you renew or transfer your franchise. California Corporations Code Section 31512 voids a waiver of your rights under the Franchise Investment Law (California Corporations Code Sections 31000 through 31516).

4. 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).

2. ———5. Item 6 “Other Fees,” is supplemented by the addition of the following statement: “The highest interest rate allowed by law in the State of California is 10%.”

6. The following URL address is for the franchisor’s website: [www.i4searchgroup.com](http://www.i4searchgroup.com).

OUR WEBSITE HAS NOT BEEN REVIEWED OR APPROVED BY THE CALIFORNIA DEPARTMENT OF FINANCIAL PROTECTION AND INNOVATION. —ANY COMPLAINTS CONCERNING THE CONTENT OF THIS WEBSITE MAY BE DIRECTED TO THE CALIFORNIA DEPARTMENT OF FINANCIAL PROTECTION AND INNOVATION AT [www.dfpi.ca.gov](http://www.dfpi.ca.gov), [www.dfpi.ca.gov](http://www.dfpi.ca.gov).

3. ———Item 3 is amended to add:

———7. California’s Franchise Investment Law (Corporations Code sections 31512 and 31512.1) states that any provision of a franchise agreement or related document requiring the franchisee to waive specific provisions of the law is contrary to public policy and is void and unenforceable. The law also prohibits a franchisor from disclaiming or denying (i) representations it, its employees or its agents make to you, (ii) our ability to rely on any representations it makes to you, or (iii) any violation of the law.

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

**Connecticut FDD Amendment**  
**Amendments to the i4 Search Group**  
**Franchise Disclosure Document**

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1. Item 3 “Litigation,” is supplemented by the addition of the following:

A. Neither the Franchisor nor any person ~~described~~ identified in Items 1 or 2 above has any administrative, criminal or material civil action (or a significant number of civil actions irrespective of materiality) pending against him alleging a violation of any franchise law, fraud, embezzlement, fraudulent conversion, restraint of trade, unfair or deceptive practices, business opportunity law, securities law, misappropriation of property or comparable allegations.

B. Neither the Franchisor nor any other person identified in Items 1 or 2 above has during the 10 year period immediately preceding the date of this Disclosure Document, been convicted of a felony or pleaded nolo contendere to a felony charge or been held liable in any civil action by final judgment, or been the subject of any material complaint or other legal proceeding where a felony, civil action, complaint or other legal proceeding involved violation of any franchise law, fraud,

embezzlement, fraudulent conversion, restraint of trade, unfair or deceptive practices, business opportunity law, securities law, misappropriation of property or comparable allegations or which was brought by a present or former purchaser-investor or which involves or involved the business opportunity relationship.

C. Neither the Franchisor nor any person identified in Items 1 or 2 above is subject to any currently effective injunctive or restrictive order or decree relating to the franchise, or under any federal, state or Canadian franchise, securities, business opportunity, antitrust, trade regulation or trade practice law as a result of concluded or pending action or proceeding brought by a public agency, or is a party to a proceeding currently pending in which an order is sought, relating to or affecting business opportunity activities or the seller-purchaser-investor relationship, or involving fraud, including but not limited to, a violation of any business opportunity law, franchise law, securities law or unfair or deceptive practices law, embezzlement, fraudulent conversion, misappropriation of property or restraint of trade.

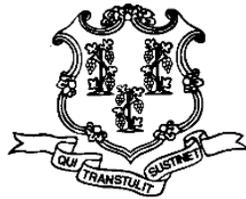
D. Neither Company nor any person identified in Item 2 of the Disclosure Document above is subject to any currently effective order of any national securities association or national securities exchange, (as defined in the Securities & Exchange Act of 1934, 15 U.S.C. 8.78(a) et seq.) suspending or expelling such these persons from membership in such the association or exchange.

2. Item 4 "Bankruptcy," is supplemented by the addition of the following:

No entity or person listed in Items 1 and 2 of this Disclosure Document has at any time during the previous 10 fiscal years (a) filed for bankruptcy protection, (b) been adjudged bankrupt, (c) been reorganized due to insolvency, or (d) been a principal, director, executive officer or partner of any other person that has so filed or was adjudged or reorganized, during or within one year after the period that the person held a position with the other person.

If the seller fails to deliver the products, equipment or supplies or fails to render the services necessary to begin substantial operation of the business within 45 days of the delivery date stated in your contract be cancelled.

DISCLOSURES REQUIRED BY CONNECTICUT LAW



The State of Connecticut does not approve, recommend, endorse or sponsor any business opportunity. The information contained in this disclosure has not been verified by the state. If you have any questions about this investment, see an attorney before you sign a contract or agreement.

BUSINESS OPPORTUNITY DISCLOSURE

The following business opportunity disclosure is provided by i4 Franchise Development Inc., a registered business in the State of Connecticut.

Disclosure Document is dated: March 26, 2024

**Hawaii FDD Amendment**  
Amendments to the i4 Search Group  
Franchise Disclosure Document

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Exhibit J “FDD Receipts,” is supplemented with the addition of the following:

The Receipt for this Disclosure Document (Exhibit “J”) is supplemented to add the following:

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

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

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

4. NO STATEMENT, QUESTIONNAIRE OR ACKNOWLEDGEMENT SIGNED OR AGREED TO BY A FRANCHISEE IN CONNECTION WITH THE COMMENCEMENT OF THE FRANCHISE RELATIONSHIP SHALL HAVE THE EFFECT OF: (I) WAIVING ANY CLAIMS UNDER ANY APPLICABLE STATE FRANCHISE LAW, INCLUDING FRAUD IN THE INDUCEMENT, OR (II) DISCLAIMING RELIANCE ON ANY STATEMENT MADE BY ANY FRANCHISOR, FRANCHISE SELLER, OR OTHER PERSON ACTING ON BEHALF OF THE FRANCHISOR. THIS PROVISION SUPERSEDES ANY OTHER TERM OF ANY DOCUMENT EXECUTED IN CONNECTION WITH THE FRANCHISE.

**Illinois FDD Amendment**  
Amendments to the i4 Search Group  
Franchise Disclosure Document

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DISCLOSURE REQUIRED BY THE STATE OF ILLINOIS

Illinois law governs the Franchise Agreement.

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

Franchisee’s rights upon Termination and Non-Renewal are set forth in Sections 19 and 20 of the Illinois Franchise Disclosure Act.

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

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

4. ~~Item 5~~  
**Indiana FDD Amendment**  
Amendments to the i4 Search Group  
Franchise Disclosure Document

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1. Item 8, "Restrictions on Sources of Products and Services," is supplemented by the addition of the following:

Under Indiana Code Section 23-2-2.7-1(4), the franchisor will not obtain money, goods, services, or any other benefit from any other person with whom the franchisee does business, on account of, or in relation to, the transaction between the franchisee and the other person, other than for compensation for services rendered by the franchisor, unless the benefit is promptly accounted for, and transmitted by the franchisee.

2. Item 6, "Other Fees" and Item 9, "Franchisee's Obligations," are supplemented, by the addition of the following:

The franchisee will not be required to indemnify franchisor for any liability imposed upon franchisor as a result of franchisee's reliance upon or use of procedures or products that were required by franchisor, if the procedures or products were utilized by franchisee in the manner required by franchisor.

3. Item 17, "Renewal, Termination, Transfer and Dispute Resolution," is supplemented, by the addition of the following:

A. Indiana Code 23-2-2.7-1(7) makes unlawful unilateral termination of a franchise unless there is a material violation of the Franchise Agreement and termination is not in bad faith.

B. Indiana Code 23-2-2.7-1(5) prohibits a prospective general release of claims subject to the Indiana Deceptive Franchise Practices Law.

C. ITEM 17(r) is amended subject to Indiana Code 23-2-2.7-1(9) to provide that the post-term non-competition covenant shall have a geographical limitation of the territory granted to Franchisee.

D. ITEM 17(v) is amended to add:

~~—The Department of Financial Protection and Innovation requires that we defer the collection of all initial fees from California~~ provide that franchisees until we have completed all of our pre-opening obligations and you are open for business will be permitted to commence litigation in Indiana for any cause of action under Indiana Law.

5. ~~Item E.~~ ITEM 17(w) is amended to state:

~~(a) California Business and Professions Code Sections 2000 through 20043 provide rights to that in the franchisee concerning termination, transfer or non-renewal event of a franchise. If the franchise agreement contains a provision that is inconsistent with the law, the law will control.~~ conflict of law, Indiana Law governs any cause of action that arises under the Indiana Disclosure Law or the Indiana Deceptive Franchise Practices Act.

**Maryland FDD Amendment**  
Amendments to the i4 Search Group  
Franchise Disclosure Document

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Item 17, "Renewal, Termination, Transfer and Dispute Resolution," is supplemented, by the addition of the following:

A. The general release required as a condition of renewal, sale, and/or assignment/transfer shall not apply to any liability under the Maryland Franchise Registration and Disclosure Law.

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

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

(b) D. The Franchise Agreement provides for termination upon bankruptcy. This provision may not be enforceable under federal bankruptcy law (11 U.S.C.A. § Section 101, et seq.).

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

**Michigan FDD Amendment**  
Amendments to the i4 Search Group  
Franchise Disclosure Document

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

A. A prohibition of your right to join an association of franchisees.

B. A requirement that you assent to a release, assignment, novation, waiver or estoppel that deprives you of rights and protections provided in this act. This shall not preclude you, after entering into a Franchise Agreement, from settling any and all claims.

C. A provision that permits us to terminate a franchise before the expiration of this term except for good cause. Good cause shall include your failure to comply with any lawful provision of the Franchise Agreement and to cure the failure after being given written notice of the failure and a reasonable opportunity, which in no event need be more than 30 days, to cure the failure.

D. A provision that permits us to refuse to renew a franchise without fairly compensating you by repurchase or other means for the fair market value at the time of expiration of your inventory, supplies, equipment, fixtures and furnishings. Personalized materials that have no value to us and inventory, supplies, equipment, fixtures and furnishings not reasonably required in the conduct of the franchise business are not subject to compensation. This subsection applies only if: (a) the term of the franchise is less than five years, and (b) you are prohibited by the Franchise Agreement or other agreement from continuing to conduct substantially the same business under another trademark, service mark, trade name, logotype, advertising or other commercial symbol in the same area subsequent to the expiration of the franchise or you do not receive at least six months advance notice of our intent not to renew the franchise.

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

F. A provision requiring that litigation be conducted outside this state. This shall not preclude you from entering into an agreement, at the time of litigation, to conduct litigation at a location outside this state.

G. A provision that permits us to refuse to permit a transfer of ownership of a franchise, except for good cause. The subdivision does not prevent us from exercising a right of first refusal to purchase the franchise. Good cause shall include, but is not limited to:

- (i) The failure of the proposed transferee to meet our then current reasonable qualifications or standards.
- (ii) The fact that the proposed transferee is our or Sub-franchisor's competitor.
- (iii) The unwillingness of the proposed transferee to agree in writing to comply with all lawful obligations.
- (iv) Your or proposed transferee's failure to pay us any sums or to cure any default in the Franchise Agreement existing at the time of the proposed transfer.

H. A provision that requires you to resell to us items that are not uniquely identified with us. This subdivision does not prohibit a provision that grants us a right of first refusal to purchase the assets of a franchise on the same terms and conditions as a bona fide third party willing and able to purchase those assets, nor does this subdivision prohibit a provision that grants us the right to acquire the assets of a franchise for the market or appraised value and has failed to cure the breach in the manner provided in Item 17(g).

I. A provision that permits us to directly or indirectly convey, assign or otherwise transfer our obligations to fulfill contractual obligations to you unless a provision has been made for providing the required contractual services.

2. If our most recent financial statements are unaudited and show a net worth of less than \$100,000.00, you may request that we arrange for the escrow of initial investment and other funds you paid until our obligations, if any, to provide real estate, improvements, equipment, inventory, training or other items

included in the franchise offering are fulfilled. At our option, a surety bond may be provided in place of escrow.

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

4. Any questions regarding this notice should be directed to: State of Michigan, Consumer Protection Division, Attention: Franchise Bureau, 670 Law Building, Lansing, MI 48913; telephone number (517) 373-3800.

**ADDITIONAL RISK FACTORS:**

1. THESE FRANCHISES HAVE BEEN REGISTERED UNDER THE MINNESOTA FRANCHISE ACT. REGISTRATION DOES NOT CONSTITUTE APPROVAL, RECOMMENDATION OR ENDORSEMENT BY THE COMMISSIONER OF COMMERCE OF MINNESOTA OR A FINDING BY THE COMMISSIONER THAT THE INFORMATION PROVIDED HEREIN IS TRUE, COMPLETE AND NOT MISLEADING.

2. THE MINNESOTA FRANCHISE ACT MAKES IT UNLAWFUL TO OFFER OR SELL ANY FRANCHISE IN THIS STATE WHICH IS SUBJECT TO REGISTRATION WITHOUT FIRST PROVIDING TO THE PROSPECTIVE FRANCHISEE. AT LEAST SEVEN DAYS PRIOR TO THE EXECUTION BY THE PROSPECTIVE FRANCHISEE OF ANY BINDING FRANCHISE OR OTHER AGREEMENT, OR AT LEAST SEVEN DAYS PRIOR TO THE PAYMENT OF ANY CONSIDERATION, BY THE FRANCHISEE, WHICHEVER OCCURS FIRST, A COPY OF THIS PUBLIC OFFERING STATEMENT, TOGETHER WITH A COPY OF ALL PROPOSED AGREEMENTS RELATING TO THE FRANCHISE. THIS PUBLIC OFFERING STATEMENT CONTAINS A SUMMARY ONLY OF CERTAIN MATERIAL PROVISIONS OF THE FRANCHISE AGREEMENT. THE CONTRACT OR AGREEMENT SHOULD BE REFERRED TO FOR AN UNDERSTANDING OF ALL RIGHTS AND OBLIGATIONS OF BOTH THE FRANCHISOR AND THE FRANCHISEE.

**AMENDMENT OF FDD DISCLOSURES:**

A. Item 6, "Other Fees". Not sufficient funds are governed by Minnesota Statute 604.113, which puts a cap of \$30 on service charges.

B. Item 13, "Trademarks." Item 13 is supplemented by the addition of the following: As required by the Minnesota Franchise Act, Minn. Stat. Sec. 80C.12(g), we will reimburse you for any costs incurred by you in the defense of your right to use the marks, so long as you were using the marks in the manner authorized by us, and so long as we are timely notified of the claim and given the right to manage the defense of the claim including the right to compromise, settle or otherwise resolve the claim, and to determine whether to appeal a final determination of the claim.

C. Item 17, "Renewal, Termination, Transfer and Dispute Resolution," Item 17 is supplemented by the addition of the following: With respect to franchises governed by Minnesota law, we will comply with Minn. Stat. Sec. 80C.14, Subds. 3, 4 and 5, which require, except in certain specified cases, that you be given 90 days- notice of termination (with 60 days to cure) and 180 days-notice of non-renewal of the Agreement.

D. Item 17 “Renewal, Termination, Transfer and Dispute Resolution.” Item 17 is supplemented by the addition of the following: Item 17 shall not provide for a prospective general release of claims against us that may be subject to the Minnesota Franchise Law. Minn. Rule 2860.4400D prohibits a franchisor from requiring a franchisee to assent to a general release.

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

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

**New York FDD Amendment**  
**Amendments to the i4 Search Group**  
**Franchise Disclosure Document**

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

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

~~2. The Franchise Agreement contains a covenant not following is to compete which extends beyond~~be added at the termination~~end~~ of Item 3:

With the exception of what is stated above, the following applies to the franchisor, its predecessor, a person identified in Item 2, or an affiliate offering franchises under the franchisor’s principal trademark:

(e) A. No such party has an administrative, criminal, or civil action pending against that person ~~alleging: a felony, a violation of a franchise. This provision may not be enforceable under California, antitrust, or securities law.~~, fraud, embezzlement, fraudulent conversion, misappropriation of property, unfair or deceptive practices, or comparable civil or misdemeanor allegations.

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

C. No such party has been convicted of a felony or pleaded nolo contendere to a felony charge or, within the 10-year period immediately preceding the application for registration, has been convicted of or pleaded nolo contendere to a misdemeanor charge or has been the subject of a civil action alleging: violation of a franchise, antifraud, or securities law; fraud; embezzlement; fraudulent conversion or misappropriation of property; or unfair or deceptive practices or comparable allegations.6. ~~Section 31125 of the California Corporations Code requires us to give you a disclosure document, in a form containing the information that the commissioner may by rule or order require, before a solicitation of a proposed material modification of an existing franchise.~~

~~7. You must sign a general release if you renew or transfer your franchise. 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).~~

~~8. The highest interest rate allowed by law in California is 10% annually.~~

~~9. The franchise agreement requires application of the laws of Ohio. This provision may not be enforceable under California law.~~

~~10. Exhibit H of the Disclosure Document contains acknowledgments in Paragraphs 1 through 9 and 12, which are impermissible under the California Franchise Investment Law. No franchisee in California is required to acknowledge these statements and any acknowledgment thereof will not be enforceable.~~

~~11. The terms of Items 5 and 11 of this Disclosure Document have been negotiated with other franchisees. A copy of all Negotiated Sales Notices filed in California in the last twelve months is attached on the following pages of this Exhibit G.~~

**ADDENDUM TO THE FRANCHISE AGREEMENT REQUIRED BY THE STATE OF HAWAII**

~~SINCE THE FRANCHISOR'S AUDITED FINANCIAL STATEMENTS, AS OF DECEMBER 31, 2022, INDICATE THE FRANCHISOR'S LIABILITIES EXCEED ITS ASSETS, A DEFERRAL OF THE PAYMENT OF THE INITIAL FRANCHISE FEE AND ANY OTHER INITIAL PAYMENTS MADE BY THE FRANCHISEE TO THE FRANCHISOR WILL NOT BE REQUIRED UNTIL ALL OF THE PRE-OPENING OBLIGATIONS OF THE FRANCHISOR HAVE BEEN SATISFIED AND THE FRANCHISE HAS OPENED FOR BUSINESS.~~

The parties hereto have duly executed, sealed and delivered this Addendum dated this day of \_\_\_\_\_.

FRANCHISEE: \_\_\_\_\_ FRANCHISOR:  
\_\_\_\_\_ i4 FRANCHISE DEVELOPMENT INC.

By: \_\_\_\_\_ By: \_\_\_\_\_  
Name: \_\_\_\_\_ Name: \_\_\_\_\_  
Title: \_\_\_\_\_ Title: \_\_\_\_\_

PRINCIPALS:

\_\_\_\_\_  
Name: \_\_\_\_\_

\_\_\_\_\_  
D. No such party is subject to a currently effective injunctive or restrictive order or decree relating to the franchise, or under a Federal, State, or Canadian franchise, securities, antitrust, trade regulation, or trade practice law, resulting from a concluded or pending action or proceeding brought by a public agency; or is subject to any currently effective order of any national securities association or national securities exchange, as defined in the Securities and Exchange Act of 1934, suspending or expelling such person from membership in such association or exchange; or is subject to a currently effective injunctive or restrictive order relating to any other business activity as a result of an action brought by a public agency or department, including, without limitation, actions affecting a license as a real estate broker or sales agent.

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

However, to the extent required by applicable law, all rights you enjoy and any causes of action arising in your favor from the provisions of Article 33 of the General Business Law of the State of New York and the regulations issued thereunder shall remain in force; it being the intent of this proviso that the non-waiver provisions of General Business Law Sections 687(4) and 687(5) be satisfied.

4. The following language replaces the “Summary” section of Item 17(d), titled “**Termination by franchisee**”: You may terminate the agreement on any grounds available by law.

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

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

6. Franchise Questionnaires and Acknowledgements -

Name: \_\_\_\_\_

## ADDENDUM TO THE DISCLOSURE DOCUMENT REQUIRED BY THE STATE OF ILLINOIS

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

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

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

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

~~Item 5 of the Franchise Disclosure Document is amended to state all initial franchise fees are deferred until Franchisor has satisfied its pre-opening obligations to franchisee and the franchisee has commenced business operations. The Illinois Attorney General's Office imposed this deferral requirement due to Franchisor's financial condition.~~

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

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

### North Dakota FDD Amendment Amendments to the i4 Search Group Franchise Disclosure Document

1. Item 5, "Initial fees," Item 5 is supplemented by the addition of the following:

Refund and cancellation provisions will be inapplicable to franchises operating under North Dakota Law, North Dakota Century Code Annotated Chapter 51-19, Sections 51-19-01 through 51-19-17. If franchisor elects to cancel this Franchise Agreement, franchisor will be entitled to a reasonable fee for its evaluation of you and related preparatory work performed and expenses actually incurred.

2. Item 6, "Other Fees," Item 6 is supplemented by the addition of the following:

No consent to termination or liquidated damages shall be required from franchisees in the State of North Dakota.

3. Item 17, "Renewal, Termination, Transfer and Dispute Resolution," Item 17 is supplemented by the addition of the following:

A. Any provision requiring a franchisee to sign a general release upon renewal of the Franchise Agreement has been determined to be unfair, unjust and inequitable within the intent of Section 51-19-09 of the North Dakota Franchise Investment Law.

B. Any provision requiring a franchisee to consent to termination or liquidation damages has been determined to be unfair, unjust and inequitable within the intent of Section 51-19-09 of the North Dakota Franchise Investment Law.

C. Covenants restricting competition contrary to Section 9-08-06 of the North Dakota Century Code, without further disclosing that such covenants may be subject to this statute, are unfair, unjust and inequitable. Covenants not to compete such as those mentioned above are generally considered unenforceable in the State of North Dakota.

D. Any provision in the Franchise Agreement requiring a franchisee to agree to the arbitration or mediation of disputes at a location that is remote from the site of the franchisee's business has been determined to be unfair, unjust and inequitable within the intent of Section 51-19-09 of the North Dakota Franchise Investment Law. The site of arbitration or mediation must be agreeable to all parties and may not be remote from the franchisee's place of business.

E. Any provision in the Franchise Agreement which designates jurisdiction or venue or requires the franchisee to agree to jurisdiction or venue in a forum outside of North Dakota is void with respect to any cause of action which is otherwise enforceable in North Dakota.

F. Apart from civil liability as set forth in Section 51-19-12 of the N.D.C.C., which is limited to violations of the North Dakota Franchise Investment Law (registration and fraud), the liability of the franchisor to a franchisee is based largely on contract law. Despite the fact that those provisions are not contained in the franchise investment law, those provisions contain substantive rights intended to be afforded to North Dakota residents and it is unfair to franchise investors to require them to waive their rights under North Dakota Law.

G. Any provision in the Franchise Agreement requiring that the Franchise Agreement be construed according to the laws of a state other than North Dakota are unfair, unjust or inequitable within the intent of Section 51-19-09 of the North Dakota Franchise Investment Law.

H. Any provision in the Franchise Agreement which requires a franchisee to waive his or her right to a jury trial has been determined to be unfair, unjust and inequitable within the intent of Section 51-19-09 of the North Dakota Franchise Investment Law.

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

The parties hereto have duly executed, sealed  
**Rhode Island FDD Amendment**  
Amendments to the i4 Search Group  
Franchise Disclosure Document

Item 17, "Renewal, Termination, Transfer and delivered this Addendum dated this day of \_\_\_\_\_  
\_\_\_\_\_."

FRANCHISEE: \_\_\_\_\_ FRANCHISOR:  
\_\_\_\_\_ i4 FRANCHISE DEVELOPMENT INC.

By: \_\_\_\_\_ By: \_\_\_\_\_  
Name: \_\_\_\_\_ Name: \_\_\_\_\_  
Title: \_\_\_\_\_ Title: \_\_\_\_\_

PRINCIPALS:

\_\_\_\_\_  
Name: \_\_\_\_\_

\_\_\_\_\_  
Name: \_\_\_\_\_

**ADDENDUM TO THE FRANCHISE AGREEMENT REQUIRED BY THE STATE OF ILLINOIS**

Illinois law governs the agreements between the parties to this franchise. Dispute Resolution, Item 17 is supplemented by

Section 4 addition of the Illinois following:

A. The Rhode Island Franchise Disclosure Investment Act, R.I. Gen. Law Ch. 395 Sec. 19-28.1-14 provides that any provision in the franchise agreement which designates a Franchise Agreement restricting jurisdiction or venue outside of the State of Illinois is void. However, a franchise agreement may provide for arbitration outside of Illinois to a forum outside this state or requiring the application of the laws of another state is void with respect to a claim otherwise enforceable under the Rhode Island Franchise Investment Act.

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

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

~~The Fees section of the Franchise Agreement is amended to state all initial franchise fees are deferred until Franchisor has satisfied its pre-opening obligations to franchisee and the franchisee has commenced business operations. The Illinois Attorney General's Office imposed this deferral requirement due to Franchisor's financial condition.~~

B. Any general release as a condition of renewal, termination or transfer will be void with respect to claims under the Rhode Island Franchise Investment Act.

**Virginia FDD Amendment**  
Amendments to the i4 Search Group  
Franchise Disclosure Document

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Item 17, "Renewal, Termination, Transfer and Dispute Resolution," Item 17(h) is supplemented by the addition of the following:

Under 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 i4 Search Group 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.

No statement, questionnaire, or ~~acknowledgment~~acknowledgement signed or agreed to by a franchisee ~~(or developer)~~ 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.

**Washington FDD Amendment**  
Amendments to the i4 Search Group  
Franchise Disclosure Document

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In the event of a conflict of laws, the provisions of the Washington Franchise Investment Protection Act, Chapter 19.100 RCW will prevail.

RCW 19.100.180 may supersede the franchise agreement in your relationship with the franchisor including the areas of termination and renewal of your franchise. There may also be court decisions which may supersede the franchise agreement in your relationship with the franchisor including the areas of termination and renewal of your franchise.

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

A release or waiver of rights executed by a franchisee may not include rights under the Washington Franchise Investment Protection Act or any rule or order thereunder except when executed pursuant to a negotiated settlement after the agreement is in effect and where the parties are represented by independent counsel. Provisions such as those which unreasonably restrict or limit the statute of limitations period for claims under the Act, or rights or remedies under the Act such as a right to a jury trial, may not be enforceable.

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

The parties hereto have duly executed, sealed and delivered this Addendum dated this day of \_\_\_\_\_.

FRANCHISEE: \_\_\_\_\_ FRANCHISOR:  
\_\_\_\_\_ i4 FRANCHISE DEVELOPMENT INC.

By: \_\_\_\_\_ By: \_\_\_\_\_  
Name: \_\_\_\_\_ Name: \_\_\_\_\_  
Title: \_\_\_\_\_ Title: \_\_\_\_\_

PRINCIPALS:

\_\_\_\_\_  
Name: \_\_\_\_\_

\_\_\_\_\_  
Name: \_\_\_\_\_

**ADDENDUM REQUIRED BY THE STATE OF INDIANA**

1. To be added to Item 3 of the Disclosure Document, is the following statement:

There are presently no arbitration proceedings to which the Franchisor is a party.

2. Item 17 of the Disclosure Document is amended to reflect the requirement under Indiana Code 23-2-2.7-1 (9), which states that any post term non-compete covenant must not extend beyond the franchisee's exclusive territory.

3. Item 17 is amended to state that this is subject to Indiana Code 23-2-2.7-1 (10).

4. Under Indiana Code 23-2-2.7-1 (10), jurisdiction and venue must be in Indiana if the franchisee so requests. This amends Article 19 of the Franchise Agreement and Section 19 of the Multi-Unit Development Agreement.

5. Under Indiana Code 23-2-2.7-1 (10), franchisee may not agree to waive any claims or rights.

The parties hereto have duly executed, sealed and delivered this Addendum dated this day of \_\_\_\_\_

FRANCHISEE: \_\_\_\_\_ FRANCHISOR: \_\_\_\_\_  
i4 FRANCHISE DEVELOPMENT INC.

By: \_\_\_\_\_ By: \_\_\_\_\_  
Name: \_\_\_\_\_ Name: \_\_\_\_\_  
Title: \_\_\_\_\_ Title: \_\_\_\_\_

PRINCIPALS:

\_\_\_\_\_  
Name: \_\_\_\_\_

\_\_\_\_\_  
Name: \_\_\_\_\_

**ADDENDUM TO THE DISCLOSURE DOCUMENT  
REQUIRED BY THE STATE OF MARYLAND**

\_\_\_\_\_ This will serve as the State Addendum for the State of Maryland for i4 Franchise Development Inc.'s Franchise Disclosure Document.

\_\_\_\_\_ 1. \_\_\_\_\_ Item 5 of the Disclosure Document is amended to state: "Based upon the franchisor's financial condition, the Maryland Securities Commissioner has required a financial assurance. Therefore, all initial fees and payments owed by franchisees shall be deferred until the franchisor completes its pre-opening obligations under the franchise agreement."

\_\_\_\_\_ 2. \_\_\_\_\_ Item 17 of the Disclosure Document is amended to state that the general release required as a condition of renewal, sale and/or assignment/transfer shall not apply to any liability under the Maryland Franchise Registration and Disclosure Law.

\_\_\_\_\_ 3. \_\_\_\_\_ Item 17 of the Disclosure Document is amended to state that a franchisee may bring a lawsuit in Maryland for claims arising under the Maryland Franchise Registration and Disclosure Law.

\_\_\_\_\_ 4. \_\_\_\_\_ Item 17 of the Disclosure Document is amended to state that any claims arising under the Maryland Franchise Registration and Disclosure Law must be brought within three years after the grant of the franchise.

\_\_\_\_\_ 5. \_\_\_\_\_ Item 17 of the Disclosure Document is amended to state that the provisions in the Franchise Agreement which provide for termination upon bankruptcy of the franchisee may not be enforceable under federal bankruptcy law (11 U.S.C. Section 101 et seq.).

\_\_\_\_\_ 6. \_\_\_\_\_ 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.

No statement, questionnaire, or ~~acknowledgment~~acknowledgement signed or agreed to by a franchisee ~~(or developer)~~ 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.

**Wisconsin FDD Amendment**  
Amendments to the i4 Search Group

Franchise Disclosure Document

Item 17, "Renewal, Termination, Transfer and Dispute Resolution," Item 17 is supplemented by the addition of the following:

The Wisconsin Fair Dealership Law Title XIV-A Ch. 135, Section 135.01-135.07 may affect the termination provision of the Franchise Agreement.



STATE SPECIFIC AMENDMENTS TO FRANCHISE AGREEMENT

**CALIFORNIA FRANCHISE AGREEMENT AMENDMENT**

Amendments to the i4 Search Group Franchise Agreement:

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

**ADDENDUM TO THE FRANCHISE AGREEMENT  
REQUIRED BY THE STATE OF MARYLAND**

~~\_\_\_\_\_ This will serve as the State Addendum for the State of Maryland for IN WITNESS WHEREOF, the parties have duly executed and delivered this California State amendment to i4 Franchise Development Inc.'s Franchise Agreement. The amendments to on the same date as the Franchise Agreement included in this addendum have been agreed to by the parties was executed.~~

~~\_\_\_\_\_ 1. The provisions in the Franchise Agreement which provide for termination upon bankruptcy of the franchisee may not be enforceable under federal bankruptcy law (11 U.S.C. Section~~

~~Franchisor: \_\_\_\_\_ Franchisee: \_\_\_\_\_  
i4 Franchise Development Inc. \_\_\_\_\_~~

By: \_\_\_\_\_  
Signature

\_\_\_\_\_  
Signature

\_\_\_\_\_  
Name and Title (please print)

\_\_\_\_\_  
Name (please print)

\_\_\_\_\_  
Dated

\_\_\_\_\_  
Dated

**HAWAII FRANCHISE AGREEMENT AMENDMENT**

**Amendments to the i4 Search Group Franchise Agreement:**

In recognition of the requirements of the Hawaii Franchise Investment Law, the undersigned agree to the following modifications to i4 Franchise Development Inc. Franchise Agreement (the “Franchise Agreement”), as follows:

1. Sub-Article 14.C.(6). Sub-article 14.C.(6), under the Article section titled “Conditions for Approval of Transfer,” is supplemented by the addition of the following language:

; provided, however, that all rights enjoyed by Franchisee and any causes of action arising in Franchisee’s favor from the provisions of the Hawaii Franchise Investment Law, shall remain in force; it being the intent of this provision that the non-waiver provisions of the Hawaii Franchise Investment Law be satisfied; and

The Hawaii Franchise Investment Law provides rights to the franchisee concerning non-renewal, termination and transfer of the Franchise Agreement. If this Sub-article contains a provision that is inconsistent with the Hawaii Franchise Investment Law, the Hawaii Franchise Investment Law will control.

2. Sub-Article 15.B.(8). Sub-article 15.B.(8), under the Article section titled “Conditions for Renewal,” is supplemented by the addition of the following:

; provided, however, that all rights enjoyed by Franchisee and any causes of action arising in Franchisee’s favor from the provisions of the Hawaii Franchise Investment Law, shall remain in force; it being the intent of this provision that the non-waiver provisions of the Hawaii Franchise Investment Law be satisfied; and

The Hawaii Franchise Investment Law provides rights to the franchisee concerning non-renewal, termination and transfer of the Franchise Agreement. If this subarticle contains a provision that is inconsistent with the Hawaii Franchise Investment Law, the Hawaii Franchise Investment Law will control.

3. Each provision of this amendment shall be effective only to the extent, with respect to such provision, that the jurisdictional requirements of the Hawaii Franchise Investment Law are met independently without reference to this amendment.

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

[SIGNATURE PAGE TO FOLLOW]

IN WITNESS WHEREOF, the parties have duly executed and delivered this Hawaii State amendment to i4 Franchise Development Inc. Franchise Agreement on the same date as the Franchise Agreement was executed.

**Franchisor:** \_\_\_\_\_ **Franchisee:** \_\_\_\_\_  
i4 Franchise Development Inc. \_\_\_\_\_

By: \_\_\_\_\_  
Signature

\_\_\_\_\_  
Signature

\_\_\_\_\_  
Name and Title (please print)

\_\_\_\_\_  
Name (please print)

\_\_\_\_\_  
Dated

\_\_\_\_\_  
Dated

**ILLINOIS FRANCHISE AGREEMENT AMENDMENT**

**Amendments to the i4 Search Group Franchise Agreement:**

In recognition of the requirements of the Illinois Franchise Disclosure Act, 815 ILCS 705/1 to 705/45, and Ill. Admin. Code tit. 15, §200.100 et seq., the undersigned agree to the following modifications to i4 Franchise Development Inc. Franchise Agreement (the “Franchise Agreement”) and, if Franchisor and Franchisee both sign i4 Franchise Development Inc., as follows:

1. Article 18.F. of the Franchise Agreement, under the heading “Governing Law”, shall be amended by the addition of the following statement added after the end of the last sentence of Article 18.F. of the Franchise Agreement:

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

Section 4 of the Illinois Franchise Disclosure Act Provides that any provision in a Franchise Agreement that designates jurisdiction or venue outside the State of Illinois is void. However, a Franchise Agreement may provide for arbitration in a venue outside Illinois.

Your rights upon termination and non-renewal of a Franchise Agreement are set forth in Sections 19 and 20 of the Illinois Franchise Disclosure Act.

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

2. Article 18.G. of the Franchise Agreement, under the heading “Choice of Law, Non-Binding Mediation, Binding Arbitration, and Consent to Jurisdiction”, shall be amended by the addition of the following statement added after the end of the last sentence of Article 18.G. of the Franchise Agreement:

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

Section 4 of the Illinois Franchise Disclosure Act Provides that any provision in a Franchise Agreement that designates jurisdiction or venue outside the State of Illinois is void. However, a Franchise Agreement may provide for arbitration in a venue outside Illinois.

Your rights upon termination and non-renewal of a Franchise Agreement are set forth in Sections 19 and 20 of the Illinois Franchise Disclosure Act.

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

3. Each provision of this amendment shall be effective only to the extent, with respect to such provision, that the jurisdictional requirements of the Illinois Franchise Disclosure Act (815 ILCS 705/1 to 705/45) are met independently without reference to this amendment.

4. No statement, questionnaire or acknowledgement signed or agreed to by a franchisee in connection with the commencement of the franchise relationship shall have the effect of: (i) waiving any claims under any applicable state franchise law, including fraud in the inducement, or (ii) disclaiming reliance on 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. IN WITNESS WHEREOF, the parties have duly executed and delivered this Illinois amendment to i4 Franchise Development Inc. Franchise Agreement on the same date as the Franchise Agreement was executed.

**Franchisor:** \_\_\_\_\_ **Franchisee:** \_\_\_\_\_  
i4 Franchise Development Inc. \_\_\_\_\_

By: \_\_\_\_\_  
Signature

\_\_\_\_\_  
Signature

\_\_\_\_\_  
Name and Title (please print)

\_\_\_\_\_  
Name (please print)

\_\_\_\_\_  
Dated

\_\_\_\_\_  
Dated

**MARYLAND FRANCHISE AGREEMENT AMENDMENT**

Amendments to the i4 Search Group Franchise Agreement:

In recognition of the requirements of the Maryland Franchise Registration and Disclosure Law, the parties to the attached i4 Franchise Development Inc. Franchise Agreement (the "Franchise Agreement"), as follows:

~~1. The 101 et seq.;~~

~~2. The appropriate sections of the Franchise Agreement are amended to permit a franchisee to bring a lawsuit in Maryland for claims arising under the Maryland Franchise Registration and Disclosure Law.~~

~~3. The appropriate sections of the Franchise Agreement are amended to state that any claims arising under the Maryland Franchise Registration and Disclosure Law must be brought within three years after the grant of the franchise.~~

~~4. The appropriate sections of the Franchise Agreement are amended to state that the general release required as a condition of renewal, sale and/or assignment/transfer shall not apply to any liability under the Maryland Franchise Registration and Disclosure Law.~~

~~5. The Franchise Agreement and Franchisee Acknowledgment Statement are amended to include the following statement: "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."~~

~~6. This franchise agreement provides that disputes are resolved through mediation and arbitration. A Maryland franchise regulation states that it is an unfair or deceptive practice to require a franchisee to waive its right to file a lawsuit in Maryland claiming a violation of the Maryland Franchise Law. In light of the Federal Arbitration Act, there is some dispute as to whether this forum selection requirement is legally enforceable.~~

~~7. The Fees section of the Franchise Agreement is hereby amended to state, "Based upon the franchisor's financial condition, the Maryland Securities Commissioner has required a financial assurance. Therefore, all initial fees and payments owed by franchisees shall be deferred until the franchisor completes its pre-opening obligations under the franchise agreement."~~

~~8. No statement, questionnaire, or acknowledgment signed or agreed to by a franchisee (or developer) 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.~~

~~2. The parties hereto have duly executed, sealed and delivered this Addendum dated this day of, \_\_\_\_\_.~~

~~FRANCHISEE: \_\_\_\_\_ FRANCHISOR:  
\_\_\_\_\_ i4 FRANCHISE DEVELOPMENT INC.~~

~~By: \_\_\_\_\_ By: \_\_\_\_\_  
Name: \_\_\_\_\_ Name: \_\_\_\_\_  
Title: \_\_\_\_\_ Title: \_\_\_\_\_~~

~~PRINCIPALS:~~

~~\_\_\_\_\_  
Name: \_\_\_\_\_~~

~~\_\_\_\_\_  
Name: \_\_\_\_\_~~

DISCLOSURE REQUIRED BY THE STATE OF MICHIGAN

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

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

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

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

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

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

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

~~(g) A provision which permits a franchisor to refuse to permit a sale and/or assignment/transfer of ownership of a franchise, except for good cause. This subdivision does not prevent a franchisor from exercising a right of first refusal to purchase the franchise. Good cause shall include, but is not limited apply to:~~

~~(i) Failure of any liability under the proposed transferee to meet the franchisor's then-current reasonable qualifications or standards.~~

~~(ii) The fact that the proposed transferee is a competitor of the franchisor or subfranchisor.~~

~~\_\_\_\_\_ (iii) \_\_\_\_\_ The unwillingness of the proposed transferee to agree in writing to comply with all lawful obligations.~~

~~\_\_\_\_\_ (iv) \_\_\_\_\_ The failure of the franchisee or proposed transferee to pay any sums owing to the franchisor or to cure any default in the franchise agreement existing at the time of the proposed transfer.~~

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

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

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

~~\_\_\_\_\_ If the franchisor's most recent financial statements are unaudited and show a net worth of less than \$100,000, franchisee has the right to request an escrow arrangement.~~

~~\_\_\_\_\_ Any questions regarding this notice should be directed to:~~

~~\_\_\_\_\_ Consumer Protection Division  
\_\_\_\_\_ Attn: Katharyn Barron  
\_\_\_\_\_ Michigan Department of Attorney General  
\_\_\_\_\_ 525 W. Ottawa Street, 1st Floor  
\_\_\_\_\_ Lansing, Michigan 48933  
\_\_\_\_\_ (517) 335-7567~~

## ADDENDUM REQUIRED BY THE STATE OF MINNESOTA

— This addendum to the Maryland Franchise Registration and Disclosure Document is agreed to this day of \_\_\_\_\_, and effectively amends and revises said Disclosure Document and Franchise Agreement as follows: Law.

— 1. — Item 13 of the Disclosure Document and the appropriate sections 3. Article 18.G. of the Franchise Agreement are, under the heading “Choice of Law, Non-Binding Mediation, Binding Arbitration, and Consent to Jurisdiction,” shall be amended by the addition of the following language statement added to Article 18.G. of the original language that appears therein Franchise Agreement:

“In accordance with applicable requirements of Minnesota law, Franchisor shall protect Franchisee’s right to use the trademarks, service marks, trade names, logotypes or other commercial symbols and/or shall indemnify Franchisee from any loss, costs or expenses arising out of any claim, suit or demand regarding such use.”

— 2. — Item 17 of the Disclosure Document and the appropriate sections A franchisee may bring a lawsuit in Maryland for claims arising under the Maryland Franchise Registration and Disclosure Law.

4. Article 18.I. of the Franchise Agreement are, under the heading “Limitations of Claims,” shall be amended by the addition of the following language to the original language that appears therein:

“With respect to franchises governed by Minnesota law, the franchisor will comply with Minnesota Statutes Sec. 80C.14, Subds. 3, 4 and 5, which require (except in certain specified cases) that a franchisee be given 90 days’ notice of termination (with 60 days to cure) and 180 days’ notice for non-renewal of the franchise agreement and that consent to the transfer of the franchise will not be unreasonably withheld.”

— 3. — Item 17 of the Disclosure Document and the appropriate sections of the Franchise Agreement are amended by the addition of the following language to amend the Governing Law, Jurisdiction and Venue, and Choice of Forum sections:

“Minn. Stat. Sec. 80C.21 and Rule 2860.4400(J) prohibit the franchisor from requiring litigation to be conducted outside Minnesota, requiring waiver of a jury trial, or requiring the franchisee to consent to liquidated damages, termination penalties or judgment notes. In addition, nothing in the Franchise Disclosure Document or agreements can abrogate or reduce any of the franchisee’s rights as provided for in Minnesota Statutes, Chapter 80C, or franchisee’s rights to any procedure, forum, or remedies provided for by the laws of the jurisdiction.”

— 4. — Item 17 of the Disclosure Document and the appropriate sections of the Franchise Agreement are amended by the addition of the following language to the original language that appears therein:

“Minn. Rule 2860.4400D prohibits us from requiring you to assent to a general release.”

— 5. — Any reference to liquidated damages in the Franchise Agreement is hereby deleted in accordance with Minn. Rule 2860.4400J which prohibits requiring you to consent to liquidated damages.

~~6. The appropriate section of the Franchise Agreement which provides for waiver of a jury trial is hereby deleted in accordance with Minn. Rule 2860.4400J.~~

~~7. The appropriate section of the Franchise Agreement regarding Limitations of Claims is hereby amended to comply with Minn. Stat. §80C.17, Subd. 5.~~

~~8. Item 6, Insufficient Fund Fees: NSF fees are governed by Minnesota Statute 604.113; which puts a cap of \$30 on an NSF check. This applies to everyone in Minnesota who accepts checks except banks.~~

~~9. Under Minn. Rule 2860.440J, the franchisee cannot consent to the franchisor obtaining injunctive relief. The franchisor may seek injunctive relief. A court will determine if a bond is required. The appropriate sections of the Franchise Agreement are hereby amended accordingly.~~

~~10. Item 5 of the Disclosure Document and Article 6 of the Franchise Agreement are amended to state: "In the State of Minnesota, we will defer the payment of the initial franchise fee and any other initial payment until all of our material pre-opening obligations have been satisfied and your business is open and operating. However, you must execute the Franchise Agreement prior to looking for a site or beginning training."~~

~~The parties hereto have duly executed, sealed and delivered this Addendum dated this day of \_\_\_\_\_.~~

~~FRANCHISEE: \_\_\_\_\_ FRANCHISOR:  
\_\_\_\_\_ i4 FRANCHISE DEVELOPMENT INC.~~

~~By: \_\_\_\_\_ By: \_\_\_\_\_  
Name: \_\_\_\_\_ Name: \_\_\_\_\_  
Title: \_\_\_\_\_ Title: \_\_\_\_\_~~

~~PRINCIPALS:~~

~~\_\_\_\_\_  
Name: \_\_\_\_\_~~

~~\_\_\_\_\_  
Name: \_\_\_\_\_~~

**ADDENDUM REQUIRED BY THE DEPARTMENT OF LAW OF THE STATE OF NEW YORK**

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

~~INFORMATION COMPARING FRANCHISORS IS AVAILABLE. CALL THE STATE ADMINISTRATORS LISTED IN EXHIBIT A OR YOUR PUBLIC LIBRARY FOR SOURCES OF INFORMATION. REGISTRATION OF THIS FRANCHISE BY NEW YORK STATE DOES NOT MEAN THAT NEW YORK STATE RECOMMENDS IT OR HAS VERIFIED THE INFORMATION IN THIS FRANCHISE DISCLOSURE DOCUMENT. IF YOU LEARN THAT ANYTHING IN THE FRANCHISE DISCLOSURE DOCUMENT IS UNTRUE, CONTACT THE FEDERAL TRADE COMMISSION AND NEW YORK STATE DEPARTMENT OF LAW, INVESTOR PROTECTION BUREAU, 28 LIBERTY STREET, 21<sup>ST</sup> FLOOR, NEW YORK, NEW YORK, 10005. THE FRANCHISOR MAY, IF IT CHOOSES, NEGOTIATE WITH YOU ABOUT ITEMS COVERED IN THE FRANCHISE DISCLOSURE DOCUMENT. HOWEVER, THE FRANCHISOR CANNOT USE THE NEGOTIATING PROCESS TO PREVAIL UPON A PROSPECTIVE FRANCHISEE TO ACCEPT TERMS WHICH ARE LESS FAVORABLE THAN THOSE SET FORTH IN THIS FRANCHISE DISCLOSURE DOCUMENT.~~

2. The following is statement added at the end of Item 3: to Article 18.I. of the Franchise Agreement:

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

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

B. No such party has pending actions, other than routine litigation incidental to the business, which are significant in the context of the number of franchisees and the size, nature or financial. Any claims arising under the Maryland Franchise Registration and Disclosure Law must be brought within three years after the grant of the franchise.

A general release required as a condition of the franchise system or its business operations.

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

D. No such party is subject to a currently effective injunctive or restrictive order or decree relating to the franchise, or under a Federal, State, or Canadian franchise, securities, antitrust, trade regulation or trade practice law, resulting from a concluded or pending action or proceeding brought by a public agency; or is subject to any currently effective order of any national securities association or

~~national securities exchange, as defined in the Securities~~renewal, sale and Exchange Act of 1934, suspending or expelling such person from membership in such association or exchange; or is subject to a currently effective injunctive or restrictive order relating to any other business activity as a result of an action brought by a public agency or department, including, without limitation, actions affecting a license as a real estate broker or sales agent.

3. The following is added to the end of Item 4:

Neither the franchisor, its affiliate, its predecessor, officers, or general partner during the 10-year period immediately before the date of the offering circular: (a) filed as debtor (or had filed against it) a petition to start an action under the U.S. Bankruptcy Code; (b) obtained a discharge of its debts under the bankruptcy code; or (c) was a principal officer of a company or a general partner in a partnership that either filed as a debtor (or had filed against it) a petition to start an action under the U.S. Bankruptcy Code or that obtained a discharge of its debts under the U.S. Bankruptcy Code during or within 1-year after that officer or general partner of the franchisor held this position in the company or partnership.

4. The following is added to the end of Item 5:

The initial franchise fee constitutes part of our general operating funds and will be used as such in our discretion.

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

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

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

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

7. The following is added to the end of the "Summary" section of Item 17(j), titled "**Assignment of contract by franchisor**":

However, no ~~/or~~ assignment will be made except to an assignee who in good faith and judgment of the franchisor, is willing and financially able to assume the franchisor's obligations under the Franchise or transfer of a Franchise Agreement.

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

~~—The foregoing choice of law should~~ shall not be considered a waiver of any right conferred upon the franchisor or upon the franchisee by Article 33 of the General Business Law of the State of New York apply to any liability under the Maryland Franchise Registration and Disclosure Law

5. 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.

6. Each provision of this amendment shall be effective only to the extent, with respect to such provision, that the jurisdictional requirements of the Maryland Franchise Registration and Disclosure Law are met independently without reference to this amendment.

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

The[SIGNATURE PAGE TO FOLLOW]

IN WITNESS WHEREOF, the parties hereto have duly executed, ~~sealed~~ and delivered this Addendum dated \_\_\_\_\_.

FRANCHISEE: \_\_\_\_\_ FRANCHISOR: \_\_\_\_\_  
Maryland amendment to the i4 Franchise Development Inc. Franchise Agreement on the same date as the Franchise Agreement was executed.

Franchisor: \_\_\_\_\_ Franchisee: \_\_\_\_\_  
i4 Franchise Development Inc. \_\_\_\_\_

By: \_\_\_\_\_ Signature \_\_\_\_\_

\_\_\_\_\_  
Name and Title (please print) Name (please print)

\_\_\_\_\_  
Dated Dated

**MINNESOTA FRANCHISE DEVELOPMENT INC. AGREEMENT AMENDMENT**

By: \_\_\_\_\_ By: \_\_\_\_\_  
Name: \_\_\_\_\_ Name: \_\_\_\_\_  
Title: \_\_\_\_\_ Title: \_\_\_\_\_

**PRINCIPALS:**

\_\_\_\_\_  
Name: \_\_\_\_\_

\_\_\_\_\_  
Name: \_\_\_\_\_

**ADDENDUM TO THE DISCLOSURE DOCUMENT REQUIRED BY THE COMMONWEALTH OF VIRGINIA**

— Amendments to the i4 Search Group Franchise Agreement:

In recognition of the restrictions contained in Section 13.1-564 of the Virginia Retail Franchising Act, the requirements of the Minnesota Statutes, Chapter 80C, and Minnesota Franchise Disclosure Document for Rules, Chapter 2860, the parties to the attached i4 Franchise Development Inc. for use in the Commonwealth of Virginia shall be amended as follows:

— 1. — Additional Disclosure: The following statements are added to Item 17.h:

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 the term may be defined in the Virginia Retail Franchising Act or the laws of Virginia, the provision may not be enforceable.

Pursuant to Section 13.1-564 of the Virginia Retail Franchising Act, it is unlawful for a franchisor to use undue influence to induce a franchisee to surrender any right given to him under the franchise. If any provision of the Franchise Agreement involves the use of undue influence by the franchisor to induce a franchisee to surrender any rights given to him under the franchise, that provision may not be enforceable (the "Franchise Agreement"), as follows:

2. — 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 the franchisees to the franchisor until the franchisor has completed its pre-opening obligations under the franchise agreement.

**ADDENDUM TO THE FRANCHISE AGREEMENT REQUIRED BY THE COMMONWEALTH OF VIRGINIA**

— In recognition of the restrictions contained in Section 13.1-564 of the Virginia Retail Franchising Act, the Franchise Agreement for i4 Franchise Development Inc. for use in the Commonwealth of Virginia shall be amended as follows:

— 1. — Additional Disclosure: The following statements are added to the appropriate sections of the Franchise Agreement:

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 the term may be defined in the Virginia Retail Franchising Act or the laws of Virginia, the provision may not be enforceable.

Pursuant to Section 13.1-564 of the Virginia Retail Franchising Act, it is unlawful for a franchisor to use undue influence to induce a franchisee to surrender any right given to him under the franchise. If any provision of the Franchise Agreement involves the use of

~~undue influence by the franchisor to induce a franchisee to surrender any rights given to him under the franchise, that provision may not be enforceable.~~

~~2. 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 the franchisees to the franchisor until the franchisor has completed its pre-opening obligations under the franchise agreement.~~

~~The~~1. Article 14.C. of the Franchise Agreement, under the heading "Conditions for Approval of Transfer," subarticle 14.C.(6) is supplemented with the addition of the following language:

~~;~~ provided, however, that all rights enjoyed by Franchisee and any causes of action arising in Franchisee's favor from the provisions of the Minnesota Franchise Act, Minn. Stat. Section 80C.14 et seq. and Minnesota Rules 2860.4400(D), shall remain in force; it being the intent of this provision that the non-waiver provisions of the Minnesota Rules 2860.4400(D) be satisfied; and

~~Minnesota law provides a franchisee with certain termination and non-renewal rights. Minn. Stat. Sect. 80C.14 Subdivisions 3, 4, and 5 require, except in certain specified cases, that franchisee be given 180 days-notice of nonrenewal of this Agreement by Franchisor.~~

2. Article 15.B. of the Franchise Agreement, under the heading "Conditions for Renewal," the subarticle 15.B.(8) is supplemented with the addition of the following language:

~~;~~ provided, however, that all rights enjoyed by Franchisee and any causes of action arising in Franchisee's favor from the provisions of the Minnesota Franchise Act, Minn. Stat. Section 80C.14 et seq. and Minnesota Rules 2860.4400(D), shall remain in force; it being the intent of this provision that the non-waiver provisions of the Minnesota Rules 2860.4400(D) be satisfied; and

~~Minnesota law provides a franchisee with certain termination and non-renewal rights. Minn. Stat. Sect. 80C.14 Subdivisions 3, 4, and 5 require, except in certain specified cases, that franchisee be given 180 days-notice of nonrenewal of this Agreement by Franchisor.~~

3. Under Article 11 of the Franchise Agreement, under the heading "Notification of Infringement and Claims," the subarticle 11.C. shall be supplemented by the addition of the following:

~~Franchisor agrees to protect Franchisee, to the extent required by the Minnesota Franchise Act, against claims of infringement or unfair competition with respect to Franchisee's use of the Marks when, in the opinion of Franchisor's counsel, Franchisee's rights warrant protection pursuant to Article 11.E. of this Agreement.~~

4. Under Article 14 of the Franchise Agreement, under the heading "Conditions for Approval of Transfer," the subarticle 14.C. shall be supplemented by the addition of the following:

~~Franchisor shall not unreasonably withhold consent to transfer the Franchise Agreement.~~

5. Under Article 16 of the Franchise Agreement, under the heading "Defaults and Automatic Termination Upon Written Notice Without Cure Period," the subarticle 16.A.(2) shall be supplemented by the addition of the following:

Article 16.A.(2) will not be enforced to the extent prohibited by applicable law.

6. Under Article 16 of the Franchise Agreement, under the heading “Defaults and Automatic Termination After 30 Day Cure Period,” the subarticle 16.A.(4)(f), shall be supplemented by the addition of the following:

Subarticle 16.A.(4)(f) will not be enforced to the extent prohibited by applicable law.

7. Under both subarticles 16.A.(2) and 16.A.(4) of the Franchise Agreement, the following is added:

Minnesota law provides a franchisee with certain termination rights. Minn. Stat. Sect. 80C.14 Subdivisions 3, 4, and 5 require, except in certain specified cases, that franchisee be given 90 days-notice of termination (with 60 days to cure) of this Agreement.

8. Article 18.F. of the Franchise Agreement, under the heading “Governing Law”, shall be amended by the addition of the following statement added to the end of the last sentence of Article 18.F.:

; except to the extent otherwise prohibited by applicable law with respect to claims arising under the Minnesota Franchise Act.

9. Article 18.G. of the Franchise Agreement, under the heading “Choice of Law, Non-Binding Mediation, Binding Arbitration, and Consent to Jurisdiction”, shall be amended by the addition of the following statement added to the end of the last sentence of Article 18.G. of the Franchise Agreement:

; except to the extent otherwise prohibited by applicable law with respect to claims arising under the Minnesota Franchise Act.

10. Article 18.K. of the Franchise Agreement, under the heading “Waiver of Jury Trial”, shall be supplemented by the addition of the following statement at the end of the sentence contained in Article 18.K. of the Franchise Agreement:

; except that nothing in this Agreement should be considered a waiver of any right conferred upon Franchisee by the Minnesota Franchise Act.

11. Article 18.I. of the Franchise Agreement, under the heading “Limitations of Claims,” shall be supplemented by the addition of the following statement:

Under the Minnesota Franchise Act, any claims between the parties hereto must be commenced within three years of the occurrence of the facts giving rise to such claim, or such claim shall be barred.

12. Article 18 of the Franchise Agreement, under the heading “Enforcement and Construction,” shall be supplemented by the addition of the following new subarticle 18.Z. to the Franchise Agreement:

Any foregoing acknowledgments are not intended to, nor shall they act as a release, estoppel or waiver or any liability under the Minnesota Franchise Act.

13. Each provision of this amendment shall be effective only to the extent, with respect to such provision, that the jurisdictional requirements of the Minnesota Franchise Act are met independently without reference to this amendment.

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

statement made by any franchisor, franchise seller, or other person acting on behalf of the franchisor. This provision supersedes any other term of any document executed in connection with the franchise.

IN WITNESS WHEREOF, the parties have duly executed, ~~sealed~~ and delivered this ~~Addendum dated~~ this day of \_\_\_\_\_ Minnesota State amendment to i4 Franchise Development Inc. Franchise Agreement on the same date as the Franchise Agreement was executed.

FRANCHISEE: \_\_\_\_\_ FRANCHISOR:  
\_\_\_\_\_ i4 FRANCHISE DEVELOPMENT INC.

By: \_\_\_\_\_ By: \_\_\_\_\_  
Name: \_\_\_\_\_ Name: \_\_\_\_\_  
Title: \_\_\_\_\_ Title: \_\_\_\_\_

PRINCIPALS:

\_\_\_\_\_  
Name: \_\_\_\_\_

\_\_\_\_\_  
Name: \_\_\_\_\_

**ADDENDUM TO THE FRANCHISE DISCLOSURE DOCUMENT AND** Franchisor: \_\_\_\_\_

**Franchisee:**

i4 Franchise Development Inc. \_\_\_\_\_

By: \_\_\_\_\_  
Signature

\_\_\_\_\_  
Signature

\_\_\_\_\_  
Name and Title (please print)

\_\_\_\_\_  
Name (please print)

\_\_\_\_\_  
Dated

\_\_\_\_\_  
Dated

**NEW YORK FRANCHISE AGREEMENT REQUIRED BY THE STATE OF AMENDMENT**  
Amendments to the i4 Search Group Franchise Agreement:

In recognition of the requirements of the New York General Business Law, Article 33, Sections 680 through 695, and of the regulations promulgated thereunder (N.Y. Comp. Code R. & Regs., tit. 13, §§ 200.1 through 201.16), the parties to the attached i4 Franchise Development Inc. Franchise Agreement (the “Franchise Agreement”):

1. Under Article 14.C. of the Franchise Agreement, under the heading “Conditions for Approval of Transfer,” the subarticle 14.C.(6) is supplemented with the addition of the following language:

; provided, however, that all rights and causes of action arising in favor of Franchisee from the provisions of New York General Business Law Sections 680-695 and the regulations issued thereunder, shall remain in force; it being the intent of this provision that the non-waiver provisions of N.Y. Gen. Bus. Law Sections 687.4 and 687.5 be satisfied.

2. Under Article 15.B. of the Franchise Agreement, under the heading “Conditions for Renewal,” the subarticle 15.B.(8) is supplemented with the addition of the following language:

; provided, however, that all rights and causes of action arising in favor of Franchisee from the provisions of New York General Business Law Sections 680-695 and the regulations issued thereunder, shall remain in force; it being the intent of this provision that the non-waiver provisions of N.Y. Gen. Bus. Law Sections 687.4 and 687.5 be satisfied.

3. Article 18 of the Franchise Agreement and, under the heading “Enforcement and Construction,” shall be supplemented by the addition of the following new subarticle 18.Z. to the Franchise Agreement:

Nothing in this Agreement should be considered a waiver of any right conferred upon franchisee by New York General Business Law, Sections 680-695.

4. There are circumstances in which an offering made by i4 Franchise Development Inc. would not fall within the scope of the New York General Business Law, Article 33, such as when the offer and acceptance occurred outside the State of New York. However, an offer or sale is deemed made in New York if you are domiciled in New York or the Outlet will be opening in New York. i4 Franchise Development Inc. is required to furnish a New York prospectus to every prospective franchisee who is protected under the New York General Business Law, Article 33.

5. Each provision of this amendment shall be effective only to the extent, with respect to such provision, that the jurisdictional requirements of the New York General Business Law, are met independently without reference to this amendment.

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 any statement made by any franchisor, franchise seller, or other person acting on behalf of the franchisor. This provision supersedes any other term of any document executed in connection with the franchise.

[SIGNATURE PAGE TO FOLLOW]

IN WITNESS WHEREOF, the parties have duly executed and delivered this New York amendment to i4 Franchise Development Inc. Franchise Agreement on the same date as the Franchise Agreement was executed.

**Franchisor:** \_\_\_\_\_ **Franchisee:** \_\_\_\_\_  
i4 Franchise Development Inc. \_\_\_\_\_

By: \_\_\_\_\_  
Signature

\_\_\_\_\_  
Signature

\_\_\_\_\_  
Name and Title (please print)

\_\_\_\_\_  
Name (please print)

\_\_\_\_\_  
Dated

\_\_\_\_\_  
Dated

**NORTH DAKOTA FRANCHISE AGREEMENT AMENDMENT**

**Amendments to the i4 Search Group Franchise Agreement:**

In recognition of the North Dakota Franchise Investment Law, Section 51-19, the parties to the attached i4 Franchise Development Inc. Franchise Agreement (the “Franchise Agreement”) agree as follows:

The North Dakota Addendum is only applicable if you are a resident of North Dakota or if your i4 Business will be located within the State of North Dakota.

1. Article 15 of the Franchise Agreement is hereby amended by the addition of the following language: “Provisions requiring North Dakota franchisees to sign a general release upon renewal of the Franchise Agreement are not enforceable in North Dakota.”

2. Article 16 of the Franchise Agreement is hereby amended by the addition of the following language: “Provisions requiring North Dakota franchisees to consent to termination or liquidated damages are not enforceable in North Dakota.”

3. Article 6 of the Franchise Agreement are hereby amended by the addition of the following language: “Covenants not to compete such as those mentioned above are generally considered unenforceable in the State of North Dakota.”

4. Article 18 of the Franchise Agreement is hereby amended by the addition of the following language: “Covenants requiring North Dakota franchisees to consent to the jurisdiction of courts outside of North Dakota may not be enforceable in North Dakota.”

5. Article 18 of the Franchise Agreement is hereby amended by the addition of the following language: “for North Dakota franchisees, North Dakota law shall apply.”

6. Article 18 of the Franchise Agreement is hereby amended by the addition of the following language: “Provisions requiring a franchisee to consent to a waiver of trial by jury are not enforceable under Section 51-19-09 of the North Dakota Franchise Investment Law.”

7. Article 18 of the Franchise Agreement is hereby amended by the addition of the following language: “Provisions requiring the franchisee to consent to a waiver of exemplary and punitive damages are not enforceable under Section 51-19-09 of the North Dakota Franchise Investment Law.”

8. Article 18 of the Franchise Agreement is hereby amended by the addition of the following language: “Provisions requiring a franchisee to consent to a limitation of claims within one year have been determined to be unfair, unjust and inequitable within the intent of Section 51-19-09 of the North Dakota Franchise Investment Law. Therefore, for North Dakota franchisees, the statute of limitations under North Dakota Law will apply.”

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

Each provision of this amendment shall be effective only to the extent, with respect to such provision, that the jurisdictional requirements of North Dakota Law are met independently without reference to this amendment.

IN WITNESS WHEREOF, the parties have duly executed and delivered this North Dakota amendment to i4 Franchise Development Inc. Franchise Agreement on the same date as the Franchise Agreement was executed.

**Franchisor:** \_\_\_\_\_ **Franchisee:** \_\_\_\_\_

i4 Franchise Development Inc. \_\_\_\_\_

By: \_\_\_\_\_  
Signature

\_\_\_\_\_  
Signature

\_\_\_\_\_  
Name and Title (please print)

\_\_\_\_\_  
Name (please print)

\_\_\_\_\_  
Dated

\_\_\_\_\_  
Dated

## WASHINGTON FRANCHISE AGREEMENT AMENDMENT

### Amendments to the i4 Search Group Franchise Agreement:

In the event of a conflict of laws, the provisions of the Washington Franchise Investment Protection Act, Chapter 19.100 RCW will prevail.

RCW 19.100.180 may supersede the franchise agreement in your relationship with the franchisor including the areas of termination and renewal of your franchise. There may also be court decisions which may supersede the franchise agreement in your relationship with the franchisor including the areas of termination and renewal of your franchise.

In any arbitration or mediation involving a franchise purchased in Washington, the arbitration or mediation site shall 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.

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.

~~Attachment 4 to the Franchise Agreement (General Release) is hereby amended to provide that the release does not apply to claims arising under the Franchise Investment Protection Act, chapter 19.100 RCW, or the rules adopted thereunder in accordance with RCW 19.100.220(2).~~

~~Item 5 of the Franchise Disclosure Document (Initial Fees) and Section 6 of the Franchise Agreement (Fees) are hereby amended to state the franchisor will defer collection of the initial franchise fee until franchisor has fulfilled its initial pre-opening obligations to you and you are open for business.~~

~~Section 9.5 of the Franchise Agreement (No Liability/Waiver of Claims) is hereby amended by deleting the last sentence thereof.~~

~~Section 16.3.6 of the Franchise Agreement is hereby amended to delete the following from the last sentence thereof:~~

~~“, and indemnify Franchisor against any claims by the transferee relating to misrepresentations in the transfer process, specifically excluding those representations made by Franchisor in the Franchise Disclosure Document given to the transferee”~~

~~Section 17.5 of the Franchise Agreement (Notice to Suppliers) is hereby deleted in its entirety.~~

~~Section 20.7 of the Franchise Agreement (Limitations of Claims) is hereby deleted in its entirety.~~

No statement, questionnaire, or ~~acknowledgment~~ acknowledgment signed or agreed to by a franchisee ~~(or developer)~~ 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.

The undersigned does hereby acknowledge receipt of this addendum dated this day of \_\_\_\_\_

FRANCHISEE: \_\_\_\_\_ FRANCHISOR: \_\_\_\_\_  
i4 FRANCHISE DEVELOPMENT INC.

By: \_\_\_\_\_ By: \_\_\_\_\_

Name: \_\_\_\_\_ Name: \_\_\_\_\_  
Title: \_\_\_\_\_ Title: \_\_\_\_\_

PRINCIPALS:

\_\_\_\_\_  
Name: \_\_\_\_\_

\_\_\_\_\_  
Name: \_\_\_\_\_

**EXHIBIT H**

**ACKNOWLEDGMENT STATEMENTS**

**FRANCHISEE ACKNOWLEDGEMENT STATEMENT**

~~\*\*NOT FOR USE~~ [SIGNATURE PAGE TO FOLLOW]

~~IN CALIFORNIA, MARYLAND, AND WASHINGTON~~\*\*

Acknowledgement of the truthfulness of the statements below are an inducement for the Franchisor to enter into a Franchise Agreement. Notify Franchisor immediately, prior to acknowledgment, if any statement below is incomplete or incorrect.

~~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.~~

- ~~1. Franchisee has conducted an independent investigation of all aspects relating to the financial, operational, and other aspects of the business of operating the Franchised Business. Franchisee further acknowledges that, except as may be set forth in Franchisor's Disclosure Document, no representations of performance (financial or otherwise) for the Franchised Business provided for in this Agreement has been made to Franchisee by Franchisor and Franchisee and any and all Principals hereby waive any claim against Franchisor for any business failure Franchisee may experience as a franchisee under this Agreement.~~

~~\_\_\_\_\_  
Initial~~

- ~~2. Franchisee has conducted an independent investigation of the business contemplated by this Agreement and understands and acknowledges that the business contemplated by this Agreement involves business risks making the success of the venture largely dependent upon the business abilities and participation of Franchisee and its efforts as an independent business operation.~~

~~\_\_\_\_\_  
Initial~~

- ~~3. Franchisee agrees that no claims of success or failure have been made to it or him or her prior to signing the Franchise Agreement and that it/she/he understands all the terms and conditions of the Franchise Agreement. Franchisee further acknowledges that the Franchise Agreement contains all oral and written agreements, representations, and arrangements between WITNESS WHEREOF, the parties hereto, and any rights which the respective parties hereto may have had under any other previous contracts are hereby cancelled and terminated, and that this Agreement cannot be changed or terminated orally.~~

\_\_\_\_\_  
Initial

4. ~~Franchisee has no knowledge of any representations by Franchisor or its officers, directors, shareholders, employees, sales representatives, agents or servants, about the business contemplated by the Franchise Agreement that are contrary to the terms of the Franchise Agreement or the documents incorporated herein. Franchisee acknowledges that no representations or warranties are made or implied, except as specifically set forth in the Franchise Agreement. Franchisee represents, as an inducement to Franchisor's entry into this Agreement, that it has made no misrepresentations in obtaining the Franchise Agreement.~~

\_\_\_\_\_  
Initial

5. ~~Franchisor expressly disclaims the making of, and Franchisee acknowledges that it has not received or relied upon, any warranty or guarantee, express or implied, as to the potential volume, profits or success of the business venture contemplated by the Franchise Agreement.~~

\_\_\_\_\_  
Initial

6. ~~Franchisee acknowledges that Franchisor's approval or acceptance of Franchisee's business location does not constitute a warranty, recommendation, or endorsement of the location for the Franchised Business, nor any assurance by Franchisor that the operation of the Franchised Business at the premises will be successful or profitable.~~

\_\_\_\_\_  
Initial

7. ~~Franchisee acknowledges that it has received have duly executed and delivered this Washington State amendment to the i4 Franchise Development Inc. Franchise Disclosure Document with a complete copy of the Franchise Agreement and all related Attachments and agreements at least fourteen (14) calendar days prior to the Franchise Agreement on the same date on which the Franchise Agreement was executed. Franchisee further acknowledges that Franchisee has read such Franchise Disclosure Document and understands its contents.~~

\_\_\_\_\_  
Initial

8. ~~Franchisee acknowledges that it has had ample opportunity to consult with its own attorneys, accountants, and other advisors and that the attorneys for Franchisor have not advised or~~

~~represented Franchisee with respect to the Franchise Agreement or the relationship thereby created.~~

~~\_\_\_\_\_  
Initial~~

~~9. Franchisee, together with Franchisee's advisers, has sufficient knowledge and experience in financial and business matters to make an informed investment decision with respect to the Franchise granted by the Franchise Agreement.~~

~~\_\_\_\_\_  
Initial~~

~~10. Franchisee is aware of the fact that other present or future franchisees of Franchisor may operate under different forms of agreement(s), and consequently that Franchisor's obligations and rights with respect to its various franchisees may differ materially in certain circumstances.~~

~~\_\_\_\_\_  
Initial~~

~~11. It is recognized by the parties that Franchisor is also (or may become) a manufacturer or distributor of certain products under the Marks licensed herein; and it is understood that Franchisor does not warrant that such products will not be sold within the Franchisee's Territory by others who may have purchased such products from Franchisor.~~

~~\_\_\_\_\_  
Initial~~

~~12. BY EXECUTING THE FRANCHISE AGREEMENT, FRANCHISEE AND ANY PRINCIPAL, INDIVIDUALLY AND ON BEHALF OF FRANCHISEE'S AND SUCH PRINCIPAL'S HEIRS, LEGAL REPRESENTATIVES, SUCCESSORS AND ASSIGNS, HEREBY FOREVER RELEASE AND DISCHARGE i4 FRANCHISE DEVELOPMENT INC., i4 SEARCH GROUP LLC, AND ANY OF THE ABOVE'S PARENT COMPANY, SUBSIDIARIES, DIVISIONS, AFFILIATES, SUCCESSORS, ASSIGNS AND DESIGNEES, AND THE FOREGOING ENTITIES' DIRECTORS, OFFICERS, EMPLOYEES, AGENTS, SHAREHOLDERS, SUCCESSORS, DESIGNEES AND REPRESENTATIVES FROM ANY AND ALL CLAIMS, DEMANDS AND JUDGMENTS RELATING TO OR ARISING UNDER THE STATEMENTS, CONDUCT, CLAIMS OR ANY OTHER AGREEMENT BETWEEN THE PARTIES EXECUTED PRIOR TO THE DATE OF THE FRANCHISE AGREEMENT, INCLUDING, BUT NOT LIMITED TO, ANY AND ALL CLAIMS, WHETHER PRESENTLY KNOWN OR UNKNOWN, SUSPECTED OR UNSUSPECTED, ARISING UNDER THE FRANCHISE, SECURITIES, TAX OR ANTITRUST LAWS OF THE UNITED STATES OR OF ANY STATE OR TERRITORY THEREOF. THIS RELEASE SHALL NOT APPLY TO ANY CLAIMS ARISING FROM REPRESENTATIONS MADE BY FRANCHISOR IN FRANCHISOR'S FRANCHISE DISCLOSURE DOCUMENT RECEIVED BY FRANCHISEE.~~

\_\_\_\_\_  
Initial

PRINCIPALS: \_\_\_\_\_ FRANCHISEE: \_\_\_\_\_  
\_\_\_\_\_

\_\_\_\_\_  
*Signature* \_\_\_\_\_ By: \_\_\_\_\_  
Name: \_\_\_\_\_ Name: \_\_\_\_\_  
Date: \_\_\_\_\_ Title: \_\_\_\_\_  
Date: \_\_\_\_\_

\_\_\_\_\_  
*Signature* \_\_\_\_\_  
Name: \_\_\_\_\_  
Date: \_\_\_\_\_

**FRANCHISEE ACKNOWLEDGEMENT STATEMENT**

**\*\*FOR USE BY WASHINGTON FRANCHISEES ONLY\*\***

Acknowledgement of the truthfulness of the statements below are an inducement for the Franchisor to enter into a Franchise Agreement. Notify Franchisor immediately, prior to acknowledgment, if any statement below is incomplete or incorrect.

~~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.~~

~~Acknowledgement does not waive any liability the franchisor may have under the Washington Franchise Investment Protection Act, RCW 19.100, and the rules adopted thereunder.~~

- ~~1. Franchisee has conducted an independent investigation of all aspects relating to the financial, operational and other aspects of the business of operating the Franchised Business. Franchisee further acknowledges that, except as may be set forth in Franchisor's Disclosure Document, no representations of performance (financial or otherwise) for the Franchised Business provided for in this Agreement has been made to Franchisee by Franchisor and Franchisee.~~

\_\_\_\_\_  
Initial

~~2. Franchisee has conducted an independent investigation of the business contemplated by this Agreement and understands and acknowledges that the business contemplated by this Agreement involves business risks making the success of the venture largely dependent upon the business abilities and participation of Franchisee and its efforts as an independent business operation.~~

~~\_\_\_\_\_  
Initial~~

~~3. Franchisee agrees that no claims of success or failure have been made to it or him or her prior to signing the Franchise Agreement and that it/she/he understands all the terms and conditions of the Franchise Agreement. Franchisee further acknowledges that the Franchise Agreement contains all oral and written agreements, representations, and arrangements between the parties hereto, and any rights which the respective parties hereto may have had under any other previous contracts are hereby cancelled and terminated, and that this Agreement cannot be changed or terminated orally.~~

~~\_\_\_\_\_  
Initial~~

~~4. Franchisee has no knowledge of any representations by Franchisor or its officers, directors, shareholders, employees, sales representatives, agents, or servants, about the business contemplated by the Franchise Agreement that are contrary to the terms of the Franchise Agreement or the documents incorporated herein. Franchisee acknowledges that no representations or warranties are made or implied, except as specifically set forth in the Franchise Agreement. Franchisee represents, as an inducement to Franchisor's entry into this Agreement, that it has made no misrepresentations in obtaining the Franchise Agreement.~~

~~\_\_\_\_\_  
Initial~~

~~5. Franchisor expressly disclaims the making of, and Franchisee acknowledges that it has not received any warranty or guarantee, express or implied, as to the potential volume, profits or success of the business venture contemplated by the Franchise Agreement.~~

~~\_\_\_\_\_  
Initial~~

~~6. Franchisee acknowledges that Franchisor's approval or acceptance of Franchisee's Business location does not constitute a warranty, recommendation or endorsement of the location for the Franchised Business.~~

~~\_\_\_\_\_  
Initial~~

7. ~~Franchisee acknowledges that it has received the i4 Franchise Development Inc. Franchise Disclosure Document with a complete copy of the Franchise Agreement and all related Attachments and agreements at least fourteen (14) calendar days prior to the date on which the Franchise Agreement was executed. Franchisee further acknowledges that Franchisee has read such Franchise Disclosure Document and understands its contents.~~

            
Initial

8. ~~Franchisee acknowledges that it has had ample opportunity to consult with its own attorneys, accountants and other advisors and that the attorneys for Franchisor have not advised or represented Franchisee with respect to the Franchise Agreement or the relationship thereby created.~~

            
Initial

9. ~~Franchisee, together with Franchisee’s advisers, has sufficient knowledge and experience in financial and business matters to make an informed investment decision with respect to the Franchise granted by the Franchise Agreement.~~

            
Initial

10. ~~Franchisee is aware of the fact that other present or future franchisees of Franchisor may operate under different forms of agreement(s), and consequently that Franchisor’s obligations and rights with respect to its various franchisees may differ materially in certain circumstances.~~

            
Initial

11. ~~It is recognized by the parties that Franchisor is also (or may become) a manufacturer or distributor of certain products under the Marks licensed herein; and it is understood that Franchisor does not warrant that such products will not be sold within the Franchisee’s Territory by others who may have purchased such products from Franchisor.~~

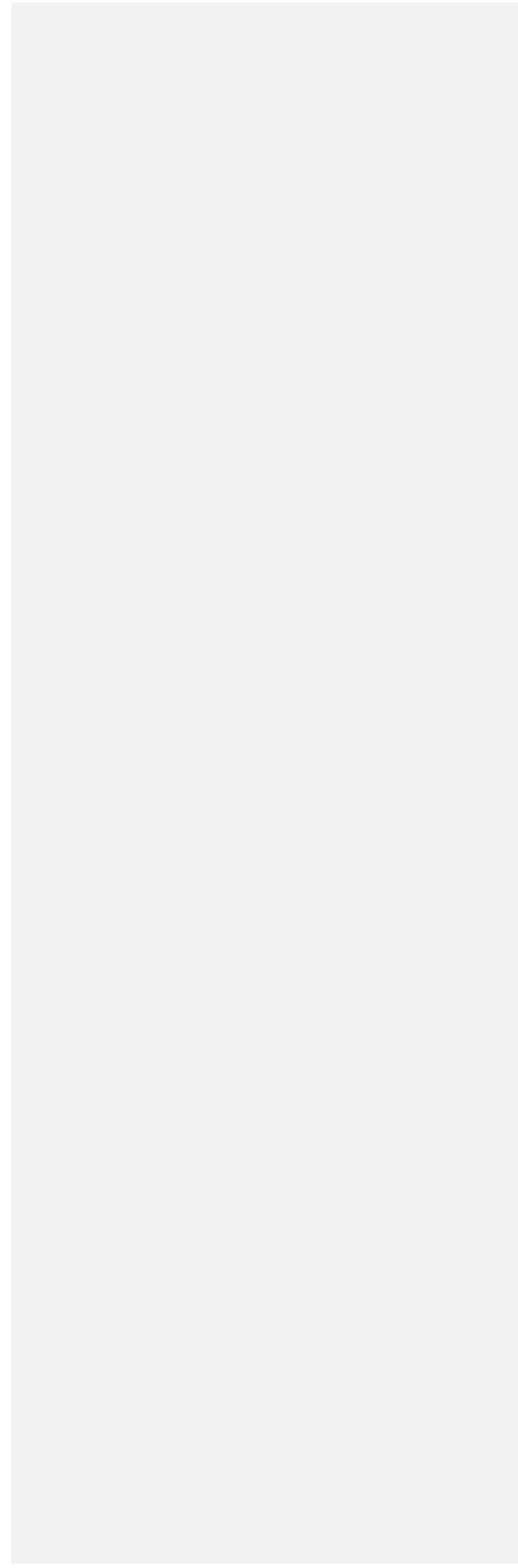
            
Initial

PRINCIPALS: \_\_\_\_\_ FRANCHISEE: \_\_\_\_\_  
\_\_\_\_\_

\_\_\_\_\_  
*Signature* \_\_\_\_\_ By: \_\_\_\_\_

Name: \_\_\_\_\_ Name: \_\_\_\_\_  
Date: \_\_\_\_\_ Title: \_\_\_\_\_  
Date: \_\_\_\_\_

\_\_\_\_\_  
*Signature*  
Name: \_\_\_\_\_  
Date: \_\_\_\_\_



**Franchisor:**

i4 Franchise Development Inc.

**Franchisee:**

By:

Signature

Signature

Name and Title (please print)

Name (please print)

Dated

Dated



Franchise Disclosure Document  
Exhibit I - State Effective Dates

**State Effective Dates**

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

California, Hawaii, Illinois, Indiana, Maryland, Michigan, Minnesota, New York, North Dakota, Rhode Island, South Dakota, Virginia, Washington, and Wisconsin.

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

State	Effective Date/Dates
California	<del>May 5, 2023</del>
Hawaii	<del>June 3, 2023</del>
Illinois	<del>April 24, 2023</del>
Indiana	<del>August 25, 2022, amended April 24, 2023</del>
Maryland	
Michigan	<del>February 17, 2023</del>
Minnesota	<del>June 26, 2023</del>
New York	<del>November 24, 2021, amended July 10, 2023</del>
<del>North Dakota</del>	
<del>Rhode Island</del>	
<del>South Dakota</del>	
Virginia	<del>May 31, 2023</del>
Washington	<del>August 24, 2023</del>
Wisconsin	<del>April 24, 2023</del>

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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.



RECEIPT

Franchise Disclosure Document  
Exhibit J – Receipts

i4 Franchise Development Inc.

RECEIPT

This ~~Franchise~~ Disclosure Document summarizes certain provisions of the Franchise Agreement and other information in plain language. ~~Read this Franchise-Disclosure Document and all exhibitsthe agreements~~ carefully.

If i4 Franchise Development Inc. offers you a franchise, ~~itwe~~ must provide this Disclosure Document to you 14 calendar- days before you sign a binding agreement with, or make a payment to, ~~the franchisorus~~ or an affiliate of ours in connection with the proposed franchise sale.

New York ~~requires and Rhode Island require that we give you to receive this Franchise-Disclosure Documentdocument~~ at the earlier of the first personal meeting or 10 business days before the execution of the franchise or other ~~agreementagreements~~ or the payment of any consideration that relates to the franchise relationship. Michigan requires that we give you this Disclosure Document at least 10 business days before the signing of any binding franchise or other agreement, or the payment of any consideration, whichever occurs first.

If i4 Franchise Development Inc. does not deliver this Disclosure Document on time ~~orof~~ if it contains a false or misleading statement, or a material omission, a violation of federal law and state law may have occurred and should be reported to the Federal Trade Commission, Washington, DG,D.C. 20580; and ~~to yourthe applicable state authority listed on~~ administrator identified in Exhibit A- of this Disclosure Document. We authorize the respective state agencies identified in Exhibit B of this Disclosure Document to receive service of process for us in the particular state.

The ~~name and principal business address and telephone number~~Issuance Date of eachthis Disclosure Document is: March 26, 2024

The franchise ~~seller~~sellers for this offering ~~the franchise is~~are:

<u>Name</u>	<u>Principal Business Address</u>	<u>Telephone Number</u>
<u>Scott Butts</u>	<u>Scott Butts</u> 7185 Liberty Centre Drive, Suite A West Chester, Ohio 45069 <u>513-860-0600</u>	<u>513-860-0600</u>
<u>Rob Dallaire</u>	<u>7185 Liberty Centre Drive, Suite A West Chester, Ohio 45069</u>	<u>513-860-0600</u>

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Issuance Date: April 19, 2023

I received a Disclosure Document ~~dated April 19, issued on March 26, 2024~~2023, that included the following Exhibits~~exhibits~~:

- ~~EXHIBIT A: List of State Franchise Administrators and Agents for Service of Process~~
- ~~EXHIBIT B: Franchise Agreement with Attachments~~
- ~~EXHIBIT C: Deposit Agreement~~
- ~~EXHIBIT D: Financial Statements~~
- ~~EXHIBIT E: Operations Manual Table of Contents~~
- ~~EXHIBIT F: Franchised Outlets and Former Franchisees~~
- ~~EXHIBIT G: State Addenda~~

EXHIBIT H: Acknowledgment Statements

Date Received: \_\_\_\_\_ Date: \_\_\_\_\_  
(If other than date signed)

\_\_\_\_\_  
(Signature of recipient)

\_\_\_\_\_  
Print Name: \_\_\_\_\_

\_\_\_\_\_  
Legal residence address

**KEEP FOR YOUR RECORDS**

RECEIPT

<u>A. List of State Administrators</u>	<u>F. List of Franchisees</u>
<u>B. List of Agents for Service of Process</u>	<u>G. List of Franchisees Who Have Left the System</u>
<u>C. Operations Manual Table of Contents</u>	<u>H. State Specific Addenda</u>
<u>D. Financial Statements</u>	<u>I. State Effective Dates</u>
<u>E. Franchise Agreement</u>	<u>J. Receipts</u>

<u>Date</u>	<u>Print Name</u>	<u>Signature</u>
-------------	-------------------	------------------

<u>Date</u>	<u>Print Name</u>	<u>Signature</u>
-------------	-------------------	------------------

Please sign this copy of the receipt, date your signature, and return it to i4 Franchise Development Inc., 7185 Liberty Centre Drive, Suite A West Chester, Ohio 45069.

i4 Franchise Development Inc.

RECEIPT

This ~~Franchise~~ Disclosure Document summarizes certain provisions of the Franchise Agreement and other information in plain language. ~~Read this Franchise Disclosure Document and all exhibits the agreements~~ carefully.

If i4 Franchise Development Inc. offers you a franchise, ~~we~~ must provide this Disclosure Document to you 14 calendar days before you sign a binding agreement with, or make a payment to, ~~the franchisor us~~ or an affiliate ~~of ours~~ in connection with the proposed franchise sale.

New York ~~requires and Rhode Island require that we give you to receive this Franchise Disclosure Document~~ document at the earlier of the first personal meeting or 10 business days before the execution of the franchise or other ~~agreement agreements~~ or the payment of any consideration that relates to the franchise relationship. ~~Michigan requires that we give you this Disclosure Document at least 10 business days before the signing of any binding franchise or other agreement, or the payment of any consideration, whichever occurs first.~~

If i4 Franchise Development Inc. does not deliver this Disclosure Document on time ~~or if~~ it contains a false or misleading statement, or a material omission, a violation of federal ~~law~~ and state law may have occurred and should be reported to the Federal Trade Commission, Washington, ~~DC, 20580, and to your state authority listed on Exhibit A, D.C. 20580 and the applicable state administrator identified in Exhibit A~~ of this Disclosure Document. We authorize the respective state agencies identified in Exhibit B of this Disclosure Document to receive service of process for us in the particular state.

The ~~name and principal business address and telephone number~~ Issuance Date of ~~each~~ this Disclosure Document is: March 26, 2024

The franchise ~~seller~~ sellers for this offering ~~the franchise is~~ are:

<u>Name</u>	<u>Principal Business Address</u>	<u>Telephone Number</u>
<u>Scott Butts</u>	<u>Scott Butts</u> 7185 Liberty Centre Drive, Suite A	<u>513-860-0600</u>

Inserted Cells

Inserted Cells

	West Chester, Ohio 45069 <del>513-860-0600</del>	
Rob Dallaire	7185 Liberty Centre Drive, Suite A West Chester, Ohio 45069	513-860-0600

Issuance Date: April 19, 2023

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(If other than date signed)

\_\_\_\_\_  
(Signature of recipient)

\_\_\_\_\_  
Print Name: \_\_\_\_\_

\_\_\_\_\_  
Legal residence address

A. List of State Administrators	F. List of Franchisees
B. List of Agents for Service of Process	G. List of Franchisees Who Have Left the System
C. Operations Manual Table of Contents	H. State Specific Addenda
D. Financial Statements	I. State Effective Dates
E. Franchise Agreement	J. Receipts

\_\_\_\_\_  
**Date**                      **Print Name**                      **Signature**

\_\_\_\_\_  
**Date**                      **Print Name**                      **Signature**

Please ~~return signed~~ **sign this copy of the receipt, date your signature, and return it to:** Scott Butts at i4  
Franchise Development Inc.  
**7185 Liberty Centre Drive, Suite A**  
**West Chester, Ohio 45069.**