

FRANCHISE DISCLOSURE DOCUMENT
FIRST CHOICE BUSINESS BROKERS, INC.

a Nevada Corporation

851 South Rampart Blvd., Suite 200

Las Vegas, Nevada 89145

Phone: (702) 368-2500 Website: www.fcbbi.com



The franchise offered is for the operation of First Choice Business Brokers unit franchise which offers business brokerage, valuations, consultation and various other services for business purchases, sales, resales and acquisitions under the name of First Choice Business Brokers.

The total investment necessary to begin operation of a FIRST CHOICE franchise is between ~~\$69,150~~\$72,600 and ~~\$98,100~~\$99,500. This includes ~~\$54,000~~\$59,000 that must be paid to the franchisor or its affiliate(s).

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

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

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

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

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

Issuance date: March ~~28~~12, ~~2025~~2026

How to Use This Franchise Disclosure Document

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

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

What You Need to Know About Franchising *Generally*

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

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

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

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

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

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

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

Some States Require Registration

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

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

Special Risks to Consider About *This* Franchise

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

1. **Out-of-State Dispute Resolution**. The franchise agreement requires you to resolve disputes with the franchisor by mediation or litigation only in Nevada. Out-of-state mediation, arbitration, or litigation may force you to accept a less favorable settlement for disputes. It may also cost more to mediate or litigate with the franchisor in Nevada than in your own state.
2. **Mandatory Minimum Payments**. You must make minimum royalty or advertising fund payments, regardless of your sales levels. Your inability to make the payments may result in termination of your franchise and loss of your investment.
3. **Sales Performance Required**. You must maintain minimum sales performance levels. Your inability to maintain these levels may result in loss of any territorial rights you are granted, termination of your franchise, and loss of your investment.
4. **Financial Condition**. The franchisor's financial condition, as reflected in its financial statements (see Item 21), calls into question the franchisor's ability to provide services and support to you.

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

**MICHIGAN ADDENDUM
TO THE DISCLOSURE DOCUMENT**

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

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

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

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

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

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

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

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

TABLE OF CONTENTS

<u>Item</u>		<u>Page No.</u>
ITEM 1	THE FRANCHISOR, AND ANY PARENTS, PREDECESSORS, AND AFFILIATES	7
ITEM 2	BUSINESS EXPERIENCE	9
ITEM 3	LITIGATION	10
ITEM 4	BANKRUPTCY	10
ITEM 5	INITIAL FEES	10
ITEM 6	OTHER FEES	~~10~~ 11
ITEM 7	ESTIMATED INITIAL INVESTMENT	15
ITEM 8	RESTRICTIONS ON SOURCES OF PRODUCTS AND SERVICES	17
ITEM 9	FRANCHISEE'S OBLIGATIONS	20
ITEM 10	FINANCING	~~21~~ 22
ITEM 11	FRANCHISOR'S ASSISTANCE, ADVERTISING, COMPUTER SYSTEMS, AND TRAINING	22
ITEM 12	TERRITORY	31
ITEM 13	TRADEMARKS	32
ITEM 14	PATENTS, COPYRIGHTS, AND PROPRIETARY INFORMATION	~~33~~ 34
ITEM 15	OBLIGATION TO PARTICIPATE IN THE ACTUAL OPERATION OF THE FRANCHISE BUSINESS	35
ITEM 16	RESTRICTIONS ON WHAT THE FRANCHISEE MAY SELL	~~35~~ 36
ITEM 17	RENEWAL, TERMINATION, TRANSFER, AND DISPUTE RESOLUTION	36
ITEM 18	PUBLIC FIGURES	40
ITEM 19	FINANCIAL PERFORMANCE REPRESENTATIONS	~~40~~ 41
ITEM 20	OUTLETS AND FRANCHISEE INFORMATION	~~42~~ 43
ITEM 21	FINANCIAL STATEMENTS	~~47~~ 49
ITEM 22	CONTRACTS	~~47~~ 49
ITEM 23	RECEIPTS	~~48~~ 49

Exhibit A. Franchise Agreement

Schedule 1 –Designated Territory and Approved Location

Schedule 2 – Guaranty, Indemnification, and Acknowledgement

Schedule 3 – Computer System User License Agreement

Schedule 4 – Assignment of Telephone Numbers, Internet Addresses, and Social Media Identities

Schedule 5 – Confidentiality and Non-Competition Agreement

Schedule 6 – Statement of Ownership

Schedule 7 - ACH Authorization

Schedule 8 - Franchisee Compliance Certification

Schedule 9 - State Addenda to the Franchise Agreement

Exhibit B. Non-Disclosure Agreement

Exhibit C. State Administrators/Agents for Service of Process

Exhibit D. General Release

Exhibit E. Financial Statements

Exhibit F. State Addenda to The Disclosure Document

Exhibit G-1. List of Current Franchisees

Exhibit G-2. Former Franchisees

Exhibit H. Tables of Contents of Manuals

Exhibit I. Area Representative Disclosures

Exhibit J. State Effective Dates

Exhibit K. Receipts

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

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

The Franchisor

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

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

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

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

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

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

Parents

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

Predecessors
We do not have a predecessor.

Affiliates

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

Prior Business Experience

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

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

The Market and Competition

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

Applicable Laws

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

ITEM 2

BUSINESS EXPERIENCE

Chief Executive Officer: Jeffrey D. Nyman

Jeffrey D. Nyman has held the position of Chief Executive Officer and co-founder of our organization since its inception in August 2005. Mr. Nyman also served as our Chief Financial Officer from August 2005 to January 2020. Beyond his contributions to our company, he held leadership roles with our prior affiliate, Las Vegas 101, where he served as President and Secretary from 1996 to 2019. Mr. Nyman serves as Board Member of the Las Vegas Commercial Alliance and as a member of the State of Nevada Real Estate Commission Advisory Council.

President and Chief Operations Officer: Linda Hentges-Nyman

Linda Hentges-Nyman has been serving as our President since June 2012. A key member of our leadership team, Ms. Hentges-Nyman has also held the position of Chief Operations Officer (COO) and co-founder since the organization's inception in August 2005. From 1996 to 2019, she was Treasurer of our prior affiliate, Las Vegas 101.

Melissa Salyer: Executive Vice President of Franchise Development

Melissa Salyer has been serving as our Executive Vice President of Franchise Development since December 2021. In this role, she oversees strategic growth and franchisee recruitment. Prior to joining us, she held the position of Executive Vice President of Franchise Development at Loyalty, LLC in Virginia Beach, Virginia, from December 2019 to November 2021. Melissa also has been the Owner of FranDiscovery, a franchise consulting firm based in Virginia Beach, since August 2019.

Iain Bratt: Chief Financial Officer

Iain Bratt has been serving as our Chief Financial Officer since February 2024. Before joining us, Mr. Bratt held the position of Chief Operating Officer at ChainPro LLC in Scottsdale, Arizona, where he served from February 2023 to February 2024. Prior to his tenure at ChainPro LLC, Mr. Bratt was a self-employed financial and operational solutions consultant based in Las Vegas, Nevada, from February 2016 to February 2023.

Howard Meltzer: Database Manager and Marketing

Howard Meltzer has been serving as our Database and Marketing Manager since May 2021. Mr. Meltzer has also served as the President of ProPoint Management Services in Ponte Vedra Beach, Florida, since its founding in April 2002.

Will Phillips: Director of Marketing

Will Phillips has been our Director of Marketing since November 2025. From February 2024 until November 2025, Mr. Phillips was the Owner of Pulse and Pattern Marketing and Design in Las Vegas, Nevada. From March 2023 until February 2024, Mr. Phillips was the Marketing Director for Melon Local in Las Vegas, Nevada. From January 2023 until June 2023, Mr. Phillips was a Marketing

Specialist for Smart Coaching and Training in Erdenheim, Pennsylvania. From February 2022 until January 2023, Mr. Phillips was the Marketing Manager for 83bar LLC in Austin, Texas. From June 2020 until February 2022, Mr. Phillips was the Marketing Director for The Mike Ferry Org in Las Vegas, Nevada.

Anthony Cali: Franchisee Success Support Coach

Anthony Cali has been our Franchisee Success Support Coach since March 2025. From February 2021 until December 2024, Mr. Cali was a Regional Director for Liberty Tax in Virginia Beach, VA.

Mounir Bousaid: Broker Training

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

Freddie McFinn, Transaction Support

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

Area Representatives

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

ITEM 3 **LITIGATION**

No litigation is required to be disclosed in this Item.

ITEM 4 **BANKRUPTCY**

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

ITEM 5 **INITIAL FEES**

You must pay us an Initial Franchise Fee of \$~~40,000~~45,000 and a Training and Kickstart Marketing Fee of \$14,000. You must pay us these fees when you sign the Franchise Agreement.

We participate in the (VetFran) Veterans Transition Franchised Business Initiative which provides an opportunity for veterans who want to own a business. If you are a veteran of the U.S. Armed Forces

that has been honorably discharged, you may be eligible to receive a discount of \$5,000 from the Initial Franchise Fee for a First Choice Business for your first Designated Territory. You must advise us of your service to the United States prior to execution of the Franchise Agreement in order to receive the discount.

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

ITEM 6
OTHER FEES

Type of Fee (Notes 1 and 3)	Amount	Due Date	Remarks
Royalty (Note 2)	The greater of: \$300 per month or 10% of your Gross Revenue, up to \$850,000 during the term of the Franchise Agreement and 8% of Gross Revenue thereafter	~~By the 5th calendar day of every month~~ <u>Within 72 hours of a closed transaction for Gross Revenue attributable to a transaction or by the 5th calendar day of the month for other Gross Revenue; if you fail to pay the minimum royalty in any month, the difference between the minimum royalty and the royalty actually paid during the month will be due the 5th calendar day of the following month</u>	We start collecting the royalty the first month in which you begin generating Gross Revenue. A minimum royalty of \$300 will be charged starting in the ~~13~~ ⁷ th month after you sign the Franchise Agreement. If you operate multiple Designated Territories, the \$850,000 threshold will be calculated based on the ~~total~~ combined Gross Revenue from ~~all~~ <u>up to 2 contiguous</u> territories <u>that you own; any additional territories will not be included in the \$850,000.</u> If you have achieved \$850,000 in Gross Revenue during the initial term, your royalty at renewal will remain at 8% of Gross Revenue.
Brand Fund Contribution	\$250 per month	By the 5 th calendar day of every month	If you own more than one Designated Territory, we will require you to pay this amount for each Designated Territory, up to a maximum of five. We reserve the right to increase this

Type of Fee (Notes 1 and 3)	Amount	Due Date	Remarks
			fee by 10% per year.
Technology Fee	\$350 per month plus \$145 per month per Associate	Monthly	The Technology Fee begins after you begin operating the Franchised Business. The Associate pays the Associate Fee beginning 60 days after the Associate completes our training. If you own more than one Designated Territory, and add an additional office, you will be charged \$200 for each additional office. We have the right to increase this fee annually, provided that the Technology Fee will not be more than our actual costs to provide the services covered by the Technology Fee plus no more than 10% to cover overhead and administrative expenses.
Administrative Support Fee	~~Currently not charged.~~ ~~If implemented:~~ 0 to 15 Active Listings: \$250 per month 16 to 30 Active Listings: \$500 per month 31 to 60 Active Listings: \$750 per month 61 to 100 Active Listings: \$1,200 per month 101 or more Active Listings: \$1,500 per month	Monthly	~~We reserve the right to introduce a listing Administrative Support Fee at our sole discretion based upon the number of active listings. If this fee is implemented, we will provide a 45-day notice.~~ We may increase this fee annually, provided that such increase will not exceed 10% per year.
Product or Supplier Approval Fee	Currently not	Upon demand	You must pay us a fee in an

Type of Fee (Notes 1 and 3)	Amount	Due Date	Remarks
	charged; if imposed you must reimburse us for our costs up to \$750		amount we reasonably determine to cover our costs of reviewing and evaluating the requests for approval of products or services.
Credit card and ACH processing fee	3% of the amount charged for credit card and up to \$5 for the ACH	At time of charge	If you pay any sums to us by credit card or ACH, you agree to pay the processing fee on that charge.
Late Payment/Insufficient Funds Fee	9% of the overdue payment plus monthly interest in the amount that is the lesser of 1.5% or the highest rate permitted by law .	The day you are late on any payment that you owe to us	If any payment(s) are overdue, you must pay us a late fee in addition to the overdue amount. Interest amount charged may be changed to the maximum rate permitted by law.
Associate Training Fee	\$500 per Associate that you employ or contract.	Upon scheduling training	Each Associate you employ or contract with must attend our online training (First Choice University) within 30 days of the date that you hire them.
Attendance at annual training, seminar, conference, retreat , or event	As set at the time of the event, but typically between \$400 to \$600 per person	60 days prior to event	You will pay us a conference fee in an amount that we determine in our reasonable discretion for you and any Key Personnel to attend the conference. We will not require you or your Key Personnel to attend more than one conference per year.
Late Fees to Third Parties	The amount we pay on your behalf plus monthly interest in the amount that is the lesser of 1.5% or the highest rate permitted by law.	With next payment to First Choice	If we advance a payment on your behalf due to late payment to a third party, you are responsible to pay us the amount we paid on your behalf plus interest. The interest amount charged may be changed to the maximum rate permitted by law.
Audit		30 days after billing	

Type of Fee (Notes 1 and 3)	Amount	Due Date	Remarks
	Our costs of audit, plus 18% interest (or the highest rate allowed by law) on underpayment.		If we conduct an audit that shows that you have underreported your Gross Revenue to us by more than 2%.
Transfer fee	\$10,000 for an existing franchisee; \$15,000 for a new franchisee	Due when you transfer ownership of the Franchise Agreement	Due at closing of the transfer.
Costs of Default	Will vary	Upon settlement or conclusion of a claim	In the event of termination for any default by you, such sums shall include all damages, costs, and expenses, including attorney's fees and disbursements we incur as a result of the default, including Royalties.
Costs of Enforcement and Attorney Fees	Will vary	Upon settlement or conclusion of a claim	You agree to pay all costs and expenses we incur, including attorney fees, in connection with enforcement of the Franchise Agreement.
Indemnification	Will vary under the circumstances	Upon request or demand	You must reimburse us for ~~the~~ <u>cost all costs</u> we incur if we are <u>named</u> , sued or held liable for claims that arise in your operation of the Franchised Business.

Notes:

1. All fees are imposed by, collected, and are payable to us. Unless otherwise noted, all fees are not refundable.
2. "Gross Revenue" includes all gross revenue, whether by cash, credit, barter, or otherwise, derived directly or indirectly from your operation of the Franchised Business. Gross Revenue includes revenue from all sources, including from fees, sales, and commissions, such as those earned from business sales or leases, real estate transactions, lending activities, loan brokerage, financing arrangements, valuations, consulting, appraisals, management services, referral fees and services, whether paid to the business or an individual. "Gross Revenue" does not include:

- (a) the amount of any tax imposed by any federal, state, municipal or other governmental authority directly on sales and collected from customers, provided that the amount of any such tax is shown separately and, in fact, paid by Franchisee to the appropriate governmental authority; or
- (b) all customer refunds and credits made by the Franchised Business (exclusions will not include any reductions for credit card user fees, returned checks or reserves for bad credit or doubtful accounts).
- (c) Storage/Document fees charged directly to the business buyer and seller at the closing of a transaction, typically up to ~~\$1,200~~1,500.

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

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

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

Type of Expenditure (Note 1)	Estimated Amount		Method of Payment	When Due	To Whom Payment is to be Made
	Low	High			
Initial Franchise Fee	~~\$40,000~~ <u>45,000</u>		Lump sum	Upon signing Franchise Agreement	Us
Training and Kickstart Marketing Fee(Note 2)	\$14,000		Lump sum	Upon signing Franchise Agreement	Us
Travel and Living Expenses to attend Training (Note 3)	\$100	\$1,500	As incurred	As Incurred	Outside Suppliers
Real Estate / Rent (Note 4)	\$0	~~\$2,500~~ <u>2,000</u>	As agreed	As Incurred	Landlord or other vendors
Real Estate Deposit and Improvements	\$0	\$1,500	As agreed	As Agreed	Outside Suppliers

Type of Expenditure (Note 1)	Estimated Amount		Method of Payment	When Due	To Whom Payment is to be Made
(Note 5)					
Signs	\$500	\$1,500	As agreed	As Incurred	Outside Suppliers
Office Furniture, Equipment and Computers (Note 6)	\$1,000	\$5,000	As agreed	As Incurred	Outside Suppliers
Pre-Opening and Initial Advertising (Note 7)	\$1,550	\$3,100	As agreed	As Incurred	Vendors
Insurance (Note 8)	\$1,500	\$2,500	As agreed	As Incurred	Outside Suppliers
Vehicle Cost (Note 9)	\$500	\$1,500	As agreed	As Incurred	Vendors, Insurance Suppliers
Additional funds-3 Months (Note 10)	\$10,000	\$25,000	As incurred	As Incurred	Third party vendors
TOTAL (Note 11)	\$69,150	\$98,100			
	72,600	\$99,500			

- Refundability; Financing.** Except where otherwise noted, all fees that you pay to us are non-refundable. Third-party lessors and suppliers will decide if payments to them are refundable. We do not finance any portion of the initial investment.
- Training and Kickstart Marketing Fee .** The Training and Kickstart Marketing Fee is \$14,000. This fee pays in part for you to attend our initial training program and for us to provide you with the following Kickstart Marketing Program:
 - Initial Set Up**, which includes FCBB.Com Website and 2,000 Direct Mailers.
 - 12 Month Marketing Plan**, which includes: (i) Contact Search Platform 8,000 - 10,000 Businesses loaded in your CRM; (ii) Contact Search and List Generation Platform Seat; and (iii) Drip Campaign to your CRM.
 - 6 Month Plan** provided by a marketing vendor we select, which includes: (i) Social Media Management; (ii) LinkedIn Outreach; (iii) Webinar/Video/eBook; (iv) Paid Ads Management Social Media; (v) Graphic Design/Landing Page; and (vi) Monthly SEO/Blogging.
- Travel and Living Expenses to Attend Training.** Our initial training program is conducted through a self-guided webinar-based training modules and interactive training modules. While the primary training is conducted via webinars, portions of the initial training program may be held at our headquarters in Las Vegas, Nevada. If in-person training is required, you will be responsible for any associated travel and living expenses. These costs will vary depending on whether any travel or lodging is involved or not.

4. Real Estate/Rent. Having a professional office environment enhances your ability to meet with clients, build credibility, and expand your business by hiring and supporting agents. While you are not required to purchase real estate to operate your Franchised Business and may work from a home office if you do not have agents (Associates), we strongly encourage you to consider establishing a virtual office with a unique business address or securing a dedicated office space. Any location you choose must be approved by us and must fall within your Designated Territory. The low end of the rent figure assumes you will not have an office, the high-end rent is based on you renting an office with a minimum of 600 square feet of space, which will generally be located in a shared office building or standalone office space.

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

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

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

7. Pre-Opening Marketing. The pre-opening initial advertising primarily includes marketing materials, ad placements, regular consumer advertising, and listings on platforms like bizbuysell.com. You have the option to invest more if you wish to accelerate the growth of your Franchised Business.

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

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

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

11. The amounts listed in this item are only an estimate, however, and there is no assurance that additional working capital will not be necessary during this start-up phase or after. The above figures do not include any provision for managerial salaries or draws by you based upon the assumption that you will be the full-time manager of the business. 18

64981466v5

[2026 First Choice Business Brokers FDD](#)
[81512687v5](#)

You should conduct your own independent investigation of the costs of opening a business sales/brokerage business in the geographic area in which you intend to open the Franchised Business.

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

ITEM 8

RESTRICTIONS ON SOURCES OF PRODUCTS AND SERVICES

Advertising Materials and Website

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

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

Computer Hardware and Software

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

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

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

Equipment, Furniture, Fixtures, and Signs

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

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

Products and Services

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

Insurance

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

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

All insurance policies, including the errors and omissions insurance, will: (1) be issued by an insurance carrier(s) acceptable to us and that have an A.M. Best rating of A or higher; (2) will name us and our affiliates, and their respective officers, directors and employees, as an additional insured; (3) contain a waiver of the insurance company's right of subrogation against us; (4) contain the below-listed insurance coverage for each Franchised Business that you operate; and (5) provide that we will receive 30 days' prior written notice of a material change in or termination, expiration or cancellation of any policy (or such shorter period as the insurance carrier may require and as approved by us). As applicable, you will ensure that any insurance required by us includes primary and non-contributory endorsement or language in form or content as we periodically require. You must provide us (i) proof of the insurance listed in this Item 11 prior to the commencement of any operations under the Franchise Agreement, (ii) proof of insurance listed in this Item 11 least 15 days prior to the expiration of any policy (iii) notification within 15 days of any material alteration or cancellation of any coverage reference in this Item 11.

Site

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

Training

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

Officer Interests in Suppliers

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

Issuance and Modification of Specifications

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

Revenue from Required Purchases

In the fiscal year ending December 31, ~~2024~~2025, we earned ~~\$575,619~~\$535,451 from required purchases and leases of products and services by our franchisees, representing ~~23.4~~17.2% of our total revenue of ~~\$2,456,323~~\$3,109,577.

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

Required Purchases and Leases as a Proportion of Costs

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

Supplier Payments to Us

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

Purchasing or Distribution Cooperatives

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

64981466v5

2026 First Choice Business Brokers FDD
81512687v5

Purchase Arrangements

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

Material Benefits

We do not provide material benefits to you based on your use of a particular supplier. However, in order to renew your Franchise Agreement, you must be in compliance with the Franchise Agreement, including any supplier standards, along with any other agreements between you and us or our affiliates. We can terminate your Franchise Agreement if you breach it.

ITEM 9 **FRANCHISEE'S OBLIGATIONS**

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

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

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

ITEM 10 **FINANCING**

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

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

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

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

Before you open the Business, we will:

1. Conduct the initial training. (Franchise Agreement, Section 3.1.2);
2. Conduct virtual training and brainstorming sessions focusing on foundational business brokerage basics and advanced techniques. (Franchise Agreement, Section 3.1.3)
3. Review the location to be the Approved Location of the Franchised Business. (Franchise Agreement, Section 3.1.4);

54. If we permit you to do use such a premises, approve or deny your proposed Approved Records Location (Franchise Agreement, Section 1.2.2);

45. Assist you in the layout of the Franchised Business and equipment selection process. (Franchise Agreement, Section 3.1.5);

56. Supply you with our First Choice Start-Up and Resource Guide, Plan of Action for Franchise Success, and Complete Operations Manual. (Franchise Agreement, Section 3.1.6);

67. Provide you with your list of approved and/or designated suppliers. (Franchise Agreement, Section 3.1.7);

78. Supply you with the First Choice proprietary systems and Marks. (Franchise Agreement, Section 3.1.8); and

9. If you have Associates working at your Franchised Business other than yourself and any Key Personnel, we will train those Associates either online or at a designated training facility. (Franchise Agreement, Section 6.1.2).

Site Selection

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

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

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

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

Time Before Opening

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

During the operation of your business, we will:

1. Provide telephone support and training at or about the time of the opening of the Franchised Business. (Franchise Agreement, Section 3.2.1);
2. Provide Kickstart Marketing, as described below. (Franchise Agreement, Section 3.2.2);
3. Provide updates, as necessary, modifications and/or changes to the Manual. (Franchise Agreement, Section 3.2.3);
4. Provide you, at our option, with location visits and corresponding franchise visitation reports. (Franchise Agreement, Section 3.2.4);
5. At our sole discretion, conduct a mystery business for sale program to ensure product service quality. (Franchise Agreement, Section 3.2.5);
6. Provide support for your questions related to the operation of the Franchise. (Franchise Agreement, Section 3.2.6);
7. We may hold conferences, additional training courses, ~~or~~ seminars, or retreats to discuss and instruct you in techniques, performance standards, personnel training, bookkeeping, accounting, marketing programs, new products, marketing and general operating procedures. (Franchise Agreement, Section 3.2.8);
8. Provide on-going training and support services. (Franchise Agreement, Section 3.2.9);
9. Administer, or appoint a third party to administer, the Brand Fund. (Franchise Agreement, Sections ~~3.2.10~~ 3.2.9 and 12.1);
10. Approve or disapprove samples of all local advertising and promotional materials not prepared or previously approved by us which are submitted by you. (Franchise Agreement, Sections 12.4 and 12.6);
11. Grant you a limited right to use the Marks and certain confidential information. (Franchise Agreement, Section 8);
12. We may examine and copy, at our expense, the books, records, bank statements, computer systems, computer records, accounts, and tax returns (the "Books") of your Franchised Business. We will also have the right, at any time, to have an independent audit made of the books and records of the Franchised Business. (Franchise Agreement, Section 11.4)

13. We may suggest prices to you for the sale of products and services, but you will not be required at any time to sell at or above such suggested prices. You may determine the prices at which you sell the products and services of the Franchised Business, as well as the terms and conditions of sale for such products and services. (Franchise Agreement, Section 7.7).

Brand Fund

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

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

1. We will direct marketing programs ~~based on the recommendations made by.~~ We will allow our ~~franchisee-led~~ designated Brand Fund ~~Committee (BFC) (unless we veto the recommendation). The BFC will~~ Advisory Group to provide us with ~~direction~~ feedback regarding the concepts, materials, and media used in the programs, ~~along with their placement and allocation.~~
2. The Brand Fund is intended to maximize public recognition, acceptance, and use of the System; and we are not obligated, in administering the Brand Fund, to make expenditures for you that are equivalent or proportionate to your contribution. Any FIRST CHOICE Office operated by us, or our affiliate(s) will contribute to the Brand Fund in the same percentage, and at the same times, as the majority of our franchisees.
3. The Brand Fund will be made to pay expenses we incur, in our sole discretion, in connection with the general promotion of the Marks and the System, including the cost of formulating, developing and implementing advertising, marketing, direct mail, promotional and public relations campaigns; expenses related to market research and customer and franchise satisfaction surveys; the cost of research and development; creative development services (including creation and modification of our design and trade dress, logos, graphics, and advertising and promotional items, including the cost of retiring expired or obsolete printed items and materials, photography services, and design software); organizing and hosting franchise conferences; the development and maintenance of website hosting and e-commerce programs; and the reasonable costs of administering the Brand Fund, including the cost of employing advertising, public relations and other third party agencies to assist us and providing promotional brochures and advertising materials to franchised businesses, as well as accounting expenses and the actual costs of salaries and fringe benefits paid to our employees engaged in administration of the Brand Fund. The Brand Fund may disseminate advertising by radio, television, print, the Internet, or otherwise. The Brand Fund may also be used to provide rebates or reimbursements to our franchisees for expenditures on products, services, or improvements we approve in advance, which products, services, or improvements we deem, in our sole discretion, will promote general public awareness and favorable support for the System.

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

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

6. We anticipate that all contributions to and earnings of the Brand Fund will be expended for marketing and/or promotional purposes during the taxable year within which the contributions and earnings are received.

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

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

9. The Brand Fund will not be used for advertising or promotion whose sole purpose is to solicit the sale of franchises.

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

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

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

In our last fiscal year ending December 31, ~~2024~~2025, the Brand Fund did not spend any of the Brand Fund Contributions collected in ~~2024~~2025.

Local Advertising

You may develop advertising materials for your own use, at your own costs. All advertising, promotion, and marketing must be completely clear, factual, and not misleading, and must conform to both the

highest standards of ethical advertising and marketing and the advertising and marketing policies that we periodically require (Franchise Agreement, Section 12.4).

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

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

Brand Fund ~~Committee~~ Advisory Group

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

Kickstart Marketing

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

- A. **Initial Set Up**, which includes FCBB.Com Website and 2,000 Direct Mailers.
- B. **12 Month Marketing Plan**, which includes: (i) Contact Search Platform 8,000 - 10,000 Businesses loaded in your CRM; (ii) Contact Search and List Generation Platform Seat; and (iii) Drip Campaign to your CRM.
- C. **6 Month Plan** provided by a marketing vendor we select, which includes: (i) Social Media Management; (ii) LinkedIn Outreach; (iii) Webinar/Video/eBook; (iv) Paid Ads Management Social Media; (v) Graphic Design/Landing Page; and (vi) Monthly SEO/Blogging.

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

Websites

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

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

You must establish an account with each of Facebook, LinkedIn, X (formerly Twitter) and any other social or networking websites that we specify, and these accounts must comply with our guidelines including posting of content and representation of the Marks. Any other on-line presence that you wish to establish must have our prior written consent. (Franchise Agreement, Section 12.6)

Computer System.

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

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

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

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

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

Manual

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

Training

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

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

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

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

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

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

Our initial training program consists of the following:

TRAINING PROGRAM

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

SUBJECT	HOURS OF CLASSROOM TRAINING	HOURS OF ON-THE-JOB TRAINING	LOCATION
Franchisee Legal Compliance and Reporting Requirements	2		Virtual; See Note 1
Building Referrals	3		Virtual; See Note 1
Training Plans	3		Virtual; See Note 1
Financing Methods	4		Virtual; See Note 1
Office Management System (OMS)	8	4	Virtual; See Note 1
Growing Your Asset Time Management	3		Virtual; See Note 1
v	3		Virtual; See Note 1
Managing Your Associates	5		Virtual; See Note 1
Helping Associates achieve their Personal Goals	1		Virtual; See Note 1
Your Office Procedures	3	2	Virtual; See Note 1
Royalty Reporting	2	2	Virtual; See Note 1
Totals	109	52	Virtual; See Note 1

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

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

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

and us, which appears in the Manual. You are responsible for the payments described in this section, but the training fee may be paid directly by your non-key personnel. (Franchise Agreement, Section 6.2)

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

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

- Jeffrey D. Nyman, our Chief Executive Officer and co-founder, has nearly 20 years of experience with FCBB and our affiliates and over 31 years of experience in the business brokerage industry.
- Linda Hentges-Nyman, our President, has nearly 20 years of experience with FCBB and our affiliates and over 31 years of experience in the business brokerage industry.
- Freddie McFinn, one of our Business Broker trainers, has 44 years of experience in the business brokerage industry, including with FCBB and our affiliates.
- Trent Lee, one of our Business Broker agents, has been a FIRST CHOICE franchisee for nearly 6 years and has nearly 6 years of experience in the business brokerage industry, and has been the # 1 business broker for closed deals in the industry for the last 5 years as awarded by the International Business Brokers Association (IBBA).
- Howard Meltzer, our Database Manager, has 3 years of experience with FCBB and our affiliates and 3 years in the business brokerage industry.
- Mounir Bousaid, one of our Business Broker trainers, has been a FIRST CHOICE franchisee for over 4 years and has 9 years of experience in the business brokerage industry.

ITEM 12 **TERRITORY**

You will have the right to own and operate your Franchised Business from an Approved Location within a designated marketing territory (the “Designated Territory”). The Designated Territory will have a minimum population of 350,000 and will be defined by zip codes, natural or political boundaries.

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

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

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

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

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

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

We and our affiliates reserve the right to use other channels of distribution, such as the Internet, catalog sales, telemarketing, or other direct marketing sales, to make sales within your Designated Territory using our Marks or under trademarks different from the ones that you will use under the Franchise Agreement without compensation to you.

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

ITEM 13 **TRADEMARKS**

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

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

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

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

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

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

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

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

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

You must modify or discontinue use of any of the Marks if we modify or discontinue such use. If this happens, we will reimburse you for your tangible costs of compliance. You must not directly or indirectly contest any right to our Marks, trade secrets, or business techniques that are a part of our business.

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

ITEM 14

PATENTS, COPYRIGHTS, AND PROPRIETARY INFORMATION

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

Certain other software programs used by Franchised Businesses may be protected by copyrights owned by independent third parties and licensed to us for our use and the use of our franchisees. We may or may not apply for other copyrights and service marks in the future.

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

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

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

You are required, at all times, to treat the Manuals, any other manuals or written directions or instructions regarding the operation of the Franchised Business, and the information they contain as secret and confidential. You may divulge Confidential Information only to such of your employees or independent contractors, or if you are a corporation, then to such officers, directors, and shareholders with a need to know the Confidential Information in order to operate the Franchised Business. Any and all information, knowledge, know-how, techniques, and other data that we designate as confidential will be deemed confidential for purposes of the Franchise Agreement.

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

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

ITEM 15

OBLIGATION TO PARTICIPATE IN THE ACTUAL OPERATION OF THE FRANCHISE BUSINESS

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

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

Our franchise model allows (but does not require) you to build a team of Associates. However, any Associate that you hire may not do any blanket/mass marketing to solicit new clients outside your Designated Territory (including direct mail, online advertising, telemarketing, and other direct marketing strategies for business listings).

At our request, you must obtain and furnish to us non-disclosure and non-competition covenants in a form and substance satisfactory to us (including covenants applicable upon the termination of a person’s relationship with you) from any or all of the following persons: (a) the Key Personnel; (b) all managers and any other personnel employed by you who have received or will receive training from us;

and (c) all officers, directors, partners, principals, lenders, and other holders of a beneficial interest of five percent or more of your securities or equity interests, and of any corporation or other entity directly or indirectly controlling, controlled by, or under common control with you. Our current form Confidentiality and Non-Competition Agreement is attached to the Franchise Agreement as Schedule 5.

You are required to have those individuals with an ownership interest in the Franchised Business (but not their spouses, if applicable) enter into the Guaranty, Indemnification and Acknowledgement attached to both the Franchise Agreement as Schedule 2.

ITEM 16

RESTRICTIONS ON WHAT THE FRANCHISEE MAY SELL

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

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

ITEM 17

RENEWAL, TERMINATION, TRANSFER, AND DISPUTE RESOLUTION

THE FRANCHISE RELATIONSHIP

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

PROVISION	SECTION IN FRANCHISE AGREEMENT	SUMMARY
a. Length of the franchise term	2.1	Agreement starts on signing and ends 10 years thereafter.
b. Renewal or extension of the term	2.2	If you are in good standing and meet our conditions for renewal, you will be granted the opportunity to obtain a successor to your franchise agreement for an unlimited number of additional 10-year terms.
c. Requirements for franchisee to renew or extend	2.2	In order to renew your franchise, you must: (a) Give FCBB written notice; (b) Not be in default; (c) Have satisfied all of your monetary obligations; (d) Execute our then-current form of Franchise Agreement, which may contain materially different terms and conditions than the current agreement;

PROVISION	SECTION IN FRANCHISE AGREEMENT	SUMMARY
		(e) Comply with our then-current qualification and training requirements for new franchisees; (f) Execute a general release; and (g) have operated the Franchised Business on an ongoing basis with business listings and at least twenty (20) closed transactions during the Initial Term.
d. Termination by franchisee	15	You may terminate upon any grounds available under applicable law, by selling your franchise pursuant to the franchise agreement, or by not renewing.
e. Termination by the franchisor without cause	15	Not applicable.
f. Termination by the franchisor with cause	15.1	We can terminate the Agreement by notice to you, with or without a cure period, if you breach a material provision of the Franchise Agreement.
g. "Cause" defined – curable defaults	15.2	You will have thirty (30) days after notice to cure defaults relating to your: (a) failure to pay fees that you owe us, our affiliates, or vendors, or fail to submit to FCBB financial information as required under the Franchise Agreement; (b) failure to operate the Franchised Business in strict compliance with all of the standards or procedure outlined in the Franchise Agreement, in the Manual or otherwise in writing or failure to promptly pay all expenses; (c) failure to obtain our prior written approval or consent, where required; (d) engage in any business or market any service or product under a name or mark which, in our opinion, is confusingly similar to the Marks. Any default not specifically listed in Section 15.1 of the Franchise Agreement must be cured within thirty (30) days of notice.
h. "Cause" defined – non-curable defaults	15.1	You will not have an opportunity to cure defaults, and FCBB is entitled to terminate the Franchise Agreement upon notice, if you: (a) are insolvent; (b) or your Key Personnel fail to satisfactorily complete our initial training program;

PROVISION	SECTION IN FRANCHISE AGREEMENT	SUMMARY
		(c) fail to open the Franchised Business within the required time limits; (d) abandon the franchise or lose the right to transact business in the legal jurisdiction where your Office is located; (e) Or any of your officers, directors, partners, or principals are convicted of a criminal offense or engage in conduct that FCBB believe is reasonably likely to have an adverse effect on the System; (f) make an unauthorized transfer of the business; (g) fail to consummate an approved transfer within the time required following your death or mental incapacity; (h) violate any covenant not to compete or relating to confidential information; (i) knowingly maintain false books or records, or submit false reports to us; (j) misuse our Marks or any aspect of the System, or otherwise materially impair the goodwill associated with the System; (k) Refuse to permit FCBB to inspect your Office, books, records, or accounts; (l) Upon receiving from FCBB a notice of default, fail to immediately initiate a remedy to cure your default; (m) receive from FCBB more than three notices of default under the Franchise Agreement within a 12 month period, regardless of whether you cured those defaults; or (n) breach any material term of the Computer System User License Agreement, except for those terms relating to payment.
i. Franchisee's obligations on termination/non-renewal	16, 17	Upon termination you will cease operating as a FIRST CHOICE Office, pay all sums due to us, cease to use the Marks and our software/database, cancel any fictitious name which contains the Marks, turn over all Manuals, records, files and any materials relating to the operation of the Franchised Business, cancel or transfer all telephone numbers and directory listings to us, and comply with all covenants.

PROVISION	SECTION IN FRANCHISE AGREEMENT	SUMMARY
j. Assignment of contract by franchisor	14.1	We may transfer the Franchise Agreement without your consent.
k. "Transfer" by franchisee – defined	14	Includes transfer of contract, the Franchised Business, assets, or ownership change
l. Franchisor approval of transfer by franchisee	14.2	We have the right to approve all transfers, but FCBB will not unreasonably withhold approval.
m. Conditions for Franchisor approval of transfer	14.3	We have the right to condition our approval of any transfer proposed by you upon the following: (a) You must be in full compliance with the Franchise Agreement and pay all outstanding fees owed to FCBB or our affiliates; (b) FCBB must have declined our right of first refusal; (c) Your transferee must have been approved in writing by us; (d) Your transferee must execute our then-current form of franchise agreement, which may contain terms and conditions materially different from those in your existing franchise agreement; (e) You must pay FCBB a transfer fee; (f) You and your owners must execute a general release; and (g) You must re-affirm to FCBB that you are liable for all obligations you owe to that arose prior to the effective date of the transfer; (h) Your transferee and/or its Key Personnel must, at your transferee's expense, undergo a minimum of five (5) days of training at our corporate facility in Las Vegas, Nevada, or at a location designated by us; and (i) Your transferee must enter into a written assignment agreeing to discharge all of your obligations under the Agreement and must guarantee the performance of all such obligations.

PROVISION	SECTION IN FRANCHISE AGREEMENT	SUMMARY
n. Franchisor's right of first refusal to acquire franchisee's business	14.5	You must give FCBB written notice of intent to sell or otherwise transfer the Franchise Agreement. FCBB has 30 days from the date that you give written notice to determine whether FCBB will exercise our right of first refusal. FCBB can match any bona fide written offer for your Franchised Business.
o. Franchisor's option to purchase franchisee's business	14	Not applicable.
p. Death or disability of franchisee	14.6	In the event of legal incapacity, the heirs, legal representatives, etc. must, within 120 days, either (i) apply to FCBB for the right to continue to operate the Franchised Business (if they are qualified) or (ii) sell, assign, transfer or convey the interest.
q. Non-competition covenants during the term of the franchise	17.2	You must not be in a competing business anywhere and must not attempt to divert customers of the Franchised Business to any competitive business.
r. Non-competition covenants after the franchise is terminated or expires	17.3	You will not engage in a competing business within a 20-mile radius of your Approved Location or Designated Territory using the Marks, including at the premises of the Franchised Business, and within a 20-mile radius of any other FIRST CHOICE Office, for a period of 2 years after your Franchise Agreement is terminated. You must completely disassociate yourself from the Marks and return the Manuals and other confidential materials provided to you by us.
s. Modification of the agreement	7.1 and 23	Changes to the Franchise Agreement must be made in writing and agreed to by both parties.
t. Integration/merger clause	23	Only the terms of the Franchise Agreement are binding (subject to state law). Any representations or promises outside of the disclosure document and Franchise Agreement may not be enforceable.
u. Dispute resolution by arbitration or mediation	25.9; Schedule 9	You must mediate claims against FCBB before filing in court. You agree to arbitrate only as may be specified in State Addenda.

PROVISION	SECTION IN FRANCHISE AGREEMENT	SUMMARY
v. Choice of forum	25.2	Subject to state law, litigation must be in the courts of the state of Nevada located in Las Vegas, Nevada, and the United States District Court for the District of Nevada.
w. Choice of law	25.1	Nevada law applies (subject to state law).

ITEM 18 **PUBLIC FIGURES**

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

ITEM 19 **FINANCIAL PERFORMANCE REPRESENTATIONS**

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

These ~~Commission~~ financial performance figures are derived from the actual historical performance of franchised Designated Territories ("Franchised Businesses Territories") during the ~~2024~~2025 calendar year provided to us by the franchisees. As of December 31, ~~2024~~2025, there were ~~110~~128 Franchised ~~Businesses Territories~~ operating ~~out of 74 offices in connection with~~ 105 franchises (an "Office Franchise"). If there were multiple Franchised ~~Businesses Territories~~ operating out of one Office Franchise, the Franchised ~~Business Territory~~ reported Gross Revenue and business listing related information to us by Office Franchise and did not break it down by Franchised ~~Business~~. ~~Each Franchised Business operates in one Designated Territory.~~

For purposes of the tables below, the following will apply:

- ~~The first table below includes average Commissions from 46 Franchised Businesses operating in 13 Offices that had sold listings in 2024 divided by thirds. All of these Offices own multiple Franchised Businesses. The second table below includes average Commissions from 33 Franchised Businesses operating in 33 Offices that had sold listings in 2024 divided by thirds. All of these Offices only operate a single Franchised Business.~~ "Commissions" includes the Gross Revenue attributable to commissions and referral fees, but ~~does~~ does not include the ~~Franchised Businesses Franchisees'~~ Gross Revenue attributable to other revenue streams, including revenue from management services or consulting fees. Average Commissions is calculated by taking ~~an Office a Franchise's~~ total Gross Revenue attributable to commissions and referral fees and dividing it by the total number of sold listings during the calendar year ending December 31, ~~2024~~2025.

~~We~~

64981466v5

2026 First Choice Business Brokers FDD
81512687v5

- “Listing Price” means the initial asking price for a business that is offered for sale by a Franchisee . The Listing Price is established by the Franchisee and reflects the price at which the seller is willing to make the business available to prospective buyers. The Listing Price is not a representation of the business’s fair market value, the price at which the business ultimately will sell, or the likelihood that the business will sell at that price. Listing prices may vary based on market conditions, geography, and other external factors.
- “Sale Price” means the final purchase price for a business at the time a sale transaction is completed, and ownership is transferred from the seller to the buyer. The Sale Price reflects the amount paid by the buyer as agreed in the definitive purchase agreement, inclusive of any price adjustments, negotiated terms, or concessions made during the transaction process.

The first table below includes average Commissions from 29 Franchised Territories operating in 8 Franchises that had sold listings in 2025, divided by thirds. All of these Franchises own multiple Franchised Territories. The second table below includes average Commissions from 58 Franchised Territories operating in 58 Franchises that had sold listings in 2025, divided by thirds. All of these Franchises only operate a single Franchised Territory. In the first and second table, we did not include information about the remaining ~~3041~~ Franchised ~~Businesses~~ Territories operating in ~~28~~ ~~Offices~~ ~~39~~ Franchises because they (i) opened in ~~2024~~ ~~2025~~ and were in operation for less than 12 months (of which there were ~~14~~ ~~Offices~~ ~~25~~ Franchises), (ii) opened before ~~2024~~ ~~2025~~ and have not completed any transactions, or (iii) did not report any listings to us in ~~2024~~ ~~2025~~. We also did not include information about the ~~76~~ Franchised ~~Businesses~~ Territories (in ~~4~~ Franchises) that ceased operations in ~~2024~~ ~~2025~~, none of which were in operation for less than 12 months.

The third table below includes several facts related to listings and sales for the 306 listings that sold in 2025, including: (i) the average time from a franchisee’s completion of our initial training program to that Franchised Territory’ first listing; (ii) the average time from the initial listing to the sale of that listing; (iii) the average Commissions received for sales; (iv) the average Listing Prices; and (v) the average, median, high, and low of Sales Prices. The 306 sold listings are from 87 Franchised Territories operating in 66 Franchises. In the third table, we did not include listing information from 41 Franchised Territories operating in 39 Franchises because they (i) opened in 2025 and were in operation for less than 12 months (of which there were 25 Franchises), (ii) opened before 2025 and have not completed any transactions, or (iii) did not report any listings to us in 2025. We also did not include information about the 6 Franchised Territories that ceased operations in 2025, none of which were in operation for less than 12 months.

Table 1: Franchises with Multiple Franchised Territories for the 2025 Calendar year

<u>Offices with Multiple Franchised Businesses for the 2024 Calendar year</u>						
	<u># of Offices Franchises</u>	<u>Average Commission</u>	<u># (and %) that Met or Exceeded Average</u>	<u>Highest</u>	<u>Lowest</u>	<u>Median</u>
Top third	<u>43</u>	<u>\$267,825</u> <u>1,775,903</u>	<u>1</u> <u>(25</u> <u>33%</u> <u>)</u>	<u>\$367,000</u> <u>3,219,242</u>	<u>\$217,375</u> <u>839,735</u>	<u>\$243,463</u> <u>1,268,734</u>

Middle third	<u>43</u>	<u>\$144,537</u> <u>39</u> <u>9,922</u>	1 (~~25~~ 33%)	<u>\$208,998</u> <u>574</u> , <u>266</u>	<u>\$112,500</u> <u>2</u> <u>37,501</u>	<u>\$128,325</u> <u>38</u> <u>8,000</u>
Botton third	<u>52</u>	<u>\$68,810</u> <u>123</u> , <u>065</u>	~~3~~ (~~60~~ %) <u>1</u> (50%)	<u>\$111,000</u> <u>179</u> , <u>440</u>	<u>\$23,650</u> <u>66</u> <u>,690</u>	<u>\$84,600</u> <u>123</u> , <u>065</u>
TOTAL	8	\$746,701	2 (25%)	\$3,219,242	\$66,690	\$481,133

Table 2: Franchises with a Single Franchised Territory for the 2025 Calendar year

~~Offices with a Single Franchised Business for the 2024 Calendar year~~						
	# of ~~Offices~~ <u>Franchises</u>	Average Commissio n	# (and %) that Met or Exceeded Average	Highest	Lowest	Median
Top third	11	<u>\$987,575</u> <u>4</u> <u>22,264</u>	~~3 (27%)~~ <u>4 (36%)</u>	<u>\$4,450,23</u> <u>31,267,8</u> <u>12</u>	<u>\$197,356</u> <u>254,500</u>	<u>\$348,42</u> <u>0300,9</u> <u>25</u>
Middle third	11	<u>\$140,698</u> <u>1</u> <u>70,619</u>	~~3 (27%)~~ <u>4 (36%)</u>	<u>\$195,000</u> <u>252,825</u>	<u>\$109,875</u> <u>108,825</u>	<u>\$133,03</u> <u>5166,6</u> <u>60</u>
Botton third	11	<u>\$26,995</u> <u>39</u> <u>,627</u>	~~5 (45%)~~ <u>6 (55%)</u>	<u>\$77,718</u> <u>8</u> <u>2,055</u>	<u>\$3,420</u> <u>7</u> , <u>980</u>	<u>\$21,250</u> <u>41,000</u>
TOTAL	33	\$210,836	13 (39%)	\$1,267,81 2	\$7,980	\$166,66 0

Table 3: Listing Prices, Sale Prices, Commissions, and Timing

	Average	Median
Time for Completion of Training to First Listing	<u>88 Days</u>	<u>65 Days</u>
Listing Price of Sold Listings	<u>\$638,393</u>	<u>\$285,000</u>
Sales Price of Sold Listings	<u>\$475,193</u>	<u>\$200,000</u>
Per Listing Commission(1)	<u>\$44,266</u>	<u>\$20,031</u>
Time from Listing to Sale	<u>255 Days</u>	<u>204 Days</u>

(1) Of the 306 Commissions in 2025, 84 (27%) of the Commissions met or exceeded the average per listing Commission, and Commissions ranged from \$250 to \$747,000.

Some outlets have earned this amount. Your individual results may differ. There is no assurance you'll earn as much.

Written substantiation for the financial performance representation will be made available to the prospective franchisee upon reasonable request.

Other than as described above, we do not make any representations about a franchisee's future financial performance or the past financial performance of company-owned or franchised outlets. We also do not authorize our employees or representatives to make any such representations either orally

or in writing. If you are purchasing an existing outlet, however, we may provide you with the actual records of that outlet. If you receive any other financial performance information or projections of your future income, you should report it to the franchisor's management by contacting Jeffrey Nyman at First Choice Business Brokers, Inc., 851 South Rampart Blvd., Suite 200, Las Vegas, Nevada 89145, (702) 368-2500, the Federal Trade Commission, and the appropriate state regulatory agencies.

ITEM 20
OUTLETS AND FRANCHISEE INFORMATION

Table No. 1
Systemwide Outlet Summary
For the years ~~2022~~2023 through ~~2024~~2025

Outlet Type	Year	Outlets at the Start of the Year	Outlets at the End of the Year	Net Change
Franchised	~~2022~~	~~38~~	~~54~~	~~+16~~
	2023	54	81	+27
	2024	81	~~110~~ <u>109</u>	~~+29~~ <u>+28</u>
	<u>2025</u>	<u>109</u>	<u>128</u>	<u>+15</u>
Company-Owned	~~2022~~	~~0~~	~~0~~	~~0~~
	2023	0	0	0
	2024	0	0	0
	<u>2025</u>	<u>0</u>	<u>0</u>	<u>0</u>
Total Outlets	~~2022~~	~~38~~	~~54~~	~~+16~~
	2023	54	81	+27
	2024	81	~~110~~ <u>109</u>	~~+29~~ <u>+28</u>
	<u>2025</u>	<u>109</u>	<u>128</u>	<u>+15</u>

Table No. 2
Transfers of Outlets from Franchisees to New Owners
(other than to Franchisor)
For years ~~2022~~2023 through ~~2024~~2025

State	Year	Number of Transfers
Arizona	~~2022~~	~~0~~
	2023	1
	2024	0
	<u>2025</u>	<u>0</u>
Florida	~~2022~~	~~0~~
	2023	0
	2024	1

State	Year	Number of Transfers
	<u>2025</u>	<u>0</u>
Idaho	~~2022~~ 2023	0
	<u>2024</u>	<u>1</u>
	<u>2025</u>	<u>0</u>
<u>Massachusetts</u>	2023	0
	2024	~~1~~ <u>0</u>
	<u>2025</u>	<u>1</u>
Missouri	~~2022~~	~~0~~
	2023	1
	2024	0
	<u>2025</u>	<u>0</u>
North Carolina	2022	~~0~~ <u>2</u>
	~~2022~~	~~2~~
	2024	0
	<u>2025</u>	<u>0</u>
Utah	~~2022~~	~~0~~
	2023	0
	2024	1
	<u>2025</u>	<u>0</u>
Totals	~~2022~~	~~0~~
	2023	~~0~~ <u>2</u>
	2024	3
	<u>2025</u>	<u>1</u>

Table No. 3
Status of Franchised Outlets
For years ~~2022~~2023 through ~~2024~~2025*

State	Year	Outlets at Start of the Year	Outlets Opened	Terminations	Non-Renewals	Reacquired by Franchisor	Ceased Operations-Other Reasons	Outlets at End of the Year
Arizona	~~2022~~	~~3~~	~~0~~	~~1~~	~~0~~	~~0~~	~~0~~	~~2~~
	2023	2	2	0	0	0	0	4
	2024	4	0	0	0	0	0	4
	<u>2025</u>	<u>4</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>4</u>
Arkansas	~~2022~~	~~0~~	~~1~~	~~0~~	~~0~~	~~0~~	~~0~~	~~1~~

State	Year	Outlets at Start of the Year	Outlets Opened	Terminations	Non-Ren ewals	Reacquire d by Franchisor	Ceased Operations- Other Reasons	Outlets at End of the Year
	2023	1	0	0	0	0	0	1
	2024	1	0	0	0	0	1	0
	<u>2025</u>	<u>0</u>	<u>1</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>1</u>
California	~~2022~~	~~5~~	~~4~~	~~0~~	~~1~~	~~0~~	~~2~~	~~6~~
	2023	6	1	0	0	0	0	7
	2024	7	14	1	0	0	0	<u>0</u> 20
	<u>2025</u>	<u>20</u>	<u>4</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>24</u>
Colorado	~~2022~~	~~1~~	~~0~~	~~0~~	~~0~~	~~0~~	~~0~~	~~1~~
	2023	1	0	0	0	0	0	1
	2024	1	1	0	0	0	0	2
	<u>2025</u>	<u>2</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>2</u>
Connecticut	~~2022~~	~~0~~	~~0~~	~~0~~	~~0~~	~~0~~	~~0~~	~~0~~
	2023	0	1	0	0	0	0	1
	2024	1	1	0	0	0	0	2
	<u>2025</u>	<u>2</u>	<u>1</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>3</u>
Florida	~~2022~~	~~2~~	~~2~~	~~0~~	~~0~~	~~0~~	~~0~~	~~4~~
	2023	4	1	0	0	0	0	5
	2024	5	3	0	1	0	0	7
	<u>2025</u>	<u>7</u>	<u>1</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>8</u>
Georgia	~~2022~~	~~0~~	~~1~~	~~0~~	~~0~~	~~0~~	~~0~~	~~1~~
	2023	1	0	0	0	0	0	1
	2024	1	2	0	0	0	0	3
	<u>2025</u>	<u>3</u>	<u>2</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>5</u>
Iowa	~~2022~~	~~0~~	~~0~~	~~0~~	~~0~~	~~0~~	~~0~~	~~0~~
	2023	0	0	0	0	0	0	0
	2024	0	1	0	0	0	0	1
	<u>2025</u>	<u>1</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>1</u>
Idaho	~~2022~~	~~1~~	~~0~~	~~0~~	~~0~~	~~0~~	~~0~~	~~1~~
	2023	1	0	0	0	0	0	1
	2024	1	1	0	0	0	0	2
	<u>2025</u>	<u>2</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>2</u>
Illinois	~~2022~~	~~0~~	~~0~~	~~0~~	~~0~~	~~0~~	~~0~~	~~0~~
	2023	0	0	0	0	0	0	0
	2024	0	2	0	0	0	0	2
	<u>2025</u>	<u>2</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>2</u>
Kansas	~~2022~~	~~0~~	~~0~~	~~0~~	~~0~~	~~0~~	~~0~~	~~0~~

State	Year	Outlets at Start of the Year	Outlets Opened	Terminations	Non-Ren ewals	Reacquire d by Franchisor	Ceased Operations- Other Reasons	Outlets at End of the Year
	2023	0	0	0	0	0	0	0
	2024	0	2	0	0	0	0	2
	<u>2025</u>	<u>2</u>	<u>0</u>	<u>1</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>1</u>
Kentucky	~~2022~~	~~0~~	~~2~~	~~0~~	~~0~~	~~0~~	~~0~~	~~2~~
	2023	2	0	0	0	0	0	2
	2024	2	0	0	0	0	0	2
	<u>2025</u>	<u>2</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>2</u>
Massachusetts	~~2022~~	~~0~~	~~1~~	~~0~~	~~0~~	~~0~~	~~0~~	~~1~~
	2023	1	0	0	0	0	0	1
	2024	1	0	0	0	0	0	1
	<u>2025</u>	<u>1</u>	<u>2</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>1</u>	<u>2</u>
Michigan	~~2022~~	~~2~~	~~0~~	~~0~~	~~0~~	~~0~~	~~0~~	~~2~~
	2023	2	0	0	0	0	0	2
	2024	2	0	1	0	0	0	1
	<u>2025</u>	<u>1</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>1</u>
Minnesota	~~2022~~	~~1~~	~~0~~	~~0~~	~~0~~	~~0~~	~~0~~	~~1~~
	2023	1	0	0	0	0	0	1
	2024	1	0	0	0	0	0	1
	<u>2025</u>	<u>1</u>	<u>1</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>2</u>
Missouri	~~2022~~	~~2~~	~~3~~	~~0~~	~~0~~	~~0~~	~~0~~	~~5~~
	2023	5	1	0	0	0	0	6
	2024	6	2	0	0	0	0	8
	<u>2025</u>	<u>8</u>	<u>1</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>9</u>
Montana	~~2022~~	~~1~~	~~0~~	~~0~~	~~0~~	~~0~~	~~0~~	~~1~~
	2023	1	0	1	0	0	0	0
	2024	0	1	~~0~~ 1	0	0	0	~~1~~ 0
	<u>2025</u>	<u>0</u>	<u>1</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>1</u>
Nebraska	~~2022~~	~~0~~	~~1~~	~~0~~	~~0~~	~~0~~	~~0~~	~~1~~
	2023	1	0	0	0	0	0	1
	2024	1	0	0	0	0	0	1
	<u>2025</u>	<u>1</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>1</u>
Nevada	~~2022~~	~~2~~	~~0~~	~~0~~	~~0~~	~~0~~	~~1~~	~~1~~
	2023	1	0	0	0	0	0	1
	2024	1	0	0	0	0	0	1
	<u>2025</u>	<u>1</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>1</u>
New	~~2022~~	~~1~~	~~0~~	~~0~~	~~0~~	~~0~~	~~0~~	~~1~~

State	Year	Outlets at Start of the Year	Outlets Opened	Terminations	Non-Ren ewals	Reacquire d by Franchisor	Ceased Operations- Other Reasons	Outlets at End of the Year
Hampshire	2023	1	0	0	0	0	0	1
	2024	1	0	0	0	0	0	1
	<u>2025</u>	<u>1</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>1</u>
New Mexico	~~2022~~	~~0~~	~~0~~	~~0~~	~~0~~	~~0~~	~~0~~	~~0~~
	2023	0	0	0	0	0	0	0
	2024	0	1	0	0	0	0	1
	<u>2025</u>	<u>1</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>1</u>
New York	~~2022~~	~~2~~	~~0~~	~~0~~	~~0~~	~~0~~	~~0~~	~~2~~
	2023	2	1	0	0	0	0	3
	2024	3	0	0	0	0	0	3
	<u>2025</u>	<u>3</u>	<u>1</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>4</u>
North Carolina	~~2022~~	~~2~~	~~0~~	~~0~~	~~0~~	~~0~~	~~0~~	~~2~~
	2023	2	5	0	0	0	0	7
	2024	7	0	0	0	0	0	7
	<u>2025</u>	<u>7</u>	<u>2</u>	<u>2</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>7</u>
North Dakota	~~2022~~	~~0~~	~~1~~	~~0~~	~~0~~	~~0~~	~~0~~	~~1~~
	2023	1	0	0	0	0	0	1
	2024	1	0	0	0	0	0	1
	<u>2025</u>	<u>1</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>1</u>
~~Ohio~~	~~2022~~	~~1~~	~~2~~	~~0~~	~~0~~	~~0~~	~~0~~	~~3~~
<u>Ohio</u>	2023	3	0	0	0	0	0	3
	2024	3	1	0	0	0	0	4
	<u>2025</u>	<u>4</u>	<u>1</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>5</u>
Oregon	~~2022~~	~~1~~	~~0~~	~~0~~	~~0~~	~~0~~	~~0~~	~~1~~
	2023	1	0	0	0	0	0	1
	2024	1	0	0	0	0	0	1
	<u>2025</u>	<u>1</u>	<u>2</u>	<u>1</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>2</u>
Pennsylvania	~~2022~~	~~1~~	~~1~~	~~0~~	~~0~~	~~0~~	~~0~~	~~2~~
	2023	2	0	0	0	0	0	2
	2024	2	0	0	0	0	0	2
	<u>2025</u>	<u>2</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>2</u>
South Carolina	~~2022~~	~~0~~	~~0~~	~~0~~	~~0~~	~~0~~	~~0~~	~~0~~
	2023	0	1	0	0	0	0	1
	2024	1	1	0	0	0	0	2
	<u>2025</u>	<u>2</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>2</u>
South Dakota	~~2022~~	~~0~~	~~1~~	~~0~~	~~0~~	~~0~~	~~0~~	~~1~~

State	Year	Outlets at Start of the Year	Outlets Opened	Terminations	Non-Renewals	Reacquired by Franchisor	Ceased Operations-Other Reasons	Outlets at End of the Year
	2023	1	0	0	0	0	0	1
	2024	1	0	0	0	0	0	1
	<u>2025</u>	<u>1</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>1</u>
Tennessee	~~2022~~	~~1~~	~~0~~	~~0~~	~~0~~	~~0~~	~~0~~	~~1~~
	2023	1	7	0	1	0	0	7
	2024	7	0	0	0	0	0	7
	<u>2025</u>	<u>7</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>7</u>
~~Texas~~	~~2022~~	~~3~~	~~1~~	~~1~~	~~0~~	~~0~~	~~0~~	~~3~~
<u>Texas</u>	2023	3	7	0	0	0	0	10
	2024	10	0	1	0	0	1	8
	<u>2025</u>	<u>8</u>	<u>5</u>	<u>1</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>12</u>
~~Utah~~	~~2022~~	~~2~~	~~0~~	~~0~~	~~0~~	~~0~~	~~0~~	~~2~~
<u>Utah</u>	2023	2	1	0	0	0	0	3
	2024	3	3	1	0	0	0	5
	<u>2025</u>	<u>5</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>5</u>
Virginia	~~2022~~	~~4~~	~~0~~	~~0~~	~~0~~	~~0~~	~~0~~	~~4~~
	2023	4	1	0	0	0	0	5
	2024	5	0	0	0	0	0	5
	<u>2025</u>	<u>5</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>5</u>
Washington	~~2022~~	~~0~~	~~1~~	~~0~~	~~0~~	~~0~~	~~0~~	~~1~~
	2023	1	0	0	0	0	0	1
	2024	1	0	0	0	0	0	1
	<u>2025</u>	<u>1</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>1</u>
Total Outlets	~~2022~~	~~38~~		~~22~~	~~2~~	~~1~~	~~0~~	~~54~~
	2023	54		29	1	1	0	81
	2024	81	36		4	1	0	110
	<u>2025</u>	<u>109</u>	<u>25</u>		<u>5</u>	<u>0</u>	<u>0</u>	<u>128</u>

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

Table No. 4
Status of Company-Owned Outlets
For years ~~2022 to 2024~~ 2023 through 2025

State	Year	Outlets at Start of Year	Outlets Opened	Outlets Reacquired From Franchisee	Outlets Closed	Outlets Sold to Franchisee	Outlets at End of Year
Total Outlets	~~2022~~	~~0~~	~~0~~	~~0~~	~~0~~	~~0~~	~~0~~
	2023	0	0	0	0	0	0
	2024	0	0	0	0	0	0
	<u>2025</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>

Table No. 5
Projected Openings for ~~2025~~ 2026 as of December 31, ~~2024~~ 2025

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

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

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

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

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

ITEM 21
FINANCIAL STATEMENTS

Exhibit E contains our audited financial statements for our fiscal years ending December 31, [2025](#), 2024, [and 2023](#), ~~and 2022~~.

ITEM 22
CONTRACTS

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

Exhibit A. Franchise Agreement

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

Exhibit B. Non-Disclosure Agreement

Exhibit D. General Release

ITEM 23
RECEIPTS

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

EXHIBIT A

FRANCHISE AGREEMENT

FIRST CHOICE BUSINESS BROKERS, INC.



TABLE OF CONTENTS

	Page
TABLE OF CONTENTS	6
ITEM 1 THE FRANCHISOR, AND ANY PARENTS, PREDECESSORS, AND AFFILIATES	7
ITEM 2 BUSINESS EXPERIENCE	9
ITEM 3 LITIGATION	10
ITEM 4 BANKRUPTCY	10
ITEM 5 INITIAL FEES	10
ITEM 6 OTHER FEES	~~10~~ 11
ITEM 7 ESTIMATED INITIAL INVESTMENT	15
ITEM 8 RESTRICTIONS ON SOURCES OF PRODUCTS AND SERVICES	17
ITEM 9 FRANCHISEE'S OBLIGATIONS	20
ITEM 10 FINANCING	~~21~~ 22
ITEM 11 FRANCHISOR'S ASSISTANCE, ADVERTISING, COMPUTER SYSTEMS, AND TRAINING	22
ITEM 12 TERRITORY	31
ITEM 13 TRADEMARKS	32
ITEM 14 PATENTS, COPYRIGHTS, AND PROPRIETARY INFORMATION	~~33~~ 34
ITEM 15 OBLIGATION TO PARTICIPATE IN THE ACTUAL OPERATION OF THE FRANCHISE BUSINESS	35
ITEM 16 RESTRICTIONS ON WHAT THE FRANCHISEE MAY SELL	~~35~~ 36
ITEM 17 RENEWAL, TERMINATION, TRANSFER, AND DISPUTE RESOLUTION	36
ITEM 18 PUBLIC FIGURES	40
ITEM 19 FINANCIAL PERFORMANCE REPRESENTATIONS	~~40~~ 41
ITEM 20 OUTLETS AND FRANCHISEE INFORMATION	~~42~~ 43
ITEM 21 FINANCIAL STATEMENTS	~~47~~ 49
ITEM 22 CONTRACTS	~~47~~ 49
ITEM 23 RECEIPTS	~~48~~ 49
EXHIBIT A FRANCHISE AGREEMENT	1
1. GRANT OF FRANCHISE	3
2. TERM AND RENEWAL	5
3. DUTIES OF FCBB	6
4. FEES	7
5. OPENING OF THE FRANCHISED BUSINESS	~~9~~ 10
6. TRAINING	10
7. YOUR DUTIES	~~10~~ 11
8. PROPRIETARY MARKS	14
9. OPERATIONS MANUAL	~~16~~ 17
10. CONFIDENTIAL INFORMATION AND DATA PRIVACY	17
11. ACCOUNTING AND RECORDS	18
12. PROMOTION AND MARKETING	19
13. INSURANCE	22
14. TRANSFER OF INTEREST	~~22~~ 23
15. DEFAULT AND TERMINATION	~~25~~ 26
16. OBLIGATIONS UPON TERMINATION OR EXPIRATION	27
17. ADDITIONAL COVENANTS	29
18. CORPORATE OR ENTITY FRANCHISEE	30
19. TAXES, PERMITS, LICENSES AND INDEBTEDNESS	31
20. INDEPENDENT CONTRACTOR AND INDEMNIFICATION	31

21.	APPROVALS AND WAIVERS	~~32~~ <u>33</u>
22.	NOTICES	33
23.	ENTIRE AGREEMENT	33
24.	SEVERABILITY AND CONSTRUCTION	~~33~~ <u>34</u>
25.	DISPUTE RESOLUTION	34
26.	FORCE MAJEURE	35
27.	YOUR ACKNOWLEDGEMENTS	35
28.	TIME OF ESSENCE AND INCORPORATION BY REFERENCE	36
	SCHEDULE 1	37
	SCHEDULE 2	38
	SCHEDULE 3	40
	SCHEDULE 4	46
	SCHEDULE 5	48
	SCHEDULE 6	51
	SCHEDULE 7	1
	SCHEDULE 8	2
	SCHEDULE 9	6
	EXHIBIT B NON-DISCLOSURE AGREEMENT	1
	EXHIBIT C STATE ADMINISTRATORS/AGENTS FOR SERVICE OF PROCESS	1
	EXHIBIT D GENERAL RELEASE	1
	EXHIBIT E FINANCIAL STATEMENTS	1
	EXHIBIT F STATE ADDENDA TO DISCLOSURE DOCUMENT	1
	EXHIBIT G-1 LIST OF CURRENT FRANCHISEES	1
	EXHIBIT G-2 FORMER FRANCHISEES	1
	EXHIBIT H TABLES OF CONTENTS FOR MANUALS	1
	EXHIBIT I AREA REPRESENTATIVE DISCLOSURES	1
	EXHIBIT J STATE EFFECTIVE DATES	1
	EXHIBIT K RECEIPT	1

Schedule 1 –Designated Territory and Approved Location

Schedule 2 – Guaranty, Indemnification, and Acknowledgement

Schedule 3 – Computer System User License Agreement

Schedule 4 – Assignment of Telephone Numbers, Internet Addresses, and Social Media Identities

Schedule 5 – Confidentiality and Non-Competition Agreement

Schedule 6 – Statement of Ownership

Schedule 7 – ACH Authorization

Schedule 8 – Franchisee Compliance Certification

Schedule 9 - State Addenda to the Franchise Agreement

FRANCHISE AGREEMENT

THIS AGREEMENT ("Agreement") is made and entered into on _____, 20____ by and between FCBB BUSINESS BROKERS, INC. (hereinafter referred to as "FCBB," or "our"), and

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

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

THEREFORE, the parties agree as follows:

1. GRANT OF FRANCHISE

- 1.1 Subject to all of the terms and conditions set forth in this Agreement, FCBB grants to Franchisee the right, and Franchisee undertakes the obligation, upon the terms and conditions set forth in this Agreement: (a) to establish and operate a First Choice Business Brokers business (hereinafter referred to as the "Franchised Business") at the Approved Location (defined below), under the System, and in association with the Proprietary Marks, and (b) to use the Proprietary Marks and the System solely in connection therewith.

1.2 Franchisee must:

1.2.1 Operate the Franchised Business at the location described in Schedule 1 (the “Approved Location”), which is attached hereto and incorporated herein by reference.

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

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

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

1.3 Designated Territory

The Franchised Business will be for a specific location within a geographical area that FCBB designates as Franchisee’s “Designated Territory.” Franchisee’s specific location, which FCBB calls Franchisee’s “Approved Location,” must be approved by FCBB and must be inside Franchisee’s Designated Territory. The Designated Territory is described on Schedule 1.

1.4 Relocation of Franchisee’s Franchised Business

Franchisee will operate the Franchised Business from one location within Franchisee’s Designated Territory and must receive FCBB’s permission before relocating. If Franchisee wishes to relocate Franchisee’s franchise, Franchisee may request FCBB’s consent to relocate to another Approved Location within Franchisee’s Designated Territory. FCBB will not unreasonably withhold FCBB’s consent, but such consent must be in writing to be effective.

1.5 Designated Territory is Not Exclusive

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

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

1.6 Restrictions on Solicitation

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

FCBB, its affiliates and other First Choice Business Brokers franchisees also may solicit and transact business in any jurisdiction in which they may legally do so, including inside Franchisee's Designated Territory or through other channels of distribution, without compensation to Franchisee; provided that FCBB, its affiliates and other First Choice Business Brokers will not be granted the right to Mass Market in Franchisee's Designated Territory.

2. **TERM AND RENEWAL**

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

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

2.2.1 Franchisee must give FCBB written notice of Franchisee's election to renew not more than one year and not less than six months prior to the end of the Initial Term or applicable Successor Term of this Agreement;

2.2.2 Franchisee must not be in default of any provision of this Agreement, any amendment hereof or successor hereto, or any other agreement between Franchisee and FCBB, or its affiliates, and must have complied with all the terms and conditions of such agreements during the term(s) thereof;

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

3. DUTIES OF FCBB

- 3.1 Before the Franchised Business opens, FCBB will provide to Franchisee the following assistance:
 - 3.1.1 Grant approval of Franchisee's Designated Territory (Franchisee's Designated Territory will be as set forth in Schedule 1 hereto);
 - 3.1.2 Provide Franchisee with the initial training program. This training may, at FCBB's election, also be held at FCBB's corporate office in Las Vegas, Nevada or elsewhere. Franchisee must complete this training prior to opening the Franchised Business. Franchisees are responsible for all travel, lodging, meals and other expenses incurred to attend training, if any;
 - 3.1.3 Conduct periodic virtual training and brainstorming seminars focusing on foundational business brokerage basics and advanced techniques led by experienced senior business brokers;
 - 3.1.4 Assist Franchisee in the layout of the Franchised Business and equipment selection process;
 - 3.1.5 Supply Franchisee with FCBB's FCBB Opening Guide, Plan of Action for Franchise Success, and Complete Operations Manual (together, the "Manual");
 - 3.1.6 Provide Franchisee with Franchisee's list of approved and/or designated suppliers;
 - 3.1.7 License to Franchisee FCBB's proprietary systems and Proprietary Marks; and

- 3.1.9 Supply Franchisee with the required sales tracking system and the monthly reporting system.
- 3.2 During the operation of the Franchised Business FCBB will:
 - 3.2.1 Provide telephone support and training at or about the time of the opening of the Franchised Business;
 - 3.2.2 Provide the Kickstart Marketing Program (described below);
 - 3.2.3 Provide updates, as necessary, modifications and/or changes to the Manual;
 - 3.2.4 At FCBB's option, FCBB will provide Franchisee with location visits and visitation reports;
 - 3.2.5 At FCBB's sole discretion, conduct a mystery business for sale program to ensure product and service quality. In other words, FCBB may present to Franchisee a disguised business for sale in order to measure the quality of services provided by Franchisee or Franchisee's sales representatives;
 - 3.2.6 Provide support for Franchisee's questions related to the operation of the Franchised Business;
 - 3.2.7 FCBB may hold conferences, additional training courses, ~~or~~ seminars, or retreats to discuss and instruct Franchisee in techniques, performance standards, personnel training, bookkeeping, accounting, advertising programs, new products, marketing and general operating procedures. As set forth under Paragraph 6.3 below, Franchisee and Franchisee's Key Personnel are required to attend at least one (1) of these programs each year. These conferences will be held at a location chosen by FCBB and Franchisee will be responsible for attendance fees as well as Franchisee's own travel expenses. Franchisee must pay FCBB the attendance fee at least 60 days prior to the event;
 - 3.2.8 Provide on-going training and franchise support services; and
 - 3.2.9 Administer, or appoint a third party to administer, a marketing fund, as set forth in Section 12 below.
- 3.3 Franchisee hereby acknowledges and agrees that any designee, employee, or agent of FCBB may perform any duty or obligation imposed on FCBB by this Agreement, as FCBB may direct.
- 3.4 Franchisee acknowledges that it is Franchisee's sole responsibility for finding the Approved Location and that FCBB is not obligated in any way to obtain an approved location for Franchisee, nor is FCBB obligated to offer any assistance to Franchisee in negotiating with any third party landlords, vendors, or contractors. FCBB may, but is not required to, assist Franchisee in identifying and obtaining an Approved Location, but it is Franchisee's exclusive responsibility, financially and otherwise, to secure a proposed location, to complete any improvements to the Approved Location, and to engage in any other activity necessary to prepare the Approved Location for opening.

4. FEES

- 4.1 **Initial Franchise and Training and Kickstart Marketing Fees.** In consideration of the Franchised Business granted herein, upon execution of this Agreement, Franchisee shall pay to FCBB an initial franchise fee of \$~~40,000~~45,000 and a Training and Kickstart Marketing Fee of \$14,000. None of these fees are refundable and will be deemed fully earned by FCBB upon execution of this Agreement. FCBB offers a \$5,000 discount on the initial franchise fee for an honorably discharged veteran of the United States Armed Forces.
- 4.2 **Royalty.** As soon as Franchisee begins collecting Gross Revenue, Franchisee shall pay to FCBB a ~~monthly~~ royalty fee ("Royalty") of 10% of Gross Revenue (as defined in this Section 4) up to \$850,000 during the term of this Agreement, and 8% of Gross Revenue thereafter, to be paid and accounted for on a monthly, weekly, or daily basis as FCBB instructs. As of the Effective Date, Franchisee must pay FCBB the Royalty based on Gross Revenue generated when a listing is sold within 72 hours after that transaction closes and Franchisee must pay FCBB the Royalty based on any other Gross Revenue by the 5th of the month for Gross Revenue attributable to the previous calendar month. If Franchisee operates in multiple designated territories, the \$850,000 will be calculated on the total Gross Revenue for ~~all~~up to two contiguous designated territories. The Royalty is subject to a \$300/month minimum beginning ~~137~~ months after you sign this Agreement. ~~The If Franchisee fails to pay FCBB a Royalty due for each month shall be due on the first day of the following month and must be greater than the \$300/month minimum in any calendar month, Franchisee must pay FCBB the difference between the \$300/month minimum and the Royalty paid on or before the fifth day of that the following month, but FCBB reserves the right to collect the Royalty earlier on those Gross Revenues Franchisee collects at the time of the listing is sold.~~
- 4.3 **Brand Fund Contribution.** Franchisee must pay to FCBB a Brand Fund Contribution as set forth in Section 12.1 below.
- 4.4 **Technology Fee.** Franchisee agrees to sign a Computer System User License Agreement (attached to this Agreement as Schedule 3) and pay to FCBB a Technology Fee of \$350 per month plus \$145 per month per Associate that Franchisee has, to use the Computer User System. This fee begins when you begin operating the Franchised Business and any Technology Fees for Associates begin 60 days after Franchisee hires the Associate. FCBB has the right to increase the Technology Fee annually, provided that the Technology Fee will not be more than FCBB's actual costs to provide the services covered by the Technology Fee plus no more than 10% to cover overhead and administrative expenses.
- 4.5 **Listing Administrative Support Fee.** ~~Upon 45 days' written notice Franchisee, FCBB reserves the right to require Franchisee to~~ Franchisee must participate in and pay FCBB for administrative support services for the operation of the Franchised Business (the "Administrative Support Fee"). ~~If FCBB implements will waive the Administrative Support Fee, FCBB will waive it for the first six months following implementation. If imposed, the~~ The monthly Administrative Support Fee will be based on the number of active listings Franchisee has according to the following schedule:

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

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

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

any such tax is shown separately and, in fact, paid by Franchisee to the appropriate governmental authority; or

- (b) all customer refunds and credits made by the Franchised Business (exclusions will not include any reductions for credit card user fees, returned checks or reserves for bad credit or doubtful accounts); or
- (c) Storage/Document fees charged directly to the business buyer and seller at the closing of a transaction, up to \$~~1,200~~1,500.

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

5. OPENING OF THE FRANCHISED BUSINESS

- 5.1 Not less than 30 days prior to the opening date of the Franchised Business, Franchisee shall order such minimum initial inventory of the brochures, business cards, products, equipment and software as prescribed in the Manual or otherwise in writing. Franchisee shall provide to FCBB reasonable and timely notice that Franchisee has obtained such inventory prior to opening of the Franchised Business.
- 5.2 Franchisee agrees to open the Franchised Business within 120 days after execution of this Agreement, unless FCBB agrees otherwise in writing.

6. TRAINING

- 6.1 Franchisee must ensure that each Franchisee, Franchisee's Key Personnel, and Franchisee's non-key personnel have completed FCBB's required training program, as applicable:
 - 6.1.1 Prior to the opening of Franchisee's Franchise, and not more than 30 days after signing this agreement, Franchisee and Franchisee's Key Personnel (as defined in Section 7.2), if appointed, must attend and successfully complete FCBB's initial training program, which includes on-demand courses and live webinar sessions. If FCBB offers any live portion, Franchisee is responsible for any travel, lodging, transportation, and meal costs.
 - 6.1.2 All non-key personnel (including Associates) contracted or employed by Franchisee must attend the training FCBB requires, including on-demand courses and live webinar sessions. For these non-key personnel there is a training fee, which will be \$500 per person. This training is mandatory for each Associate that Franchisee employs or contracts and must be completed within 30 days of hiring such individual. Such individuals will be required to sign an agreement governing the terms of their relationship with Franchisee and FCBB, which appears in the Manual.
- 6.2 Franchisee and Franchisee's Key Personnel must also attend any additional meetings, conferences, courses, seminars, retreats, and other training programs, as FCBB may in FCBB's sole discretion provide from time to time. Franchisee and Franchisee's Key Personnel are

required to attend at least one such meeting, conference, seminar, or training program per year. Franchisee will be required to pay FCBB an attendance fee for each such meeting, conference, course, seminar, or other training programs. Franchisee must pay FCBB the attendance fee at least 60 days prior to the event. Franchisee will also be required to bear the cost of all travel, lodging, and meals to and from such programs for Franchisee and any other person attending with Franchisee.

- 6.3 All training programs shall be at such times and places designated by FCBB. FCBB will provide instructors and training materials for all required initial training courses and such additional training courses, seminars, [retreats](#), and programs as FCBB may require in FCBB's sole discretion. Franchisee, Franchisee's Key Personnel and/or Franchisee's employees shall be responsible for any and all other expenses and fees incurred by Franchisee in connection with any such courses, seminars, [retreats](#), and programs, including, but not limited to, the costs of transportation, lodging, meals and wages.

7. YOUR DUTIES

- 7.1 Franchisee shall operate the Franchised Business in strict conformity with such methods, standards, and specifications as FCBB may from time to time prescribe in the Manual or otherwise in writing. Franchisee shall refrain from deviating from such standards, specifications, and procedures without FCBB's prior written consent.
- 7.2 Prior to the commencement of operations at the Franchised Business, Franchisee shall designate, subject to FCBB's reasonable approval, one or more individuals (the "**Key Person**" or "**Key Personnel**") who shall be responsible for general oversight, management of the operations and recruiting Associates for the Franchised Business, if the Key Person is not the franchise owner. Franchisee acknowledges and agrees that FCBB has the right to rely upon the Key Personnel to have been given, by Franchisee, the responsibility and decision-making authority regarding Franchisee's business and operation. In the event the person or persons designated as the Key Person dies, becomes incapacitated, leaves Franchisee's employ, transfers his/her interest in Franchisee, or otherwise ceases to supervise the operations of the Franchised Business, Franchisee must promptly designate a new Key Person, subject to FCBB's reasonable approval.
- 7.3 Franchisee must meet and maintain the highest governmental standards and ratings applicable to the operation of the Franchised Business. Franchisee shall furnish to FCBB, within five days after receipt thereof, a copy of all inspection reports, warnings, citations, certificates, and/or ratings resulting from inspections conducted by any governmental agency with jurisdiction over the Franchised Business.
- 7.4 Franchisee shall at all times maintain the Franchised Business, and the business equipment or products used in connection therewith, in a high degree of cleanliness, repair, and condition, and in connection therewith shall make such additions, alterations, repairs, and replacements thereto as may be required for that purpose, including, without limitation, such periodic repainting or replacement of obsolete signs, furnishings, fixtures, equipment, and decor as FCBB may reasonably direct.

- 7.5 To maintain the high standards of quality and uniformity associated with the System, Franchisee shall offer and sell all products and services that FCBB specifies from time to time. Franchisee is prohibited from offering or selling any services or products from or through the Franchised Business that have not previously been authorized by FCBB. If Franchisee wishes to offer or sell any services or products that have not previously been authorized by FCBB, Franchisee must first make a written request to FCBB, requesting authorization to offer or sell such services or products. FCBB may deny such approval for any reason. In connection with such request for approval, Franchisee must submit to FCBB such information and samples as FCBB desires. Upon demand, Franchisee must pay FCBB a fee in an amount FCBB reasonably determines to cover FCBB's costs of reviewing and evaluating the requests for approval Franchisees submits.
- 7.6 FCBB reserves the right to designate, at any time and for any reason, suppliers for any equipment, supplies, services, or products.
- 7.7 FCBB may, from time to time, suggest prices to Franchisee for the sale of products and services, but Franchisee will not be required at any time to sell at or above such suggested prices. Franchisee may determine the prices at which Franchisee sells the products and services of the Franchised Business, as well as the terms and conditions of sale for such products and services.
- 7.8 Not less than 30 days prior to the opening date of the Franchised Business, Franchisee must purchase the minimum initial inventory of approved business cards, brochures, and supplies prescribed by FCBB in the Manual or otherwise in writing.
- 7.9 To ensure the efficient management and operation of the Franchised Business and the transmission of data to and from FCBB, Franchisee, at its own expense, shall install, prior to opening the Franchised Business, and shall maintain and utilize during the term of this Agreement such Communications and Information Systems as FCBB may periodically specify in writing for use by franchisees that operate under the System.
- 7.9.1 As used in this Agreement, the term "**Communications and Information Systems**" means: hardware (including without limitation one or more computers, a lead management system, e.g. Zoho, a customer relationship management (CRM) system, or similar systems; Computer User System (as defined below), and/or other computer components); software designed for the management and operation of the Franchised Business, as well as reporting and sharing information with FCBB; and communication systems (including without limitation digital and analog modems, satellite, cable, and other systems).
- 7.9.2 The term "**Computer User System**" shall mean a system to be specified by FCBB that includes functionality that may automate some or all of the following operations, in whole or in part: tracking individual sales transactions, customer resource management (CRM), office management, human resource management issues, maintaining and generating production schedules, vendor orders, inventory lists, product cost analyses, and other collections of data related to the operation of the Franchised Business.
- 7.9.3 Franchisee shall lease and/or purchase computer software as necessary to connect with FCBB's Communications and Information Systems. Franchisee shall not hire a third

party or outside vendors not approved by FCBB to perform any services or obligations in connection with the Communications and Information Systems, or any other of Franchisee's obligations without FCBB's prior written approval. FCBB's consideration of any proposed outsourcing vendor(s) may be conditioned upon, among other things, such third party or outside vendor's entry into a confidentiality agreement with FCBB and Franchisee in a form that is provided by FCBB.

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

7.9.5 Franchisee shall: (a) promptly enter into its Communications and Information Systems, and maintain all information required to be entered and maintained by FCBB, [including all transaction details and copies of all documents related to the transaction that FCBB requires within the time period FCBB requires](#); (b) provide to FCBB such reports as FCBB may reasonably request from the data so collected and maintained; and (c) permit FCBB to access Franchisee's Communications and Information Systems at all times via modem or other means specified by FCBB from time to time. Franchisee shall cooperate with FCBB and shall execute all documents required by FCBB to permit access to Franchisee's Communications and Information Systems and data contained therein. The reporting requirements set forth in this Section shall be in addition to and not in lieu of the reporting requirements set forth under Section 11 below. Franchisee acknowledges and agrees that FCBB owns all information entered into the Communications and Information Systems, including all customer data associated with the Franchised Business. Additionally:

- (1) Franchisee shall abide by all applicable laws pertaining to privacy of information collected or maintained regarding customers or other individuals ("**Privacy**").
- (2) Upon entering into this Agreement, Franchisee authorizes FCBB to send emails to Franchisee and all of those principals and employees associated with operating the Franchised Business to the extent such emails relate to the Franchised Business and/or the System.

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

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

- 7.11 Franchisee is permitted (but not required) to hire Associates to work in the Franchised Business. An Associate is a sales agent who will be paid by Franchisee on commission for the business brokerage transactions that the Associate generates, according to the agreement established between Franchisee and Franchisee's Associate. Associates should be independent contractors (and not employees) with whom Franchisee has an arms' length contractual relationship. Franchisee may not, however, hire Associates that conduct Mass Marketing outside of Franchisee's Designated Territory unless Franchisee receives FCBB's prior written approval.
- 7.11.1 Under no circumstances will Franchisee's Associates be deemed an employee of FCBB, and Franchisee's contract with each Associate must clearly state that his or her contractual relationship is with Franchisee, and not FCBB, and that FCBB is not a party to the contract, but that it is an intended third party beneficiary of the contract with the right to enforce provisions relating to confidentiality, the use of FCBB's trade secrets and intellectual property (including the Marks), and non-competition, as well as other elements required by FCBB as set forth in the Manual from time to time. FCBB must approve any contract between Franchisee and Franchisee's Associate(s) to ensure Franchisee's compliance with this provision.
- 7.12 Franchisee grants FCBB and its agents the right to enter upon the premises of the Franchised Business at any time for the purpose of conducting inspections. Franchisee must cooperate with FCBB's representatives in such inspections by rendering such assistance as they may reasonably request; and, upon notice from FCBB or its agents and without limiting FCBB's other rights under this Agreement, Franchisee must take such steps as may be necessary to correct immediately any deficiencies detected during any such inspection.
- 7.13 Franchisee must at all times pay Franchisee's distributors, lessors, contractors, suppliers, trade creditors, employees and other creditors promptly as the debts and obligations to such persons become due, and failure to do so shall constitute a breach of this Agreement. In the event Franchisee ~~fail~~fails to pay any such obligations promptly as the debts to such persons or entities become due, FCBB will, in addition to its other remedies provided in this Agreement, have the right, at its election and without being obligated to do so, to pay such obligations and the amount or amounts paid therefor shall be paid by Franchisee to FCBB with the next succeeding payment due to FCBB under this Agreement together with interest at the rate of 1.5% per month, or the maximum rate permitted by law, whichever is less, for all amounts so advanced by FCBB for Franchisee's benefit.
- 7.14 Franchisee agrees and acknowledges that Franchisees are obligated to comply with FCBB's on-line policy which is subject to change by FCBB from time to time. **Franchisee agrees and acknowledges that individual franchisee websites are prohibited unless specifically authorized by FCBB in writing, and that Franchisee's on-line promotional strategies must comply with FCBB's on-line policy.** Franchisee further agrees and acknowledges that FCBB may require or proscribe Franchisee's use of, review and monitor all on-line content on social media sites, blogs, electronic communication and other on-line sites on which its trademarks, service marks, trade names, copyrights or any similar marks are used. Franchisee agrees to remove any usage or content that FCBB requires, including without limitation, content that FCBB deems to be scandalous, immoral or detrimental to FCBB's image. Franchisee further agrees and acknowledges that FCBB may prohibit use of its trademarks, service marks, trade names, copyrights or any similar marks on any site or all sites.

8. PROPRIETARY MARKS

- 8.1 FCBB has the right to use, and to license others to use, the Proprietary Marks. Franchisee disclaims all rights, title and interest in or to the Proprietary Marks and any goodwill associated with the Proprietary Marks. Franchisee agrees that Franchisee will not, during or after the term of this Agreement, engage in any conduct directly or indirectly that would infringe upon, harm or contest FCBB's rights in any of the Proprietary Marks or the goodwill associated with the Proprietary Marks, including any use of the Proprietary Marks in a derogatory, negative or other inappropriate manner in any media, including but not limited to print or electronic media.
- 8.2 With respect to Franchisee's use of the Proprietary marks as required by this Agreement, Franchisee agrees that:
- 8.2.1 Franchisee is required to use the Proprietary Marks for the operation of the Franchised Business or in advertising for the Franchised Business and not otherwise;
 - 8.2.2 Franchisee will use the Proprietary Marks only in accordance with the System and the standards and specifications attendant thereto which underlie the goodwill associated with and symbolized by the Proprietary Marks;
 - 8.2.3 Unless otherwise authorized or required by FCBB, Franchisee shall operate and advertise the Franchised Business only under the name "First Choice Business Brokers" and shall use all Proprietary Marks without prefix or suffix or any other variation of any kind. Franchisee shall not use the Proprietary Marks, or any marks, names or indicia which are or may be confusingly similar, as part of Franchisee's corporate or other business or legal name, except as authorized by this Agreement;
 - 8.2.4 Franchisee's right to use the Proprietary Marks is limited to such uses as are authorized under this Agreement, and any unauthorized use thereof shall constitute an infringement of FCBB's rights;
 - 8.2.5 Franchisee shall not use the Proprietary Marks to incur any obligation or indebtedness on behalf of FCBB;
 - 8.2.6 During the Initial Term of this Agreement and any Successor Term of this Agreement, Franchisee shall identify itself (in a manner reasonably acceptable to FCBB) as the owner of the Franchised Business in conjunction with any use of the Proprietary Marks, including, but not limited to, uses on invoices, order forms, receipts, and contracts, as well as the display of a notice in such content and form and at such conspicuous locations on the premises of the Franchised Business as FCBB may designate in writing;
 - 8.2.7 Without FCBB's prior written approval, Franchisee shall not use the Proprietary Marks as part of Franchisee's corporate or other legal name, or as part of any e-mail address, website, domain name, or any other electronic media or social media (including use with any prefix, suffix, other modifying words, terms, designs, or symbols), or in any other manner connected with a website, advertisements on a website, social media site, or other similar means;

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

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

(a) Franchisee must promptly notify FCBB of any suspected infringement of, or any suspected unauthorized use of, the Proprietary Marks, any known challenge to the validity of the Proprietary Marks, or any known challenge to FCBB’s ownership of, or FCBB’s or Franchisee’s right to use, the Proprietary Marks licensed hereunder. Franchisee acknowledges that FCBB shall have the right to direct and supervise any administrative proceeding or litigation involving the Proprietary Marks, including any settlement thereof. FCBB shall also have the right, but not the obligation, to take action against uses by others that may constitute infringement of the Proprietary Marks.

(b) If Franchisee has used the Proprietary Marks in accordance with this Agreement, FCBB, in its sole discretion, may choose to defend Franchisee, at its expense, against any third-party claim, suit, or demand involving the Proprietary Marks arising out of Franchisee’s use thereof. If FCBB undertakes this defense or prosecution of any litigation relating to the Proprietary Marks, Franchisee shall execute any and all documents and do such acts and things as may, in the opinion of FCBB’s counsel, be necessary to carry out such defense or prosecution, including, but not limited to, becoming a nominal party to any legal action.

8.2.10 **Publicity:** Except as may be required by law, Franchisee may not make any press announcement regarding the subject matter of this Agreement without FCBB’s prior written consent. [FCBB may advertise and promote Franchisee’s completed transactions, in the manner FCBB determines.](#)

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

8.3 Franchisee expressly understands and acknowledges that:

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

8.3.2 During the term of this Agreement and after its expiration or termination, Franchisee shall not directly or indirectly contest the ownership, enforceability, or validity of, nor

take any other action which tends to jeopardize, FCBB's ownership of, or FCBB's right to use and to license others to use, the Proprietary Marks or FCBB's right to grant franchises utilizing the Proprietary Marks;

- 8.3.3 Franchisee's use of the Proprietary Marks pursuant to this Agreement does not give Franchisee any ownership interest or other interest in or to the Proprietary Marks;
- 8.3.4 Any and all goodwill arising from Franchisee's use of the Proprietary Marks under the System shall inure solely and exclusively to FCBB's benefit, and upon expiration or termination of this Agreement, no monetary amount shall be assigned as attributable to any goodwill associated with Franchisee's use of the System or the Proprietary Marks;
- 8.3.5 The right and license of the Proprietary Marks granted hereunder to Franchisee is non-exclusive, and FCBB has and retains the rights, among others: (a) to use the Proprietary Marks itself in connection with selling products and services, including, but not limited to, the same or similar products or services to be sold by the Franchised Business; (b) to grant other licenses for the Proprietary Marks; and (c) to develop and establish other systems using the Proprietary Marks, similar proprietary marks, or any other proprietary marks, and to grant licenses thereto without providing any rights therein to Franchisee; and
- 8.3.6 FCBB reserves the right to substitute different proprietary marks for use in identifying the System and the businesses operating thereunder if FCBB, in its sole discretion, determines that substitution of different marks as Proprietary Marks will be beneficial to the System. Franchisee shall implement promptly any such substitution of new Proprietary Marks. FCBB shall bear the costs of modifying Franchisee's signs and advertising materials to conform to FCBB's new Proprietary Marks, but FCBB shall otherwise have no obligation or liability to Franchisee as a result of such substitution.

9. OPERATIONS MANUAL

- 9.1 In order to protect the reputation and goodwill of FCBB, and to maintain high standards of operation under the System, Franchisee shall operate the Franchised Business in accordance with the standards, methods, policies, and procedures specified in the Manual, which FCBB has the right to modify in their sole discretion.
- 9.2 Franchisee shall treat the Manual, any other manuals created for or approved for use in the operation of the Franchised Business, and the information contained therein, as confidential, and shall use all reasonable efforts to maintain such information as secret and confidential. Franchisee shall not copy, duplicate, record, or otherwise reproduce the foregoing materials, in whole or in part, or otherwise make the same available to any unauthorized person.
- 9.3 The Manual shall remain FCBB's sole property.
- 9.4 Franchisee shall ensure that the Manual is kept current at all times. In the event of any dispute as to the contents of the Manual, the terms of the master copy maintained by FCBB at their home office shall be controlling.

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

10. CONFIDENTIAL INFORMATION AND DATA PRIVACY

- 10.1 Franchisee shall not, during the term of this Agreement or thereafter, communicate, divulge, or use for the benefit of any other person, partnership, association, or corporation any proprietary information contained in the Manuals or otherwise communicated to Franchisee in any form, and any other information, knowledge, know-how, drawings, materials, technology, equipment, marketing plans, strategic plans, methods, procedures, specifications, manuals, techniques, computer programs and systems concerning the methods of operation of the Franchised Business, including but not limited to: (a) information regarding the customers of the Franchised Business, including customer lists, customer names, and customer files; (b) the operating procedures of the System; (c) the economic and financial characteristics of the System and its Franchisees, including without limitation: pricing policies and schedules, profitability, earnings and losses, capital and debt structures; (d) the services and products offered to customers of the Franchised Business; (e) materials FCBB designates as confidential; and (f) the Manual (collectively, "Confidential Information"). Franchisee shall divulge Confidential Information only to such of Franchisee's employees or independent contractors, or if Franchisee is a corporation, then to such officers, directors, and shareholders with a need to know the Confidential Information in order to operate the Franchised Business. Any and all information, knowledge, know-how, techniques, and other data that FCBB designates as confidential shall be deemed confidential for purposes of this Agreement.
- 10.2 At FCBB's request, Franchisee shall require Franchisee's Key Personnel, and any other personnel having access to any Confidential Information to execute covenants that they will maintain the confidentiality of information they receive in connection with their employment by Franchisee at the Franchised Business. Such covenants shall be on FCBB's then-current Confidentiality and Non-Competition Agreement, a form of which is attached to this Agreement as **Schedule 5**.
- 10.3 Franchisee acknowledges that any failure to comply with the requirements of this Section 10 will cause FCBB irreparable injury, and Franchisee agrees to pay all court costs and reasonable attorneys' fees incurred by FCBB in obtaining specific performance of, or an injunction against violation of, the requirements of this Section 10.
- 10.4 Franchisee acknowledges and agrees that FCBB controls the use of customer data related to the Franchised Business. Franchisee shall only use the customer data as a processor as necessary to the Franchised Business during the term of this Agreement, unless Franchisee obtains FCBB's prior written approval. Franchisee has no right to sell, transfer, sublicense or otherwise share customer data to or with any third party, unless Franchisee obtains FCBB's prior written approval. Franchisee will comply with all directives and terms in the Manual respecting

Franchisee's use of the customer data. FCBB may access customer data on the Communications and Information System and Franchisee will allow FCBB to audit Franchisee's records to confirm compliance with these provisions. Franchisee must provide to FCBB usernames and passwords to access the Communications and Information Management System. Franchisee is solely responsible for protecting customer data from cyber-attacks or unauthorized access, and [Franchisee](#) waives any claim Franchisee may have against FCBB as the direct or indirect result of such attacks or unauthorized access. Franchisee must comply with all applicable federal, state, provincial and local laws and regulations concerning the storage, handling, use and protection of customer data. In addition, Franchisee must comply with any data protection and breach response policies FCBB periodically may establish and must not use or disclose customer data in a manner that would cause FCBB to be in violation of its published privacy policy. Franchisee must notify FCBB immediately of any actual or suspected data breach or cyber-attack at or in connection with the Franchised Business and/or customer data.

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

11. ACCOUNTING AND RECORDS

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

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

- 11.3 Franchisee must, at Franchisee's expense, submit to FCBB in the form prescribed by FCBB, the following reports, financial statements, and other data:

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

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

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

11.3.4 Franchisee must provide FCBB a copy of its tax return by April 15 each year.

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

12. PROMOTION AND MARKETING

- 12.1 FCBB has established a brand fund to support system-wide marketing and promotional efforts (the “**Brand Fund**”), as outlined in Section 12.2 below. Franchisee must contribute to the Brand Fund \$250 per month (the “**Brand Fund Contribution**”). FCBB reserves the right to increase this fee by 10% per year. The Brand Fund Contribution shall be paid at the same time, and in the same manner, as set forth for the payment of Royalties as required by Section 4.2 above. If Franchisee owns and operates in more than one Designated Territory, Franchisee will be required to make a Brand Fund Contribution for each Designated Territory Franchisee owns, up to a total of five Brand Fund Contributions.

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

- 12.2.1 FCBB or its designee shall direct all marketing programs, ~~based on the decisions made by FCBB's.~~ The franchisee-led Brand Fund ~~Committee~~Advisory Group (the "BFC"). The ~~BFC~~BFAG will provide FCBB with ~~direction~~recommendations regarding the concepts, materials, and media used in the programs, ~~along with their placement and allocation.~~ While primary recommendations regarding use of the Brand Fund will be made by the BFC, FCBB retains veto power over any advertising ~~but such~~ recommendations ~~made by the BFC~~are advisory only and FCBB will direct all marketing programs. If FCBB exercises its veto power, FCBB will give has the BFC ability to dissolve the ~~opportunity to modify its decision or submit a new proposal~~BFAG.

- 12.2.1 Franchisee agrees and acknowledges that the Brand Fund is intended to maximize public recognition, acceptance, and use of the System; and that FCBB and its designee are not obligated, in administering the Brand Fund, to make expenditures for Franchisee which are equivalent or proportionate to Franchisee's contribution, or to ensure that any particular Franchisee benefits directly or pro rata from expenditures by the Brand Fund.

- ~~12.2.2~~12.2.3 The Brand Fund, all contributions thereto, and any earnings thereon, shall be used exclusively in connection with the general promotion of the Marks and the

System, including the cost of formulating, developing and implementing advertising, marketing, direct mail, promotional and public relations campaigns; expenses related to market research and customer and franchise satisfaction surveys; the cost of research and development; creative development services (including creation and modification of our design and trade dress, logos, graphics, and advertising and promotional items, including the cost of retiring expired or obsolete printed items and materials, photography services, and design software); organizing and hosting franchise conferences; the development and maintenance of website hosting and e-commerce programs; and the reasonable costs of administering the Brand Fund, including the cost of employing advertising, public relations and other third party agencies to assist us and providing promotional brochures and advertising materials to franchised businesses, as well as accounting expenses and the actual costs of salaries and fringe benefits paid to FCBB's employees engaged in administration of the Brand Fund.

~~12.2.3~~12.2.4 Franchisee must contribute to the Brand Fund by electronic funds transfer in accordance with FCBB's requirements, unless FCBB otherwise specifies in writing. All sums paid by Franchisee to the Brand Fund shall be maintained in an account separate from the other monies of FCBB and shall not be used to defray any of FCBB's expenses, except for such reasonable costs and overhead, if any, as FCBB may incur in activities reasonably related to the administration, direction, and implementation of the Brand Fund and marketing programs for franchisees and the System, including, among other things, costs of personnel for creating and implementing, advertising, merchandising, promotional and marketing programs and administration of the Brand Fund. The Brand Fund and its earnings shall not otherwise inure to FCBB's benefit and the contributions to, and earnings of the Brand Fund are not and shall not be FCBB's asset. The Brand Fund may lend money and incur debt in the furtherance of its general purposes.

~~12.2.4~~12.2.5 It is anticipated that all contributions to and earnings of the Brand Fund shall be expended for marketing and/or promotional purposes during the taxable year within which the contributions and earnings are received. If, however, excess amounts remain in the Brand Fund at the end of such taxable year, all expenditures in the following taxable year(s) shall be made first out of accumulated earnings from previous years, next out of earnings in the current year, and finally from contributions.

~~12.2.5~~12.2.6 FCBB or its designee shall maintain separate bookkeeping accounts for the Brand Fund. A statement of the operations of the Brand Fund as shown on the books of FCBB shall be prepared annually by FCBB (FCBB shall not be obligated to have audited financial statements prepared) and the prior year's statement shall be made available for inspection by Franchisee, upon written request of Franchisee.

~~12.2.6~~12.2.7 Although the Brand Fund is intended to be of perpetual duration, FCBB maintains the right to terminate the Brand Fund; provided that FCBB shall use any unexpended monies in the Brand Fund for marketing and/or promotional purposes for the System.

~~12.2.7—The BFC has decision-making authority concerning the use of the Brand Fund, subject to FCBB's ability to veto any such decision. FCBB has the ability to dissolve the BFC.~~

- 12.3. FCBB may, in its sole discretion, make available to Franchisee, from time to time, marketing plans and promotional materials, including merchandising materials, sales aids, point-of-purchase materials, special promotions, direct mail materials, and similar marketing and promotional materials.
- 12.4 Franchisee may develop advertising materials for Franchisee's own use, at Franchisee's own cost. Franchisee must ensure that all advertising and promotional materials, signs, all forms and stationery used in connection with the Franchised Business, products, and other items specified by FCBB bear the Proprietary Marks in the form, color, location, and manner prescribed by FCBB in the Manual, or otherwise in writing by FCBB. FCBB must approve all advertising materials (including, but not limited to collateral materials and campaigns, broadcast, print or other media) in advance of Franchisee's use of the materials. For all proposed advertising, marketing, and promotional materials that FCBB has not supplied to Franchisee or previously approved, Franchisee shall submit samples of such plans and materials to FCBB, for FCBB's review and prior written approval. If Franchisee does not receive written approval from FCBB within ten days of the date of FCBB's receipt of such samples or materials, FCBB shall be deemed to have approved them. Franchisee acknowledges and agrees that any and all copyright in advertising and promotional materials developed by or on behalf of Franchisee shall be FCBB's sole property, and Franchisee agrees to execute such documents (and, if necessary, require Franchisee's independent contractors to execute such documents) as FCBB may deem reasonably necessary to give effect to this provision.
- 12.5 If FCBB so requires, Franchisee shall, at Franchisee's expense, obtain listings with such Internet channels and online marketing companies that FCBB specify in FCBB's sole discretion.
- 12.6 As part of the Training and Kickstart Marketing Fee, FCBB will provide Franchisee with the following: (a) initial marketing set-up, including 2,000 direct mailers; and (b) a 12-month marketing plan, following the date that this Agreement is signed, including populating Franchisee's CRM with business information and drip campaigns; and (c) a 6-month plan, following the date that this Agreement is signed, provided by a designated marketing vendor including social media management, social media outreach, webinars, paid ads, SEO, and blogging. Franchisee may elect to extend certain services provided by the designated marketing vendor by 4 months for an additional \$4,300 fee paid to the designated marketing vendor.
- 12.7 Franchisee shall not establish a Website (as defined below), nor offer, promote, or sell any products or services, or make any use of the Proprietary Marks, through the Internet without FCBB's prior written approval. As a condition to granting any such consent, FCBB shall have the right to establish such requirements as FCBB deems appropriate, including but not limited to the requirement that Franchisee's only presence on the Internet shall be through a webpage established by FCBB on FCBB's website. Any Website shall be deemed "marketing" under this Agreement and will be subject to (among other things) FCBB's approval under Section 12.4 above. FCBB will create and maintain a Website for Franchisee, as part of the services FCBB provides in exchange for the Technology Fee

Because FCBB expects that each FCBB Business will have a strong presence in its community, Franchisee must establish an account with those social or networking Websites, applications or other forms of electronic communication that FCBB specifies, and these accounts must comply with FCBB's guidelines including posting of content and representation of the Marks. If any objectionable content is posted to one of these accounts, Franchisee will have 1 day after notice from FCBB to remove it. If the objectionable content is not removed within this 1-day period, FCBB has the right to terminate the Franchise Agreement. Any other on-line presence that Franchisee wishes to establish must have FCBB's prior written consent. Franchisee must provide FCBB with all the user IDs and passwords related to each on-line account Franchisee establishes.

13. INSURANCE

- 13.1 Franchisee agrees that prior to the commencement of operations under this Agreement, Franchisee will obtain at Franchisee's expense an insurance policy or policies protecting Franchisee, FCBB, FCBB's affiliates, and FCBB's and its affiliates' respective officers, directors, partners, and employees against any demand or claim with respect to personal injury, death, or property damage, or any loss, liability, or expense whatsoever arising or occurring upon or in connection with the Franchised Business, including, but not limited to comprehensive general liability insurance property and casualty insurance, vehicle insurance (for Franchisee's company owned vehicles) and statutory workers' compensation insurance. Franchisee agrees that Franchisee will maintain these policies in full force and effect during the term of this Agreement. Such policy or policies must be written by a responsible carrier or carriers acceptable to FCBB, must name FCBB as additional insured, and must provide at least the types and minimum amounts of coverage specified in this Section or in a greater amount if specified in the Manual from time to time. Unless otherwise advised in writing by FCBB (through the Manuals or otherwise in writing), Franchisee must carry general liability insurance with a minimum limit of liability in respect to bodily injury or property damage of \$1,000,000 per occurrence. For vehicles, the minimum limits of liability with respect to bodily injury or property damage shall be \$250,000 per person and \$500,000 per occurrence.
- 13.2 Franchisee's obligation to obtain and maintain the policies in the amounts specified in this Agreement or in the Manual shall not be limited in any way by reason of any insurance which may be maintained by FCBB, nor shall Franchisee's performance of that obligation relieve Franchisee of liability under the indemnity provisions set forth in Section 20 of this Agreement.
- 13.3 All public liability and property damage policies must contain a provision, or additional insured rider or declaration, that FCBB shall be entitled to recover under such policies on any loss occasioned to FCBB or FCBB's officers, directors, servants, agents, or employees by reason of the negligence or intentional act or omission by Franchisee or Franchisee's officers, directors, servants, agents, or employees.
- 13.4 Prior to the commencement of any operations under this Agreement, and thereafter at least 15 days prior to the expiration of any policy, Franchisee must deliver to FCBB certificates of insurance evidencing the proper types and minimum amounts of coverage. All Certificates

must expressly provide that no less than 15 days prior written notice must be given to FCBB in the event of material alteration to or cancellation of the coverage evidenced by such certificates.

14. TRANSFER OF INTEREST

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

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

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

14.3.1 The transferee (and, if the transferee is other than an individual, such owners of a beneficial interest in the transferee as FCBB may request) must demonstrate to FCBB's satisfaction that it meets FCBB's educational, managerial, and business standards; possesses a good moral character, business reputation, and credit rating; has the aptitude and ability to operate the Franchised Business (as may be evidenced by prior related business experience or otherwise), and has adequate financial resources and capital to operate the Franchised Business;

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

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

- 14.3.4 Franchisee must pay a Transfer fee to reimburse FCBB for its reasonable costs and expenses associated with the transfer, including, but not limited to, reviewing the application to transfer, training the new franchisee, legal and accounting fees, and associated costs. If the transferee is a new First Choice Business Brokers franchisee, the Transfer fee is \$15,000 and if the transferee is an existing First Choice Business, the Transfer fee is \$10,000;
- 14.3.5 Franchisee must remain liable for all of the obligations to FCBB, in connection with the Franchised Business that arose prior to the effective date of the Transfer and execute any and all instruments reasonable requested by FCBB to evidence such liability;
- 14.3.6 Franchisee's transferee (or, if the transferee is a corporation, limited liability company, or other entity, the manager designated by transferee acceptable to FCBB) at the transferee's expense, must undergo a minimum of five days of training at FCBB's corporate facility in Las Vegas, Nevada, or at a location designated by FCBB (which may be partially or completely through the Internet), prior to effectuating the Transfer; Franchisee or Franchisee's transferee must pay FCBB its then-prevailing fee for attending such training, and Franchisee's transferee must bear its (or his or her own) travel expenses (other than lodging and meals during the training conferences);
- 14.3.7 Franchisee's transferee must execute the then-current form of standard franchise agreement and other ancillary agreements as FCBB may require for the Franchised Business, which successor agreement shall supersede this Agreement in all respects and which may differ materially from the terms of this Agreement, including but not limited to materially higher or different fees and a materially smaller Designated Territory;
- 14.3.8 Franchisee's transferee (and, if the transferee is other than an individual, owners of a beneficial interest in the transferee) must enter into a written assignment, in a form satisfactory to FCBB, assuming and agreeing to discharge all of Franchisee's obligations under this Agreement; and if Franchisee's obligations were guaranteed by the transferor, that the transferee guarantee the performance of all such obligations in writing in a form satisfactory to FCBB;
- 14.3.9 Franchisee's transferee (and, if the transferee is other than an individual, such owners of a beneficial interest in the transferee as FCBB may request) execute a guarantee, indemnification, acknowledgment, and assumption of all obligations under this Agreement;
- 14.3.10 Franchisee and Franchisee's owners (if Franchisee is a legal entity) must execute FCBB's then-current form of general release (~~a copy of FCBB's current required form of general release is attached to this Agreement as "Schedule 3,"~~), of any and all claims against FCBB and FCBB's subsidiaries and affiliates, and their respective officers, directors, agents, and employees; and
- 14.3.11 Franchisee acknowledges and agrees that each condition that must be met by the transferee is necessary to assure such transferee's full performance of the obligations hereunder.

- 14.4 Franchisee must not grant a security interest in this Agreement, the Franchised Business or in any of the assets of the Franchised Business unless the secured party agrees that in the event of any default by Franchisee under any documents related to the security interest, FCBB shall have the right and option (but not the obligation) to be substituted as obligor to the secured party and to cure any default of Franchisee, and any acceleration of indebtedness due to Franchisee's default shall be void.
- 14.5 If Franchisee, any party holding any direct or indirect interest in this Agreement, in Franchisee's company, or in all or substantially all of the assets of the Franchised Business desires to accept any bona fide offer to complete a Transfer, Franchisee must notify FCBB. FCBB will then have the right and option to purchase the seller's interest on the same terms and conditions offered by the third party. FCBB's option is exercisable within 30 days after FCBB receives from Franchisee written notification of the proposed deal by sending Franchisee written notice that FCBB intends to purchase the assets being sold on the same terms and conditions as being offered to the third party. If FCBB elects not to purchase the seller's interest, any material change thereafter in the terms of the offer from a third party shall constitute a new offer subject to the same rights of first refusal by FCBB as in the case of the third party's initial offer. In the event the consideration, terms and/or conditions offered by a third party are such that FCBB may not reasonably be required to furnish the same consideration, terms and/or conditions, then FCBB may purchase the interest proposed to be sold for the reasonable equivalent in cash. If the parties cannot agree within a reasonable time on the cash consideration, an independent appraiser shall be designated by FCBB at Franchisee's expense, and the appraiser's determination shall be binding.
- 14.6 In the event of death or legal incapacity (or, if Franchisee are a corporation, limited liability company, or other entity, any person with an interest in all or substantially all of the assets of the Franchised Business), the heirs, beneficiaries, devisees, executors, administrators or Franchisee's other legal representatives must, within 120 days of such event:
- 14.6.1 Apply to FCBB for the right to continue to operate the Franchised Business for the duration of the term of this Agreement and any renewals hereof, which right shall be granted provided the surviving spouse, heirs or estate shall satisfy all of the then current qualifications for a purchaser of a Franchise; or
- 14.6.2 Sell, assign, transfer, or convey Franchisee's interest in compliance with the provisions of Section 14 of this Agreement; provided, however, in the event a proper and timely application for the right to continue to operate the Franchised Business has been made by Franchisee and rejected by FCBB, the 120 days to sell, assign, transfer, or convey the Franchised Business shall be computed from the date of said rejection.
- 14.7 If the provisions of Section 14.6 have not been fulfilled within the time provided, all rights granted to Franchisee under this Agreement shall, at the option of FCBB, terminate immediately and automatically revert to FCBB.
- 14.8 FCBB's consent to a Transfer of any interest in this Agreement, in Franchisee's ownership interests or in all or substantially all of the assets of the Franchised Business will not constitute a waiver of any claims FCBB may have against Franchisee, nor will it be deemed a waiver of

FCBB's right to demand exact compliance with any of the terms of this Agreement by the transferor or transferee.

- 14.9 Notwithstanding the foregoing, in the event Franchisee desires to make an intra-family assignment or Transfer of the Franchised Business, or if Franchisee wishes to make an assignment or Transfer to a corporation or LLC wholly owned by Franchisee, the Transfer fee set forth herein will be waived. All other terms and obligations associated with said Transfer will apply to such transfer (including the obligation to pay FCBB's then-current training fee).

15. DEFAULT AND TERMINATION

- 15.1 Franchisee shall be deemed to be in default under this Agreement, and all rights granted to Franchisee herein shall automatically terminate without notice to Franchisee:

15.1.1 If Franchisee becomes insolvent, meaning unable to pay Franchisee's bills in the ordinary course as they become due;

15.1.2 If Franchisee, or the Key Personnel, in FCBB's sole subjective discretion, fails to satisfactorily complete FCBB's initial training program;

15.1.3 If Franchisee fails to open the Franchised Business within the time limits provided in Section 5.2 of this Agreement;

15.1.4 If Franchisee, at any time, ceases to operate or otherwise abandons the Franchised Business, or otherwise forfeits the right to do so or transact business in the legal jurisdiction where the Franchised Business is located;

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

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

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

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

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

- 15.1.10 If Franchisee knowingly maintains false books or records, or submits any false reports to FCBB;
- 15.1.11 If Franchisee misuses or makes any unauthorized use of the Proprietary Marks or any other identifying characteristics of the System, or otherwise materially impair the goodwill associated with FCBB's rights therein;
- 15.1.12 If Franchisee refuses to permit FCBB, and/or its designated agents, to inspect the Authorized Location, books, records, or accounts upon demand;
- 15.1.13 If Franchisee, upon receiving a notice of default under Section 15.2 hereof, fails to initiate immediately a remedy to cure such default;
- 15.1.14 If Franchisee receives from FCBB three or more notices to cure a default or violation of this Agreement during any 12 month period, whether or not the default or violation is cured after notice;
- 15.1.15 If Franchisee breaches any material term of the Computer System User License Agreement, except for those terms relating to payment (defaults relating to payment of fees are governed by Paragraph 15.2.1 below); or
- 15.1.16 As stated under Section ~~12.6~~12.7, Franchisee fails to remove objectionable content from social media within one day of notice from FCBB.
- 15.2 Except as otherwise provided in Sections 15.1 of this Agreement, Franchisee will have 30 days after Franchisee's receipt from FCBB of a written notice of default within which to remedy any other default under this Agreement and to provide evidence thereof to FCBB. Franchisee may avoid termination by immediately initiating a remedy to cure such default and curing it to FCBB's satisfaction within the 30 day period (or within such longer time period as FCBB may reasonably specify), and by promptly providing proof thereof to FCBB. If any such default is not cured within the specified time, or such longer period as applicable law may require, this Agreement shall terminate without further notice to Franchisee, effective immediately upon the expiration of the period. Franchisee will be in default pursuant to this Section 15.2 for failure substantially to comply with any of the requirements imposed by this Agreement, as it may from time to time be reasonably supplemented by the Manual, or failure to carry out the terms of the Agreement in good faith. Such defaults include, but are not limited to, the following illustrative events:
- 15.2.1 If Franchisee fails, refuses, or neglects promptly to pay any monies owing to FCBB, its affiliates or vendors when due, or to submit the financial or other information required by FCBB under this Agreement (the time for curing such default will be 10 calendar days).
- 15.2.2 If Franchisee fails to operate the Franchised Business in strict compliance with all of the standards or procedures prescribed by FCBB in this Agreement, in the Manual, or otherwise in writing, and without restricting the generality of the foregoing, if Franchisee fails to promptly pay all Franchisee's expenses incurred in the operation of the Franchised Business;

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

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

16. OBLIGATIONS UPON TERMINATION OR EXPIRATION

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

- 16.1 Franchisee must immediately cease to operate the Franchised Business, and must not thereafter, directly or indirectly, represent to the public or hold itself out as a present or former franchisee of FCBB.
- 16.2 Franchisee must immediately and permanently cease to use, in any manner whatsoever, any confidential methods, procedures, and techniques associated with the System, the Proprietary Marks, and all other proprietary marks and distinctive forms, slogans, signs, symbols and devices associated with the System. In particular, Franchisee must cease to use, without limitation, the Manual and all signs, bags, advertising materials (including internet, social media, and websites), displays, stationery, collateral materials, and any other articles that display the Proprietary Marks.
- 16.3 Franchisee must take such action as may be necessary to cancel any trade or fictitious name registration or equivalent registration obtained by Franchisee which contains the mark "FCBB" or any other Proprietary Marks, and Franchisee must furnish FCBB with evidence satisfactory to FCBB of compliance with this obligation within ten days after termination or expiration of this Agreement. Franchisee appoints FCBB its true and lawful agent and attorney, for it and in its behalf to take such action, and to execute all such documents in its name and on its behalf as may be necessary, pursuant to this subsection to carry out any acts on behalf of Franchisee in the event of termination or expiration of this Agreement, including, but not limited to, transfer or assign to FCBB or to its designee or to disconnect and forward all telephone numbers, white and yellow page telephone references and advertisements, and all trade and similar name registrations and business licenses, and to cancel any interest which Franchisee may have had in the same. Franchisee must execute FCBB's Assignment of Telephone Numbers, Internet Addresses, and Social Media Identities, attached as **Schedule 4**, to assist FCBB in accomplishing this.
- 16.4 Franchisee agrees, in the event Franchisee continues to operate or subsequently begin to operate any other business, not to use any reproduction, counterfeit, copy or colorable imitation of the Proprietary Marks, either in connection with such other business or the promotion thereof, which, in FCBB's opinion, is likely to cause confusions, mistake, or deception, or which, in FCBB's opinion, is likely to dilute FCBB's rights in and to the Proprietary Marks. Franchisee further agrees not to utilize any designation of origin or description or representation which, in FCBB's opinion, falsely suggests or represents an association or connection with FCBB.

- 16.5 Franchisee must promptly pay all sums owing to FCBB and/or its affiliates. In the event of termination for any default by Franchisee, such sums shall include all damages, costs, and expenses, including attorney's fees and disbursements, incurred by FCBB as a result of the default. These damages will include the Royalties and any other amounts which FCBB would have received from Franchisee through the end of the Initial Term if this Agreement had not been terminated prematurely. Franchisee's obligation to pay all damages, costs and expenses will give rise to and remain, until paid-in-full, a lien in favor of FCBB against any and all of the personal property, furnishings, equipment, signs, fixtures, and inventory owned by Franchisee. Termination or expiration of this Agreement shall not affect, modify or discharge any claims, rights, causes of action or remedies which FCBB may have against Franchisee, whether such claims or rights arise before or after termination or expiration.
- 16.6 Franchisee must pay to FCBB all damages, costs, and expenses, including attorney's fees and disbursements, incurred by FCBB subsequent to the termination or expiration of this Agreement in obtaining injunctive or other relief for the enforcement of any provision of this Agreement.
- 16.7 Franchisee must immediately deliver to FCBB the Manual and all other records, correspondence, and instructions containing confidential information relating to the operation of the Franchised Business, all of which are acknowledged to be the property of FCBB and must retain no copy or record of any of the foregoing.
- 16.8 Franchisee must comply with the covenants contained in Section 17.3 of this Agreement.
- 16.9 To secure Franchisee's performance under this Agreement and indebtedness for all obligations owed and sums due FCBB or FCBB's affiliates, FCBB shall have a lien upon, and Franchisee hereby grant FCBB a security interest in, the following collateral and any and all attachments, accessories, additions, accessions, and substitutions to or for it and the cash and non-cash proceeds derived from insurance or the disposition of such collateral: (a) all inventory, equipment, furniture, furnishings, fixtures, and supplies now leased, owned or after-acquired by Franchisee and the Franchised Business, including but not limited to all inventory, equipment, furniture, furnishings, fixtures, and supplies transferred to or acquired by Franchisee in connection with this Agreement; (b) all accounts of Franchisee and/or the Franchised Business now existing or subsequently arising, together with all interest in Franchisee and/or the Franchised Business, now existing or subsequently arising, together with all chattel paper, documents, and instruments relating to such accounts; (c) all contract rights of Franchisee and/or the Franchised Business, now existing or subsequently arising; (d) all general intangibles of Franchisee and/or the Franchised Business, now owned or existing, or after-acquired or subsequently arising; (e) all of Franchisee's and/or the Franchised Business' interests in the real estate where the Franchised Business is located; and (f) all improvements to that real estate.
- 16.10 The provisions of this Section 16, as well as Sections 10, 14, 17, 20, and 25 shall survive the termination or expiration of this Agreement.

17. ADDITIONAL COVENANTS

- 17.1 Franchisee covenants that during the term of this Agreement or any renewals thereof, except as otherwise approved in writing by FCBB, Franchisee (individually or as an

entity) must use Franchisee's best efforts in guiding the management and operation of the Franchised Business, and in recommending, promoting and encouraging patronage of all franchised units operating under the System.

- 17.2 Franchisee specifically acknowledges that, pursuant to this Agreement, Franchisee will receive valuable, specialized training and confidential information, including, but not limited to, information regarding the operational sales, promotional, and marketing methods and techniques used under the System in the operation of the Franchised Business. Franchisee covenants that during the term of this Agreement, except as otherwise approved in writing by FCBB, Franchisee will not, directly or indirectly:

17.2.1 Divert or attempt to divert any present or prospective business or customer of the Franchised Business or any FCBB franchise to any competitor, by direct or indirect inducement or otherwise, or do or perform, directly or indirectly, any other act injurious or prejudicial to the goodwill associated with the Proprietary Marks and the System; or

~~17.2.3~~ 17.2.2 Own, maintain, operate, engage in, be employed by, provide any assistance to, or have any interest in (as owner or otherwise) any business that offers products or services which are the same as or similar to the products and services being offered by FCBB under the System.

- 17.3 Franchisee covenants that, except as otherwise approved in writing by FCBB, Franchisee will not, directly or indirectly, in Franchisee's Designated Territory, within 20 miles of Franchisee's Approved Location, for a two (2) year period beginning upon the expiration or termination (including a sale or transfer of Franchisee's rights under this Agreement or Franchisee's interest in it) of this Agreement offer business brokerage services. Franchisee also agrees to this same prohibition for the same time period as to the Designated Territory and a 20 mile radius of the Approved Location of other FCBB franchisees at the time of Franchisee's expiration or termination.
- 17.4 Sections 17.2 and 17.3 shall not apply to ownership by Franchisee of less than five (5%) percent beneficial interest in the outstanding equity securities of any corporation which has securities registered under the Securities and Exchange Act of 1934 ("publicly held corporation").
- 17.5 Franchisee understands and acknowledges that FCBB shall have the right, in FCBB's sole discretion, to reduce the scope of any covenant set forth in Sections 17.2 or 17.3, or any portion thereof, without Franchisee's consent effective immediately upon receipt by Franchisee of written notice thereof; and Franchisee agrees that Franchisee must comply forthwith with any covenants as so modified, which must be fully enforceable notwithstanding the provisions of Section 23 hereof.
- 17.6 Franchisee expressly agrees that the existence of any claims Franchisee may have against FCBB, whether or not arising from this Agreement, will not constitute a defense to the enforcement by FCBB of the covenants in this Section 17. Franchisee agrees to pay all costs and expenses (including reasonable attorneys' fees) incurred by FCBB in connection with the enforcement of this Section 17.

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

18. CORPORATE OR ENTITY FRANCHISEE

- 18.1 Franchisee and each of Franchisee's owners, officers, directors, shareholders, members, principals and/or partners (the "**Owners**") warrants and agrees that the Statement of Ownership (**Schedule 6** to this Agreement) is current, complete and accurate. Franchisee agrees that updates to Schedule 6 attached hereto will be furnished promptly to FCBB, so that Schedule 6 (as so revised and signed by Franchisee) is at all times current, complete and accurate. Each of Franchisee's **Owners** will be an individual acting in his individual capacity, unless FCBB waives this requirement.
- 18.2 If Franchisee is, or at any time become, a business corporation, limited liability company, or other legal entity, Franchisee and each of Franchisee's Owners represents, warrants and agrees that: (a) Franchisee is duly organized and validly existing under the laws of the state of its organization; (b) Franchisee has the authority to execute and deliver this Agreement and all related agreements and to perform its obligations under all such agreements; (c) the articles of incorporation, articles of organization, or other organizational documents recite that the issuance, transfer or pledge of any direct or indirect legal or beneficial ownership interest in Franchisee is restricted by the terms of this Agreement; and (d) all certificates representing direct or indirect legal or beneficial ownership interests now or hereafter issued bear a legend in conformity with applicable law reciting or referring to such restrictions.
- 18.3 Any Owner listed on Schedule 6 must sign the "Guaranty, Indemnification, and Acknowledgement," attached hereto as **Schedule 2** as a guarantor. In addition, any person or entity that is an Owner of Franchisee, or at any time becomes an Owner of Franchisee, is a personal guarantor and must execute Schedule 2 as a condition of becoming an Owner.
- 18.4 Franchisee must provide FCBB with copies of Franchisee's Operating Agreement, Articles of Incorporation, Bylaws, shareholder agreements, membership agreements, and other governing documents, and any amendments thereto, including the resolution of the Board of Directors authorizing entry into this Agreement.

19. TAXES, PERMITS, LICENSES AND INDEBTEDNESS

- 19.1 Franchisee must promptly pay, when due, all taxes levied or assessed, including, but not limited to, environmental and sales taxes and all accounts and other indebtedness of every kind incurred by Franchisee in the operation of the Franchised Business.

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

20. INDEPENDENT CONTRACTOR AND INDEMNIFICATION

- 20.1 It is understood and agreed by the parties that this Agreement does not create a fiduciary relationship between them, that Franchisee must be an independent contractor, and that nothing in this Agreement is intended to constitute either party as agent, legal representative, subsidiary, joint venture, partner, employee, or servant of the other for any purpose whatsoever. Franchisee must comply with the provisions of Section 7.12 hereof and ensure that Franchisee's Associates do not consider themselves FCBB's agent, legal representative, subsidiary, joint venture, partner, employee, or servant.
- 20.2 During the term of this Agreement Franchisee must hold itself out to the public as an independent contractor operating the Franchised Business as required by this Agreement with FCBB. Franchisee agrees to take such action as may be necessary to do so, including, but not limited to, advising suppliers and customers of Franchisee's independent ownership of the Franchised Business. All of Franchisee's business forms, business cards, stationery, and advertisements must clearly state that the Franchised Business is independently owned and operated. In addition, the Authorized Location must display a clear sign, in a conspicuous location, stating that the Franchised Business is independently owned and operated.
- 20.3 Nothing in this Agreement authorizes Franchisee to make any contract, agreement, warranty, or representation on FCBB's behalf, or to incur any debt or other obligation in FCBB's name, and FCBB shall in no event assume liability for, or be deemed liable hereunder as a result of, any such action; nor shall FCBB be liable by reason of any act or omission by Franchisee in Franchisee's operation of the business franchised hereunder or for any claim or judgment arising therefrom against Franchisee or FCBB.
- 20.4 Franchisee must, during the Term and after the termination or expiration of this Agreement, indemnify and defend FCBB, its affiliates and their respective officers, directors, managers, members, and employees, and hold them harmless against all claims, demands, causes of action, lawsuits, disputes, controversies, investigations or administrative proceedings (collectively, "Claims") and resulting losses, damages (including punitive damages), costs, suits, judgments, penalties, expenses (including reasonable attorneys' fees and amounts paid in

settlement or compromise) and liabilities of any kind, whether or not ultimately determined to be meritorious (and including damages suffered by Franchisee or any of its property) (collectively, "Damages") for which they are held liable, or which they incur (including travel, investigation and living expenses of employees and witness fees) in any Claim as a result of or arising out of:

- (a) the operation of the Franchised Business
- (b) a breach by Franchisee of this Agreement, or any other agreement between the parties, or any breach of a lease or other instrument by which the right to occupy the Approved Location of the Franchised Business is held;
- (c) any injury to, or loss of property of, any person in, or on, the Approved Location of the Franchised Business, the Approved Records Location, or any other premises used by Franchisee to operate the Franchised Business;
- (d) Franchisee's taxes, liabilities, costs or expenses of its Franchise;
- (e) any negligent or willful act or omission of Franchisee, its Owners, officers, directors, managers, members, partners, employees, agents, servants, contractors or others for whom it is, in law, responsible;
- (f) any violation of a legal requirement imposing requirements or prohibitions on Franchisee in the operation of the Franchised Business; and
- (g) any advertising or promotional material distributed, broadcast or in any way disseminated by Franchisee, or on its behalf, unless such material has been produced, or approved in writing, by FCBB.

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

21. APPROVALS AND WAIVERS

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

21.2 FCBB makes no warranties or guarantees upon which Franchisee may rely, and assumes no liability or obligation to Franchisee, by providing any waiver, approval, consent, or suggestion to Franchisee in connection with this Agreement, or by reason of any neglect, delay, or denial of any request therefore.

21.3 No failure of FCBB to exercise any power reserved to it by this Agreement, or to insist upon strict compliance by Franchisee with any obligation or condition hereunder, and no custom or practice of the parties at variance with the terms hereof, shall constitute a waiver of FCBB's

right to demand exact compliance with any of the terms hereof. Waiver by FCBB of any particular default by Franchisee shall not affect or impair FCBB's rights with respect to any subsequent default by Franchisee, nor shall any delay, forbearance, or omission of FCBB to exercise any power or right arising out of any breach or default by Franchisee of any of the terms, provisions, or covenants hereof, affect or impair FCBB's right to exercise the same, nor shall such constitute a waiver by FCBB of any right hereunder, or the right to declare any subsequent breach or default and to terminate this Agreement prior to the expiration of its term. Subsequent acceptance by FCBB of any payments due to it hereunder shall not be deemed to be a waiver by FCBB of any preceding breach by Franchisee of any terms, covenants, or conditions of this Agreement.

22. NOTICES

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

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

23. ENTIRE AGREEMENT

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

24. SEVERABILITY AND CONSTRUCTION

- 24.1 If, for any reason, any portion of this Agreement is deemed invalid, it shall be deemed severed from the Agreement and the rest shall be enforceable.
- 24.2 Any provision of this Agreement that by its nature imposes obligations beyond the expiration or termination of this Agreement survives such expiration or termination.
- 24.3 Except as expressly provided to the contrary herein, nothing in this Agreement is intended, nor shall be deemed, to confer upon any person or legal entity other than Franchisee, FCBB, their officers, directors, and employees, and such other successors and assigns as may be contemplated by Section 14 hereof, any rights or remedies under or by reason of this Agreement.
- 24.5 This Agreement may be executed in any number of counterparts, each of which when so executed and delivered shall be deemed an original, but such counterparts together shall constitute one and the same instrument.

25. DISPUTE RESOLUTION

- 25.1 **Choice of Law.** This Agreement is effective upon its acceptance in Nevada by FCBB's authorized officer. Except as to claims governed by federal law, Nevada law governs all claims that in any way relate to or arise out of this Agreement or any of the dealings of the parties ("Claims"). However, no laws regulating the sale of franchises or governing the relationship between FCBB and franchisee shall apply unless the jurisdictional requirements of such laws are met independently of this paragraph.
- 25.2 **Jurisdiction and Venue.** Franchisee and FCBB agree that venue and jurisdiction for any Claims shall be proper solely in the state and federal court nearest to FCBB's corporate headquarters, presently located in Las Vegas, Nevada.
- 25.3 **Jury Waiver.** In any trial between any of the parties as to any Claims, Franchisee and FCBB agree to waive FCBB's rights to a jury trial and instead have such action tried by a judge.
- 25.4 **Class Action Waiver.** Franchisee agrees to bring any Claims, if at all, individually and Franchisee shall not join such claim with claims of any other person or entity or bring, join or participate in a class action against FCBB.
- 25.5 **Punitive Damages Waiver.** As to any Claims, Franchisee and FCBB agrees to waive FCBB's rights, if any, to seek or recover punitive damages.
- 25.6 **Limitation of Actions.** Franchisee agrees to bring any Claims against FCBB, if at all, within one year of the occurrence of the facts giving rise to such Claims, and that any action not brought within this period shall be barred as a claim, counterclaim, defense, or set-off.
- 25.7 **Prior Notice of Claims.** As a condition precedent to commencing an action for a Claim, Franchisee must notify FCBB within 30 days after the occurrence of the violation or breach, and failure to timely give such notice shall preclude any claim for damages.
- 25.8 **Internal Dispute Resolution.** Franchisee must first bring any Claim to FCBB's CEO, after providing notice as set forth in Section 25.7 above. Franchisee must exhaust this internal dispute resolution procedure before Franchisee may bring its Claim before a third party.
- 25.9 **Mediation.** Before Franchisee may bring any Claim against FCBB in court, Franchisee agrees to try for a period of 60 days to mediate such claim before a mutually agreed to mediator in the city or county where FCBB's headquarters are located. If Franchisee and FCBB cannot mutually agree on a mediator, Franchisee and FCBB agree to use the mediation services of the American Arbitration Association ("AAA") and split any AAA and mediator fees equally.
- 25.11 **Waiver of bond.** Franchisee agrees that if FCBB is forced to bring suit to enforce any provision of this Agreement, Franchisee agrees to waive any requirement that FCBB post bond to obtain a temporary, preliminary, or permanent injunction to enforce these duties.
- 25.12 **Third Party Beneficiaries.** FCBB's officers, directors, members, shareholders, agents, and employees are express third party beneficiaries of the terms of the Dispute Resolution provisions contained herein.

- 25.13 **Reimbursement of Costs.** If FCBB is the substantially prevailing party as to any Claims, Franchisee agrees to reimburse FCBB's costs and attorney fees incurred in pursuing or defending the Claims.

26. FORCE MAJEURE

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

27. YOUR ACKNOWLEDGEMENTS

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

Initial

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

Initial

- ~~27.6~~27.3 Franchisee represents and warrants to FCBB that all statements, documents, materials, and information submitted to FCBB, including the application for the rights granted by this Agreement, are true, correct and complete in all material respects, and there have been no material omissions or misrepresentations. Franchisee agrees to promptly advise FCBB of any material change in the information or statements submitted to FCBB. Franchisee acknowledges and understands that FCBB has entered into this Agreement in reliance on the statements and information submitted to FCBB by Franchisee, and that any material breach, inaccuracy, misrepresentation, or omission is grounds for FCBB to terminate this Agreement.

Initial

28. TIME OF ESSENCE AND INCORPORATION BY REFERENCE

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

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

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

FRANCHISEE

By: _____
Name: _____
Title: _____

FCBB BUSINESS BROKERS, INC.

By: _____
Name: _____ DATE
Title: _____

SCHEDULE 1

Approved Territory by Zip Codes:

Map:

SCHEDULE 2

GUARANTY, INDEMNIFICATION AND ACKNOWLEDGEMENT

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

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

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

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

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

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

and obligations hereunder existing at the time of death; and the obligations of the other guarantors will continue in full force and effect.

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

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

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

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

FRANCHISEE

By: _____
Name: _____
Title: _____

FIRST CHOICE BUSINESS BROKERS, INC.

By: _____
Name: _____ DATE _____
Title: _____

SCHEDULE 3

COMPUTER SYSTEM USER LICENSE AGREEMENT

1. License Grant

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

2. Technology Fee

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

3. Term

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

4. License Conditions

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

Without limiting any other remedy available to us, FCBB may suspend or terminate this Agreement and your access to the Applications or our services under this Agreement if FCBB have reasonable cause to

believe that you have failed to comply with your obligations under this Agreement or that you have failed to comply with your obligations under your Franchise Agreement with us, as applicable. Upon termination, cancellation, suspension or expiration of this Agreement for any reason and by either party, you agree to cease all use of the Applications and our services. Except as otherwise provided in this Agreement, you shall not thereby be entitled to any refund or credit.

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

5. Ownership

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

6. Content and Infringement

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

You understand, acknowledge and agree that the Application includes software that allows FCBB to distribute updates and fixes, and to shut down, monitor and modify the Application, and you hereby authorize FCBB to do the same. Such updates will occur only upon prior notice to you, except for the limited case where notice is not possible due to technical problems or an emergency that requires FCBB to update the application in order to maintain existing functionality or to comply with the law. All such updates shall be governed by and made in compliance with this Agreement.

7. Access and Interference; Passwords 43

64981466v5

[2026 First Choice Business Brokers Franchise Agreement](#)
[81512687v5](#)

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

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

8. Electronic Signatures and Agreements

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

9. Disclaimer of Warranty

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

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

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

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

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

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

10. Termination

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

11. Limitation of Liability

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

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

Solely to the extent the foregoing limitation of liability is, for any reason, held to be inapplicable or unenforceable in whole or in part, then the protected parties' aggregate liability, for any reason and for any cause of action and any theory of liability, arising out of or related to the services or this agreement

shall be limited to the lesser of damages actually incurred or the average revenue received by FIRST CHOICE pursuant to this agreement. The protected parties assume no liability hereunder for, and shall have no obligation to defend you or to pay costs, damages or attorneys' fees for, any claim based upon: (i) any method or process in which the Application may be used by you; (ii) any results of using the Application; (iii) any use of other than a current unaltered release of one of the Applications; or (iv) the combination, operation or use of any of the Application(s) with third party programs or data.

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

12. Export Controls

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

13. Applicable Law

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

14. Successor Agreements

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

You agree that your continued use of any Application or our services after the effective date of any change will constitute your affirmative consent to this revised Agreement. If you do not accept such revisions, you must affirmatively indicate to FCBB in writing with such notice being sent to the same address listed in Section Eight above that you do not accept the successor Agreement and remove all of

our Applications from your computer and cease all access to and use of our services hereunder. Failure to remove our Applications from your computer will be deemed an acceptance of the terms of the most current Agreement.

15. General

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

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

LICENSEE:

FRANCHISEE

By: _____

Name: _____

Title: _____

LICENSOR: FIRST CHOICE BUSINESS BROKERS,
INC.

By: _____

Name: _____

DATE

Title: _____

SCHEDULE 4

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

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

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

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

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

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

The parties agree that at any time after the date of this Agreement, they will perform such acts and execute and deliver such agreements or documents as may be necessary to assist in or accomplish the assignment described in this Agreement upon termination or expiration of the Franchise Agreement.

FRANCHISEE

FIRST CHOICE BUSINESS BROKERS, INC.

By: _____

By: _____

Name: _____

Name: _____

SCHEDULE 5

CONFIDENTIALITY AND NON-COMPETITION AGREEMENT

NAME: _____

HOME ADDRESS: _____

HOME TELEPHONE: _____

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

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

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

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

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

employed by FIRST CHOICE, including all related standards and specifications and the means and manner of offering and selling them; and, all other components, specifications, standards, requirements and duties imposed by FIRST CHOICE or any of FIRST CHOICE's affiliates.

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

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

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

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

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

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

I agree that this Agreement and all relations and disputes between myself on the one hand, and Franchisee or FIRST CHOICE on the other hand, whether sounding in contract, tort, or otherwise, are to be exclusively construed in accordance with and/or governed by (as applicable) the law of the State of Nevada without recourse to Nevada (or any other) choice of law or conflicts of law principles. Nothing

in this Agreement is intended to invoke the application of any franchise, business opportunity, antitrust, unfair competition, fiduciary or any other doctrine of law of the State of Nevada or any other state, which would not otherwise apply.

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

SEEN AND AGREED:

(Signature)

(Printed Name)

(Date)

SCHEDULE 6

FRANCHISEE OWNERSHIP INFORMATION

Franchisee: _____

Trade Name (if different from above): _____

**Form of Ownership
(Check One)**

____ **Individual** ____ **Limited Liability Company** ____ **Corporation** ____ **Partnership**

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

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

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

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

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

_____ Date	_____ Name
---------------	---------------

SCHEDULE 7



AUTOMATIC PAYMENT AUTHORIZATION FORM

AUTHORIZATION FOR CHECKING/SAVINGS ACCOUNT DRAFT OPTION:

PLEASE PRINT:

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

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

Please check type of account: ☐ Checking Account ☐ Savings Account

Name on account (exactly as printed) _____

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

Name of Bank: _____

Checking/Savings Account Number _____

Routing Number: _____

Signature of Bank Account Holder

Date

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

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

SCHEDULE 8

FRANCHISEE COMPLIANCE CERTIFICATION

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

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

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

Yes _____ No _____

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

Yes _____ No _____

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

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

Yes _____ No _____

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

Yes _____ No _____

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

Yes _____ No _____

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

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

Yes _____ No _____

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

Yes _____ No _____

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

Yes _____ No _____

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

Yes _____ No _____

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

Yes _____ No _____

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

Yes _____ No _____

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

Yes _____ No _____

12. Has any employee or other person speaking on behalf of the Franchisor made any statement or promise to you (or, to the best of your knowledge, information and belief, to any person or entity on your behalf) concerning the likelihood of success that you should or might expect to achieve from operating the Franchise?
- Yes _____ No _____
13. Has any employee or other person speaking on behalf of the Franchisor made any statement, agreement or promise to you (or, to the best of your knowledge, information and belief, to any person or entity on your behalf) concerning the advertising, marketing, training, support service or assistance that the Franchisor will furnish to you that is contrary to, or different from, the information contained in the FDD?
- Yes _____ No _____
14. Have you entered into any binding agreement with the Franchisor concerning the purchase of this franchise prior to today?
- Yes _____ No _____
15. Have you paid any money to the Franchisor concerning the purchase of this franchise prior to today?
- Yes _____ No _____
16. Do you understand that you are not being granted an exclusive or protected territory, and that FCBB and its affiliates and subsidiaries retain the right, directly or through others, to develop and franchise other similar FIRST CHOICE franchises or different franchise systems regardless of their proximity to your Approved Location?
- Yes _____ No _____
17. Do you understand that the Franchise Agreement contains the entire agreement between you and the Franchisor concerning the franchise and development rights for the Franchise, meaning that any prior oral or written statements not set out in the Franchise Agreement will not be binding?
- Yes _____ No _____
18. I signed the Franchise Agreement, and Addenda (if any) on _____, 20____ and acknowledge that no agreement or Addendum is effective until signed and dated by the Franchisor.
19. Have FCBB or any of our employees or any other persons speaking on our behalf made any statements to you regarding the financial condition of our parent company or any of our affiliated companies? Check one: () Yes () No.

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

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

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

You Understand That Your Answers Are Important to FCBB and That FCBB Will Rely on Them. By Signing This Questionnaire, You Are Representing That You Have Considered Each Question Carefully and Responded Truthfully to The Above Questions.

FRANCHISE APPLICANT

Signed

Printed Name

_____, 20____
Date

SCHEDULE 9

STATE ADDENDA TO THE FRANCHISE AGREEMENT

**CALIFORNIA ADDENDUM
TO THE FRANCHISE AGREEMENT**

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

1. **The registration of this franchise offering by the California Department of Financial Protection and Innovation does not constitute approval, recommendation, or endorsement by the commissioner.**
2. Section 31512.1 Franchise Agreement Provisions Void as Contrary to Public Policy

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

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

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

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

- (a) The franchisee or the business to which the franchise relates has been judicially determined to be insolvent, all or a substantial part of the assets thereof are assigned to or for the benefit of any creditor, or the franchisee admits his or her inability to pay his or her debts as they come due;
- (b) The franchisee abandons the franchise by failing to operate the business for five consecutive days during which the franchisee is required to operate the business under the terms of the franchise, or any shorter period after which it is not unreasonable under the facts and circumstances for the Franchisor to conclude that the franchisee does not intend to continue to operate the franchise, unless such failure to operate is due to fire, flood, earthquake, or other similar causes beyond the franchisee's control;
- (c) The FCBB and franchisee agree in writing to terminate the franchise;
- (d) The franchisee makes any material misrepresentations relating to the acquisition of the franchise business or the franchisee engages in conduct which reflects materially and unfavorably upon the operation and reputation of the franchise business or system;
- (e) The franchisee fails, for a period of 10 days after notification of noncompliance, to comply with any federal, state, or local law or regulation, including, but not limited to, all health, safety, building, and labor laws or regulations applicable to the operation of the franchise;
- (f) The franchisee, after curing any failure in accordance with Section 15.2 engages in the same noncompliance whether or not such noncompliance is corrected after notice;
- (g) The franchisee breaches the franchise agreement three or more times in a 12-month period, whether or not corrected after notice;

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

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

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

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

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

3. Disclaimer of Warranty

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

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

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

[Signature Page Follows]

FRANCHISEE

By: _____

Name: _____

Title: _____

FIRST CHOICE BUSINESS BROKERS, INC.

By: _____

Name: _____

Title: _____

DATE

**HAWAII ADDENDUM
TO THE FRANCHISE AGREEMENT**

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

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

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

FRANCHISEE

By: _____

Name: _____

Title: _____

FIRST CHOICE BUSINESS BROKERS, INC.

By: _____

Name: _____

Title: _____

DATE

**ILLINOIS ADDENDUM
TO THE FRANCHISE AGREEMENT**

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

1. Illinois law governs the Franchise Agreement.

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

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

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

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

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

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

FIRST CHOICE BUSINESS BROKERS, INC.

FRANCHISEE

By: _____

Name: _____

Title: _____

By: _____

Name: _____

Title: _____

Date: _____

**MARYLAND ADDENDUM
TO THE FRANCHISE AGREEMENT**

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

1. Any claims arising under the Maryland Franchise Registration and Disclosure Law must be brought within 3 years after the grant of the franchise.
2. A franchisee may bring a lawsuit in Maryland for claims arising under the Maryland Franchise Registration and Disclosure Law.
3. A general release required as a condition of renewal, sale, and/or assignment/transfer shall not apply to any liability under the Maryland Franchise Registration and Disclosure Law.
4. All representations requiring prospective franchisees to assent to a release, estoppel or waiver of liability are not intended to nor shall they act as a release, estoppel or waiver of any liability incurred under the Maryland Franchise Registration and Disclosure Law.
5. Section 4 of the Franchise Agreement is modified to also provide: "Based upon the franchisor's financial condition, the Maryland Securities Commissioner has required a financial assurance. Therefore, all initial fees and payments owed by franchisees shall be deferred until the Franchisor completes its pre-opening obligations under the franchise agreement.
6. Section 27 of the Franchise Agreement is deleted in its entirety.
7. No statement, questionnaire, or acknowledgment signed or agreed to by a franchisee in connection with the commencement of the franchise relationship shall have the effect of (i) waiving any claims under any applicable state franchise law, including fraud in the inducement, or (ii) disclaiming reliance on any statement made by any franchisor, franchise seller, or other person acting on behalf of the franchisor. This provision supersedes any other term of any document executed in connection with the franchise.

FRANCHISEE

By: _____

Name: _____

Title: _____

FIRST CHOICE BUSINESS BROKERS, INC.

By: _____

Name: _____

Title: _____

DATE

**MINNESOTA ADDENDUM
TO THE FRANCHISE AGREEMENT**

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

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

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

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

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

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

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

[Signature Page Follows]

FRANCHISEE

By: _____

Name: _____

Title: _____

FIRST CHOICE BUSINESS BROKERS, INC.

By: _____

Name: _____

Title: _____

DATE

NORTH DAKOTA ADDENDUM TO THE FRANCHISE AGREEMENT

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

1. You are not required to sign a general release upon renewal of the franchise agreement.
2. The franchise agreement is amended to also provide as follows:

“Covenants not to compete are generally considered unenforceable in the State of North Dakota.”
3. The provisions concerning choice of law, jurisdiction and venue, jury waiver, and waiver of punitive damages are hereby deleted and in their place is substituted the following language:

“You agree to bring any claim against us, including our present and former employees, agents, and affiliates, which in any way relates to or arises out of this Agreement, or any of the dealings of the parties hereto, solely in arbitration before the American Arbitration Association.”
4. North Dakota law governs any cause of action arising out of the franchise agreement.
5. Any requirement in the Franchise Agreement that requires you to pay all costs and expenses incurred by FCBB in enforcing the agreement is void. Instead, the prevailing party in any enforcement action is entitled to recover all costs and expenses including attorney’s fees.
6. The third sentence of Section 16.5 of the Franchise Agreement, which requires you to consent to termination or liquidated damages, is hereby deleted as North Dakota determines it to be unfair, unjust, and inequitable within the intent of Section 51-19-09 of the North Dakota Franchise Investment Law.
7. The first sentence of Section 25.9 of the Franchise Agreement is amended and restated so that it reads: “Before you may bring any Claim against FCBB in court, you agree to try for a period of 60 days to mediate such claim before a mutually agreed-to mediator in a place that is mutually agreeable and that is not remote from your place of business.

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

[Signature Page Follows]

FRANCHISEE

By: _____

Name: _____

Title: _____

FIRST CHOICE BUSINESS BROKERS, INC.

By: _____

Name: _____

Title: _____

DATE

**RHODE ISLAND ADDENDUM
TO THE FRANCHISE AGREEMENT**

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

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

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

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

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

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

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

FRANCHISEE

By: _____

Name: _____

Title: _____

FIRST CHOICE BUSINESS BROKERS, INC.

By: _____

Name: _____

Title: _____

DATE

**SOUTH DAKOTA ADDENDUM
TO THE FRANCHISE AGREEMENT**

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

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

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

FRANCHISEE

By: _____

Name: _____

Title: _____

FIRST CHOICE BUSINESS BROKERS, INC.

By: _____

Name: _____

Title: _____

DATE

**VIRGINIA ADDENDUM
TO THE FRANCHISE AGREEMENT**

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

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

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

FRANCHISEE

By: _____
Name: _____
Title: _____

FIRST CHOICE BUSINESS BROKERS, INC.

By: _____
Name: _____ DATE
Title: _____

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

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

1. **Conflict of Laws.** In the event of a conflict of laws, the provisions of the Washington Franchise Investment Protection Act, chapter 19.100 RCW will prevail.
2. **Franchisee Bill of Rights.** RCW 19.100.180 may supersede provisions in the franchise agreement or related agreements concerning your relationship with the franchisor, including in the areas of termination and renewal of your franchise. There may also be court decisions that supersede the franchise agreement or related agreements concerning your relationship with the franchisor. Franchise agreement provisions, including those summarized in Item 17 of the Franchise Disclosure Document, are subject to state law.
3. **Site of Arbitration, Mediation, and/or Litigation.** In any arbitration or mediation involving a franchise purchased in Washington, the arbitration or mediation site will be either in the state of Washington, or in a place mutually agreed upon at the time of the arbitration or mediation, or as determined by the arbitrator or mediator at the time of arbitration or mediation. In addition, if litigation is not precluded by the franchise agreement, a franchisee may bring an action or proceeding arising out of or in connection with the sale of franchises, or a violation of the Washington Franchise Investment Protection Act, in Washington.
4. **General Release.** A release or waiver of rights in the franchise agreement or related agreements purporting to bind the franchisee to waive compliance with any provision under the Washington Franchise Investment Protection Act or any rules or orders thereunder is void except when executed pursuant to a negotiated settlement after the agreement is in effect and where the parties are represented by independent counsel, in accordance with RCW 19.100.220(2). In addition, any such release or waiver executed in connection with a renewal or transfer of a franchise is likewise void except as provided for in RCW 19.100.220(2).
5. **Statute of Limitations and Waiver of Jury Trial.** Provisions contained in the franchise agreement or related agreements that unreasonably restrict or limit the statute of limitations period for claims under the Washington Franchise Investment Protection Act, or rights or remedies under the Act such as a right to a jury trial, may not be enforceable.
6. **Transfer Fees.** Transfer fees are collectable only to the extent that they reflect the franchisor's reasonable estimated or actual costs in effecting a transfer.
7. **Termination by Franchisee.** The franchisee may terminate the franchise agreement under any grounds permitted under state law.

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

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

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

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

19. A surety bond in the amount of \$100,000 has been obtained by the Franchisor. The Washington Securities Division has made the issuance of the franchisor's permit contingent upon the Franchisor maintaining surety bond coverage acceptable to the Administrator until (a) all Washington Franchisees have (i) received all initial training that they are entitled to under the franchise agreement or offering circular, and (ii) are open for business; or (b) the Administrator issues written authorization to the contrary.

The undersigned parties do hereby acknowledge receipt of this Addendum.

Dated this _____ day of _____ 20____

FRANCHISEE

By: _____

Name: _____

Title: _____

FIRST CHOICE BUSINESS BROKERS, INC.

By: _____

Name: _____

Title: _____

DATE

**WISCONSIN ADDENDUM
TO THE FRANCHISE AGREEMENT**

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

1. If the Franchise Agreement contains any provision that conflict with the Wisconsin Fair Dealership Law, the provisions of this Addendum shall prevail to the extent of such conflict.
2. The Franchise Agreement is amended to also include the following language:

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

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

FRANCHISEE

By: _____
Name: _____
Title: _____

FIRST CHOICE BUSINESS BROKERS, INC.

By: _____
Name: _____ DATE _____
Title: _____

EXHIBIT B

NON-DISCLOSURE AGREEMENT

FIRST CHOICE BUSINESS BROKERS, INC. NON-DISCLOSURE AGREEMENT

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

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

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

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

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

64981466v5

[2026 First Choice Business Brokers FDD](#)
[81512687v5](#)

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

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

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

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

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

Disclosing Party, FIRST CHOICE

By:

Receiving Party

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

EXHIBIT C

STATE ADMINISTRATORS/AGENTS FOR SERVICE OF PROCESS

State	State Administrator	Agent for Service of Process
California	Department of Financial Protection and Innovation 320 West 4th Street Los Angeles, CA 90013 <del>2101 Arena Boulevard</del>~~651 Bannan Street Suite 300~~ Sacramento, CA <del>95834</del>~~95811~~ (<del>866</del>~~916~~) <del>275-2677</del>~~327-7585~~	Commissioner of Financial Protection and Innovation Department of Financial Protection and Innovation 320 West 4th Street Los Angeles, CA 90013
Connecticut	The Banking Commissioner The Department of Banking, Securities and Business Investment Division 260 Constitution Plaza Hartford, CT 06103-1800 Phone Number (860) 240-8299	The Banking Commissioner The Department of Banking, Securities and Business Investment Division 260 Constitution Plaza Hartford, CT 06103-1800 Phone Number (860) 240-8299
Hawaii	Commissioner of Securities of the State of Hawaii Department of Commerce and Consumer Affairs Business Registration Division Securities Compliance Branch 335 Merchant Street, Room 203 Honolulu, HI 96813 (808) 586-2722	Commissioner of Securities of the State of Hawaii Department of Commerce and Consumer Affairs Business Registration Division Securities Compliance Branch 335 Merchant Street, Room 203 Honolulu, HI 96813
Illinois	Office of Attorney General Franchise Division 500 South Second Street Springfield, IL 62706 (217) 782-4465	Illinois Attorney General Office of Attorney General Franchise Division 500 South Second Street Springfield, IL 62706
Indiana	Secretary of State, Securities Division 302 West Washington Street, Room E-111 Indianapolis, IN 46204 (317) 232-6681	Secretary of State, Securities Division West Washington Street, Room E-111 Indianapolis, IN 46204
Kentucky	Kentucky Attorney General 700 Capitol Avenue Frankfort, Kentucky 40601-3449 (502) 696-5300	

State	State Administrator	Agent for Service of Process
Maryland	Office of the Attorney General Securities Division 200 St. Paul Place Baltimore, MD 21202 (410) 576-6360	Maryland Securities Commissioner 200 St. Paul Place Baltimore, MD 21202-2020
Michigan	Department of Attorney General Consumer Protection Division – Franchise Unit 525 W. Ottawa Street G. Mennen Building Lansing, MI 48913 (517) 373-7117	Department of Attorney General 525 W. Ottawa Street G. Mennen Building Lansing, MI 48913
Minnesota	Minnesota Commissioner of Commerce 85 7 th Place East, Suite 280 St. Paul, MN 55101-2198 (651) 539-1500	Minnesota Commissioner of Commerce 85 7th Place East, Suite 280 St. Paul, MN 55101-2198
Nebraska	Nebraska Department of Banking and Finance 1200 N Street-Suite 311 Post Office Box 95006 Lincoln, Nebraska 68509 (402) 471-3445	
New York	New York State Department of Law Investor Protection Bureau 28 Liberty St. 21 st Floor New York, NY 10005 Phone: 212-416-8222	New York Department of State One Commerce Plaza 99 Washington Avenue, 6th Floor. Albany, New York 12231-0001 (518) 473-2492
North Dakota	~~Securities~~ Insurance Commissioner North Dakota Insurance & Securities Department 600 East Boulevard Avenue ~~State Capital, Fifth Floor, Dept. 414~~ Bismarck, ND 58505-0510 (701) ~~328-4712~~ 328-2910	~~Securities~~ Insurance Commissioner North Dakota Insurance & Securities Department 600 East Boulevard Avenue ~~State Capital, Fifth Floor, Dept. 414~~ Bismarck, ND 58505-0510 (701) 328-2910
Rhode Island	Department of Business Regulation Securities Division John O. Pastore Complex 1511 Pontiac Avenue, Bldg. 69-1 Cranston, RI 02920 (401) 462-9588	Department of Business Regulation Securities Division John O. Pastore Complex 1511 Pontiac Avenue, Bldg. 69-1 Cranston, RI 02920 (401) 462-9588
South Dakota	Division of Insurance Securities Regulation 124 South Euclid, Suite 104	Division of Insurance Securities Regulation 124 South Euclid, Suite 104

State	State Administrator	Agent for Service of Process
	Pierre, SD 57501 (605) 773-3563	Pierre, SD 57501
Texas	Secretary of State Statutory Document Section P.O. Box 12887 Austin, TX 78711 (512) 475-1769	
Utah	Department of Commerce Division of Consumer Protection 160 East 300 South Salt Lake City, Utah 84111-0804 (801) 530-6601	
Virginia	State Corporation Commission Division of Securities and Retail Franchising 1300 E. Main Street, 9 th Floor Richmond, VA 23219 (804) 371-9051	Clerk of the State Corporation Commission 1300 East Main Street, 1st Floor Richmond, VA 23219
Washington	Washington State Department of Financial Institutions Securities Division P.O. Box 41200 Olympia, WA 98504 (360) 902-8760	Securities Administrator Washington State Department of Financial Institutions 150 Israel Rd., SW Tumwater, WA 98501
Wisconsin	Wisconsin Department of Financial Institutions 345 West Washington Avenue Madison, WI 53703 (608) 266-8557	Wisconsin Department of Financial Institutions 345 West Washington Avenue Madison, WI 53703

EXHIBIT D

GENERAL RELEASE

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

1. Releasor and First Choice Business Brokers, Inc. (Releasee) are parties to one or more franchise agreements.
2. The following consideration is given:

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

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

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

_____ [insert description]

3. Release- Franchisee and all of Franchisee's guarantors, members, employees, agents, successors, assigns and affiliates fully and finally release and forever discharge Releasee, its past and present agents, employees, officers, directors, members, Franchisees, successors, assigns and affiliates (collectively "Released Parties") from any and all claims, actions, causes of action, contractual rights, demands, damages, costs, loss of services, expenses and compensation which Franchisee could assert against Released Parties or any of them up through and including the date of this Release.
4. THIS IS A SPECIFIC RELEASE GIVING UP ALL RIGHTS WITH RESPECT TO THE TRANSACTIONS OR OCCURRENCES THAT ARE BEING RELEASED UNDER THIS AGREEMENT.
5. California Releasor- You represent and warrant that YOU EXPRESSLY WAIVE ANY AND ALL RIGHTS AND BENEFITS UNDER CALIFORNIA CIVIL CODE §1542, which provides as follows:

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

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

FRANCHISEE

By: _____

Name: _____

Title: _____

FIRST CHOICE BUSINESS BROKERS, INC.

By: _____

Name: _____

Title: _____

DATE

EXHIBIT E

FINANCIAL STATEMENTS

FIRST CHOICE BUSINESS BROKERS, INC.
FINANCIAL STATEMENTS
DECEMBER 31, 2025, 2024 AND 2023

FIRST CHOICE BUSINESS BROKERS, INC.
FINANCIAL STATEMENTS
DECEMBER 31, 2025, 2024 AND 2023

Table of Contents

Independent Auditor's Report.....	1-2
Financial Statements:	
Balance Sheets	3
Statements of Operations	4
Statements of Stockholders' Deficit	5
Statements of Cash Flows	6
Notes to the Financial Statements.....	7-12

Independent Auditor's Report

To the Stockholders of
First Choice Business Brokers, Inc.

Opinion

We have audited the accompanying financial statements of First Choice Business Brokers, Inc. (a Nevada corporation), which comprise the balance sheets as of December 31, 2025, 2024 and 2023, and the related statements of operations, stockholders' deficit, and cash flows for the years then ended, and the related notes to the financial statements.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of First Choice Business Brokers, Inc. as of December 31, 2025, 2024 and 2023, and the results of its operations and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

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

Responsibilities of Management for the Financial Statements

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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



The CPA. Never Underestimate The Value.®

Acuity Financial Center
7881 W. Charleston Blvd., Ste. 155 • Las Vegas, NV 89117
p 702-871-2727 f 702-876-0040

lvcpas.com

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

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

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

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

Ellsworth & Stout, LLC

March 9, 2026
Las Vegas, Nevada

FIRST CHOICE BUSINESS BROKERS, INC.
BALANCE SHEETS
DECEMBER 31, 2025, 2024 AND 2023

	2025	2024	2023
ASSETS			
Current Assets:			
Cash	\$ 1,245,165	\$ 1,473,699	\$ 1,056,716
Accounts receivable, net	25,065	24,065	1,980
Prepaid expenses	-	-	20,006
Current maturities of deferred contract costs	110,588	83,746	62,645
Total current assets	1,380,818	1,581,510	1,141,347
Other Assets:			
ROU asset from operating lease, net	369,082	463,900	557,386
Deferred contract costs, net of current	667,541	536,556	430,391
Deferred income taxes	9,393	72,739	140,831
Deposits	21,381	21,381	21,381
Total other assets	1,067,397	1,094,576	1,149,989
Total Assets	\$ 2,448,215	\$ 2,676,086	\$ 2,291,336
LIABILITIES AND STOCKHOLDERS' DEFICIT			
Current Liabilities:			
Accounts payable	\$ -	\$ 41,333	\$ 44,126
Income tax payable	153,815	119,653	81,374
Deferred revenue	-	-	12,870
Current operating lease liability	106,297	101,739	78,670
Current maturities of deferred franchise fees	401,191	346,692	271,867
Total current liabilities	661,303	609,417	488,907
Long-Term Liabilities:			
Liability for operating lease, net	307,804	414,101	515,840
Deferred franchise fees, net of current	2,505,301	2,349,323	1,950,372
Total long-term liabilities	2,813,105	2,763,424	2,466,212
Total Liabilities	3,474,408	3,372,841	2,955,119
Stockholders' Deficit:			
Common stock, no par value; 100,000 shares authorized, 90,000 shares issued and outstanding	-	-	-
Additional paid-in capital	65,891	65,891	65,891
Accumulated deficit	(1,092,084)	(762,646)	(729,674)
Total Stockholders' Deficit	(1,026,193)	(696,755)	(663,783)
Total Liabilities and Stockholders' Deficit	\$ 2,448,215	\$ 2,676,086	\$ 2,291,336

See accompanying notes to the financial statements.

FIRST CHOICE BUSINESS BROKERS, INC.
STATEMENTS OF OPERATIONS
YEARS ENDED DECEMBER 31, 2025, 2024 AND 2023

	2025	2024	2023
Revenue	\$ 3,109,577	\$ 2,456,232	\$ 1,621,246
Cost of Revenue	244,289	218,261	147,312
Gross Profit	2,865,288	2,237,971	1,473,934
Operating Expenses:			
Advertising	701,405	721,305	744,282
Employee benefits	98,861	64,668	52,600
Insurance	8,613	6,475	2,856
Office expense and other	77,765	91,106	53,922
Professional fees	137,683	219,774	204,486
Rent	146,900	111,284	101,301
Salaries, wages and related	1,004,105	733,550	592,399
Taxes and licenses	5,519	1,745	3,354
Total operating expenses	2,180,851	1,949,907	1,755,200
Operating Income (Loss)	684,437	288,064	(281,266)
Other Income (Expense):			
Interest income	3,286	16,709	-
Net Income (Loss) before Taxes	687,723	304,773	(281,266)
Provision for Income Tax Benefit (Expense)	(217,161)	(187,745)	32,700
Net Income (Loss)	\$ 470,562	\$ 117,028	\$ (248,566)

See accompanying notes to the financial statements.

FIRST CHOICE BUSINESS BROKERS, INC.
STATEMENTS OF STOCKHOLDERS' DEFICIT
YEARS ENDED DECEMBER 31, 2025, 2024 AND 2023

	Common Shares	Common Stock	Additional Paid-In Capital	Accumulated Deficit	Total Stockholders' Deficit
Balance, December 31, 2022	90,000	\$ -	\$ 65,891	\$ (426,108)	\$ (360,217)
Net loss	-	-	-	(248,566)	(248,566)
Dividend distributions	-	-	-	(55,000)	(55,000)
Balance, December 31, 2023	90,000	-	65,891	(729,674)	(663,783)
Net income	-	-	-	117,028	117,028
Dividend distributions	-	-	-	(150,000)	(150,000)
Balance, December 31, 2024	90,000	-	65,891	(762,646)	(696,755)
Net income	-	-	-	470,562	470,562
Dividend distributions	-	-	-	(800,000)	(800,000)
Balance, December 31, 2025	90,000	\$ -	\$ 65,891	\$ (1,092,084)	\$ (1,026,193)

See accompanying notes to the financial statements.

FIRST CHOICE BUSINESS BROKERS, INC.
STATEMENTS OF CASH FLOWS
YEARS ENDED DECEMBER 31, 2025, 2024 AND 2023

	2025	2024	2023
Cash Flows From Operating Activities:			
Net income (loss)	\$ 470,562	\$ 117,028	\$ (248,566)
Adjustments to reconcile net income (loss) to net cash provided by operating activities:			
Deferred income tax (benefit) expense	63,346	68,092	(32,700)
Operating lease accretion	(6,921)	14,816	34,152
Changes in operating assets and liabilities:			
(Increase) decrease in:			
Accounts receivable	(1,000)	(22,085)	(700)
Prepaid expenses	-	20,006	4,994
Deferred contract costs	(157,827)	(127,266)	(216,131)
Increase (decrease) in:			
Accounts payable	(41,333)	(2,793)	14,561
Income tax payable	34,162	38,279	(2,313)
Deferred revenue	-	(12,870)	10,820
Deferred franchise fees	210,477	473,776	873,431
Net cash provided by operating activities	571,466	566,983	437,548
Cash Flows From Financing Activities:			
Dividend distributions	(800,000)	(150,000)	(55,000)
Net cash used in financing activities	(800,000)	(150,000)	(55,000)
Net Change in Cash	(228,534)	416,983	382,548
Cash, Beginning of Year	1,473,699	1,056,716	674,168
Cash, End of Year	\$ 1,245,165	\$ 1,473,699	\$ 1,056,716

See accompanying notes to the financial statements.

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

Nature of the Business

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

Basis of Presentation

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

Use of Estimates in Preparation of Financial Statements

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

Cash and Cash Equivalents

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

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

Accounts Receivable

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

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

FIRST CHOICE BUSINESS BROKERS, INC.
NOTES TO THE FINANCIAL STATEMENTS – CONTINUED
DECEMBER 31, 2025, 2024 AND 2023

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Accounts Receivable (Continued)

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

	2025	2024	2023	2022
Accounts receivable	\$ 25,065	\$ 24,065	\$ 1,980	\$ 1,280
Allowance for doubtful accounts	-	-	-	-
	<u>\$ 25,065</u>	<u>\$ 24,065</u>	<u>\$ 1,980</u>	<u>\$ 1,280</u>

Revenue Recognition

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

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

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

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

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

	2025	2024	2023
Deferred franchise fees	\$ 2,906,492	\$ 2,696,015	\$ 2,222,239
Less: current maturities	<u>(401,191)</u>	<u>(346,692)</u>	<u>(271,867)</u>
	<u>\$ 2,505,301</u>	<u>\$ 2,349,323</u>	<u>\$ 1,950,372</u>

FIRST CHOICE BUSINESS BROKERS, INC.
NOTES TO THE FINANCIAL STATEMENTS – CONTINUED
DECEMBER 31, 2025, 2024 AND 2023

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Revenue Recognition

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

2026	\$ 401,191
2027	401,191
2028	398,991
2029	383,488
2030	356,227
Thereafter	<u>965,404</u>
	<u><u>\$ 2,906,492</u></u>

Continuing fees are recognized monthly, as they are earned.

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

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

	<u>2025</u>	<u>2024</u>	<u>2023</u>
Deferred contract costs	\$ 778,129	\$ 620,302	\$ 493,036
Less: current maturities	<u>(110,588)</u>	<u>(83,746)</u>	<u>(62,645)</u>
	<u><u>\$ 667,541</u></u>	<u><u>\$ 536,556</u></u>	<u><u>\$ 430,391</u></u>

Income Taxes

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

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Income Taxes (Continued)

If it is probable that an uncertain tax position will result in a material liability and the amount of the liability can be estimated, then the estimated liability is accrued. If the Company were to incur any income tax liability in the future, interest on any income tax liability would be reported as interest expense, and penalties on any income tax would be reported as income taxes. As of December 31, 2025, there were no uncertain tax positions.

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

Advertising

The Company expenses advertising costs as incurred.

Leases

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

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

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

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

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

FIRST CHOICE BUSINESS BROKERS, INC.
NOTES TO THE FINANCIAL STATEMENTS – CONTINUED
DECEMBER 31, 2025, 2024 AND 2023

NOTE 2 – INCOME TAXES

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

	2025	2024	2023
Current tax expense	\$ (153,815)	\$ (119,653)	\$ -
Deferred tax benefit (expense)	(63,346)	(68,092)	32,700
	<u>\$ (217,161)</u>	<u>\$ (187,745)</u>	<u>\$ 32,700</u>

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

	2025	2024	2023
Deferred tax asset	\$ 9,393	\$ 72,739	\$ 140,831
Deferred tax liability	-	-	-
	<u>\$ 9,393</u>	<u>\$ 72,739</u>	<u>\$ 140,831</u>

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

NOTE 3 – REVENUE

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

	2025	2024	2023
Initial Franchise Fees	\$ 636,881	\$ 464,492	\$ 328,243
Royalties	1,389,836	1,184,612	740,148
Other	1,082,860	807,128	552,855
	<u>\$ 3,109,577</u>	<u>\$ 2,456,232</u>	<u>\$ 1,621,246</u>

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

	2025	2024	2023
Services transferred at a point in time	\$ 2,472,696	\$ 1,991,740	\$ 1,293,003
Services transferred over time	636,881	464,492	328,243
	<u>\$ 3,109,577</u>	<u>\$ 2,456,232</u>	<u>\$ 1,621,246</u>

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

FIRST CHOICE BUSINESS BROKERS, INC.
NOTES TO THE FINANCIAL STATEMENTS – CONTINUED
DECEMBER 31, 2025, 2024 AND 2023

NOTE 4 – LEASE ACTIVITIES

As of December 31, 2025, additional information about the Company's leases were as follows:

Lease Costs (included in rent expense):

Operating lease cost	\$ 146,900
----------------------	------------

Other Information:

Weighted-average remaining lease terms (years)	3.67
Weighted-average discount rate	1.40%

As of December 31, 2025, operating lease liabilities mature as follows:

2026	\$ 111,288
2027	114,602
2028	118,023
2029	<u>80,856</u>
Total lease payments	424,769
Less: interest	<u>(10,668)</u>
Present value of lease liabilities	<u><u>\$ 414,101</u></u>

NOTE 5 – EMPLOYEE BENEFIT PLAN

The Company provides employees with the opportunity to participate in a 401(k) plan (the Plan), subject to certain eligibility requirements. The Plan covers eligible employees immediately upon hire and employees may begin to elect to make contributions to the plan up to the maximum amount allowed by the Internal Revenue Code. The Company made contributions to the Plan on behalf of a related party officer in the amount of \$14,641, \$15,744 and \$2,282 for the years ended December 31, 2025, 2024 and 2023, respectively. These amounts are included under the caption "Employee benefits" on the accompanying statements of operations.

NOTE 6 – SUBSEQUENT EVENTS

Management has evaluated subsequent events through March 9, 2026, the date on which the financial statements were available to be issued. No events were identified that required adjustments of disclosure to the financial statements.

EXHIBIT F

STATE ADDENDA TO DISCLOSURE DOCUMENT

CALIFORNIA ADDENDUM TO THE DISCLOSURE DOCUMENT

As to franchises governed by the California Franchise Investment Law, if any of the terms of the Disclosure Document are inconsistent with the terms below, the terms below control.

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

Item 3 of the Disclosure Document is amended by adding the following paragraph:

Neither franchisor nor any person or franchise broker in Item 2 of this disclosure document is subject to any currently effective order of any national securities association or national securities exchange, as defined in the Securities Exchange Act of 1934, 15 U.S.C.A. 78a et seq., suspending or expelling these persons from membership in this association or exchange.

Item 5 of the Disclosure Document is modified by adding the following: "The California Department of Financial Protection and Innovation has imposed a financial assurance condition on the Franchisor which is being satisfied by posting a surety bond as shown in Exhibit A here."

Item 17 of the Disclosure Document is amended by adding the following paragraphs:

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

Item 17.g. of the Disclosure Document is modified to state that, in addition to the grounds for immediate termination specified in Item 17.h., the Franchisor can terminate upon written notice and a 60 day opportunity to cure for a breach of the Franchise Agreement.

Item 17.h. of the Disclosure Document is modified to state that the Franchisor can terminate immediately for insolvency, abandonment, mutual agreement to terminate, material misrepresentation, legal violation persisting 10 days after notice, repeated breaches, judgment, criminal conviction, monies owed to the Franchisor more than 5 days past due, and imminent danger to public health or safety.

The franchise agreement requires application of the laws of Nevada. This provision may not be enforceable under California law.

The franchise agreement contains a covenant not to compete which extends beyond the termination of the franchise. This provision may not be enforceable under California law.

SECTION 31125 OF THE FRANCHISE INVESTMENT LAW REQUIRES FRANCHISOR TO GIVE TO YOU A DISCLOSURE DOCUMENT APPROVED BY THE COMMISSIONER OF FINANCIAL PROTECTION AND INNOVATION BEFORE FRANCHISOR ASKS YOU TO CONSIDER A MATERIAL MODIFICATION OF YOUR FRANCHISE AGREEMENT.

YOU MUST SIGN A GENERAL RELEASE OF CLAIM IF YOU RENEW OR TRANSFER YOUR FRANCHISE. CALIFORNIA CORPORATIONS CODE §31512 VOIDS A WAIVER OF YOUR RIGHTS UNDER THE FRANCHISE INVESTMENT LAW (CALIFORNIA CODE §§31000 THROUGH 31516). BUSINESS AND PROFESSIONS CODE §20010 VOIDS A WAIVER OF YOUR RIGHTS UNDER THE FRANCHISE RELATIONS ACT (BUSINESS AND PROFESSIONS CODE §§20000 THROUGH 20043).

Our website is located at fcbb.com.

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

Exhibit A

STATE OF CALIFORNIA - DEPARTMENT OF BUSINESS OVERSIGHT
SURETY BOND
DBO - 31113 (Rev. 09-15)



**BEFORE THE DEPARTMENT OF BUSINESS OVERSIGHT
OF THE STATE OF CALIFORNIA**

(Under Section 31113 of the Corporations Code)

Bond No. 107246303

KNOW ALL MEN BY THESE PRESENTS:

That we FIRST CHOICE BUSINESS BROKERS INC., as principal, and Travelers Casualty and Surety Company of America, a corporation, created, organized and existing under and by virtue of the laws of the State of CONNECTICUT, as surety, are held and firmly bound unto the State of California for the use thereof, and for the use of any interested person or persons who may have a cause of action against the above-named principal of said bond under the provisions of the Law entitled "Franchise Investment Law," of the State of California, in the aggregate sum of \$90,000.00, lawful money of the United States of America, to be paid to the State of California, or to any person or persons, for the use and benefit aforesaid, for which payment well and truly to be made, we bind ourselves, our heirs, executors, administrators, successors and assigns, jointly and severally, firmly by these presents.

The condition of the above obligation is such that—

WHEREAS, The above-named principal has made application to the Commissioner of Business Oversight of the State of California for registration of franchises under and pursuant to the Franchise Investment Law, and desires to furnish a bond under the provisions of Section 31113 of the Corporations Code and Section 310.113.5 of Title 10, California Administrative Code in the penal sum above named, conditioned as herein set forth; and

WHEREAS, Section 31113 of the Corporations Code requires that this bond be conditioned upon the discharge by the franchisor of its (his) obligations under the franchise contract to provide real estate, improvements, equipment, inventory, training and other items included in the offering of franchises;

NOW, THEREFORE, If the said principal and any and all agents and employees representing said principal shall faithfully conform to and abide by the provisions of the Law entitled "Franchise Investment Law," and of all rules and regulations made by the Commissioner of Business Oversight thereunder, and further shall pay to the State, and to such person or persons, any and all amounts which may become due or owing to the State or to such person or persons, from said principal under and by virtue of the provisions of said Law, then this obligation is to be void, otherwise to remain in full force and effect.

This bond is subject to the following provisions:

1. That any person who sustains an injury covered by this bond, may, in addition to any other remedy that he may have, bring an action in his own name upon this bond for the recovery of any damage sustained by him.

2. That the total aggregate liability of the sureties herein for all claims which may arise under

STATE OF CALIFORNIA -DEPARTMENT OF BUSINESS OVERSIGHT
SURETY BOND
DBO - 31113 (Rev. 09-15)

this bond shall be limited to the payment of \$90,000.00.

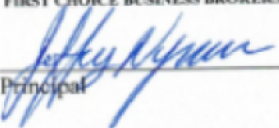
3. That the surety or sureties may cancel this bond and be relieved of further liability hereunder by delivering thirty days' written notice to the Commissioner of Business Oversight of the State of California; however, such cancellation shall not affect any liability incurred or accrued hereunder prior to the termination of said thirty day period.

4. That this bond shall remain in force and effect until the surety or sureties are released from liability by said Commissioner or until the bond is canceled by said surety or sureties.

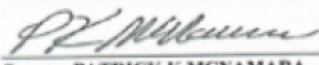
5. That the effective date of this bond shall be April 08, 2020.

IN WITNESS WHEREOF, The seal and signature of the said principal is hereto affixed and the corporate seal and the name of said surety is hereto affixed and attested by its duly authorized officers at San Diego, California, this 09 day of April, 2020.

FIRST CHOICE BUSINESS BROKERS INC.


Principal

Travelers Casualty and Surety Company of America


Surety PATRICK K MCNAMARA



ACKNOWLEDGMENT

A notary public or other officer completing this certificate verifies only the identity of the individual who signed the document to which this certificate is attached, and not the truthfulness, accuracy, or validity of that document.

State of Nevada
County of Clark

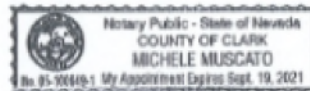
On April 09, 2020 before me, Jeffrey Nyman ^{man} Michele Muscato ^{Notary Public}
(insert name and title of the officer)

personally appeared Jeffrey Nyman
who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.

Signature *Michele Muscato* (Seal)





POWER OF ATTORNEY

Farmington Casualty Company
Fidelity and Guaranty Insurance Company
Fidelity and Guaranty Insurance Underwriters, Inc.
St. Paul Fire and Marine Insurance Company
St. Paul Guardian Insurance Company

St. Paul Mercury Insurance Company
Travelers Casualty and Surety Company
Travelers Casualty and Surety Company of America
United States Fidelity and Guaranty Company

Surety Bond No. 107246303

Principal: FIRST CHOICE BUSINESS BROKERS INC.
5420 WEST SAHARA SUITE 200 LAS VEGAS, NV 89146
Obligee: California Department of Business Oversight
1515 K Street, Suite 200 SACRAMENTO, CA 958144052

KNOW ALL MEN BY THESE PRESENTS: That Farmington Casualty Company, St. Paul Fire and Marine Insurance Company, St. Paul Guardian Insurance Company, St. Paul Mercury Insurance Company, Travelers Casualty and Surety Company, Travelers Casualty and Surety Company of America, and United States Fidelity and Guaranty Company, are corporations duly organized under the laws of the State of Connecticut, that Fidelity and Guaranty Insurance Company is a corporation duly organized under the laws of the State of Iowa, and that Fidelity and Guaranty Insurance Underwriters, Inc. is a corporation duly organized under the laws of the State of Wisconsin (herein collectively called the "Companies"), and that the Companies do hereby make, constitute and appoint **PATRICK K MCNAMARA**, of the City of **SAINT PAUL**, State of **MN**, their true and lawful Attorney(s)-in-Fact, to sign, execute, seal and acknowledge the surety bond referenced above.

IN WITNESS WHEREOF, the Companies have caused this instrument to be signed and their corporate seals to be hereto affixed, this **7th** day of **July**, 2016.

Farmington Casualty Company
Fidelity and Guaranty Insurance Company
Fidelity and Guaranty Insurance Underwriters, Inc.
St. Paul Fire and Marine Insurance Company
St. Paul Guardian Insurance Company

St. Paul Mercury Insurance Company
Travelers Casualty and Surety Company
Travelers Casualty and Surety Company of America
United States Fidelity and Guaranty Company



State of Connecticut

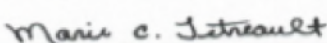
City of Hartford ss.

By: 
Robert L. Raney, Senior Vice President

On this the **7th** day of **July**, 2016, before me personally appeared **Robert L. Raney**, who acknowledged himself to be the Senior Vice President of Farmington Casualty Company, Fidelity and Guaranty Insurance Company, Fidelity and Guaranty Insurance Underwriters, Inc., St. Paul Fire and Marine Insurance Company, St. Paul Guardian Insurance Company, St. Paul Mercury Insurance Company, Travelers Casualty and Surety Company, Travelers Casualty and Surety Company of America, and United States Fidelity and Guaranty Company, and that he, as such, being authorized so to do, executed the foregoing instrument for the purposes therein contained by signing on behalf of the corporations by himself as a duly authorized officer.

In Witness Whereof, I hereunto set my hand and official seal.
My Commission expires the **30th** day of **June**, 2021.




Marie C. Tebeault, Notary Public

This Power of Attorney is granted under and by the authority of the following resolutions adopted by the Boards of Directors of Farmington Casualty Company, Fidelity and Guaranty Insurance Company, Fidelity and Guaranty Insurance Underwriters, Inc., St. Paul Fire and Marine Insurance Company, St. Paul Guardian Insurance Company, St. Paul Mercury Insurance Company, Travelers Casualty and Surety Company, Travelers Casualty and Surety Company of America, and United States Fidelity and Guaranty Company, which resolutions are now in full force and effect, reading as follows:

RESOLVED, that the Chairman, the President, any Vice Chairman, any Executive Vice President, any Senior Vice President, any Vice President, any Second Vice President, the Treasurer, any Assistant Treasurer, the Corporate Secretary or any Assistant Secretary may appoint Attorneys-in-Fact and Agents to act for and on behalf of the Company and may give such appointee such authority as his or her certificate of authority may prescribe to sign with the Company's name and seal with the Company's seal bonds, recognizances, contracts of indemnity, and other writings obligatory in the nature of a bond, recognizance, or conditional undertaking, and any of said officers or the Board of Directors at any time may remove any such appointee and revoke the power given him or her; and it is

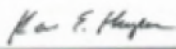
FURTHER RESOLVED, that the Chairman, the President, any Vice Chairman, any Executive Vice President, any Senior Vice President or any Vice President may delegate all or any part of the foregoing authority to one or more officers or employees of this Company, provided that each such delegation is in writing and a copy thereof is filed in the office of the Secretary; and it is

FURTHER RESOLVED, that any bond, recognizance, contract of indemnity, or writing obligatory in the nature of a bond, recognizance, or conditional undertaking shall be valid and binding upon the Company when (a) signed by the President, any Vice Chairman, any Executive Vice President, any Senior Vice President or any Vice President, any Second Vice President, the Treasurer, any Assistant Treasurer, the Corporate Secretary or any Assistant Secretary and duly attested and sealed with the Company's seal by a Secretary or Assistant Secretary; or (b) duly executed (under seal, if required) by one or more Attorneys-in-Fact and Agents pursuant to the power prescribed in his or her certificate or their certificates of authority or by one or more Company officers pursuant to a written delegation of authority; and it is

FURTHER RESOLVED, that the signature of each of the following officers: President, any Executive Vice President, any Senior Vice President, any Vice President, any Assistant Vice President, any Secretary, any Assistant Secretary, and the seal of the Company may be affixed by facsimile to any Power of Attorney or to any certificate relating thereto appointing Resident Vice Presidents, Resident Assistant Secretaries or Attorneys-in-Fact for purposes only of executing and attesting bonds and undertakings and other writings obligatory in the nature thereof, and any such Power of Attorney or certificate bearing such facsimile signature or facsimile seal shall be valid and binding upon the Company and any such power so executed and certified by such facsimile signature and facsimile seal shall be valid and binding on the Company in the future with respect to any bond or understanding to which it is attached.

I, Kevin E. Hughes, the undersigned, Assistant Secretary, of Farmington Casualty Company, Fidelity and Guaranty Insurance Company, Fidelity and Guaranty Insurance Underwriters, Inc., St. Paul Fire and Marine Insurance Company, St. Paul Guardian Insurance Company, St. Paul Mercury Insurance Company, Travelers Casualty and Surety Company, Travelers Casualty and Surety Company of America, and United States Fidelity and Guaranty Company do hereby certify that the above and foregoing is a true and correct copy of the Power of Attorney executed by said Companies, which is in full force and effect and has not been revoked.

IN TESTIMONY WHEREOF, I have hereunto set my hand and affixed the seals of said Companies this 09 day of April, 2020.


Kevin E. Hughes, Assistant Secretary



To verify the authenticity of this Power of Attorney, call 1-800-421-3880 or contact us at www.travelersbond.com. Please refer to the above-named individuals and the details of the bond to which the power is attached.

HAWAII ADDENDUM TO THE DISCLOSURE DOCUMENT

As to franchises governed by the Hawaii Franchise Investment Law, if any of the terms of the Disclosure Document are inconsistent with the terms below, the terms below control.

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

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

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

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

Commissioner of Securities of the State of Hawaii
Department of Commerce and Consumer Affairs
Business Registration Division
Securities Compliance Branch
335 Merchant Street, Room 203
Honolulu, HI 96813

Items 5 and 7 of the Disclosure Document are modified to also provide that Franchisor defer the payment of all initial fees paid to Franchisor until Franchisor has performed all of its pre-opening obligations, and you are open for business.

**ILLINOIS ADDENDUM
TO THE DISCLOSURE DOCUMENT**

As to franchises governed by the Illinois Franchise Disclosure Act, if any of the terms of the Disclosure Document are inconsistent with the terms below, the terms below control.

1. Item 17.u. is modified to provide that you must arbitrate claims against us.
2. Item 17.v. is modified to provide that arbitration shall take place in the location of our corporate headquarters.
3. Item 17.w. is modified to provide that Illinois law applies.
4. Any condition, stipulation, or provision of the Franchise Agreement purporting to bind you to waive compliance with any provision of the Illinois Franchise Disclosure Act or any other law of the State of Illinois is void.
5. Your rights upon Termination and Non-Renewal of an agreement are set forth in sections 19 and 20 of the Illinois Franchise Disclosure Act.
6. Payment of ~~Initial and Development Fees~~initial fees will be deferred until the Franchisor has met its initial obligations to franchisee, and franchisee has commenced doing business. This financial assurance requirement was imposed by the Office of the Illinois Attorney General due to Franchisor's financial condition.
7. In conformance with Section 4 of the Illinois Franchise Disclosure Act, any provision in a franchise agreement that designates jurisdiction and venue in a forum outside of the State of Illinois is void. However, a franchise agreement may provide for arbitration to take place outside of Illinois.

MARYLAND ADDENDUM TO THE DISCLOSURE DOCUMENT

As to franchises governed by the Maryland Franchise Registration and Disclosure Law, if any of the terms of the Disclosure Document are inconsistent with the terms below, the terms below control.

1. Item 17.b. is modified to also provide, “The general release required as a condition of renewal, sale, and/or assignment/transfer shall not apply to any liability under the Maryland Franchise Registration and Disclosure Law.
2. Item 17.u. is modified to also provide, “A franchisee may bring a lawsuit in Maryland for claims arising under the Maryland Franchise Registration and Disclosure Law.”
3. Item 17.v. is modified to also provide, “Any claims arising under the Maryland Franchise Registration and Disclosure Law must be brought within 3 years after the grant of the franchise.”
4. Item 5 is modified to also provide: “Based upon the franchisor’s financial condition, the Maryland Securities Commissioner has required a financial assurance. Therefore, all initial fees and payments owed by franchisees shall be deferred until the Franchisor completes its pre-opening obligations under the franchise agreement.”
5. No statement, questionnaire, or acknowledgment signed or agreed to by a franchisee in connection with the commencement of the franchise relationship shall have the effect of (i) waiving any claims under any applicable state franchise law, including fraud in the inducement, or (ii) disclaiming reliance on any statement made by any franchisor, franchise seller, or other person acting on behalf of the franchisor. This provision supersedes any other term of any document executed in connection with the franchise.

MINNESOTA ADDENDUM TO THE DISCLOSURE DOCUMENT

Item 5 of the Disclosure Document is modified by adding the following: “The Minnesota Department of Commerce, Securities Section has imposed a financial assurance condition on the Franchisor which is being satisfied by posting a surety bond.”

As to franchises governed by the Minnesota franchise laws, if any of the terms of the Disclosure Document are inconsistent with the terms below, the terms below control.

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

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

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

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

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

**NEW YORK ADDENDUM
TO THE DISCLOSURE DOCUMENT**

As to franchises governed by the New York franchise laws, if any of the terms of the Disclosure Document are inconsistent with the terms below, the terms below control.

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

INFORMATION COMPARING FRANCHISORS IS AVAILABLE. CALL THE STATE ADMINISTRATORS LISTED IN EXHIBIT A OR YOUR PUBLIC LIBRARY FOR RESOURCES 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 CANNOT 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 following is added at the end of Item 3:

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

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

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

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

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

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

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

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

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

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

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

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

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

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

**NORTH DAKOTA ADDENDUM
TO THE DISCLOSURE DOCUMENT**

As to franchises governed by the North Dakota franchise laws, if any of the terms of the Disclosure Document are inconsistent with the terms below, the terms below control.

Restrictive Covenants: To the extent that covenants not to compete apply to periods after the term of the franchise agreement, they are generally unenforceable under North Dakota law.

Applicable Laws: North Dakota law will govern the franchise agreement.

Waiver of Trial by Jury: Any waiver of a trial by jury will not apply to North Dakota Franchised Businesses.

Waiver of Exemplary & Punitive Damages: Any waiver of punitive damages will not apply to North Dakota Franchisees.

General Release: Any requirement that the franchisee sign a general release upon renewal of the franchise agreement does not apply to franchise agreements covered under North Dakota law.

Enforcement of Agreement: Any requirement in the Franchise Agreement that requires the franchisee to pay all costs and expenses incurred by the Franchisor in enforcing the agreement is void. Instead, the prevailing party in any enforcement action is entitled to recover all costs and expenses including attorney's fees.

Termination or Liquidated Damages: Section 17(i) of the Franchise Disclosure Document and the third sentence of Section 16.5 of the Franchise Agreement, which requires you to consent to termination or liquidated damages, is hereby deleted as North Dakota determines it be unfair, unjust, and inequitable within the intent of Section 51-19-09 of the North Dakota Franchise Investment Law.

Site of Mediation: Item 17(u) of the Disclosure Document and Section 25.9 of the Franchise Agreement provides that the franchisee must agree to the mediation of disputes in Nevada. The Commissioner has determined that franchise agreements, which provide that parties agree to the arbitration or mediation of disputes at a location that is remote from the site of the franchisee's business, are unfair, unjust, or inequitable within the intent of Section 51-19-09 of the North Dakota Franchise Investment Law. Item 17(u) of the Disclosure Document and Section 25 of the Franchise Agreement are hereby amended to state that the site of any mediation must be agreeable to all parties and may not be remote from the franchisee's place of business.

Item 5 of the Franchise Disclosure Document and Section 4.1 of the Franchise Agreement are amended to state that payment of your Initial Franchise Fee and Training and Kickstart Marketing Fee will be deferred until we have satisfied our pre-opening obligations to you, and you have commenced business operations.

**RHODE ISLAND ADDENDUM
TO THE DISCLOSURE DOCUMENT**

As to franchises governed by the Rhode Island Franchise Investment Act, if any of the terms of the Disclosure Document are inconsistent with the terms below, the terms below control.

Item 17.m. of the Disclosure Document is revised to provide:

Section 19-28.1-14 of the Rhode Island Franchise Investment Act prohibits a franchisee to be restricted in choice of jurisdiction or venue. To the extent any such restriction is purported to be required by us, it is void with respect to all franchisees governed under the laws of Rhode Island.

Item 17.w. of the Disclosure Document is revised to provide:

Rhode Island law applies.

**VIRGINIA ADDENDUM
TO THE DISCLOSURE DOCUMENT**

As to franchises governed by the Virginia Retail Franchise Act, if any of the terms of the Disclosure Document are inconsistent with the terms below, the terms below control.

1. Additional Disclosure. The following statements are added to Item 17.h of the Franchise Disclosure Document.

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

2. Item 5 of the Franchise Disclosure Document is amended to also state as follows: "The Virginia State Corporation Commission's Division of Securities and Retail Franchising requires franchisor to defer payment of the initial franchise fee and other initial payments owed by franchisees to the Franchisor until the Franchisor has completed its pre-opening obligations under the franchise agreement."

**WISCONSIN ADDENDUM
TO THE DISCLOSURE DOCUMENT**

As to franchises governed by the Wisconsin Fair Dealership Law, if any of the terms of the Disclosure Document are inconsistent with the terms below, the terms below control.

1. Item 17 is modified to also provide,

If the franchise agreement contains any provisions that conflict with the Wisconsin Fair Dealership Law, the provisions of this Addendum shall prevail to the extent of such conflict.

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

EXHIBIT G-1

LIST OF CURRENT FRANCHISEES

The following is a list of the names of all Franchisees and the address and telephone number of each of their outlets as of the end of our most recently completed fiscal year.

Location	Owners	Phone	Address	City	State	Zip
Arizona						
267 - Scottsdale	Barry Maring	602-962-0888	21640 North 19th Avenue, Suite C-9	Phoenix	AZ	85027
213 - Phoenix	Leilani Felix and Fernando Acosta	602-675-4261	2 North Central Ave 18th & 19th Floor	Phoenix	AZ	85004
288 - Phoenix AZ003	Jason Dougher	623-888-6190	21640 N 19th Ave, Suite C9	Phoenix	AZ	85027
266 - Phoenix Northwest	Jason Dougher	623-888-6190	21640 N 19th Ave, Suite C9	Phoenix	AZ	85027
<u>Arkansas</u>						
California						
<u>106 - San Diego North County</u>	<u>Bryan Gonzales</u>	<u>858-578-4111</u>	<u>2888 Loker Avenue East #110</u>	<u>Carlsbad</u>	<u>CA</u>	<u>92010</u>
238 - Corona - Ontario, CA	Rose Roques and Ryan Roques	951-776-5050	4160 Temescal Canyon Rd., Suite 401	Corona	CA	92883
<u>144 - San Diego Del Mar</u>	<u>Jeff Nyman and Linda Nyman</u>	<u>858-598-2770</u>	<u>445 Marine View Avenue, Suite 300</u>	<u>Del Mar</u>	<u>CA</u>	<u>92014</u>
<u>318- San Clemente</u>	<u>Saba Safiari</u>	<u>831-588-4958</u>	<u>17875 Von Karman Avenue, #150</u>	<u>Irvine</u>	<u>CA</u>	<u>92614</u>
<u>298- Orange County</u>	<u>Saba Safiari</u>	<u>831-588-4958</u>	<u>17875 Von Karman Avenue, #150</u>	<u>Irvine</u>	<u>CA</u>	<u>92614</u>
253 - Van Nuys CA	Mike Faust	818-810-4242	5250 Lankershim Boulevard,	Los Angeles	CA	91601

Location	Owners	Phone	Address	City	State	Zip
			Suite 500 - #1001			
~~106 – San Diego North County~~	~~Bryan Gonzales~~	~~858-578-4111~~	~~2888 Loker Avenue East #110~~	~~Carlsbad~~	~~CA~~	~~92010~~
130 - Los Angeles	Adrianna Smith and Lana Hout	424-832-3410	11900 West Olympic Boulevard Ste 480	Los Angeles	CA	90064
<u>336 – Phillips Ranch</u>	<u>Jocelyn Ruiz and Hershey Duenas</u>	<u>626-523-9993</u>	<u>39 Sundance Dr</u>	<u>Phillips Ranch</u>	<u>CA</u>	<u>91766</u>
~~318– San Clemente~~	~~Saba Safiari~~	~~831-588-4958~~	~~17875 Von Karman Avenue, #150~~	~~Irvine~~	~~CA~~	~~92614~~
~~298– Orange County~~	~~Saba Safiari~~	~~831-588-4958~~	~~17875 Von Karman Avenue, #150~~	~~Irvine~~	~~CA~~	~~92614~~
~~314– Huntington Beach~~	~~Saba Safiari~~	~~831-588-4958~~	~~28412 Calle Pinata~~	~~San Juan Cap~~	~~CA~~	~~92675~~
226 - Riverside	Felizardo Gaxiola	951-848-6010	3610 Central Avenue Suite 400	Riverside	CA	92506
~~324– Yorba Linda~~	~~Felizardo Gaxiola~~	~~951-848-6010~~	~~3610 Central Ave~~	~~Yorba Linda~~	~~CA~~	~~92808~~
317- San Diego International	Felizardo Gaxiola	619-694-5498	600 W Broadway # 700	San Diego	CA	92101
<u>314– Huntington Beach</u>	<u>Saba Safiari</u>	<u>831-588-4958</u>	<u>28412 Calle Pinata</u>	<u>San Juan Cap</u>	<u>CA</u>	<u>92675</u>
<u>333 – Anaheim</u>	<u>Saba Safiari</u>	<u>831-588-4958</u>	<u>28412 Calle Pinata</u>	<u>San Juan Cap</u>	<u>CA</u>	<u>92675</u>
<u>334 – Orange</u>	<u>Saba Safiari</u>	<u>831-588-4958</u>	<u>28412 Calle Pinata</u>	<u>San Juan Cap</u>	<u>CA</u>	<u>92675</u>
<u>335 – Mission Valley</u>	<u>Sybiljane Castro</u>	<u>619-985-4018</u>	<u>11954 Cypress cyn #3</u>	<u>San Diego</u>	<u>CA</u>	<u>92131</u>
~~144– San Diego Del Mar~~	~~Jeff Nyman and Linda Nyman~~	~~858-598-2770~~	~~445 Marine View Avenue,~~	~~Del Mar~~	~~CA~~	~~92014~~

Location	Owners	Phone	Address	City	State	Zip
			Suite 300			
300 - Walnut Creek	Eric Johnson	650-397-6562	100 South Murphy, Avenue, Suite 200	Sunnyvale	CA	94086
303 - Fremont	Eric Johnson	650-397-6562	100 South Murphy, Avenue, Suite 200	Sunnyvale	CA	94086
304 - San Jose	Eric Johnson	650-397-6562	100 South Murphy, Avenue, Suite 200	Sunnyvale	CA	94086
305 - Salinas	Eric Johnson	650-397-6562	100 South Murphy, Avenue, Suite 200	Sunnyvale	CA	94086
289 - Silicon Valley West	Eric Johnson	650-397-6562	100 S. Murphy, Ave , Suite 200	Sunnyvale	CA	94086
306 - San Mateo	Eric Johnson	650-397-6562	100 South Murphy, Avenue, Suite 200	Sunnyvale	CA	94086
299 - South San Francisco	Eric Johnson	650-397-6562	100 South Murphy, Avenue, Suite 200	Sunnyvale	CA	94086
301- North San Francisco	Eric Johnson	650-397-6562	100 South Murphy, Avenue, Suite 200	Sunnyvale	CA	94086
302 - Santa Rosa	Eric Johnson	650-397-6562	100 South Murphy, Avenue, Suite 200	Sunnyvale	CA	94086
<u>324- Yorba Linda</u>	<u>Felizardo Gaxiola</u>	<u>951-848-6010</u>	<u>3610 Central Ave</u>	<u>Yorba Linda</u>	<u>CA</u>	<u>92808</u>
Colorado						
214 - Denver	Stephanie and Kevin Robertson	720-295-7579	9878 W Belleview	Littleton	CO	80123

Location	Owners	Phone	Address	City	State	Zip
			Ave, Suite 2028			
310 - Colorado Springs	Terry McDonald	800-940-9109	102 S Tejon St # 1100	Colorado Springs	CO	80903
Connecticut						
<u>321- Shoreline</u>	<u>Louis Goldblatt</u>	<u>860-334-4769</u>	<u>165 Shore Drive</u>	<u>Branford</u>	<u>CT</u>	<u>6405</u>
265 - East Hartford	Kenneth Madison	860-966-0519	112 Spencer Street Suite 1A	Manchester	CT	6040
<u>321- Shoreline</u>	<u>Louis Goldblatt</u>	<u>860-334-4769</u>	<u>165 Shore Drive</u>	<u>Branford</u>	<u>CT</u>	<u>6405</u>
Florida						
<u>237- Orlando Metro</u>	<u>Mounir and Andrea Bousaid</u>	<u>725-237-3089</u>	<u>9100 Conroy Windermere Rd, Suite 200</u>	<u>Windermere, FL</u>	<u>FL</u>	<u>34786</u>
<u>232- Orlando South</u>	<u>Michael Canales</u>	<u>407-412-7101</u>	<u>390 N. Orange Ave. suite 2300</u>	<u>Orlando</u>	<u>FL</u>	<u>32801</u>
315 - Tampa, FL	John Piskor	413-230-6567	12 Maxine Circle	Easthampton	FL	10207
240 - Fort Myers	Andy Rumph	239-478-3864	401 East Jackson Street, SunTrust Tower	Fort Myers	FL	33602
<u>309 - Lake Nona</u>	<u>Daniel Vasconcelos</u>	<u>803-716-4141</u>	<u>6900 Tavistock Lakes # 400</u>	<u>Lake Nona</u>	<u>FL</u>	<u>32827</u>
290 - Miami Metro FL	Felizardo Gaxiola	(305) 853-8567	1001 Brickell Bay Dr. #2700	Miami	FL	33131
<u>232 - Orlando South</u>	<u>Michael Canales</u>	<u>407-412-7101</u>	<u>390 N. Orange Ave. suite 2300</u>	<u>Orlando</u>	<u>FL</u>	<u>32801</u>
322- Panama City, FL	Natalie Kessler-Tiphany Spradin	850-532-0075	415 Richard Johnson Blvd # 201	Panama City ~~beach~~ Beach	FL	32407
<u>315 - Tampa</u>	<u>John Piskor</u>	<u>413-230-6567</u>	<u>12 Maxine Circle</u>	<u>Tampa</u>	<u>FL</u>	<u>10207</u>
	<u>Mounir and</u>	<u>725-237-3089</u>	<u>9100 Conroy</u>	<u>Windermere, FL</u>	<u>FL</u>	<u>34786</u>

Location	Owners	Phone	Address	City	State	Zip
<u>237 - Orlando Metro</u>	<u>Andrea Bousaid</u>	<u>9</u>	<u>Windermere Rd, Suite 200</u>			
~~309 - Lake Nona~~	~~Daniel Vasconcelos~~	~~803-716-4141~~	~~6900 Tavistock Lakes # 400~~	~~Lake Nona~~	~~FL~~	~~32827~~
Georgia						
243 - Atlanta Metro	Joe Moon and Mike Denham	770-203-1100	1026 12 oaks	Athens	GA	30677
307 - Duluth	Joe Moon and Mike Denham	770-203-1100	279 W Crogan Street	Lawrenceville	GA	30046
308 - Alpharetta	Joe Moon and Mike Denham	770-203-1100	279 W Crogan Street	Lawrenceville	GA	30046
<u>344 – Peachtree</u>	<u>Torrey Hinkson</u>	<u>202-277-6703</u>	<u>150 New Castle Lane</u>	<u>Tyrone</u>	<u>GA</u>	<u>20290</u>
<u>345 – South Fulton</u>	<u>Torrey Hinkson</u>	<u>202-277-6703</u>	<u>150 New Castle Lane</u>	<u>Tyrone</u>	<u>GA</u>	<u>20290</u>
Idaho						
229 - Pocatello/South Idaho	Mike Lee and Lynn Lee	435-800-4400	1120 S. Rackham Way, Suite 300	Meridian	ID	83642
294 - North Idaho	Mike Lee and Lynn Lee	435-800-4400	1120 S. Rackham Way, Suite 300	Meridian	ID	83642
Illinois						
313 - Naperville IL	Domonic Wilkerson and Saba Safiari	831-588-4958	1112 Wilder Court	Naperville	IL	60540
312 - Chicago West	Brian Sauvageau	630-310-7392	3118 Charlemagne Lane	St Charles	IL	60174
Iowa						
316 - Des Moines, IA	Scott Krantz	612-662-5488	21897 South Diamond Lake Road Ste 400-315	Rogers	MN	55374
Kansas						
320- Kansas	Amanda (AJ)	402-230-700	1901 Howard	Omaha	NE	68102

Location	Owners	Phone	Address	City	State	Zip
City, KS	Kohler	3	Street Suite 324			
319- Overland Park	Amanda (AJ) Kohler	402-230-7003	1901 Howard Street Suite 324	Omaha	NE	68102
Kentucky						
252 - Louisville, KY	Lauren and Adam Marley	502-321-0103	1935 S Hurstbourne Parkway #1098	~~Lexinton~~ Lexington	KY	40220
257- Lexington	Lauren and Adam Marley	502-351-0106	1935 S Hurstbourne Parkway #1098	Louisville	KY	40220
Massachusetts						
<u>331 - Boston</u>	<u>Daniel Vasconcelos</u>	<u>803-716-414</u>	<u>13864 Destin Beach</u>	<u>Boston</u>	<u>MA</u>	<u>32540</u>
<u>329 – South Shore</u>	<u>Herb Devine</u>	<u>781-254-2846</u>	<u>37 Greenfield Lane</u>	<u>Scituate</u>	<u>MA</u>	<u>02066</u>
~~256 – Boston~~	~~John Donevan~~	~~617-799-5077~~	~~126 Reedsdale Rd~~	~~Milton~~	~~MA~~	~~2186~~
Michigan						
217 - Birmingham	Ken Lee	248-218-2630	41000 Woodward Avenue Suite 350 East Building	Bloomfield Hills	MI	48304
Minnesota						
235- Minneapolis NW	Scott Kranz	612-662-5488	21897 South Diamond Lake Road Ste 400-315	Rogers	MN	55374
<u>341 – Minnetonka</u>	<u>Kurtis Martig</u>	<u>612-270-4800</u>	<u>2395 Muela Dr</u>	<u>Chaska</u>	<u>MN</u>	<u>55318</u>
Missouri						
<u>259 - SE Missouri</u>	<u>Chase and Macy Busenbark</u>	<u>573-664-0002</u>	<u>501 Memorial Pl</u>	<u>Farmington</u>	<u>MO</u>	<u>63640</u>
<u>332 – St. Louis-Gateway</u>	<u>Greg and Maria Dyer</u>	<u>636-459-8513</u>	<u>39 Lace Bark Court</u>	<u>O’Fallon</u>	<u>MO</u>	<u>63368</u>
205 - St. Louis	Bruce Thompson	636-445-544	615 1st G-1-6	Saint Charles	MO	63301

64981466v5

2026 First Choice Business Brokers FDD
81512687v5

Location	Owners	Phone	Address	City	State	Zip
		4	Capitol Drive			
~~218 - Saint Charles~~	~~Bruce Thompson~~	~~636-445-5444~~	~~615 1st Capitol Drive~~	~~Saint Charles~~	~~MO~~	~~63301~~
269 - West St. Louis	Bruce Thompson	636-445-5444	615 1st Capitol Drive	Saint Charles	MO	63301
245 - Kansas City MO	Amanda and John Martinez	833-484-0063	909 E Republic Rd # C100	Springfield	MO	65807
248 - Springfield MO	Amanda and John Martinez	833-484-0063	909 E Republic Rd # C100	Springfield	MO	65807
~~218 - Saint Charles~~	~~Bruce Thompson~~	~~636-445-5444~~	~~615 1st Capitol Drive~~	~~Saint Charles~~	~~MO~~	~~63301~~
~~259 - SE Missouri~~	~~Chase and Macy Busenbark~~	~~573-664-0002~~	~~501 Memorial Pl~~	~~Farmington~~	~~MO~~	~~63640~~
249 - SouthWest MO	Amanda and John Martinez	833-484-0063	909 E Republic Rd # C100	Springfield	MO	65807
247 - East Kansas City MO	Amanda and John Martinez	833-484-0063	909 E Republic Rd # C100	Springfield	MO	65807
Montana						
293 - Missoula	Mike Lee and Lynn Lee	435-800-4400	15 North Higgins Ave	Missoula	MT	59802
North Carolina						
~~203 - Charlotte~~	~~Scott and Christie Curtis~~	~~704-649-8068~~	~~301 McCullough Drive #400~~	~~Charlotte~~	~~NC~~	~~28262~~
~~278 - Raleigh~~	~~Dale Brunelle~~	~~919-651-8353~~	~~8480 Honeycutt Road, Suite 200-V299~~	~~Raleigh~~	~~NC~~	~~27615~~
~~276 - Cary~~	~~Dale Brunelle~~	~~919-651-8353~~	~~8480 Honeycutt Road, Suite 200-V299~~	~~Raleigh~~	~~NC~~	~~27615~~
~~277 - Durham~~	~~Dale Brunelle~~	~~984-325-0223~~	~~8480 Honeycutt Road, Suite 200-V299~~	~~Raleigh~~	~~NC~~	~~27615~~

Location	Owners	Phone	Address	City	State	Zip
~~275-Mooresville~~	~~Richard Fosman~~	~~336-505-4321~~	~~717 Green Valley Road, Suite 200~~	~~Greensboro~~	~~NC~~	~~27408~~
~~273-Piedmont~~	~~Richard Fosman~~	~~336-505-4321~~	~~717 Green Valley Road, Suite 200~~	~~Greensboro~~	~~NC~~	~~27408~~
~~274-Greensboro~~	~~Richard Fosman~~	~~336-505-4321~~	~~717 Green Valley Road, Suite 200~~	~~Greensboro~~	~~NC~~	~~27408~~
North Dakota						
~~254-North Dakota~~	~~Barry Maring~~	~~701-232-4020~~	~~2534 University Dr S Ste 6~~	~~Fargo~~	~~ND~~	~~58103~~
Nebraska						
258 - Omaha NE	Amanda (AJ) Kohler	402-230-7003	1901 Howard Street Suite 324	Omaha	NE	68102
Nevada						
~~101 - Las Vegas~~	~~Jeff Nyman and Linda Nyman~~	~~(702) 368-2500~~	~~851 S. Rampart Suite 200~~	~~Las Vegas~~	~~NV~~	~~89145~~
New Hampshire						
224 - Nashua	Daniel Cisz Jr	603-589-4049	20 Trafalgar Square Suite #443	Nashua	NH	3063
New Mexico						
291 - Albuquerque	Tony Shurter	505-999-1260	6300 Riverside Plaza NW Suite 100	Albuquerque	NM	87120
Nevada						
~~101 - Las Vegas~~	~~Jeff Nyman and Linda Nyman~~	~~(702) 368-2500~~	~~851 S. Rampart Suite 200~~	~~Las Vegas~~	~~NV~~	~~89145~~
New York						
~~338 - Westchester South~~	~~Dana Stetson~~	~~914-920-1960~~	~~565 Alda Rd~~	~~Mamaroneck~~	~~NY~~	~~10543~~
206 -	Gregory	212-220-590	One World	New York	NY	10007

Location	Owners	Phone	Address	City	State	Zip
Manhattan	Carafello	0	Trade Center Suite 8500			
215 - Hudson Valley	Gil Tatarsky	845-400-2420	42 Catharine Street, Suite A,	Poughkeepsie	NY	12601
263 - Westchester North	Peter Gregory	914-295-2203	169 Mamaroneck Avenue Suite 63	White Plains	NY	10601
North Carolina						
<u>327 – Belmont Charlotte</u>	<u>Harry Raleigh</u>	<u>704-238-7270</u>	<u>83 Dorie Drive</u>	<u>Belmont</u>	<u>NC</u>	<u>28012</u>
<u>203 -Charlotte</u>	<u>Scott and Christie Curtis</u>	<u>704-649-8068</u>	<u>301 McCullough Drive #400</u>	<u>Charlotte</u>	<u>NC</u>	<u>28262</u>
<u>275-Mooresville</u>	<u>Richard Fosman</u>	<u>336-505-4321</u>	<u>717 Green Valley Road, Suite 200</u>	<u>Greensboro</u>	<u>NC</u>	<u>27408</u>
<u>337 – Hickory</u>	<u>Richard Appleton</u>	<u>843-458-9469</u>	<u>852 Riven Oaks Dr</u>	<u>Murrell</u>	<u>NC</u>	<u>27408</u>
<u>337 – Murrell Inlet</u>	<u>Richard Appleton</u>	<u>843-458-9469</u>	<u>852 Riven Oaks Dr</u>	<u>Murrell Inlet</u>	<u>NC</u>	<u>29576</u>
<u>278 - Raleigh</u>	<u>Dale Brunelle</u>	<u>919-651-8353</u>	<u>8480 Honeycutt Road, Suite 200-V299</u>	<u>Raleigh</u>	<u>NC</u>	<u>27615</u>
<u>276-Cary</u>	<u>Dale Brunelle</u>	<u>919-651-8353</u>	<u>8480 Honeycutt Road, Suite 200-V299</u>	<u>Raleigh</u>	<u>NC</u>	<u>27615</u>
<u>277-Durham</u>	<u>Dale Brunelle</u>	<u>984-325-0223</u>	<u>8480 Honeycutt Road, Suite 200-V299</u>	<u>Raleigh</u>	<u>NC</u>	<u>27615</u>
North Dakota						
<u>254 - North Dakota</u>	<u>Barry Maring</u>	<u>701-232-4020</u>	<u>2534 University Dr S Ste 6</u>	<u>Fargo</u>	<u>ND</u>	<u>58103</u>
Ohio						
<u>323- Akron</u>	<u>Michael Thomas</u>	<u>234-738-906</u>	<u>3704 Kenway</u>	<u>Akron</u>	<u>OH</u>	<u>44309</u>

Location	Owners	Phone	Address	City	State	Zip
		<u>8</u>	<u>Blvd</u>			
~~223 - Cincinnati~~	~~Brandon and Nickey Owens~~	~~513-392-0989~~	~~4513 Rosedale Road~~	~~Middletown~~	~~OH~~	~~45042~~
241 - Columbus, OH	Frank Nunziata	740-965-1981	1900 Polaris Parkway Suite 450-777	Columbus	OH	43240
<u>223 - Cincinnati</u>	<u>Brandon and Nickey Owens</u>	<u>513-392-0989</u>	<u>4513 Rosedale Road</u>	<u>Middletown</u>	<u>OH</u>	<u>45042</u>
242 - Toledo, OH	Eric Iffland	419-318-7403	9966 Sylvania Ave	Sylvania	OH	43560
<u>326 - Columbus South</u>	<u>Steve McConahy</u>	<u>740-965-1981</u>	<u>4700 Smother Rd</u>	<u>Westerville</u>	<u>OH</u>	<u>43081</u>
~~323 - Akron~~	~~Michael Thomas~~	~~234-738-9068~~	~~3704 Kenway Blvd~~	~~Akron~~	~~OH~~	~~44309~~
Oregon						
<u>348 - Eugene 1</u>	<u>David Dpersalski and Lonnie Woodruff</u>	<u>541-450-8839</u>	<u>640 Spencer Ct</u>	<u>Eugene</u>	<u>OR</u>	<u>97405</u>
<u>349 - Eugene 2</u>	<u>David Dpersalski and Lonnie Woodruff</u>	<u>541-450-8839</u>	<u>640 Spencer Ct</u>	<u>Eugene</u>	<u>OR</u>	<u>97405</u>
~~227 - Portland~~	~~Daniel Mulligan~~	~~503-206-6669~~	~~17401 Northeast Halsey Street~~	~~Portland~~	~~OR~~	~~97213~~
Pennsylvania						
228 - Pittsburgh	Samuel Meister	412-406-6281	100 First Avenue, Suite 450	Pittsburg	PA	15222
236 - Suburban Philadelphia	Jonathan Ring and Daniel Ring	484-326-2718	600 W Germantown Pike# 400	Plymouth Meeting	PA	19462
South Carolina						
<u>311 - Charleston</u>	<u>Daniel Ober</u>	<u>843-492-5162</u>	<u>186 Fresh Drive</u>	<u>Charleston</u>	<u>SC</u>	<u>29579</u>
260 - Myrtle Beach	Daniel Ober	843-492-5162	186 Fresh Dr	Myrtle Beach	SC	29579
~~311 - Charleston~~	~~Daniel Ober~~	~~843-492-5162~~	~~186 Fresh Drive~~	~~Charleston~~	~~SC~~	~~29579~~

Location	Owners	Phone	Address	City	State	Zip
South Dakota						
244 - Sioux Falls South Dakota	Scott Kranz	605-413-187 1	9605 W Broek Drive	Sioux Falls	SD	57106
Tennessee						
287- Central Nashville	Russell & Sydney Carriere	865-255-473 1	2550 Meridian Blvd, Suite 200	Franklin	TN	37067
~~282 - Gatlinburg~~	~~Russell and Sydney Carriere~~	~~615-288-688 6~~	~~9111 Cross Park Drive D200~~	~~Knoxville~~	~~TN~~	~~37923~~
~~262 - Knoxville~~	~~Russell and Sydney Carriere~~	~~615-288-688 6~~	~~9111 Cross Park Drive D200~~	~~Knoxville~~	~~TN~~	~~37923~~
~~283 - Chattanooga~~	~~Russell and Sydney Carriere~~	~~615-288-688 6~~	~~9111 Cross Park Drive D200~~	~~Knoxville~~	~~TN~~	~~37923~~
284- Hendersonville	Russell and Sydney Carriere	865-255-473 1	2550 Meridian Blvd, # 200	Franklin	TN	37067
285- Murfreesboro	Russell and Sydney Carriere	865-255-473 1	2550 Meridian Blvd, Suite 200	Franklin	TN	37067
268- Nashville	Russell and Sydney Carriere	865-255-473 1	2550 Meridian Blvd, Suite 200	Franklin	TN	37067
~~282 - Gatlinburg~~	~~Russell and Sydney Carriere~~	~~615-288-688 6~~	~~9111 Cross Park Drive D200~~	~~Knoxville~~	~~TN~~	~~37923~~
~~262 - Knoxville~~	~~Russell and Sydney Carriere~~	~~615-288-688 6~~	~~9111 Cross Park Drive D200~~	~~Knoxville~~	~~TN~~	~~37923~~
~~283 - Chattanooga~~	~~Russell and Sydney Carriere~~	~~615-288-688 6~~	~~9111 Cross Park Drive D200~~	~~Knoxville~~	~~TN~~	~~37923~~
Texas						

Location	Owners	Phone	Address	City	State	Zip
~~264 - Houston Lakeside~~	~~Himanshu (Hugh) Nidhi Neil Trivedi~~	~~346-529-2222~~	~~7210 N Eldridge Parkway~~	~~Houston~~	~~TX~~	~~77041~~
~~255 - Houston Memorial~~	~~Browning Williams~~	~~713-805-2800~~	~~5847 San Felipe Street Suite 620~~	~~Houston~~	~~TX~~	~~77057~~
~~261 - Dallas Metro~~	~~Felizardo Gaxiola~~	~~(951) 848-6010~~	~~701 Commerce Street~~	~~Dallas~~	~~TX~~	~~75202~~
280 - Austin North	Justin Dalton and Chris Pallagi	737-220-1721	14425 Falcon Head Boulevard, Suite 115	Austin	TX	78738
279 - Austin South	Justin Dalton and Chris Pallagi	737-220-1721	14425 Falcon Head Boulevard, Suite 115	Austin	TX	78738
270 - Austin West	Justin Dalton and Chris Pallagi	737-220-1721	14425 Falcon Head Boulevard, Suite 115	Austin	TX	78738
271 - Austin East	Justin Dalton and Chris Pallagi	737-220-1721	14425 Falcon Head Blvd, # 115	Austin	TX	78738
<u>261 - Dallas Metro</u>	<u>Felizardo Gaxiola</u>	<u>(951) 848-6010</u>	<u>701 Commerce Street</u>	<u>Dallas</u>	<u>TX</u>	<u>75202</u>
272 - El Paso	Leilani Felix and Fernando Acosta	915-314-0001	221 N Kansas St #700	El Paso	TX	79901
<u>343 - El Paso 2</u>	<u>Leilani Felix and Fernando Acosta</u>	<u>915-314-0001</u>	<u>221 N Kansas St #700</u>	<u>El Paso</u>	<u>TX</u>	<u>79901</u>
<u>339 - Southgate</u>	<u>Kevin Payne</u>	<u>901-848-2473</u>	<u>Garrison St</u>	<u>Fort Worth</u>	<u>TX</u>	<u>76107</u>
<u>340 - Ft Worth</u>	<u>Kevin Payne</u>	<u>901-848-2473</u>	<u>Garrison St</u>	<u>Fort Worth</u>	<u>TX</u>	<u>76107</u>
<u>255 - Houston Memorial</u>	<u>Browning Williams</u>	<u>713-805-2800</u>	<u>5847 San Felipe Street Suite 620</u>	<u>Houston</u>	<u>TX</u>	<u>77057</u>
<u>347 - Sugarloaf</u>	<u>Matthew</u>	<u>870-230-041</u>	<u>6539 Drayton</u>	<u>Missouri City</u>	<u>TX</u>	<u>77459</u>

Location	Owners	Phone	Address	City	State	Zip
	Berkley	7	Hall			
346 – San Antonio	Juan Trejo	210-363-2190	256 Sherwood Dr	San Antonio	TX	78201
Utah						
216 - Bountiful	Phil Neuenswander	801-513-9070	420 West 1500 South Suite #106	Bountiful	UT	84010
286 - Salt Lake - Park City	Mike Lee and Lynn Lee	435-800-4400	26 S. Rio Grande Street #2072	Salt Lake City	UT	84101
292 - Salt Lake West	Mike Lee and Lynn Lee	435-800-4400	26 S. Rio Grande Street #2072	Salt Lake City	UT	84101
295 - South Utah	Mike Lee and Lynn Lee	435-800-4400	26 S. Rio Grande Street #2072	Salt Lake City	UT	84101
296 - North Utah	Mike Lee and Lynn Lee	435-800-4400	26 S. Rio Grande Street #2072	Salt Lake City	UT	84101
Virginia						
201 - Richmond	William and Patricia Griswold	804-520-7557	4110 East Parham Road Suite 206	Henrico	VA	23228
251 - DC Metro	Jonathan Ring	202-681-6777	520 12th street south suite 339	Pentagon City	VA	22202
200 -Chesapeake	Timothy Johnson	757-866-2321	5347 Lila Lane Suite 101	Virginia Beach	VA	23464
204-Virginia Beach	Timothy Johnson	757-866-2321	5347 Lila Lane Suite 101	Virginia Beach	VA	23464
208-Norfolk	Timothy Johnson	757-866-2321	5347 Lila Lane Suite 101	Virginia Beach	VA	23464
Washington						
234 - Seattle Metro	James Shin	206-590-1792	4500 9th Ave N.E. Suite 300	Seattle	WA	98105

Franchise Agreements Signed but Outlet Not Yet Open (as of ~~12/31/2024~~[12/31/2025](#))

G-1-13

64981466v5

[2026 First Choice Business Brokers FDD](#)
[81512687v5](#)

NONE.

EXHIBIT G-2

FORMER FRANCHISEES

The following is a list of the names, city and state, and current business telephone number, or if unknown, the last known home telephone number of every franchisee who had an outlet terminated, canceled, not renewed, or otherwise voluntarily or involuntarily ceased to do business under the franchise agreement during our most recently completed fiscal year or who have not communicated with FCBB within 10 weeks of the Issuance Date of this Disclosure Document. If you buy this franchise, your contact information may be disclosed to other buyers when you leave the franchise system.

TRANSFERRED

Location	First Name	Last Name	Cell
Boston, MA	John	Donovan	617-799-5077
~~Tampa, FL~~	~~Andy~~	~~Rumph~~	~~239-478-3864~~
~~Boise ID~~	~~Brandon~~	~~Brown~~	~~208-427-4258~~

NOT RENEWED OR TERMINATED

Location	First Name	Last Name	Cell
325 – No Kansas City, KS	Kevin	Thomas	913-305-2277
273 – Piedmont, NC	Richard	Fosman	336-505-4321
274 – Greensboro, NC	Richard	Fosman	336-505-4321
227 – Portland, OR	Daniel	Mulligan	503-206-6669
~~126 Coral Springs, FL~~	~~Ken~~	~~Vichinsky~~	~~954-892-2007~~
~~141 – Salt Lake City, UT~~	~~Jill Craig~~	~~Smith~~	~~801-427-0785~~
~~225 – Lansing, MI~~	~~Susan Carl~~	~~Howard~~	~~517-202-4047~~
~~145-264 – Houston Lakeside, TX~~	~~Lenwood Katie Himanshu (Hugh)~~	~~MillsNidhi Neil Trivedi~~	~~910-622-2181346-5 29-2222~~
~~250 – Thousand Oaks CA~~	~~Ken~~	~~Mauch~~	~~925-918-0451~~

64981466v5

2026 First Choice Business Brokers FDD
81512687v5

G-~~3~~2-2

EXHIBIT H

TABLES OF CONTENTS FOR MANUALS

Manuals

The table of contents of the operations manuals, which include sales, marketing, and business operations are as follows:

Manual 1.0 Starting Your Business

1.0 Purpose of This Manual	4
2.0 Office and Business Setup	5
2.1 Office Type	5
2.2 Office Essentials	6
2.2.1 Ten Points to Remember with Your Office	8
2.2.2 Ten Common “Getting Started” Mistakes	8
2.3 Having a Team of Professionals	9
2.3.1 Attorney	9
2.3.2 Accountant	9
2.3.3 Business Coach	10
2.3.4 Insurance Broker	10
2.3.5 Other Professionals to Consider	11
2.3.6 Ten Points to Remember	11
3.0 Initiating Your Marketing	12
3.1 Network Groups	12
3.2 Database Purchase	13
3.3 Research Preferred Marketing Strategies	15
3.4 Research Direct Mail	16
3.5 Centers of Influence	16
4.0 Computer Setup	17
5.0 Building Your Team	19
5.1 Getting Started	19
5.2 Marketing Team	19
5.3 Receptionist	20
5.4 Bookkeeper	20
5.5 Adding More Agents	21
6.0 Gaining Knowledge	22
7.0 Quarterly Plan	23
8.0 Conclusion	24
Appendix 1: 90-Day Plan Template	26

MANUAL 2.0

MARKETING YOUR BUSINESS: ATTRACTING BUYERS AND SELLERS

1.0 Marketing.....	5
1.1 The First Choice Marketing System.....	5
1.2 Your Attitude toward Marketing.....	6
1.3 Planning.....	7
2.0 Direct Mail.....	14
2.1 Identify Your Market.....	14
2.2 Preparing Your Mailing List.....	15
2.3 Direct Mail Letter.....	17
2.4 Direct Mail Follow-Up Script.....	19
3.0 Employing a Telemarketer or a Telemarketing Company.....	22
3.1 Using an Outside Telemarketing Company.....	23
3.2 Interviewing Potential Telemarketers.....	23
3.3 Goal Setting.....	24
3.4 Preparation.....	24
3.5 Telemarketer.....	25
3.6 First Choice Business Broker follow up.....	25
3.7 Doing the Telemarketing.....	26
3.8 Some Common Objections/Questions.....	32
4.0 Strategic Alliances.....	37
5.0 Networking.....	39
6.0 Seminars.....	41
6.1 Marketing the Seminar to Sellers.....	41
6.2 Location for Your Seminar.....	45
6.3 Set Dates and Book Your Seminar.....	45
6.4 Your Alliances and/or Sponsors.....	47
6.6 Seminar RSVP's.....	47
6.7 Confirmation.....	48
6.8 Presenting the Actual Seminar.....	49
6.9 Post-Seminar Sales Process.....	53
6.10 Business Evaluation Appointment Set.....	54
6.11 Summary of Seminar.....	57
7.0 Other Marketing Strategies:.....	58
7.1 Newsletters.....	58
7.2 Newspaper Advertising.....	58
7.3 Magazine Advertising.....	58
7.4 Trade Journal and Industry Newsletter Advertising.....	59
7.5 Inserts.....	59
7.6 Brochures.....	60
7.7 Yellow/White Pages and Other Directories.....	60
7.8 Post Card Mailings.....	60
7.9 Internet/Web Pages.....	61
7.10 Building Signage.....	61
7.11 Business Cards.....	61

7.12 Radio Shows	62
7.14 Press Release Articles	62
8.0 Meeting Potential Buyers and Sellers in Your Everyday Life	63
9.0 GENERAL BUSINESS INFORMATION	64
9.1 Understanding Businesses	64
9.2 Lead Generation through Specialization	64
9.3 Managing Your Prospects	65
10.0 Your Documents	66

MANUAL 3.0

THE CORE BUSINESS: SELLING LISTINGS TO BUYERS

1.0 Introduction.....	6
1.1 Business Brokering.....	8
1.2 Welcome.....	11
2.0 The Process of Getting Listings SOLD.....	13
2.1 Process Overview.....	14
3.0 Acquiring Listings.....	18
3.1 Set Appointments with Prospective Sellers.....	19
3.2 Presentation of who you are and of First Choice.....	19
3.3 Interview of the Seller.....	20
3.3.1 DISCUSSION OF THE BUSINESS.....	21
3.4.1 Evaluations.....	24
3.4.2 TYPES OF BUSINESS OWNERSHIP AND WHO MUST SIGN THE BROKER AGREEMENT.....	32
3.5 Discuss Fees and the Contract/Agreement.....	33
3.5.1 CORRELATING AND NEGOTIATING THE LISTING PRICE AND TERMS.....	33
3.5.2 FOUR TYPES OF LISTINGS.....	35
3.5.3 FEES.....	37
3.5.4 BROKER AGREEMENTS.....	40
3.5.5 Do's and Don't of a Listing.....	49
3.6 Listing Case Studies.....	50
4.0 The BUYER.....	61
4.1 The Advantages of Buying an Existing Business.....	62
4.2 Qualifying a Prospective Buyer – Getting to the First Appointment.....	65
4.3 First meeting With the Buyer.....	69
4.3.1 Buyer Confidentiality Acknowledgement Form.....	72
4.4 Showing the Buyer a Business.....	74
4.4.1 The Follow-Up Meeting with a Buyer.....	77
4.4.2 Good Questions for Your Buyer.....	80
4.5 Methods of Buying a Business.....	81
4.5.1 Asset Purchase.....	82
4.5.2 OFFERS.....	95
4.5.3 Other Points to Remember.....	115
4.5.4 Sample Asset Purchase Case Studies.....	121
5.0 Escrow – Closing the Deal.....	124
5.1 CLOSING THE BUSINESS SALE.....	126
Appendix I – Glossary of Business Brokerage Terms.....	129
Appendix II – Forms and Documents:.....	140

MANUAL 4.0 RECRUITING AGENTS

1.0 Purpose of This Manual	4
2.0 Overview of the Agent Recruiting Process	5
3.0 Advertising to Recruit a New Agent	6
3.1 WHO are you looking for: Knowing Your IDEAL Agent	6
3.2 Sample Recruiting Advertisements	8
3.3 Publications to Place Your Recruitment Advertisement	9
3.4 Selecting the Right Candidates for an Interview	10
4.0 Conducting the Agent Interview	11
4.1 Interview Format	11
4.2 Key Interview Questions	12
4.3 Personality and/or Behavior Tests	15
4.4 Concluding the Interview – The Next Step	21
5.0 Determining Who Will Be a Good Agent	22
6.0 Starting Your New Agent	23
6.1 Training Requirements	23
6.2 Scenarios for Training Payment	24
6.3 Policies and Procedures – Agents	27
7.0 Growing Your Business... ..	28
7.1 How Many Agents to Hire	28
7.2 Systematizing your Agent Recruiting Process	29
8.0 Conclusion	32
Appendix I DiSC Profile	32

MANUAL 5.0 OPERATING PROCEDURES

(40 PAGES)

TABLE OF CONTENTS

Introduction.....	1
I. Listing Acceptance Procedure.....	2
II. Incomplete Listing Procedure.....	3
III. Listing Input Procedure (Lotus Approach).....	4
IV. Website Entry Procedure.....	7
V. Scanning Procedures.....	15
VI. Listing Changes Procedure.....	18
VII. Sold Listings Procedure.....	19
VIII. Expired Listings Procedure.....	20
IX. Generate Business List Log and Blind Log.....	22
X. Miscellaneous Listing Updates.....	23
XI. Confidential Database.....	24

Appendices:

- A. Broker Listing Checklist
- B. Sample e-mail to Agent for Incomplete Listing Packet
- C. Listings Pending Completion spreadsheet
- D. Key Codes
- E. Office Codes
- F. New Listing Letter
- G. Change Order
- H. Sold Business Details
- I. Listing Changes Checklist
- J. Sold Listings Checklist

**Manual 5.0 Operating Procedures
(40 Pages)**

- 1.0 Listing Acceptance Procedure
- 2.0 Incomplete Listing Procedure
- 3.0 Listing Input Procedure
- 4.0 Web Site Entry Procedure
- 5.0 Listing Changes Procedure
- 6.0 Pending Listing Procedure
- 7.0 Sold Listings Procedure
- 8.0 Expired Listings Procedure
- 9.0 General Business List Log and Blind Log
- 10. Miscellaneous Listing Updates

Appendices:

- A. Broker Listing Checklist
- B. Sample Email to Agent for Incomplete Listing Packet
- C. Key Codes
- D. Office Codes
- E. Approved Listing Categories
- F. Quarter Sheet for Distribution
- G. New Listing Letter
- H. Change Order
- I. Sold Business Details
- J. Red and Blue File Stacking Order

EXHIBIT I

AREA REPRESENTATIVE DISCLOSURES

Our current area representatives, and their respective territories, are listed below. FCBB also lists their additional disclosures for Items 2, 3, and 4 of the Franchise Disclosure Document.

Barry Maring: Area Representative for Arizona and North Dakota

ITEM 2. BUSINESS EXPERIENCE

Barry Maring is the President and Chief Financial Officer for Sonmar Management in Fargo, North Dakota, a position he has had since January 2008.

ITEM 3. LITIGATION

No litigation is required to be disclosed in this item.

ITEM 4. BANKRUPTCY

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

Melissa Salyer: Area Representative for Georgia

ITEM 2. BUSINESS EXPERIENCE

Melisa Salyer has been serving as our Executive Vice President of Franchise Development since December 2021. In this role, she oversees strategic growth and franchisee recruitment, driving the organization's expansion efforts. Prior to joining us, she held the position of Executive Vice President of Franchise Development at Loyalty, LLC in Virginia Beach, Virginia, from December 2019 to November 2021. Melissa also has been the Owner of FranDiscovery, a franchise consulting firm based in Virginia Beach, since August 2019. At FranDiscovery, she assists prospective franchisees in identifying and securing the right business Virginia.

ITEM 3. LITIGATION

No litigation is required to be disclosed in this item.

ITEM 4. BANKRUPTCY

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

Scott Curtis: Area Representative for Charlotte, North Carolina

ITEM 2. BUSINESS EXPERIENCE

Scott Curtis is the Vice President for Charlotte Business Sales, Inc. in Midland, North Carolina since September 2018. Mr. Curtis is also President of LTS Carolina Inc. and has been since September 2005.

ITEM 3. LITIGATION

No litigation is required to be disclosed in this item.

ITEM 4. BANKRUPTCY

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

Frank Nunziata: Area Representative for Cleveland, Dayton, and Columbus, Ohio**ITEM 2. BUSINESS EXPERIENCE**

Frank Nunziata has been the Managing Member for Nunziata Franchise Consulting, LLC in Lewis Center, Ohio since March 2022. Mr. Nunziata is also Managing Member for Nunziata Business Brokerage, LLC in Lewis Center, Ohio since March 2022. From September 1997 to the present, Mr. Nunziata is and has been Managing Member of F.A. Nunziata and Sons, LLC in Lewis Center, Ohio.

ITEM 3. LITIGATION

No litigation is required to be disclosed in this item.

ITEM 4. BANKRUPTCY

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

William Griswold: Area Representative for Virginia (except Hampton-Rhodes area)**ITEM 2. BUSINESS EXPERIENCE**

William Griswold is a unit-level franchisee of ours in Richmond, Virginia through his company Golden Dunes Business Brokers, a role he has had since June 25, 2018. Between September 2014 and January 2020, Mr. Griswold was President of Golden Dunes Insurance in Colonial Heights, Virginia.

ITEM 3. LITIGATION

No litigation is required to be disclosed in this item.

ITEM 4. BANKRUPTCY

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

EXHIBIT J

STATE EFFECTIVE DATES

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

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

State	Effective Date
California	~~April 9, 2025~~ Pending
Hawaii	~~April 6, 2025~~ Pending
Illinois	~~March 28, 2025~~ Pending
Indiana	~~March 28, 2025~~ Pending
Maryland	~~April 17, 2025~~ Pending
Michigan	~~March 28, 2025~~ Pending
Minnesota	~~April 18, 2025~~ Pending
New York	~~April 18, 2025~~ Pending
North Dakota	~~March 28, 2025~~ Pending
South Dakota	~~March 28, 2025~~ Pending
Rhode Island	~~March 27, 2025~~ Pending
Virginia	~~June 15, 2025~~ Pending
Washington	~~May 23, 2025~~ Pending
Wisconsin	~~March 28, 2025~~ Pending

Other states may require registration, filing, or exemption of a franchise under other laws, such as those that regulate the offer and sale of business opportunities or seller-assisted marketing plans.

EXHIBIT K

RECEIPT

This disclosure document summarizes certain provisions of the franchise agreement and other information in plain language. Read this disclosure document and all agreements carefully.

If First Choice Business Brokers, Inc. offers you a franchise, it must provide this disclosure document to you 14 calendar- days before you sign a binding agreement with, or make a payment to, the Franchisor or an affiliate in connection with the proposed franchise sale.

Iowa requires that franchisor gives you this Disclosure Document at the earlier of the first personal meeting or 14 calendar days before you sign a binding agreement with, or make a payment to, the Franchisor or an affiliate in connection with the proposed franchise sale.

Michigan requires that franchisor gives you this Disclosure Document at least 10 business days before the execution of any binding franchise or other agreement or the payment of any consideration, whichever occurs first.

New York requires that franchisor gives you this Disclosure Document at the earlier of the first personal meeting or 10 business days before the execution of the franchise or other agreement or the payment of any consideration that relates to the franchise relationship.

If First Choice Business Brokers, Inc. does not deliver this disclosure document on time or if it contains a false or misleading statement, or a material omission, a violation of federal law and state law may have occurred and should be reported to the Federal Trade Commission, Washington, DC 20580 and the state agency listed on Exhibit C.

The franchisor is First Choice Business Brokers, Inc., located at 851 South Rampart Blvd., Ste. 200, Las Vegas, NV 89145. Its telephone number is (702) 368-2500.

Issuance Date: March ~~28~~12, ~~2025~~2026

The Franchise Seller for this offering is:

X Jeffrey D. Nyman, 851 South Rampart Blvd., Ste. 200, Las Vegas, NV 89145; (702) 368-2500

X Melissa Salyer, 851 South Rampart Blvd., Suite 200 Las Vegas, NV 89145 (702) 368-2500

We authorize the respective state agencies identified on Exhibit C to receive service of process for franchisor in the particular state.

I have received a disclosure document dated March ~~28~~12, ~~2025~~2026, that included the following Exhibits:

Exhibit A. Franchise Agreement

Schedule 1 –Designated Territory and Approved Location

Schedule 2 – Guaranty, Indemnification, and Acknowledgement

Schedule 3 – Computer System User License Agreement

Schedule 4 – Assignment of Telephone Numbers, Internet Addresses, and Social Media Identities

Schedule 5 – Confidentiality and Non-Competition Agreement

Schedule 6 – Statement of Ownership

Schedule 7 - ACH Authorization

Schedule 8 - Franchisee Compliance Certification

Schedule 9 - State Addenda to the Franchise Agreement

Exhibit B. Non-Disclosure Agreement

Exhibit C. State Administrators/Agents for Service of Process

Exhibit D. General Release

Exhibit E. Financial Statements

Exhibit F. State Addenda to The Disclosure Document

Exhibit G-1. List of Current Franchisees

Exhibit G-2. Former Franchisees

Exhibit H. Tables of Contents of Manuals

Exhibit I. Area Representative Disclosures

Exhibit J. State Effective Dates

Exhibit K. Receipts

Date

Signature

Printed Name

Please sign, date, and retain this copy for your records.

RECEIPT

This disclosure document summarizes certain provisions of the franchise agreement and other information in plain language. Read this disclosure document and all agreements carefully.

If First Choice Business Brokers, Inc. offers you a franchise, it must provide this disclosure document to you 14 calendar-days before you sign a binding agreement with, or make a payment to, the Franchisor or an affiliate in connection with the proposed franchise sale.

Iowa requires that franchisor gives you this Disclosure Document at the earlier of the first personal meeting or 14 calendar days before you sign a binding agreement with, or make a payment to, the Franchisor or an affiliate in connection with the proposed franchise sale.

Michigan requires that franchisor gives you this Disclosure Document at least 10 business days before the execution of any binding franchise or other agreement or the payment of any consideration, whichever occurs first.

New York requires that franchisor gives you this Disclosure Document at the earlier of the first personal meeting or 10 business days before the execution of the franchise or other agreement or the payment of any consideration that relates to the franchise relationship.

If First Choice Business Brokers, Inc. does not deliver this disclosure document on time or if it contains a false or misleading statement, or a material omission, a violation of federal law and state law may have occurred and should be reported to the Federal Trade Commission, Washington, DC 20580 and the state agency listed on Exhibit C.

The franchisor is First Choice Business Brokers, Inc., located at 851 South Rampart Blvd., Ste. 200, Las Vegas, NV 89145. Its telephone number is (702) 368-2500.

Issuance Date: March ~~28~~12, ~~2025~~2026

The Franchise Seller for this offering is:

☒ Jeffrey D. Nyman, 851 South Rampart Blvd., Ste. 200, Las Vegas, NV 89145; (702) 368-2500

☒ Melissa Salyer, 851 South Rampart Blvd., Suite 200 Las Vegas, NV 89145 (702) 368-2500

We authorize the respective state agencies identified on Exhibit C to receive service of process for franchisor in the particular state.

I have received a disclosure document dated March ~~28~~12, ~~2025~~2026, that included the following Exhibits:

Exhibit A. Franchise Agreement

Schedule 1 –Designated Territory and Approved Location

Schedule 2 – Guaranty, Indemnification, and Acknowledgement

Schedule 3 – Computer System User License Agreement

Schedule 4 – Assignment of Telephone Numbers, Internet Addresses, and Social Media Identities

Schedule 5 – Confidentiality and Non-Competition Agreement

Schedule 6 – Statement of Ownership

Schedule 7 - ACH Authorization

Schedule 8 - Franchisee Compliance Certification

Schedule 9 - State Addenda to the Franchise Agreement

Exhibit B. Non-Disclosure Agreement

Exhibit C. State Administrators/Agents for Service of Process

Exhibit D. General Release

Exhibit E. Financial Statements

Exhibit F. State Addenda to The Disclosure Document

Exhibit G-1. List of Current Franchisees

Exhibit G-2. Former Franchisees

Exhibit H. Tables of Contents of Manuals

Exhibit I. Area Representative Disclosures

Exhibit J. State Effective Dates

Exhibit K. Receipts

Date

Signature

Printed Name

Please sign, date, and return this copy to First Choice Business Brokers, Inc., 851 South Rampart Blvd., Ste. 200, Las Vegas, NV 89145.