# FRANCHISE DISCLOSURE DOCUMENT

10X Business Advisor Franchising LLC
a Delaware limited liability company
18851 NE 29th Ave., Suite 414
Aventura, FL 33180
Telephone: (213) 435-9587
info@cardoneventures.com
www.cardoneventures.com

A 10X Business Advisor franchisee provides business growth and sales coaching, executive coaching, business management, and related consulting services to business owners, managers, executives, self-employed professionals and entrepreneurs utilizing innovative and proprietary programs, training and the 10X business growth platform developed by Grant Cardone and his executive team called 10X Business Coach.

The initial investment necessary to begin operation of a 10X Business Advisor franchised business ranges from $112,000 to $343,995. This amount includes $100,000 to $304,995 which must be paid to the franchisor or its affiliates.

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

You may wish to receive your disclosure document in another format that is more convenient for you. To discuss the availability of disclosures in different forms, contact Sean Conrad, Executive Vice President, Professional Services, 10X Business Advisor Franchising LLC, 18851 NE 29th Ave., Suite 414, Aventura, FL 33180, (213) 435-9587 or by email at sconrad@cardoneventures.com.

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

Buying a franchise is a complex investment. The information in this disclosure document can help you make up your mind. More information on franchising, such as "A Consumer's Guide to Buying a Franchise," which can help you understand how to use this disclosure document, is available from the Federal Trade Commission. You can contact the FTC at 1-877-FTC-HELP or by writing to the FTC at 600 Pennsylvania Avenue, NW, Washington, DC 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: October 3, 2023

## 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 and Exhibit E. |
| **How much will I need to invest?** | Items 5 and 6 list fees you will be paying to the franchisor and 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 D 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 10X Business Advisor business in my area?** | Item 12 and the "territory" provisions in the franchise agreement describe whether the franchisor and other franchisees can compete with you. |
| **Does the franchisor have a troubled legal history?** | Items 3 and 4 tell you whether the franchisor or its management have been involved in material litigation or bankruptcy proceedings. |
| **What's it like to be a 10X Business Advisor franchisee?** | Item 20 or Exhibit E lists current or 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 your franchise is losing money.

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

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

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

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

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

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

## Some States Require Registration

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

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

## Special Risks to Consider About *This* Franchise

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

1. **Out-of-State Dispute Resolution**. The franchise agreement requires you to resolve disputes with the franchisor by mediation, arbitration and/or litigation only in Florida. Out-of-state mediation, arbitration, or litigation may force you to accept a less favorable settlement for disputes. It may also cost more to mediate, arbitrate, or litigate with the franchisor in Florida than in your own state.

2. **Financial Condition**. The Franchisor's financial condition as reflected in its financial statements (see Item 21) calls into question the Franchisor's financial ability to provide services and support to you.

3. **Short Operating History**. This Franchisor is at an early stage of development and has a limited operating history. This franchise is likely to be a riskier investment than a franchise with a longer operating history.

4. **Mandatory Minimum Payments**. You must make minimum royalty payments, regardless of your sales levels. Your inability to make the payments may result in termination of your franchise and loss of your investment.

5. **Unregistered Trademark**. The primary trademark you will use in your business is not federally registered. If the franchisor's right to use this trademark in your area is challenged, you may have to identify your business and its products with a name that differs from that used by other franchisees or the franchisor. This change can be expensive and may reduce brand recognition of the products or services you offer.

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

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

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

(a) A prohibition on the right of a franchisee to join an association of franchisees.

(b) A requirement that a franchisee assent to a release, assignment, novation, waiver, or estoppel which deprives a franchisee of rights and protection provided in this act. This shall not preclude a franchisee, after entering into a Franchise Agreement, from settling any and all claims.

(c) A provision that permits a franchisor to terminate a franchise prior to the expiration of its term except for good cause. Good cause shall include the failure of the franchisee to comply with any lawful provision of the Franchise Agreement and to cure such failure after being given written notice thereof and a reasonable opportunity, which in no event need be more than thirty (30) days, to cure such failure.

(d) A provision that permits a franchisor to refuse to renew a franchise without fairly compensating the franchisee by repurchase or other means for the fair market value at the time of expiration of the franchisee's inventory, supplies, equipment, fixtures, and furnishings. Personalized materials which have no value to the franchisor and inventory, supplies, equipment, fixtures, and furnishings not reasonably required in the conduct of the franchise business are not subject to compensation. This subsection applies only if: (i) the term of the franchise is less than 5 years and (ii) the franchisee is prohibited by the franchise or other agreement from continuing to conduct substantially the same business under another trademark, service mark, trade name, logotype, advertising, or other commercial symbol in the same area subsequent to the expiration of the franchise or the franchisee does not receive at least 6 months advance notice of franchisor's intent not to renew the franchise.

(e) A provision that permits the franchisor to refuse to renew a franchise on terms generally available to other franchisees of the same class or type under similar circumstances. This section does not require a renewal provision.

(f) A provision requiring that arbitration or litigation be conducted outside this state. This shall not preclude the franchisee from entering into an agreement, at the time of arbitration, to conduct arbitration at a location outside this state.

(g) A provision which permits a franchisor to refuse to permit a transfer of ownership of a franchise, except for good cause. This subdivision does not prevent a franchisor from exercising a right of first refusal to purchase the franchise. Good cause shall include, but is not limited to:

(i) The failure of the proposed transferee to meet the franchisor's then-current reasonable qualifications or standards.

(ii) The fact that the proposed transferee is a competitor of the franchisor or sub-franchisor.

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

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

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

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

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

Any questions regarding this notice should be directed to:

State of Michigan Department of Attorney General
G. Mennen Williams Building, 7th Floor
525 W. Ottawa Street
P.O. Box 30755
Lansing, Michigan 48909
Telephone Number: (517) 335-7632

**FRANCHISE DISCLOSURE DOCUMENT**

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## ITEM 1
## THE FRANCHISOR, AND ANY PARENT, PREDECESSORS, AND AFFILIATES

The franchisor is 10X Business Advisor Franchising LLC. To simplify the language in this disclosure document (the "**Disclosure Document**"), 10X Business Advisor Franchising LLC, is referred to as "**Franchisor**," "**we**," "**us**," or "**our**" and the person or entity who is considering the franchise is referred to as "**Franchisee**," "**you**," or "**your**". If you are a corporation, limited liability company, partnership or other legal entity, the word "**you**" or "**your**" will apply to your shareholders, members, partners, officers, managers, and directors.

### The Franchisor

We are a Delaware limited liability company formed on June 23, 2022. Our principal place of business is 18851 NE 29th Ave., Suite 414, Aventura, FL 33180. We do business under the names "**10X Business Advisor**" and such other trade names, trademarks and logos that we may designate or authorize from time to time (the "**Marks**"). We commenced offering 10X Business Advisor franchises on July 27, 2022. We have never offered any other franchises in any other line of business. We are not currently engaged in any other business activity and do not otherwise operate a business of the type offered in this Disclosure Document.

### The Franchisor's Parents, Predecessors and Affiliates

Our parent company is Cardone Ventures, LLC, a Delaware limited liability company, which has its principal place of business at 203 SE Park Plaza Drive, Suite 270, Vancouver, Washington, 98684. Our affiliate, Cardone Training Technologies, Inc., with its principal place of business at 18909 NE 29th Avenue, Aventura, Florida 33180, will provide the 10X Business Coach program to franchisees as part of our initial training program to qualify franchisees to be a 10X Business Advisor as set forth in Item 11 below. Cardone Training Technologies, Inc. has not offered franchises in this line or any other line of business and does not otherwise operate a business of the type offered in this Disclosure Document. Our affiliate, Mocaworks, LLC, with its principal place of business 21511 NW 9th Ave., Ridgefield, WA 98642, will provide the technology platform to franchisees. Mocaworks, LLC has not offered franchises in this line or any other line of business and does not otherwise operate a business of the type offered in this Disclosure Document. Our CEO Brandon Dawson has an ownership interest in our affiliate Mocaworks, LLC and our parent company.

We do not have any other parent, predecessors or affiliates required to be included in this item except as provided above. Our agent for service of process is listed in Exhibit A.

### The Franchised Business

We franchise the right for you to become a certified 10X Business Advisor. To qualify to be a 10X Business Advisor within our franchise system, you will be trained through the 10X Business Coach program offered by Cardone Ventures and must complete the training program we offer in full to our satisfaction. We offer franchisees the right and opportunity to become certified 10X Business Advisors (each, a "**Franchised Business**") utilizing our business processes, technologies, trade secrets, contracts, knowledge, know-how, trade names, service marks, trademarks, logos, emblems,

trade dress and other intellectual property; standards and specifications for operations and management control; training; general support as needed in our discretion; and advertising, marketing, promotional and sales programs which may be changed, discontinued, improved, modified and further developed by us from time to time (the "**System**").

As a 10X Business Advisor, you may conduct events and workshops to offer business owners and entrepreneurs 10X business and growth strategies developed by Grant Cardone and his executive team including our 10X Budget Workshop, 10X Hiring Workshop, 10X Marketing Workshop, 10X Operations Workshop, and 10X Leadership Workshop, and other training and programming developed by us which may be changed, discontinued, improved, modified and further developed by us from time to time (the "**10X Business Advisor Content**"). You may engage in business and sales coaching, management and personal development workshops, executive coaching, individual coaching, business consulting for growth and scaling, and mentoring for business owners, managers and executives and self-employed professionals. Our 10X Business Advisors are licensed to use the 10X Business Advisor Content for (i) personal growth, (ii) training within the 10X Business Advisor's organization, (iii) engaging in public speaking, and/or (iv) leading mastermind groups, training, consulting, and workshops in pursuit of personal growth and development. As a 10X Business Advisor, you will be granted access to use 10X Business Advisor Content.

## The Franchise Agreement

We offer the right to own and/or operate your Franchised Business under our standard form of franchise agreement (the "**Franchise Agreement**"). The Franchise Agreement is attached as Exhibit B. You must operate your Franchised Business according to (a) our standards, specifications, techniques, and procedures that we designate for developing, operating, and managing a Franchised Business, all of which we may periodically change, improve, and further develop and (b) our standards and procedures set out in our confidential operation manuals (collectively, the "**Manual**"). We will lend you a copy of the Manual for the duration of the Franchise Agreement.

## Market and Competition

You will market your services through hosting events, networking, public speaking, strategic alliances, publicity, and direct letter and e-mail campaigns to small business owners, entrepreneurs, accountants, attorneys, bankers, business consulting firms, business executives and other related professionals looking to grow and scale their businesses. You will compete with other business and sales coaching services in the same geographic area, including those that may be franchised by other national franchise companies.

## Industry Specific Laws

You are responsible for operating your Franchised Business in compliance with all laws applicable to businesses in general and may be applicable to business coaching or consulting services. These laws include, without limitation, discrimination, sexual harassment, employment and wage and hour laws. You agree to execute all documents, including documents with us, our agents, affiliates, etc., or others, to ensure compliance with any applicable laws, whether such laws are applicable now

or in the future. You should consult with your attorney concerning those and other local laws and ordinances that may affect the operation of your Franchised Business.

## ITEM 2
## BUSINESS EXPERIENCE

**Brandon Dawson – Chief Executive Officer**

Mr. Dawson has been our Chief Executive Officer ("**CEO**") since the date of our inception. Mr. Dawson founded Audigy Group in 2004 and remained its CEO and Chairman until July 2021. In May 2019, he founded our parent company, Cardone Ventures, LLC ("**Cardone Ventures**"), a training and consulting company focused on helping small businesses achieve growth based in Vancouver, Washington with offices in Scottsdale, Arizona and Aventura, Florida. Mr. Dawson continues his work with Cardone Ventures as of the date of this Disclosure Document.

**Sean Conrad – Executive Vice President, Professional Services and Partner**

Mr. Conrad has been our Executive Vice President, Professional Services and Partner since the date of our inception. Mr. Conrad has served as Executive Vice President for Cardone Ventures in Vancouver, Washington, since May 2022. Mr. Conrad served as the Principal of Galway Holdings/Epic Insurance Brokers & Consultants in San Francisco, California, from May 2017 through May 2022.

**Heather Block – Vice President of Learning and Development**

Ms. Block has been our Vice President of Learning and Development since the date of our inception. Ms. Block has served as a Vice President of Cardone Ventures in Vancouver, Washington from March 2019 to the present. Prior to that, Ms. Block was the Vice President of Healthcare Sales for CallSource in Westlake Village, California, from October 2017 to February 2019.

## 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

**Initial Franchise Fee**

The initial franchise fee for a single Franchised Business is $125,000 (the "**Initial Franchise Fee**"). If you are a 10X Business Coach, we will provide you with a discounted Initial Franchise Fee of $100,000. If you are not a 10X Business Coach at the time you sign your Franchise Agreement, we will allocate $25,000 of your Initial Franchise Fee towards your fee to become a 10X Business Coach. The Initial Franchise Fee is paid either in lump sum upon signing the Franchise Agreement or in installments as described in Item 10. The Initial Franchise Fee is not refundable.

**10X Business Coach Program Fees**

You will join the 10X Business Coach Program offered by Cardone Ventures ("**10X Business Coach**") under the 10X Business Coach basic program, which is the first phase of training that must be completed to become a 10X Business Advisor. You will have the opportunity to upgrade your 10X Business Coach program, and you will contact the 10X Business Coach contact, Jarrod Glandt, and pay the following fees to our affiliate at the time you sign the Franchise Agreement:

- Basic: $25,000 one-time, non-refundable payment which entitles you to train the Franchisee only (and is included as part of your Initial Franchise Fee). Franchisee may add employees or independent contractors for an additional charge of $5,000 for the first employee or independent contractor and $2,500 for any additional employee or independent contractor thereafter.
- Business: $50,000 one-time, non-refundable payment for the Franchisee and up to four additional employees or independent contractors (5 total). Franchisee must pay $2,500 for each additional employee or independent contractor.
- Platinum: $100,000 one-time, non-refundable payment for the Franchisee and up to 10 additional employees or independent contractors (11 total). Franchisee must pay $2,500 for each additional employee or independent contractor at the Office Location.
- Companion: $10,000 one-time, non-refundable payment which entitles one additional companion in conjunction with the Business or Platinum program and not sold on its own. Each companion must separately sign a Franchise Agreement and be bound by the same terms as Franchisee. The companion fee shall serve as the Initial Franchise Fee for the companion but the companion shall be subject to all other initial and ongoing fees associated with the 10X Business Advisor franchise program.

The 10X Business Coach program fees are paid at the same time as the Initial Franchise Fee in lump sum upon signing the Franchise Agreement. The 10X Business Coach program fees are uniform, earned by the Franchisor's affiliate(s) when paid and non-refundable. The 10X Business Coach Program fees are subject to change by our parent company.

**Additional 10X Business Advisor Training Fees**

If the Franchisee has two or more business advisors employed or contracted to be participants in our 10X Business Advisor certification training program, the Franchisee shall pay an additional non-refundable training fee of $15,000 per business advisor (the "**Initial Training Fee**") to us upfront at the time the Franchisee signs the Franchise Agreement.

Each business advisor that the Franchisee wishes to be certified by the 10X Business Advisor training program must be currently employed by you or contracted by you. You shall be required to provide proof of employment of your business advisors that you wish to participate in our programs upon request both before and during the term of your Franchise Agreement.

**Additional Advisor Technology Fee**

Franchisee shall pay an additional $999 per business advisor after the first business advisor as a technology set up fee upon demand. This fee is uniformly imposed and non-refundable when paid.

## ITEM 6
## OTHER FEES

| Fee | Amount | Due Date | Notes |
|---|---|---|---|
| Royalty Fee | The greater of: (i) 15% of Gross Revenue (Note 1); or (ii) $3,500 for the first business advisor plus $1,499 for each additional business advisor per month | Due on the 15th of each month for the prior month | You must pay this fee directly to us. We reserve the right to change payment terms and due dates in our discretion. This fee starts on the date the Franchisee signs the Franchise Agreement. (Note 2) |
| Initial Training Fee | $15,000 per business advisor | As incurred | You will pay this fee for each additional business advisor that you have go through the 10X Business Advisor certification program. |
| Software Fee (Note 3) | Varies (currently $50 to $150 per month but subject to increase upon notice to you) | Monthly | This fee covers the monthly usage cost of the software and technology offered to you through our affiliates Cardone Training Technologies, Inc. and Mocaworks LLC and other Approved Suppliers in our discretion. |

| Fee | Amount | Due Date | Notes |
|---|---|---|---|
| Audit Fee (Note 4) | Cost of audit plus interest on underpayment at Default Rate | Immediately upon a determination by audit. | Due if the audit or any other inspection should reveal that any payments to us have been underpaid or for your failure to provide any required report. You shall reimburse us for any and all costs and expenses connected with the inspection (including, without limitation, travel expenses and accounting and attorneys' fees). |
| Interest (Note 5) | The lesser of 1.5% per month or the highest amount allowed by applicable law (the "**Default Rate**") | Amounts not received by us on the due date shall incur interest charges | Due on all overdue amounts owed to us. |
| Late Fee | The greater of: (i) 5% of the amount due or (ii) $100 | As incurred | Due on each occurrence that you fail to make a timely payment to us or fail to provide a report as requested. |
| Transfer Fee (Note 6) | To an existing franchisee: $2,500. To an unrelated third party: 25% of the then-current Initial Franchise Fee | At the time of transfer | You may not transfer your Franchised Business without our prior written consent. The Transfer Fee is due at the time of transfer and is not refundable. |
| Convention Fee | Varies | Upon demand | We may hold annual 10X Business Advisor franchisee conferences. We reserve the right to change the convention fee at our discretion. Additionally, you will be obligated to pay for your representatives' salaries and benefits, and for their travel, lodging, and meal expenses. |

| Fee | Amount | Due Date | Notes |
|---|---|---|---|
| Indemnification (Note 7) | Will vary | As incurred | You must indemnify and reimburse us for all costs, fees and damages if we are sued or held liable in any case having to do with the operation of your Franchised Business or your breach of the Franchise Agreement. |
| Cost of Enforcement | All costs including reasonable attorney's fees and related costs plus a $1,000 fine per incident per day | Upon demand | You will reimburse us for all costs, including reasonable attorneys' fees, as a result of your default and to enforce and/or terminate the Franchise Agreement whether you are defaulted or terminated or not. |
| Liquidated Damages | $50,000 or the amount equal to the average Royalty Fees paid by you for the last 12 months (or shorter period, if your Franchised Business has been in operation less than 12 months), multiplied by 36. | Upon demand | We may require you to pay us this amount in the event you terminate the Franchise Agreement without cause or we terminate the Franchise Agreement for cause. |
| Insufficient Funds Fee | $100 | As incurred | Due if you have insufficient funds in your designated bank account to cover a payment, or if any other payment instrument you use is rejected for insufficient funds. |
| Insurance | You must reimburse our costs plus a 10% administrative fee | When billed | If you fail to obtain insurance, we may obtain insurance for you, and you must reimburse us. You will pay a 10% administrative fee to account for our costs in obtaining your insurance. |

| Fee | Amount | Due Date | Notes |
|---|---|---|---|
| Additional Training and Assistance | Varies (currently $12,500 plus hotel, air fare, and other expenses incurred by our trainer or you) | Prior to training or assistance begins | This fee will be assessed for providing additional one-on-one training to a 10X Business Advisor either live or through a virtual online platform; for refresher training courses; and for special assistance or training you need or request to be conducted. Our CEO Brandon Dawson may offer private coaching at his then-current hourly rate. |

NOTES

**Note 1. Gross Revenue and Payment Terms:** All fees expressed in percentages are calculated by multiplying the percentage stated by the total monthly Gross Revenue of your 10X Franchised Business. All fees due to us shall be payable to us by direct deposit from franchisee's account or in another form or manner approved by us. "**Gross Revenue**" means all sales, revenues, charges and receipts from whatever source (whether in the form of cash, check, credit or debit card, barter exchange, trade credit or other credit transactions) that arise, directly or indirectly, from the operation of or in connection with your Franchised Business. Gross Revenue excludes sales taxes collected from customers and paid to the appropriate taxing authority and any other bona fide refunds to customers. We shall have direct access to your Computer System which shall provide us up-to-date Gross Revenue information. However, if requested by us, you shall deliver to us electronically a signed and verified statement of Gross Revenue ("**Gross Revenue Report**") for each time period on the 15th of each month. All fees and other amounts due to us shall be paid through a designated bank account. You must allow us to debit your account through the Automated Clearing House ("**ACH**") system or any other means of electronic funds transfer. The ACH form you are required to fill out is attached as Schedule 5 to the Franchise Agreement. You shall make deposits to the designated bank account sufficient to cover amounts owed to us prior to the date such amounts are due. You shall not close your designated bank account without our written consent.

**Note 2. Royalty Fee**: This fee is set at the greater of: (i) 15% of your Gross Revenue; or (ii) $3,500 for the first business advisor plus $1,499 for each additional business advisor per month (the "**Royalty Fee**") as calculated every month for the entire term of the Franchise Agreement and all subsequent terms. The Royalty Fee obligation begins immediately on the first day you earn Gross Revenue as a 10X Business Advisor. We reserve the right to change the time and manner of payment of your Royalty Fee at any time upon written notice to you. Royalty Fees and all fees paid to us are non-refundable.

**Note 3. Software Fee**: The Software Fee will include technology and programs offered by our affiliates as well as our bookkeeping software that you must use as a 10X Business Advisor. This fee is subject to increase by our affiliates and any third-party vendors we decide to utilize to update or upgrade your tech stack. We may incorporate a new client relationship management (CRM) platform

and other technology into our System which shall be incorporated into the Software Fee. We reserve the right to increase the Software Fee upon 30 days' notice to you.

**Note 4. Audit Fee**: We will assess audit fees against you if you fail to provide us reports, supporting records, or any other information we require under the Franchise Agreement; or if you understate (or if we have reason to believe you understated) Gross Revenue or underpay any fees due to us.

**Note 5. Interest**: Interest and late charges begin to accrue on all amounts not received after the due date without notice to you. In addition to any interest and late charges, you must also pay any damages, expenses, collection costs, and/or reasonable attorneys' fees we may incur when you do not make the required payments, provided no interest charged shall exceed the maximum legal rate of any local, national, or international authority having jurisdiction over your Franchised Business.

**Note 6. Transfer Fee**: The term "transfer" means any of the following: the sale of the assets of your Franchised Business; the sale, assignment, or conveyance of your stock, membership interest, membership units, or partnership units to any third party; or the placement of your assets, stock, membership interest, partnership units, or membership units of your business into a business trust.

**Note 7. Indemnification**: You must protect, defend, indemnify, and hold us harmless against any claims, lawsuits, damages or losses of any kind arising out of your operation of your Franchised Business. This indemnification includes claims related to the sale or transfer of your franchise, any default under the Franchise Agreement, and for costs associated with defending claims that you used our Marks in an unauthorized or illegal manner. You must pay for any and all damages, legal fees, enforcement or collection costs, and/or any other costs assessed against us in any proceeding related to your Franchised Business.

## ITEM 7
## ESTIMATED INITIAL INVESTMENT

### YOUR ESTIMATED INITIAL INVESTMENT

| Type of Expenditure | Amount (Low-High Range) | Method of Payment | When Due | To Whom Payment is to Be Made |
|---|---|---|---|---|
| Initial Franchise Fee (Note 1) | $100,000 - 125,000 | Lump sum or in installments as stated in Item 10 | Upon signing your Franchise Agreement or monthly for installments | Us |
| 10X Business Coach Program Fees (Note 2) | $0 - $100,000 | Lump Sum | Upon signing your Franchise Agreement | Our affiliate |

| Type of Expenditure | Amount (Low-High Range) | Method of Payment | When Due | To Whom Payment is to Be Made |
|---|---|---|---|---|
| Additional 10X Business Advisor Initial Training Fees (Note 3) | $0 - $75,000 | Lump Sum | Upon signing your Franchise Agreement | Us |
| Additional Advisor Technology Fee (Note 4) | $0 - $4,995 | Lump Sum | As incurred | Us |
| Training Expenses (Note 5) | $0 - $5,000 | As arranged | Before opening | Hotel, Airlines, etc. |
| Computer System (Note 6) | $1,000 - $2,000 | As arranged | Before opening | Vendors |
| Insurance Deposits and Premiums (3 months) (Note 7) | $1,000 - $3,000 | As arranged | Before opening | Insurance Carriers |
| Business Licenses (Note 8) | $0 - $1,500 | As arranged | According to statute or ordinance | Government Agencies |
| Professional Fees (Note 9) | $0 - $2,500 | As arranged | As incurred | Your Accountant, Attorney and Other Professionals |
| Additional Funds (3 months) (Note 10) | $10,000 - $25,000 | As arranged | As incurred | Third Parties |
| **Total Estimated Initial Investment** | **$112,000 - $343,995** | | | |

NOTES

**Note 1. Initial Franchise Fee**: You must pay us an Initial Franchise Fee in the amount of $125,000 which is payment for all of our pre-opening assistance provided to allow you to be trained and certified as a 10X Business Advisor and also offsets some of our franchise recruitment expenses. If you are a 10X Business Coach, we will provide you with a discounted Initial Franchise Fee of $100,000. If you are not a 10X Business Coach at the time you sign your Franchise Agreement, we will allocate $25,000 of your Initial Franchise Fee towards your fee to become a 10X Business Coach. This fee paid is non-refundable under any circumstances. If you have additional business advisors, you must pay the Initial Training Fee set forth in Item 5 which will increase your estimated initial investment. There are other initial and ongoing fees listed in Item 5 and 6 if you add additional advisors which will increase your initial investment. We offer financing for the Initial Franchise Fee paid to us as outlined in Item 10.

**Note 2. 10X Business Coach Program Fees:** When you become a 10X Business Advisor, if you are not already a 10X Business Coach member, you will join the 10X Business Coach basic program,

which is the first phase of training that must be completed to become a 10X Business Advisor. You will have the opportunity to upgrade your 10X Business Coach program, and you will contact the 10X Business Coach contact, Jarrod Glandt, and pay the required fees to our affiliate at the time you sign the Franchise Agreement. These fees are non-refundable.

**Note 3. Additional 10X Business Advisor Training Fees**: If you have two or more business advisors employed by you or contracted by you to be participants in our 10X Business Advisor certification training program, you will pay an additional non-refundable training fee of $15,000 per business advisor. The low-end of the range estimate assumes zero additional business advisors and the high-end of the range estimate assumes five additional business advisors. This amount will increase if you have more business advisors.

**Note 4. Additional Advisor Technology Fee**: You shall pay an additional non-refundable $999 for each business advisor after the first business advisor as a technology set up fee upon demand. The low-end of the range estimate assumes zero additional business advisors and the high-end of the range estimate assumes five additional business advisors. This amount will increase if you have more business advisors.

**Note 5. Training**: The cost of our extensive training program is included in the Initial Franchise Fee for one business advisor. If you have two or more business advisors, you will pay the Initial Training Fee for each business advisor. You will also be responsible for all travel and living expenses for you and anyone else required to attend training. The costs will vary depending on the distance traveled, choice of accommodations and travel arrangements, and other related factors. We may conduct all or a portion of our training programs remotely/virtually so you may not incur travel-related expenses. If you have additional business advisors that you wish to train and certify, your initial expenses will increase.

**Note 6. Computer System**: You must purchase certain types of computer equipment for your Franchised Business including at least an iPad or tablet to, among other things, review the online materials that we provide and accurately manage and maintain your financial books and records.

**Note 7. Insurance**: You must obtain certain insurance included in Item 8. The amounts you pay for insurance are typically non-refundable. You should inquire about the cancellation and refund policy of the insurance carrier or agent at or before the time your sign the Franchise Agreement.

**Note 8. Business Licenses**: You must obtain a general business license, if applicable in your state. You should consult your attorney regarding licensing requirements in your jurisdiction.

**Note 9. Professional Fees**: We recommend that you hire an attorney or business advisor to help you evaluate this franchise offering. You should review this chart in its entirety with your personal business advisor and attorney before making a decision to purchase a 10X Business Advisor franchise.

**Note 10. Additional Funds**: You will need additional capital to support on-going expenses, such as insurance, business licenses, travel and marketing you may decide to conduct. This estimate does not include a salary or draw for you. The estimate does not include Royalty Fee payments due to us. In formulating these estimates, we have relied on our experience offering 10X business and growth

events, training, courses, workbooks, teaching guides, manuals, and related services to the general public through similar programs to the Franchised Business. New businesses often generate a negative cash flow. We expect this business will be operated out of your home. If you choose to rent flex space, your initial and ongoing costs will increase. We do not furnish, nor do we authorize our salespersons or anyone else to furnish estimates as to those amounts. We estimate that the amount given will be sufficient to cover on-going expenses for the start-up phase of the business, which we calculate to be approximately three months. Your sales ability will impact your cash flow and the amount of working capital and additional funds that you may need during this start-up phase. These costs 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. Your credit history could also impact the amount and cost of funds needed during the start-up phase.

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

**Approved Content**

You must use only 10X Business Advisor Content we specify in the operation of your Franchised Business. You must offer all, and only such, 10X Business Advisor Content to the general public as we approve from time to time. We may require that you, at your expense, enter into agreements with suppliers approved by us. We may change any of our approvals and requirements for 10X Business Advisor Content periodically in our sole discretion.

**Marketing and Promotional Materials; Items Bearing our Marks**

You must purchase from us or our designated suppliers all marketing, advertising, and promotional materials, including business cards, stationery, brochures, flyers, postcards, posters, advertisement templates, and any other promotional or business marketing tools we use, or might use, to promote your Franchised Business. Any items, including all merchandise and any promotional items, which bear or include our Marks, must be purchased from us or our designated suppliers to ensure brand consistency within the System.

**Approved Suppliers**

We may require that you, at your expense, enter into agreements with suppliers approved by us ("**Approved Suppliers**"). We may designate Approved Suppliers from whom you will be required to purchase certain supplies, marketing materials, computer hardware, merchandise, uniforms, and software. We may change Approved Suppliers from time to time. We will provide you with a current list of Approved Suppliers through the Manual or other forms of communication. We may designate ourselves or our affiliates as Approved Suppliers for certain or all of the products and services offered through your Franchised Business. Currently our affiliate Cardone Training Technologies, Inc. is the exclusive supplier of the 10X Business Coach Program and our affiliate Mocaworks, LLC is the exclusive supplier of the 10X Business Advisor Content. Our CEO Brandon Dawson owns an interest in Mocaworks, LLC.

If you would like to use any goods or services in establishing and operating your Franchised Business that we have not approved, you must first send us sufficient information, specifications and samples for us to determine whether the goods or services comply with our standards and specifications or the supplier meets our Approved Supplier criteria. You must pay our expenses to evaluate goods, services or suppliers regardless of whether we provide our approval or not. We will decide within a reasonable time (usually 30 days) after receiving the required information whether you may purchase or lease the goods or services from the supplier. Our criteria for approving or revoking approval of suppliers includes: the supplier's ability to provide sufficient quantity of goods; quality of goods or services at competitive prices; production and delivery capability; our existing relationships with competitive vendors; and experience, dependability and general reputation. We will notify you in our Manual or other written communications if we revoke approval of any supplier.

We may limit the number of Approved Suppliers with whom you may deal with for any reason, including suppliers that we have already designated as an exclusive source (which may be us or our affiliates) for any particular item or service if we believe doing so is in the best interest of our System in our sole judgment. A supplier must continually adhere to our standards and specifications to maintain its approval. We reserve the right to condition our approval of any supplier on such terms we decide at our discretion, including your execution of a general release in our favor, your agreement to obtain additional related insurance and to attend additional training, and your agreement to a test period.

**Payment Processing Services**

We require you to enter into a merchant services agreement with our designated supplier for payment processing and fund transfer services (i.e., ACH).

**Insurance**

You must maintain insurance that we determine is necessary or appropriate for liabilities caused by or occurring in connection with the development and operation of your Franchised Business, which must include the following minimum coverages:

- Commercial general liability insurance with minimum limits of $1,000,000 combined single limit per occurrence;
- Workers' Compensation Coverage and such other insurance as may be required by statute or rule of the state or locality in which your Franchised Business is located in the amount as required by such by statute or rule of the state or locality;
- Business interruption and extra expense insurance for a minimum of twelve (12) months to cover net profits and continuing expenses, including Royalty Fees;
- Errors & Omissions insurance with a minimum per occurrence limit of $500,000 and a minimum general aggregate limit of $1,000,000;
- Umbrella liability coverage with minimum limits of $1,000,000; and
- Any other insurance coverage that is required by federal, state, or municipal law.

We have the right to establish and modify the minimum coverages required, and require different or additional kinds of insurance to reflect inflation, changes in standards of liability, higher damage awards, or other relevant changes in circumstances. All insurance policies must name us and Cardone Ventures, LLC, as additional insureds, include any endorsements we may require, and include a waiver of subrogation in favor of us and our affiliates, and each company's officers, directors, shareholders, partners, members, agents, representatives, independent contractors, servants, and employees. We do not derive revenue as a result of your purchase of insurance. If you fail to purchase and maintain any required insurance coverage or furnish satisfactory evidence of coverage to us, in addition to our other remedies (including without limitation declaring you in default of the Franchise Agreement), we may, but are not obligated to, purchase the insurance coverage for you. If we do purchase insurance on your behalf, you must pay us on our demand the amount of any premiums and reasonable expenses we incur in obtaining the insurance and a 10% administrative fee. Your failure to obtain and maintain insurance coverage at any time is a material default under the Franchise Agreement and could subject you to costs incurred by us and additional fees. Once the Franchised Business is launched, we, our parent company Cardone Ventures, LLC, and our affiliates shall have full access to and visibility of your certificates of insurance, and we reserve the right, but do not have the obligation, to track insurance renewal dates and provide you with renewal reminders.

**Revenues from Required Purchases**

We have the right to negotiate agreements with our Approved Suppliers which may provide for us to receive revenue from supplies purchased by our franchisees. As of our fiscal year ending December 31, 2022, we have no current revenue from the planned revenue-sharing or incentive programs with Approved Suppliers. No agreements have been entered into to memorialize these programs at this time. For the fiscal year ending December 31, 2022, neither we nor any affiliates derived any revenue from franchisees.

**Purchasing or Distribution Cooperatives**

At this time, we do not have any purchasing or distribution cooperatives. We anticipate that we will negotiate purchase arrangements with suppliers for the benefit of our franchisees.

**Purchase Arrangements**

We do not provide you with any material benefits based on your purchase of particular products or services, or your use of designated or approved sources. We and our affiliates intend to negotiate and enter into other purchase arrangements which may include discounted pricing, special terms, rebates or other incentives with suppliers for the benefit of us and our franchisees. We or an affiliate may make available to you the opportunity to participate from time to time in certain discounts, rebates, or other benefits in connection with Approved Suppliers, if you meet certain conditions such as supplier terms and conditions. We may retain such discounts, rebates, or other benefits for our own benefit. For the fiscal year ending December 31, 2022, we did not derive revenue as a result of your required purchases from Approved Suppliers. Except as described above, neither we nor our affiliates have derived any revenue or other material consideration as a result of your required purchases or leases.

**Required Purchases as a Proportion of Costs**

It is estimated that all of your initial expenditures from us, our affiliates or the vendors that we specify and/or approve that meet our standards and specifications will represent approximately 65% to 75% of your total initial purchases. It is anticipated that during the operation of your Franchised Business, required purchases from us, our affiliates or the vendors that we specify or approve (not including Royalty Fees) are estimated to be approximately 75% to 80% of your total monthly purchases in the continuing operation of your Franchised Business.

## ITEM 9
## FRANCHISEE'S OBLIGATIONS

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

| Franchisee Obligations | Section in Franchise Agreement | Disclosure Document Item |
|---|---|---|
| a. Site selection and acquisition/lease | 2 and 5 | 11 and 12 |
| b. Pre-opening purchases/leases | 5, 13, and 15 | 7, 8, and 11 |
| c. Site development and other pre-opening requirements | 2, 3, 5, 8, and 10 | 11 |
| d. Initial and ongoing training | 8 | 11 |
| e. Opening | 4, 5, 11, and 13 | 11 |
| f. Fees | 3, 4, 8, 10, 11, 12, 13, 15, 18, 21, 22, and 23 | 5, 6, 7, 8, and 11 |
| g. Compliance with standards and policies/Manual | 6, 7, 9, 10, and 13 | 8, 11, 14, and 16 |
| h. Trademarks and proprietary information | 6, 7, and 9 | 13 and 14 |

| Franchisee Obligations | Section in Franchise Agreement | Disclosure Document Item |
|---|---|---|
| i. Restrictions on products/ services offered | 6 and 13 | 8 and 16 |
| j. Warranty and customer service requirements | 13 | 16 |
| k. Territorial development and sales quotas | Not applicable | 12 |
| l. Ongoing product/service purchases | 13 | 8 and 11 |
| m. Maintenance, appearance & remodeling requirements | Not applicable | Not applicable |
| n. Insurance | 15 | 6, 7, and 8 |
| o. Advertising | 11 | 6, 7, 8, and 11 |
| p. Indemnification | 21 | 6 |
| q. Owner's participation/ management/staffing | 8 and 13 | 15 |
| r. Records and reports | 12 | 11 |
| s. Inspections and Audits | 6 and 12 | 6, 11, and 13 |
| t. Transfer | 18, 19, and Schedule 8 | 6 and 17 |
| u. Renewal | 4 and Schedule 8 | 17 |
| v. Post-termination obligations | 17 and Schedule 2 | 17 |
| w. Non-competition covenants | 7, 9, and 17, and Schedule 2 | 17 |

| Franchisee Obligations | Section in Franchise Agreement | Disclosure Document Item |
|---|---|---|
| x. Dispute resolution | 23, Schedule 2, and Schedule 3 | 17 |

## ITEM 10
## FINANCING

We offer financing for the Initial Franchise Fee paid to us. We reserve the right to refuse to offer you financing if we believe, in our sole discretion, that extension of financing would constitute an unsound business decision. Within a reasonable time of providing us with all the information and documentation required, we will provide you with a determination of whether or not we will extend financing to you. We do not engage in the practice of selling, assigning, or discounting to a third party, in whole or part, any promissory note, contract or other instrument executed by you. However, we reserve the right to do so in the future. No other person is required to personally guarantee the financing if approved.

| Item Financed | Source of Financing | Down Payment | Amount Financed | Term (Months) | Interest Rate | Monthly Payment | Prepay Penalty | Security Required | Liability Upon Default | Loss of Legal Right on Default |
|---|---|---|---|---|---|---|---|---|---|---|
| Initial Franchise Fee | 10X Business Advisor Franchising LLC | 20% of Initial Franchise Fee | 80% of Initial Franchise Fee | 12 months | 0% | 12 equal monthly installments | None | None | Default of payment shall constitute a breach of the Franchise Agreement and subject Franchisee and its business advisors to termination. | Default of payment shall constitute a breach of the Franchise Agreement and subject Franchisee and its business advisors to termination. |

Other than the above, we do not offer direct or indirect financing. We do not guarantee your note, lease or other obligations.

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

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

Before you open your Franchised Business, we or our designee will:

1. Provide an initial training program for the 10X Business Advisor which you must successfully complete in full to our satisfaction. (FA Sec. 8.1).

2. Provide general guidance and assistance either by telephone, email and/or videoconference that we think is advisable, in our sole discretion, and as may be described in the Manual. (FA Sec. 8.2).
3. Provide to you one copy of the Manual. (FA Sec. 9.1).

4. Furnish you our proprietary software. (FA Sec. 3.9).

**Continuing Obligations**

During the operation of your Franchised Business, we or our designee will:

1. Provide you periodic assistance in the marketing, management, and the operation of your Franchised Business at the times and in the manner that we determine necessary. (FA Sec. 14.1).

2. Provide additional training and ongoing training as we deem necessary in our sole discretion at such places and times as we deem proper and at our then-current per diem rate plus expenses. (FA Sec. 8.4).

3. Review and approve or disapprove all marketing and promotional materials that you propose to use. (FA Sec. 11.1.2).

4. Provide you with any modifications to the Manual as they are made available to franchisees. (FA Sec. 9.2).

5. Subject to applicable law, we will provide recommended prices and revenue share for the 10X Business Advisor Content and related services and products offered by franchisees of the System. (FA Sec. 10.5).

6. Hold periodic and annual conferences, as we deem necessary, to discuss coaching and sales techniques, personnel training, bookkeeping, accounting, and marketing. In the event that such conferences are held, we will charge a fee for your attendance at the conference, and you must pay all your travel and living expenses related to your attendance at the conference. We also reserve the right to charge you a penalty fee for failure to attend the conference. These conferences will be held at a location chosen by us. Attendance is mandatory. (FA Sec. 8.4).

7. Allow you to use our Marks and Confidential Information in operating your Franchised Business. You must use the Marks and Confidential Information only as authorized in the Franchise Agreement and our Manual. (FA Secs. 6.2 and 7.1).

Neither the Franchise Agreement, nor any other agreement, requires us to provide any other assistance or services to you during the operation of your Franchised Business.

**Location of Your Franchised Business**

You will operate your Franchised Business from one office site ("**Office Location**") which may be your existing office or home based office. We do not select or approve a site, or provide you with assistance in selecting a site, for your Office Location. You may operate your franchise from an office in your home, provided that doing so will not violate any zoning or building code or other laws. You may also operate your franchise from a rented office or flex space. We do not impose any other restrictions upon the location of your office. You must provide us with the address of the site of your Office Location and notify us promptly of any change in the location. We do not provide assistance conforming your Office Location to local ordinances and building codes, obtaining any required permits, constructing, remodeling, decorating and/or hiring and training your employees. We do not generally own the premises of your Office Location.

**Time to Open**

Franchisees typically begin the extensive training to become a 10X Business Advisor immediately or within two months of signing the Franchise Agreement depending on how quickly they are able to schedule our training and certification programs. You will not be approved or certified as a 10X Business Advisor until all of the training and certification programs are completed. You shall, immediately after you complete the training program, start operating the Franchised Business as a 10X Business Advisor. If you have not completed training and commenced operation of the Franchised Business within 12 months of the Effective Date of the Franchise Agreement, we may terminate the Franchise Agreement. You may not begin advising as a 10X Business Advisor until we issue a written approval. We will not issue our approval, and you will be prohibited from operating your Franchised Business if (a) you have not completed all required training and certification programs; (b) in view of our management, we determine you and your employees are not prepared to serve as a 10X Business Advisor; or (c) other circumstances arise that would preclude you from being a 10X Business Advisor including, for example, you plead guilty or nolo contendere to a felony charge, become insolvent, or any other terminable offenses set forth in Section 16 of our Franchise Agreement attached as Exhibit B.

**Local Marketing**

You are not required to spend money on local marketing, advertising and promotion of your Franchised Business. However, certain criteria will apply to the local marketing that you elect to conduct. All of your local marketing must be professional and dignified, must conform to our standards and requirements, and must be conducted in the media, type, and format that we have approved. You may not use any marketing or promotional plans that we have not approved in writing. You must submit to us samples of all proposed plans and materials (unless, within the previous six months, we prepared or already approved the plans or materials). If you email us with your request for approval, along with all needed information, we will ordinarily provide you with our response (whether approval or disapproval) to the proposed plans or materials within 10 business days; but if we do not give our approval within 15 business days, we will have been deemed to disapprove the

plans or materials. All copyrights in and to marketing, advertising and promotional materials you develop (or that are developed for you) will become our sole property. You must sign the documents (and, if necessary, require your independent contractors to sign the documents) that we deem reasonably necessary to implement this provision.

We may periodically make available to you certain marketing materials for your use in local marketing and promotion, some of which must be purchased. We, our vendors or our affiliates may periodically make available to you for purchase marketing plans and promotional materials, merchandising materials, sales aids, special promotions, community relations programs, and similar marketing and promotional materials for use in local marketing. You acknowledge and agree that periodic marketing programs and promotions will, if and when we approve and adopt them, be an integral part of the System. Accordingly, you agree to honor and participate (at your expense) in marketing programs and promotions that we establish and/or that other franchisees sponsor.

You must participate in all advertising, promotional and marketing initiatives we may require. Without limitation, initiatives may include prize contests, special product and service offers and coupons. Advertising, promotional and marketing initiatives may be conducted internationally, nationally, regionally and locally and may vary from region to region or locality to locality; all other franchisees using the System shall not necessarily be required to participate in the initiatives in which you must participate. You must also participate in the launch of any new 10X Business Advisor Content and related services and products we may require, and you must honor all coupons, gift certificates and other promotional offers authorized by us.

You acknowledge and agree that certain associations between you, your Franchised Business, the Marks and the System, on the one hand, and certain political, religious, cultural or other types of groups, organizations, causes, or activities, on the other, however well-intentioned and/or legal, may create an unwelcome, unfair, or unpopular association with, or an adverse effect on, our reputation and the good will associated with the Marks. Accordingly, you agree that you will not, without our prior written consent, take any actions that are, or which may be perceived by the public to be, taken in the name of, in connection or association with you, the Marks, us, and the System involving the donation of any money, products, services, goods, or other items to, any charitable, political or religious organization, group, or activity.

**Internet Marketing**

You are restricted from establishing a presence on, or marketing on the Internet without our written consent which will not be unreasonably withheld. We have a website at the uniform resource locator (URL) www.cardoneventures.com that provides information about the System and about our System generally. We may, but are not required to, provide your contact information on our website. We retain the sole right to post content on our website and otherwise market on the Internet, including the use of other websites, domain names, social media accounts, URLs, keywords, linking, search engines (and SEO techniques), banner ads, meta-tags, marketing, e-commerce and co-branding arrangements. You may be requested to provide content for our Internet marketing efforts, and you must follow our intranet and Internet usage rules, policies and requirements. We retain the sole right to use the Marks on the Internet, including on websites, as domain names, directory addresses, search terms and meta-tags, social media pages and in connection with linking, marketing, co-branding and

other arrangements but we understand the importance of our 10X Business Advisors establishing a presence on the Internet and will provide training and marketing materials for you to promote the Franchised Business as we deem advisable.. We retain the sole right to approve any linking to, or other use of, our website. You are not permitted to use a domain name containing any of our Marks in the URL or any domain without our permission. You must adhere to our Internet and social media policies set forth in our Manual.

**Franchisor Advertising**

We are not obligated to conduct any advertising on your behalf, will not be administering any national advertisement fund and will not be obligated to spend any money in any particular area including the location of your Franchised Business.

**Advertising Cooperative**

You are not required to participate a local or regional marketing cooperative. We do not currently have an advertising council composed of franchisees that advises us on advertising materials.

**Computer System**

You must obtain and use the computer hardware and software complying with specifications that we periodically establish, including hardware components, dedicated telephone, iPad or other approved tablet, and other computer-related accessories and peripheral equipment as we designate (the "**Computer System**"). You will need a high-speed Internet connection through a commercial Internet Service Provider for purposes of accessing our franchisee intranet site and communicating via e–mail. We estimate that the initial cost for the required Computer System will range from $500 to $1,500 and we estimate that the annual cost of optional or required maintenance, updating, upgrading, or support contracts to your Computer System is $500 to $1,000.

As part of your Computer System, you will pay us a Software Fee of up to $500 per month as of the date you sign the Franchise Agreement. We reserve the right to increase the Software Fee to more than $500 per month upon 30 days' notice to you which may occur as we add new software and tech to the System from time to time in our discretion. You must use your Computer System to (i) enter and track appointments; (ii) enter and manage your customer contact information, (iii) generate sales reports; and (iv) keep your books and records using our proprietary software or software developed by third-party vendor(s) that we approve and designate. We have the right to develop or to designate: (a) computer software programs and accounting system software that you must use in connection with the Computer System ("**Required Software**"), which you must install; (b) updates, supplements, modifications, or enhancements to the Required Software, which you must install; (c) the tangible media upon which you must record data; and (d) the database file structure of your Computer System. We may require that you enter into service contracts directly with the hardware and software suppliers and pay the suppliers directly for this support.

You must maintain your Computer System in good working order and must replace, update, or upgrade your hardware systems and Required Software as we may periodically require. There are no contractual limitations on the frequency and cost of these upgrades and updates.

You must be able to access information that is available on the Internet and be able to send and receive email. We reserve the right to approve your email address or require you to use only an email address that we provide for your business emails. You must afford us unimpeded independent access to your Computer System in the manner, form, and at the times we may request. We will have the right at any time to retrieve and use this data and information from your Computer System in any manner we deem necessary or desirable. There are no contractual limitations on our right to access information stored on your Computer System. Any customer lists or information compiled or amassed through your Computer System or otherwise, will be our proprietary property. You may not sell or use client lists or information for any purpose other than in connection with the operation of your Franchised Business.

## Training

After you sign the Franchise Agreement, you must attend and successfully complete, to our satisfaction, the initial training program we offer as part of your Franchised Business. The training will be provided online via pre-recorded videos, worksheets, and weekly mentor calls or at a location of our choice. The certification event to become a 10X Business Advisor will be an in-person interview and final training event at a location of our choice.

**TRAINING PROGRAM**
**Phase One - 10X Business Coach Program**

| Subject | Hours of Classroom Training | Hours of On-the-Job Training | Location |
|---|---|---|---|
| 10X Business Coach Program | 92 | 0 | Miami, FL, Scottsdale, AZ, Online and/or at a Location in our Discretion |
| Attendance at live Certification Event in Miami, Florida or Scottsdale, AZ | 8 | 0 | Miami, FL, Scottsdale, AZ or at a Location in our Discretion |
| **Total** | **100 hours** | **0 hours** | |

**Phase Two- 10X Business Advisor Training and Certification**

| Subject | Hours of Classroom Training | Hours of On-the-Job Training | Location |
|---|---|---|---|
| 10X Sales Workshop | 18 - 24 | 0 | Miami, FL, Scottsdale, AZ or |

| Subject | Hours of Classroom Training | Hours of On-the-Job Training | Location |
|---|---|---|---|
| | | | at a Location in our Discretion |
| 10X Marketing Workshop | 18 - 24 | 0 | Miami, FL, Scottsdale, AZ or at a Location in our Discretion |
| 10X Budget Workshop | 18 - 24 | 0 | Miami, FL, Scottsdale, AZ or at a Location in our Discretion |
| 10X Hiring Workshop | 18 - 24 | 0 | Miami, FL, Scottsdale, AZ or at a Location in our Discretion |
| 10X Leadership Workshop | 18 - 24 | 0 | Miami, FL, Scottsdale, AZ or at a Location in our Discretion |
| **Total** | **90 – 120 hours** | **0 hours** | |

**10X Business Advisor Certification Event**

| Subject | Hours of In Person Training | Hours of On-the-Job Training | Location |
|---|---|---|---|
| Certification Event | 6 - 12 | 0 | Miami, FL, Scottsdale, AZ or at a Location in our Discretion |
| **Total** | **6-12 hours** | **0 hours** | |

The amount of hours listed in the chart above are estimates only. All phases of training above and the certification event, must be completed in order to be qualified and certified as a 10X Business Advisor. **If you have successfully completed the 10X Business Coach Program, you will start the 10X Business Advisor certification process in Phase Two.**

We reserve the right to perform the training program in-person, online, through pre-recorded videos or at any location we deem appropriate in our sole discretion. All training will be conducted under the supervision of our executive team including but not limited to Brandon Dawson, Sean Conrad and Heather Block. These individuals have experience both with us and our parent company.

Mr. Dawson is our CEO and the founder of Cardone Ventures. Sean Conrad is our EVP Professional Services and Partner and the EVP of Cardone Ventures since 2022. Heather Block is our Vice President of Learning and Development and the Vice President of Cardone Ventures. All trainers will have the minimum training of successfully completing the training course they conduct.

We may offer additional or refresher training courses from time to time for an additional fee which varies but is currently $12,500. These courses may be conducted virtually or at any other locations we select. You will be responsible for all out-of-pocket expenses you incur in connection with all training and certification programs including the travel, lodging, and meals. Failure to complete the initial training and certification program to our satisfaction is a material breach of the Franchise Agreement.

The training materials for the 10X Business Coach Program and the 10X Business Advisor Certification will include teaching content, courses, workbooks, teaching guides, coaching manuals, scripts, presentations, marketing materials, graphics, on-line courses as well as our Manual. The teaching content may also include recorded calls or videos posted to our online platform. The materials presented are considered confidential, and you may not make any disclosure, duplication or other unauthorized use of any portion of the training materials. The Table of Contents of the Manual is included as Exhibit C to this Disclosure Document. The Manual contains a total of 149 pages.

**Price Restrictions**

To the extent permitted by applicable law, we may periodically establish maximum and/or minimum prices for services and products that you will offer, including without limitation, prices for promotions in which all or certain of our 10X Business Advisors participate. If we establish such prices for any advisory services or products, you cannot exceed or reduce that price, but will charge the price for the service or product that we establish subject to applicable law and restrictions. You will apply any pricing matrix or schedule established by us.

**Revenue Share Opportunities**

As a 10X Business Advisor, you will have the opportunity to refer new clients into the Cardone Ventures ecosystem, earning revenue through the use of Cardone Ventures intellectual property, content, processes, and resources, as well as earning revenue through the recruitment of new business advisors, for which you will earn a referral fee or a revenue share as detailed in our Manual ("**Revenue Share Opportunities**"). If you refer us a Revenue Share Opportunity that we agree to hold in our sole discretion, you will work with Cardone Ventures and its executive team to host the Revenue Share Opportunities and will participate in the revenue earned from the Event in amounts that range from 2.5% to 10% depending on the event. Revenue Share commissions are paid by the 15th of the month for the preceding month's Revenue Share Opportunities events. If a client cancels prior to attending an event and no revenue was collected from the client, you will not earn revenue for that client. The types of Revenue Share Opportunities offered and the revenue share percentages will be included and updated from time to time in our Manual. The decision to host Revenue Share Opportunities may be agreed or denied by us for any reason.

## ITEM 12
## TERRITORY

We do not offer territories or provide a specific location for your Franchised Business and we reserve the right to approve another 10X Business Advisor in a location in close proximity to your Franchised Business. You are not restricted from soliciting or accepting business from a particular area or from using other channels of distribution. You are not permitted to solicit or accept business from a client that is already doing business with another 10X Business Advisor franchisee. You must provide us with the address of the site of your Office Location and notify us promptly of any change in the location, which does not require our approval. You will not receive an exclusive territory. You may face competition from other franchisees, from other outlets that we own, or from other channels of distribution or competitive brands that we control. You will not have any exclusive right to any particular market or customers.

We retain the right to conduct any business at any location, including: (a) the right to offer 10X Business Advisor franchises using our System and Marks to anyone; (b) the right to sell and distribute 10X Business Advisor Content, directly or indirectly, and/or license others to sell and distribute 10X Business Advisor Content from any location within or outside our System; (c) the right to produce, license, distribute and market services and products bearing the Marks, including packaged items, books, retail items, products, and apparel, among other things, at any location or any outlet, through any distribution channel, at wholesale or at retail, including by means of the Internet, mail order, direct mail advertising, delivery, and other distribution methods in which you will not be compensated; (d) the right to develop, operate, and franchise others to operate, any business concept at any place, and use the Marks or any other trademarks owned, licensed, or developed by us or our affiliates in connection with those concepts; (e) the right to approve or disapprove other franchisee's requests to purchase local marketing anywhere including near your location; and (f) the right to merge with, acquire or be acquired by any business of any kind under other systems and/or other marks, which business may offer, sell, operate or distribute and/or license others to offer, sell, operate and distribute goods and services similar to the 10X Business Advisor Content and our System through franchised or non-franchised businesses.

Our reserved rights may affect your ability to sell advisory services. We do not grant any rights of first refusal to obtain additional franchise rights. In the future, we and our affiliates may acquire or develop additional business concepts that use different trademarks, and those business concepts may also be located near you. We do not have a method to resolve conflicts between you and other franchisees of other systems we control involving territory, customers, or franchisor support.

## ITEM 13
## TRADEMARKS

We grant you the right to operate your Franchised Business under the name "**10X Business Advisor**" and other names we designate from time to time. Our affiliate, Cardone Ventures, LLC, has the following registrations filed and awaiting registration on the United States Patent and Trademark Office ("**USPTO**") Principal Register:

| MARK | SERIAL NUMBER | DATE | INTERNATIONAL CLASS OF GOODS |
|---|---|---|---|
| 10X BUSINESS ADVISOR | 97475926 | June 25, 2022 | 035 |
| | 97491577 | July 6, 2022 | 035 |

We intend to renew the registration and file all appropriate affidavits for these Marks at the times required by law. We do not have a federal registration for these trademarks as of the date of this Disclosure Document. Therefore, these trademarks do not have as many legal benefits and rights as federally registered trademarks. If our right to use these trademarks is challenged, you may have to change to an alternative trademark, which may increase your expenses.

The trademarks listed above are owned by Cardone Ventures, LLC. Pursuant to a license agreement between us and Cardone Ventures, LLC, we have the exclusive right to license the use of the trademarks to others within the United States. The license granted to us is perpetual and can only be terminated if we misuse the trademarks or willfully allow our franchisees to misuse the trademarks. If the trademark license agreement is terminated or modified, you may have to change to an alternative trademark for your business which may increase your expenses. Other than the license agreement with our affiliate, there are no agreements that limit our right to use or license the use of the trademarks.

There are no currently effective determinations of the USPTO, the Trademark Trial and Appeal Board, or any state trademark administrator or any court; or any pending infringement, opposition, or cancellation proceeding in which we unsuccessfully sought to prevent registration of a trademark in order to protect a trademark licensed by us. There is no pending material federal or state court litigation regarding our use or ownership rights in the Marks. We know of no infringing or prior superior uses that could materially affect the use of the Marks.

You do not receive any rights to the Marks other than the right to use them in the operation of your Franchised Business. You must follow our rules when you use the Marks. You must use the Marks as the sole trade identification of your Franchised Business. You cannot use any Mark or portion of any Mark as part of any business entity name. You may not use the Marks in connection with the sale of any unauthorized services or products, or in any other manner that we do not authorize in writing. You must obtain a fictitious or assumed name registration if required by your state or local law. Any unauthorized use of the Marks by you is a breach of the Franchise Agreement and an infringement of our rights in the Marks. You must not contest the validity or ownership of the Marks, including any Marks that we license to you after you sign the Franchise Agreement. You must not assist any other person in contesting the validity or ownership of the Marks.

You must immediately notify us in writing when you learn about any claim of infringement, unfair competition, or similar claims about the Marks. You must not communicate with any person other than us and our counsel regarding any infringements, challenges or claims unless you are legally required to do so; however, you may communicate with your own counsel at your own expense. We are not required to take affirmative action when notified of these uses or claims. We have the sole right to control any administrative or judicial proceeding involving a trademark licensed by us. The Franchise Agreement does not require us to participate in your defense or indemnify you for expenses or damages if you are a party to an administrative or judicial proceeding involving a trademark licensed by us to you or if the proceeding is resolved unfavorable to you. You must take any actions that, in the opinion of our counsel, may be advisable to protect and maintain our interests in any proceeding or to otherwise protect and maintain our interests in the Marks.

We reserve the right to substitute different Marks for use in identifying the System and the businesses operating as part of the System if our currently owned Marks no longer can be used, or if we determine, exercising our right to do so, that substitution of different Marks will be beneficial to the System. In such cases, you must implement and use such different Marks at your cost and in the manner we require. If we require, you must modify or discontinue the use of any Mark and use other trademarks or service marks we designate. We have no obligation to reimburse you for modifying or discontinuing the use of a Mark or for substituting another trademark or service mark for a discontinued Mark. We do not reimburse you for any loss of goodwill associated with a modified or discontinued Mark.

If we undertake the defense or prosecution of any litigation concerning the Marks, you must sign any documents and agree to do the things as may, in our counsel's opinion, be necessary to carry out such defense or prosecution, such as becoming a nominal party to any legal action. To the extent that the litigation is the result of your use of the Marks in a manner inconsistent with the terms of the Franchise Agreement, you must reimburse us for the cost of the litigation, including attorneys' fees, as well as the cost of any judgment or settlement.

## ITEM 14
## PATENTS, COPYRIGHTS, AND PROPRIETARY INFORMATION

There are no patents that are material to the franchise. We claim common law copyright protection in the Manual, our website, our marketing materials, training manuals or videos, and other copyrightable items that are part of the System. While we claim copyrights in these and similar items, we have not registered these copyrights with the United States Register of Copyrights, but we reserve the right to register these copyrights in the future. You may use these items only as we specify while operating your Franchised Business, and you must stop using them if we direct you to do so.

We know of no effective determinations of the U.S. Copyright Office or any court regarding any of our copyrighted materials. Our right to use or license copyrighted items is not materially limited by any agreement or known infringing use.

We have developed certain trade secrets and other confidential information not commonly known by or available to the public, including, without limitation, the 10X Business Advisor Content,

training and certification methods and procedures, business and marketing techniques and processes, sales methods, management and coaching techniques, management forms/formats, specifications, procedures, knowledge and expertise in business, client service methods, and other techniques and methodologies ("**Confidential Information**") but shall not include any information that: (a) is now or subsequently becomes generally available to the public through no fault of you; (b) you can demonstrate it was rightfully in your possession, without obligation of nondisclosure, pursuant to the Franchise Agreement; (c) is independently developed; or (d) is rightfully obtained from a third party who has the right, without obligation of nondisclosure, to transfer or disclose such information. We will provide our trade secrets and other Confidential Information to you during training, in the Manual and other methods of communication during the term of the Franchise Agreement.

You will not acquire any interest in any Confidential Information we may communicate to you, other than the right to utilize it in the operation of your Franchised Business during the term of your Franchise Agreement. The information is disclosed to you solely on the condition that you (1) will not use it in any other business or capacity; (2) will maintain the absolute confidentially of the information during and after the term of your Franchise Agreement; (3) will not make unauthorized copies of any portion of the Manual or any other communication from us; and (4) will adopt and implement all reasonable procedures we may require to prevent unauthorized use or disclosure of the information. Any individuals with access to our trade secrets or Confidential Information are required to sign nondisclosure and non-competition agreements in a form the same as or similar to the Nondisclosure and Non-Competition Agreement attached as Schedule 2 to the Franchise Agreement. We will be a third-party beneficiary with the right to enforce those agreements.

All ideas, concepts, techniques or materials concerning your Franchised Business and the System, 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 our sole and exclusive property and a part of the System that we may choose to adopt and/or disclose to other franchisees and you agree to assign to us all right, title and interest in any intellectual property so developed without additional compensation to you. Likewise, we will disclose to you concepts and developments of other franchisees that we make part of the System. You must also assist us in obtaining intellectual property rights in any concept or development if requested.

Your use of the Manual, trade secrets or other Confidential Information in an unauthorized manner is a default of the Franchise Agreement that may result in automatic termination of the Franchise Agreement. Further information about termination of the Franchise Agreement following a default is included in Item 17.

You must comply with our System standards, other directions from us, and all applicable laws and regulations, regarding the organizational, physical, administrative and technical measures, and security procedures to safeguard the confidentiality and security of client's information on your Computer System or otherwise in your possession or control and, in any case, employ reasonable means to safeguard the confidentiality and security of Client Information. "**Client Information**" means names, contact information, financial information, and other personal identifiable information of or relating to your clients, and prospective clients. If there is a suspected or actual breach of security or unauthorized access involving your Client Information, you must notify us immediately after

becoming aware of the occurrence and specify the extent to which Client Information was compromised or disclosed.

We and our affiliates will, through the Computer System or otherwise, have access to Client Information. We and our affiliates may use Client Information in our and their business activities. When the Franchise Agreement expires or terminates, we and our affiliates may make all disclosures and use the Client Information in any manner that we or they deem necessary or appropriate. You must secure from your clients and prospective clients all consents and authorizations, and provide them all disclosures, that applicable law requires to transmit the Client Information to us and our affiliates, and for us and our affiliates to use that Client Information, in the manner that the Franchise Agreement contemplates.

## ITEM 15
## OBLIGATION TO PARTICIPATE IN THE ACTUAL OPERATION OF THE FRANCHISED BUSINESS

You must, at all times, retain and exercise direct management and decision-making control over all aspects of your Franchised Business. You must devote full time and best efforts to the operation of your Franchised Business. You must personally supervise the franchised business day-to-day. If you hire any employees, they must sign a written agreement to maintain the confidentiality of any Confidential Information about the 10X Business Advisor franchise system generally or your Franchised Business that may be disclosed to him or her and a covenant not to compete with your Franchised Business in a form the same as or similar to the Nondisclosure and Non-Competition Agreement attached as Schedule 2 to the Franchise Agreement.

If you are a corporation or other business entity, you and anyone who owns more than 5% interest in said entity must personally guarantee the performance of all of your obligations under the Franchise Agreement and agree to be personally liable for your breach of the Franchise Agreement by signing the Unlimited Guaranty and Assumption of Obligations attached as Schedule 3 to the Franchise Agreement. The spouse of an owner is not required to sign a guaranty unless he or she has an ownership interest in the franchise

## ITEM 16
## RESTRICTIONS ON WHAT THE FRANCHISEE MAY SELL

There are no restrictions on the goods or services you may offer for sale, except as described below in this Item. You may use no other name for your franchise other than the name "10X Business Advisor" without our prior written approval. You are required to offer and sell only those goods and advisory services that we have authorized. You are prohibited from offering any other goods or services without our prior written approval. You are prohibited from soliciting or accepting business from a client that is already in the database of another 10X Business Advisor franchisee or from Cardone Ventures and Cardone Training Technologies, Inc. You must offer all goods and services that we designate as required for all franchisees. These required services include the 10X Business Advisor Content, business management and personal development workshops, seminars, events, Revenue Share Opportunities (upon our approval), and individual mentoring. We may designate some

advisory services as optional for franchisees in certain markets. We have the unlimited right to add or delete additional authorized goods and services that you are required or permitted to offer.

## ITEM 17
## RENEWAL, TERMINATION, TRANSFER, AND DISPUTE RESOLUTION

### THE FRANCHISE RELATIONSHIP

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

| PROVISION | SECTION IN FRANCHISE AGREEMENT (FA) | SUMMARY |
|---|---|---|
| a. Length of Franchise Term | FA: Section 4.1 | The initial term of the Franchise Agreement is two years. |
| b. Renewal or Extension of Term | FA: Section 4.2 | You have the right to renew the Franchise Agreement. If you do not meet the conditions, we may refuse to renew or extend the terms of your Franchise Agreement. |
| c. Requirements for Franchisee to Renew or Extend | FA: Section 4.2 | Renewal means that you can remain as a franchisee after the initial term of your Franchise Agreement expires. You may renew the Franchise Agreement if you: have fully complied with the provisions of the Franchise Agreement; have satisfied all monetary obligations owed to us or any of our affiliates; are not in default of any provision of the Franchise Agreement or any other agreement between you and us or our affiliates or suppliers; have given timely written notice of your intent to operate a successor franchise to us not earlier than one month but no later than three months prior to the end of the term of the Franchise Agreement; sign a current Franchise Agreement, |

| PROVISION | SECTION IN FRANCHISE AGREEMENT (FA) | SUMMARY |
|---|---|---|
| | | which may have materially different terms and conditions than your original Franchise Agreement; comply with current qualifications and agree to comply with any training requirements; sign a general release in a form the same as or similar to the General Release attached as Schedule 8 to the Franchise Agreement. |
| d. Termination by you | FA: Section 16.1 | You may not terminate the Franchise Agreement. |
| e. Termination by Franchisor without Cause | FA: Not applicable | |
| f. Termination by Franchisor with Cause | FA: Section 16.2 | We may terminate the Franchise Agreement only if you default. If we terminate the Franchise Agreement following a default, your interests in both will terminate. |
| g. "Cause" Defined – Curable Defaults | FA: Section 16.2.2 | If a default arises from your failure to comply with a mandatory specification in the Franchise Agreement or Manual, you can avoid termination of the Franchise Agreement if you cure the default within 30 days of receiving our notice of default, except for the defaults that require cure in a shorter time and non-curable defaults. If a default arises from your failure to maintain insurance, you can avoid termination of the Franchise Agreement if you cure the default within three days of receiving our notice of your failure to maintain |

| PROVISION | SECTION IN FRANCHISE AGREEMENT (FA) | SUMMARY |
|---|---|---|
| | | insurance. If a default arises from your failure to make payments due to us, you can avoid termination of the Franchise Agreement if you cure the default within five days of receiving our notice of default. If we terminate the Franchise Agreement resulting from a default, your interest in the franchise will terminate. |
| h. "Cause" Defined – Non-Curable Defaults | FA: Section 16.2.1 | We have the right to terminate the Franchise Agreement without giving you an opportunity to cure if you: fail to satisfactorily complete our training program; fail to obtain and maintain all required licenses, permits, and certifications; make any material misrepresentation or omission during the pre-sale process; are convicted of or plead no contest to a felony or other crime or offense; fail to refrain from activities, behavior, or conduct likely to adversely affect our reputation; disclose, duplicate, or otherwise use in an unauthorized manner any portion of the Manual, trade secrets, trademarks, our trade names or any Confidential Information; and other automatic defaults set forth in Section 16.2.1 of the Franchise Agreement |
| i. Franchisee's Obligations on Termination/Non-Renewal | FA: Section 17.1 | If the Franchise Agreement is terminated or not renewed, you must: stop operating; stop using any trade secrets, Confidential |

| PROVISION | SECTION IN FRANCHISE AGREEMENT (FA) | SUMMARY |
|---|---|---|
| | | Information, the System and the Marks; cancel or assign to us any assumed names; pay all sums owed to us (and our affiliates and suppliers) including damages and costs incurred in enforcing the Franchise Agreement; return the Manual, trade secrets and all Confidential Information; comply with the covenants not to compete and any other surviving provisions of the Franchise Agreement. |
| j. Assignment of Contract by Franchisor | FA: Section 18.1 | There are no restrictions on our right to assign our interest in the Franchise Agreement. |
| k. "Transfer" by Franchisee– Definition | FA: Section 18.2 | "Transfer" includes transfer of an interest in the franchise, the Franchise Agreement or your assets. |
| l. Franchisor's Approval of Transfer by Franchisee | FA: Section 18.2 | You may not transfer your interest in the Franchise Agreement without our prior written consent. |
| m. Conditions for Franchisor Approval of Transfer | FA: Section 18.2 | We will consent to a transfer if: we have not exercised our right of first refusal; all obligations owed to us (and our affiliates and suppliers) are paid; you and the transferee have signed a general release in a form the same as or similar to the General Release attached as Schedule 8 to the Franchise Agreement; the prospective transferee meets our business and financial standards; the transferee and all persons owning any interest in the transferee sign the then current |

| PROVISION | SECTION IN FRANCHISE AGREEMENT (FA) | SUMMARY |
|---|---|---|
| | | Franchise Agreement; you provide us with a copy of all contracts and agreements related to the transfer; you or the transferee pay us a Transfer Fee of $2,500 if you are transferring to an existing franchisee or 25% of the then-current Initial Franchise Fee if you are transferring to an unrelated third party; the transferee or the owners of transferee have agreed to be personally bound by all provisions of the Franchise Agreement; you have agreed to guarantee performance by the transferee, if requested by us; the transferee has obtained all necessary consents and approvals of third parties; you or all of your equity owners have signed a non-competition agreement; and the transferee has agreed to complete the initial training program before assuming ownership. |
| n. Franchisor's Right of First Refusal to Acquire Franchisee's Business | FA: Section 19 | We may match an offer for your Franchised Business or an ownership interest you propose to sell. |
| o. Franchisor's Option to Purchase Franchisee's Business | FA: Section 17.4 | Except as described in (n) above, we do not have the right to purchase your Franchised Business; however, during the 30-day period after the termination or expiration of the Franchise Agreement, we have the right to purchase any assets of your Franchised Business. |

| PROVISION | SECTION IN FRANCHISE AGREEMENT (FA) | SUMMARY |
|---|---|---|
| p. Death or disability of Franchisee | FA: Section 18.6 | After the death or incapacity of an owner of the franchise, his or her representative must transfer, subject to the terms of the Franchise Agreement, the individual's interest in the franchise within 180 days of death or incapacity or we may terminate. |
| q. Non-Competition Covenants During the Term of the Franchised Agreement | FA: Section 7.4 | You may not have an interest in a Competitive Business during the term of your Franchise Agreement. We have the right to require you, your owners (and members of their families and households) and your officers, directors, executives, managers, professional staff, and employees, agents, consultants, and independent contractors to execute a nondisclosure and non-competition agreement. You shall provide us with copies of all nondisclosure and non-competition agreements signed pursuant to this Section. We shall be a third-party beneficiary with the right to enforce covenants contained in such agreements. |
| r. Non-Competition Covenants After the Franchised Business is Terminated or Expires | FA: Section 17.2 | For two years after the termination or expiration of the Franchise Agreement, you may not (1) offer competitive business services or sell products offered by us or similar to the products or services offered by your Franchised Business within 25 miles of your Office Location |

| PROVISION | SECTION IN FRANCHISE AGREEMENT (FA) | SUMMARY |
|---|---|---|
| | | or any other 10X Business Advisor; or (2) solicit or influence any of our clients, employees, or business associates to compete with us or terminate their relationship with us or any of our franchisees. |
| s. Modification of the Franchise Agreement | FA: Sections 9.2, 22.7, and 22.8 | The Franchise Agreement can be modified only by written agreement between you and us. We may modify the Manual without your consent if the modification does not materially alter your fundamental rights. |
| t. Integration/Merger Clause | FA: Section 22.7 | Only the terms of the Franchise Agreement are binding (subject to state law). Any representations or promises outside of the Disclosure Document and/or Franchise Agreement are not enforceable. |
| u. Dispute Resolution by Arbitration or Mediation | FA: Section 23.9 | You must mediate and arbitrate claims against us. |
| v. Choice of Forum | FA: Section 23.2 | Any litigation or arbitration must be pursued in Miami-Dade County, Florida (subject to applicable state law). |
| w. Choice of Law | FA: Section 23.1 | Except as to claims governed by federal law, Florida law applies (subject to applicable state law). |

## ITEM 18
## PUBLIC FIGURES

We have a relationship with Grant Cardone who may endorse or recommend the "10X Business Advisor" franchise system to the general public. Mr. Cardone is 50% owner of Cardone Ventures, LLC. Mr. Cardone has no ownership interest or management role in Franchisor.

## 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 franchised business or under particular circumstances.

We do not make any representations about a franchisee's future financial performance or the past financial performance of company-owned or franchised outlets. We also do not authorize our employees or representatives to make any such representations either orally or in writing. If you are purchasing an existing outlet, however, we may provide you with the actual records of that outlet. If you receive any other financial performance information or projections of your future income, you should report it to the franchisor's management by contacting Sean Conrad via email at sconrad@cardoneventures.com or calling us at (213) 435-9587, the Federal Trade Commission, and the appropriate state regulatory agencies.

## ITEM 20
## OUTLETS AND FRANCHISEE INFORMATION

TABLE 1
SYSTEMWIDE OUTLET SUMMARY
FOR YEARS 2020 TO 2022

| Column 1<br>Outlet Type | Column 2<br>Year | Column 3<br>Outlets at the Start of the Year | Column 4<br>Outlets at the End of the Year | Column 5<br>Net Change |
|---|---|---|---|---|
| Franchised | 2020 | 0 | 0 | 0 |
| | 2021 | 0 | 0 | 0 |
| | 2022 | 0 | 3 | 3 |
| Company-Owned | 2020 | 0 | 0 | 0 |
| | 2021 | 0 | 0 | 0 |
| | 2022 | 0 | 0 | 0 |

| | | | | |
|---|---|---|---|---|
| **Total Outlets** | **2020** | **0** | **0** | **0** |
| | **2021** | **0** | **0** | **0** |
| | **2022** | **0** | **3** | **3** |

TABLE 2
TRANSFERS OF OUTLETS FROM FRANCHISEES TO NEW OWNERS
FOR YEARS 2020 TO 2022

| **Column 1**<br>**State** | **Column 2**<br>**Year** | **Column 3**<br>**Number of Transfers** |
|---|---|---|
| All States | 2020 | 0 |
| | 2021 | 0 |
| | 2022 | 0 |
| **Total** | **2020** | **0** |
| | **2021** | **0** |
| | **2022** | **0** |

TABLE 3
STATUS OF FRANCHISED OUTLETS
FOR YEARS 2020 TO 2022

| **Col. 1**<br>**State** | **Col. 2**<br>**Year** | **Col. 3**<br>**Outlets at the Start of Year** | **Col. 4**<br>**Outlets Opened** | **Col. 5**<br>**Terminations** | **Col. 6**<br>**Non-Renewals** | **Col. 7**<br>**Reacquired by Franchisor** | **Col. 8**<br>**Ceased Operations - Other Reasons** | **Col. 9**<br>**Outlets at End of the Year** |
|---|---|---|---|---|---|---|---|---|
| Florida | 2020 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| | 2021 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| | 2022 | 0 | 1 | 0 | 0 | 0 | 0 | 1 |
| Nevada | 2020 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| | 2021 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| | 2022 | 0 | 1 | 0 | 0 | 0 | 0 | 1 |

| Col. 1<br>State | Col. 2<br>Year | Col. 3<br>Outlets at the Start of Year | Col. 4<br>Outlets Opened | Col. 5<br>Terminations | Col. 6<br>Non-Renewals | Col. 7<br>Reacquired by Franchisor | Col. 8<br>Ceased Operations - Other Reasons | Col. 9<br>Outlets at End of the Year |
|---|---|---|---|---|---|---|---|---|
| Texas | 2020 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| | 2021 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| | 2022 | 0 | 1 | 0 | 0 | 0 | 0 | 1 |
| **Totals** | **2020** | **0** | **0** | **0** | **0** | **0** | **0** | **0** |
| | **2021** | **0** | **0** | **0** | **0** | **0** | **0** | **0** |
| | **2022** | **0** | **3** | **0** | **0** | **0** | **0** | **3** |

TABLE 4
STATUS OF COMPANY-OWNED OUTLETS
FOR YEARS 2020 TO 2022

| Column 1<br>State | Column 2<br>Year | Column 3<br>Outlets at Start of Year | Column 4<br>Outlets Opened | Column 5<br>Outlets Reacquired from Franchisees | Column 6<br>Outlets Closed | Column 7<br>Outlets sold to Franchisees | Column 8<br>Outlets at End of the year |
|---|---|---|---|---|---|---|---|
| All States | 2020 | 0 | 0 | 0 | 0 | 0 | 0 |
| | 2021 | 0 | 0 | 0 | 0 | 0 | 0 |
| | 2022 | 0 | 0 | 0 | 0 | 0 | 0 |
| **Total** | **2020** | **0** | **0** | **0** | **0** | **0** | **0** |
| | **2021** | **0** | **0** | **0** | **0** | **0** | **0** |
| | **2022** | **0** | **0** | **0** | **0** | **0** | **0** |

TABLE 5
PROJECTED OPENINGS AS OF DECEMBER 31, 2022

| Column 1<br><br>State | Column 2<br><br>Franchise Agreements Signed But Outlets Not Opened | Column 3<br><br>Projected New Franchise Outlets in the Next Fiscal Year | Column 4<br><br>Projected New Company-Owned Outlets in the Next Fiscal Year |
|---|---|---|---|
| Arizona | 0 | 3 | 0 |
| Florida | 0 | 4 | 0 |
| Texas | 0 | 3 | 0 |
| **Total** | **0** | **10** | **0** |

Exhibit E to this Disclosure Document includes the list of the names of all current franchisees and the address and telephone number of each of their outlets. Exhibit E also contains 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 us 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.

During the last three fiscal years, we were not in operation but no current or former franchisees have signed confidentiality clauses that limit them from discussing with you their experiences as a franchisee in our franchise system. There are no trademark-specific franchisee organizations associated with the franchise system being offered.

## ITEM 21
## FINANCIAL STATEMENTS

We have not been in business for three years or more, and therefore cannot include all financial statements required by the Franchise Rule of the Federal Trade Commission. Attached as Exhibit D is our audited financial statement as of December 31, 2022 and our unaudited financial statements from January 1, 2023 through September 30, 2023. Our fiscal year end is December 31.

## ITEM 22
## CONTRACTS

The following contracts are attached to this Disclosure Document:

Exhibit B – FRANCHISE AGREEMENT
Schedule 1-Franchise Fee, Office Location and Opening Date

Schedule 2-Nondisclosure and Non-Competition
Schedule 3-Unlimited Guaranty and Assumption of Obligations
Schedule 4-ACH Payment Agreement
Schedule 5-Holders of Legal or Beneficial Interest in Franchisee
Schedule 6-State Addenda to the Franchise Agreement
Schedule 7-General Release
Schedule 8-SBA Addendum
Exhibit F – FRANCHISEE DISCLOSURE QUESTIONNAIRE

## ITEM 23
## RECEIPT

You will find two copies of a receipt in Exhibit I at the end of the Disclosure Document. One receipt must be signed, dated and delivered to us. The other receipt should be retained for your records.

**EXHIBIT A TO THE DISCLOSURE DOCUMENT**
**LIST OF STATE ADMINISTRATORS/AGENTS FOR SERVICE OF PROCESS**

Our registered agent in the State of Delaware is: Corporate Creations Network Inc., 3411 Silverside Road, Tatnall Building, Suite 104, Wilmington, DE 19810. We intend to register this Disclosure Document as a "franchise" in some or all of the following states, if required by the applicable state law. If and when we pursue franchise registration (or otherwise comply with the franchise investment laws) in these states, we will designate the following state offices or officials as our agents for service of process in these states:

| STATE | STATE REGULATORY AGENCY | AGENT TO RECEIVE PROCESS IN STATE, IF DIFFERENT THAN THE STATE REGULATORY AGENCY |
|---|---|---|
| California | Department of Financial Protection & Innovation<br>320 West Fourth Street, Suite 750<br>Los Angeles, California 90013<br>(213) 576-7500<br>Toll Free: (866) 275-2677 | Commissioner of the Department of Financial Protection & Innovation 320 West Fourth Street, Suite 750<br>Los Angeles, California 90013<br>(213) 576-7500<br>Toll Free: (866) 275-2677 |
| Connecticut | Banking Commissioner<br>Department of Banking Securities and Business Investments Division<br>260 Constitution Plaza<br>Hartford, CT 061031800<br>(860) 240-8299 | |
| Hawaii | Commissioner of Securities of the State of Hawaii<br>Department of Commerce & Consumer Affairs<br>Business Registration Division<br>Securities Compliance Branch<br>335 Merchant Street, Room 205<br>Honolulu, Hawaii 96813<br>(808) 586-2722 | Commissioner of Securities of the State of Hawaii<br>Department of Commerce & Consumer Affairs<br>Business Registration Division<br>Securities Compliance Branch<br>335 Merchant Street, Room 205<br>Honolulu, Hawaii 96813<br>(808) 586-2722 |
| Illinois | Illinois Office of the Attorney General<br>Franchise Bureau<br>500 South Second Street<br>Springfield, Illinois 62706<br>(217) 782-4465 | Illinois Attorney General<br>500 South Second Street<br>Springfield, Illinois 62706<br>(217) 782-4465 |

| STATE | STATE REGULATORY AGENCY | AGENT TO RECEIVE PROCESS IN STATE, IF DIFFERENT THAN THE STATE REGULATORY AGENCY |
|---|---|---|
| Indiana | Secretary of State<br>Franchise Section<br>302 West Washington, Room E-111<br>Indianapolis, Indiana 46204<br>(317) 232-6681 | Secretary of State<br>Franchise Section<br>302 West Washington, Room E-111<br>Indianapolis, Indiana 46204<br>(317) 232-6681 |
| Maryland | Office of the Attorney General<br>Securities Division<br>200 St. Paul Place<br>Baltimore, Maryland 21202-2020<br>(410) 576-6360 | Maryland Securities Commissioner<br>200 St. Paul Place<br>Baltimore, Maryland 21202-2020<br>(410) 576-6360 |
| Michigan | Michigan Attorney General's Office<br>Corporate Oversight Division, Franchise Section<br>525 West Ottawa Street<br>G. Mennen Williams Building, 1st Floor<br>Lansing, Michigan 48913<br>(517) 335-7567 | Michigan Attorney General's Office<br>Corporate Oversight Division, Franchise Section<br>525 West Ottawa Street<br>G. Mennen Williams Building, 1st Floor<br>Lansing, Michigan 48913<br>(517) 335-7567 |
| Minnesota | Minnesota Department of Commerce<br>85 7th Place East, Suite 280<br>St. Paul, Minnesota 55101<br>(651) 539-1600 | Commissioner of Commerce<br>Minnesota Department of Commerce<br>85 7th Place East, Suite 280<br>St. Paul, Minnesota 55101<br>(651) 539-1600 |
| New York | New York State Department of Law<br>Investor Protection Bureau<br>28 Liberty Street, 21st Floor<br>New York, New York 10005<br>(212) 416-8222 | New York Secretary of State<br>New York Department of State<br>One Commerce Plaza,<br>99 Washington Avenue, 6th Floor<br>Albany, New York 12231-0001<br>(518) 473-2492 |
| North Dakota | North Dakota Securities Department<br>State Capitol<br>Department 414<br>600 East Boulevard Avenue, Fifth Floor<br>Bismarck, North Dakota 58505-0510<br>(701) 328-4712 | North Dakota Securities Commissioner<br>State Capitol<br>600 East Boulevard Avenue, Fifth Floor<br>Bismarck, North Dakota 58505-0510<br>(701) 328-4712 |

| STATE | STATE REGULATORY AGENCY | AGENT TO RECEIVE PROCESS IN STATE, IF DIFFERENT THAN THE STATE REGULATORY AGENCY |
|---|---|---|
| Rhode Island | Department of Business Regulation<br>Securities Division, Building 69, First Floor<br>John O. Pastore Center<br>1511 Pontiac Avenue<br>Cranston, Rhode Island 02920<br>(401) 462-9527 | Director of Department of Business Regulation<br>Department of Business Regulation<br>Securities Division, Building 69, First Floor<br>John O. Pastore Center<br>1511 Pontiac Avenue<br>Cranston, Rhode Island 02920<br>(401) 462-9527 |
| South Dakota | Division of Insurance<br>Securities Regulation<br>124 South Euclid Avenue, Suite 104<br>Pierre, South Dakota 57501<br>(605) 773-3563 | Division of Insurance<br>Director of the Securities Regulation<br>124 South Euclid Avenue, Suite 104<br>Pierre, South Dakota 57501<br>(605) 773-3563 |
| Virginia | State Corporation Commission<br>Division of Securities and Retail Franchising<br>1300 East Main Street, 9th Floor<br>Richmond, Virginia 23219<br>(804) 371-9051 | Clerk of the State Corporation Commission<br>1300 East Main Street, 1st Floor<br>Richmond, Virginia 23219<br>(804) 371-9733 |
| Washington | Department of Financial Institutions<br>Securities Division – 3rd Floor<br>150 Israel Road, Southwest<br>Tumwater, Washington 98501<br>(360) 902-8760 | Director of Department of Financial Institutions<br>Securities Division – 3rd Floor<br>150 Israel Road, Southwest<br>Tumwater, Washington 98501<br>(360) 902-8760 |
| Wisconsin | Division of Securities<br>4822 Madison Yards Way, North Tower<br>Madison, Wisconsin 53705<br>(608) 266-2139 | Division of Securities<br>4822 Madison Yards Way, North Tower<br>Madison, Wisconsin 53705<br>(608) 266-2139 |

# EXHIBIT B TO THE DISCLOSURE DOCUMENT

# 10X BUSINESS ADVISOR FRANCHISING LLC
# FRANCHISE AGREEMENT

**10X BUSINESS ADVISOR FRANCHISING LLC**
**FRANCHISE AGREEMENT**

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Schedule 7-General Release
Schedule 8-SBA Addendum

**10X BUSINESS ADVISOR FRANCHISING LLC**
**FRANCHISE AGREEMENT**

This Franchise Agreement (this "**Agreement**") is made and entered on _____ (the "**Effective Date**") by and between:

- 10x Business Advisor Franchising LLC, a Delaware limited liability company having its principal place of business at 18851 NE 29th Avenue, Suite 414, Aventura, FL 33180 ("**Franchisor**," "**we**," "**us**," or "**our**"); and

- _____, an individual/partnership/corporation/limited liability company established in the State of _____ and whose principal address is _____ ("**Franchisee**," "**you**," or "**your**").

## RECITALS

A. We have developed our own distinctive and proprietary systems for you to operate as a 10X Business Advisor within in our franchise system.

B. The distinguishing characteristics of a 10X Business Advisor franchised business includes among other things distinctive proprietary operating procedures, methods, and standards that we will license to you during the term of this Agreement which we may periodically change, discontinue, improve, modify and further develop at our option from time to time (the "**System**").

C. The System relates to and includes the development and operation of 10X Business Advisor franchised businesses. The franchise offering through the Disclosure Document that is governed by this Agreement shall be referred to as the "**Franchised Business**".

D. We identify the System by means of our proprietary marks. Our proprietary marks includes the trade name "**10X Business Advisor**", and our logos, service marks, trademarks, emblems, and indicia of origin, as well as other trade names, service marks, and trademarks that we may use in connection with the System (all of these are referred to herein as our "**Marks**"). We continue to develop, use, and control the use of our Marks in order to identify for the public the source of services and products marketed under those marks and under the System, and to represent the System's high standards of quality, appearance, and service.

E. We are in the business of developing and awarding franchise rights to third party franchisees, such as you, to develop and operate as a 10X Business Advisor. You have asked to obtain a franchise from us. By entering into this Agreement, you understand and acknowledge: (a) the importance of our high standards of quality, appearance, and service and the necessity of operating your Franchised Business under this Agreement in conformity with our standards and specifications; (b) that you received our current Franchise Disclosure Document and its exhibits, including this Agreement (the "**Disclosure Document**") at least 14 calendar days before you signed this Agreement or made a payment to us in connection with the franchise sale; (c) that you have carefully reviewed the Disclosure Document and had enough time, if you wanted, to consult with a lawyer, accountant

or other professional advisor; (d) that you had the opportunity to ask us and our employees, agents, or representatives all appropriate questions and those questions have been answered to your satisfaction; (e) that, if you chose not use a professional advisor, you represent you are satisfied relying on your own education, experience, and skill to evaluate the Disclosure Document and this Agreement; (f) that you have reached the age of majority, you have the legal capacity to enter into this Agreement, you are not violating any other agreement by entering into or performing under this Agreement, and you are not listed or "blocked" in connection with, and are not in violation of any anti-terrorism law, regulation, or executive order; (g) that no employee, agent or representative of ours made any oral, written or visual representation or projection to you of actual or potential sales, earnings or net or gross profits, costs involved in operating a 10X Business Advisor Franchised Business, or the likelihood of success that is not in the Disclosure Document or that is contrary to, or different from, the information in the Disclosure Document; (h) that you understand the risks of owning your Franchised Business and you are able to accept such risks; (i) that you understand the success of your Franchised Business will depend primarily on your own efforts and abilities and those of your employees; and (j) that other factors beyond our or your control will affect your Franchised Business' success including competition, demographic patterns, consumer trends, economic and market conditions, government policies, labor costs, lease terms and other factors which may be difficult to anticipate, assess or even identify.

In recognition of all of the details noted above, the parties have chosen to enter into this Agreement, taking into account all of the promises and commitments that they are each making to one another in this contract, and for other good and valuable consideration (the sufficiency and receipt of which they hereby acknowledge) and they agree as follows:

## 1. DEFINITIONS

While certain of these and other terms may be defined in the body of this Agreement, the following words and terms have the following meanings for your ease of reference:

"**10X Business Advisor Content**" means the events and workshops you will offer business owners and entrepreneurs including our 10X business and growth strategies developed by Grant Cardone including the 10X Budget Workshop, the 10X Hiring Workshop, the 10X Marketing Workshop, the 10X Operations Workshop, and 10X Leadership Workshop, and other programming developed by us which may be changed, discontinued, improved, modified and further developed by us from time to time;

"**Affiliate**" means any business entity that is under our control and with common ownership as us;

"**Agreement**" means this agreement entitled "10X Business Advisor Franchising, LLC Franchise Agreement" and all instruments supplemental hereto or in amendment hereof;

"**Client Information**" means names, contact information, financial information, and other personal identifiable information of or relating to your Franchised Business's clients, and prospective clients.

"**Competitive Business**" means any business that offers the same or similar products and services as a 10X Business Advisor under any service system or any business that offers the same or similar business growth and sales coaching, executive coaching, business management and relating consulting services and products or any business in which Trade Secrets and Confidential Information could be used to the disadvantage of us, any Affiliate or our other franchisees but does not include (a) any business operated by you under a Franchise Agreement with us, or (b) any business operated by a publicly-held entity in which you own less than a 5% legal or beneficial interest;

"**Computer System**" has the meaning given to such term in 12.5.1;

"**Confidential Information**" means technical and non-technical information used in or related to the operation of your Franchised Business and not commonly known by or available to the public, including, without limitation, Trade Secrets (defined below), methods and products, customer or client services techniques and other techniques and methodologies not generally known to the industry or public, client lists, services and products, the Manual, and any other information identified or labeled as confidential when delivered by us but shall not include any information that: (a) is now or subsequently becomes generally available to the public through no fault of you; (b) you can demonstrate it was rightfully in your possession, without obligation of nondisclosure, pursuant to this Agreement; (c) is independently developed without the use of any Confidential Information; or (d) is rightfully obtained from a third party who has the right, without obligation of nondisclosure, to transfer or disclose such information;

"**Default Rate**" has the meaning given to such term in 3.5.1;

"**Effective Date**" means the date on which we and you fully execute this Agreement, thereby commencing its effectiveness and term;

"**Franchise**" means the right granted to you by us to use the System and the Marks;

"**Franchisor Indemnities**" has the meaning given to such term in Section 21.3;

"**Gross Revenue**" means all sales, revenues, charges and receipts from whatever source (whether in the form of cash, check, credit or debit card, barter exchange, trade credit or other credit transactions) that arise, directly or indirectly, from the operation of or in connection with your Franchised Business. Gross Revenue excludes sales taxes collected from customers and paid to the appropriate taxing authority and any other bona fide refunds to customers. Gross Revenue includes all revenues earned from the services and products offered and sold at your Franchised Business, usage income, and insurance proceeds you receive for loss or interruption of business due to a casualty or similar event. Gross Revenue excludes sales taxes collected from customers and paid to the appropriate taxing authority and any other bona fide refunds to customers;

"**Gross Revenue Reports**" has the meaning give to such term in Sections 3.2.3 and 12.2;

"**Incapacity**" means the inability of you, or any holder of a legal or beneficial interest in you, to operate or oversee the operation of your Franchised Business on a regular basis by reason of any continuing physical, mental or emotional condition, chemical dependency or other limitation;

"**Initial Franchise Fee**" has the meaning given to such term in 3.1;

"**Internet**" means any local or global interactive communications media that is now available, or that may become available, including sites and domain names on the World Wide Web and social media websites and applications;

"**Management Fee**" has the meaning given to such term in 3.10;

"**Manual**" means the 10X Business Advisor Operations Manual, whether in paper or electronic form, and any other items as may be provided, added to, changed, modified or otherwise revised by us from time to time that contain or describe the standards, methods, procedures and specifications of the System, including other operations and administration manuals and all books, computer programs, password-protected portions of an Internet site, pamphlets, memoranda and other publications prepared by, or on behalf of, us;

"**Marks**" means the service marks "**10X Business Advisor**" and such other trade names, trademarks, service marks, trade dress, designs, graphics, logos, emblems, insignia, fascia, slogans, drawings and other commercial symbols as we may designate to be used in connection with your Franchised Business;

"**Operating Principal**" means the person or, in certain circumstances, persons who you designate in Schedule 5 if you are a corporate entity that must devote full time and best efforts to the development and operation of your Franchised Business and must have at least 10% ownership of the Franchisee entity and full authority to bind you regarding all operational decisions about your Franchised Business;

"**Opening Date**" means the deadline by which your Franchised Business must be open for business to the public, as set forth in Schedule 1;

"**Royalty Fee**" has the meaning given to such term in Section 3.2;

"**Software Fee**" has the meaning given to such term in 3.9;

"**System**" means the uniform and proprietary standards, methods, procedures and specifications developed by us and as may be added to, changed, modified, withdrawn or otherwise revised by us for the operation of your Franchised Business; and

"**Trade Secrets**" means information in any form (including, but not limited to, technical or non-technical data, formulas, patterns, compilations, programs, devices, methods, techniques, drawings, processes, financial data, financial plans, product plans, passwords, lists of actual or potential customers or suppliers) related to or used in the operation of your Franchised Business that is not

commonly known by or available to the public and that information: (a) derives economic value, actual or potential, from not being generally known to, and not being readily ascertained by proper means by, other persons who can obtain economic value from its disclosure or use; and (b) is the subject of efforts that are reasonable under the circumstances to maintain its secrecy.

## 2. GRANT OF FRANCHISE

### 2.1 Grant

Subject to the terms and conditions set forth in this Agreement, including your completion of all phases of our training program to our satisfaction, we will grant you the right, and you accept and undertake the obligation:

2.1.1 to operate one 10X Business Advisor Franchised Business under the System and our Marks; and

2.1.2 to use the Marks and the System, but only in connection with your Franchised Business (recognizing that we may periodically change, improve and further develop the Marks and the System).

### 2.2 Sub-Franchising/Third Parties

2.2.1 *Restriction on Sublicensing.* The 10X Business Advisor Franchised Business is personal to you. You shall not sublicense the use of the System or Marks to any person or entity.

2.2.2 *Restriction on Granting Rights to Third Parties.* Except as permitted in Section 18, you shall not grant any person or entity the right to perform any part of your rights or obligations licensed hereunder.

### 2.3 No Designated Territory

2.3.1 *No Territory.* We do not offer territories, and we reserve the right to approve another 10X Business Advisor in a location in close proximity to your Franchised Business.

2.3.2 *Office Location.* You will operate your Franchised Business from at least one office site called an "Office Location" which will be set forth in Schedule 1. We do not select or approve a site, or provide you with assistance in selecting a site, for your office. You may operate your franchise from an office in your home, provided that doing so will not violate any zoning or building code or other laws. You may also operate your franchise from rented office or flex space. We do not impose any other restrictions upon the location of your office.

2.3.3 *Reservation of Rights.* You understand and acknowledge that any rights not expressly granted to you with respect to your Franchised Business are reserved to us. We retain the right to conduct any business at any location, including: (a) the right to offer 10X

Business Advisor franchises using our System and Marks to others; (b) the right to sell and distribute 10X Business Advisor Content, directly or indirectly, and/or license others to sell and distribute 10X Business Advisor Content from any location; (c) the right to produce, license, distribute and market services and products bearing the Marks, including packaged items, books, retail items, products, and apparel, among other things, at any location or any outlet, through any distribution channel, at wholesale or at retail, including by means of the Internet, mail order, direct mail advertising, delivery, and other distribution methods; (d) the right to develop, operate, and franchise others to operate, any business concept at any place, and use the Marks or any other trademarks owned, licensed, or developed by us or our affiliates in connection with those concepts; (e) the right to approve or disapprove other franchisee's requests to purchase local marketing anywhere including near your location; and (f) the right to merge with, acquire or be acquired by any business of any kind under other systems and/or other marks, which business may offer, sell, operate or distribute and/or license others to offer, sell, operate and distribute goods and services similar to the 10X Business Advisor Content and our System through franchised or non-franchised businesses.

## 3. FEES

### 3.1 Initial Fees

3.1.1 *Initial Franchise Fee.* You shall pay us the fee set forth in Schedule 1 upon execution of this Agreement. If no amount is listed in Schedule 1, the current Initial Franchise Fee due to be paid to us upon signing the Franchise Agreement is $125,000 which is payment for all of our pre-opening assistance provided to allow you to be trained and certified as a 10X Business Advisor and also offsets some of our franchise recruitment expenses. If you are a 10X Business Coach at the time you sign this Agreement, we will provide you with a discounted Initial Franchise Fee of $100,000. If you are not a 10X Business Coach at the time you sign this Agreement, we will allocate $25,000 of your Initial Franchise Fee towards your fee to become a 10X Business Coach. You acknowledge and agree that the Initial Franchise Fee is fully-earned by us when paid and is not refundable under any circumstances.

3.1.2 *10X Business Coach Program Fee.* You will join the 10X Business Coach Program offered by Cardone Ventures ("**10X Business Coach**") under the 10X Business Coach basic program, which is the first phase of training that must be completed to become a 10X Business Advisor. You will have the opportunity to upgrade your 10X Business Coach program, and you will contact the 10X Business Coach contact, Jarrod Glandt, and pay the following fees to our affiliate at the time you sign this Agreement:

3.1.2.1 Basic: $25,000 one-time, non-refundable payment which entitles you to train the Franchisee only and is included in your Initial Franchise Fee. Franchisee may add employees or independent contractors at the Office Location for an additional charge of $5,000 first the first employee or independent

contractor and $2,500 for any additional employee or independent contractor thereafter.

3.1.2.2 Business: $50,000 one-time, non-refundable payment for the Franchisee and up to four additional employees or independent contractors at the Office Location (5 total). Franchisee must pay $2,500 for each additional employee or independent contractor.

3.1.2.3 Platinum: $100,000 one-time, non-refundable payment for the Franchisee and up to 10 additional employees or independent contractors at the Office Location (11 total). Franchisee must pay $2,500 for each additional employee or independent contractor at the Office Location.

3.1.2.4 Companion: $10,000 one-time, non-refundable payment which entitles one additional companion in conjunction with the Business or Platinum program and not sold on its own. Each companion must separately sign a Franchise Agreement and be bound by the same terms as Franchisee. The companion fee shall serve as the Initial Franchise Fee for the companion but the companion shall be subject to all other initial and ongoing fees associated with the 10X Business Advisor franchise program.

The 10X Business Coach Program Fees are paid at the same time as the Initial Franchise Fee in lump sum upon signing this Agreement. The 10X Business Coach Program Fees are uniform, earned by the Franchisor's affiliate(s) when paid and non-refundable. The 10X Business Coach Program fees are subject to change by our parent company.

3.1.3 *Initial Training Fee.* If Franchisee has two or more business advisors employed or contracted to be participants in our 10X Business Advisor certification training program, the Franchisee shall pay an additional non-refundable training fee of $15,000 per business advisor (the "**Initial Training Fee**") to us upfront at the time the Franchisee signs this Agreement. You shall be required to provide proof of employment of your business advisors that you wish to train upon request both before and during the term of your Franchise Agreement. You acknowledge and agree that the Initial Training Fee is fully-earned by us when paid and is not refundable under any circumstances.

## 3.2 Royalty Fee

3.2.1 *Royalty Fee Payment.* You agree to pay us a continuing fee equal to the greater of: (i)15% of Gross Revenue; or (ii) $3,500 for the first business advisor plus $1,499 for each additional business advisor per month (the "**Royalty Fee**") for the right to use the System, including the 10X Business Advisor Content, and the Marks. This fee is non-refundable and starts immediately after you sign your Franchise Agreement.

3.2.2 *Royalty Fee Payment Date.* The Royalty Fee shall be paid by you on the 15th of each month for the Gross Revenue from the previous month. The Royalty Fee begins immediately on the first day you earn Gross Revenue. We reserve the right to change the time and manner of payment at any time upon written notice to you.

3.2.3 *Gross Revenue Report.* Upon our request, you shall provide to us a Gross Revenue Report, as required by Section 12.2, for the months requested.

**3.3 Taxes, Permits and Indebtedness**

3.3.1 *Payment of Taxes.* You agree to promptly pay when due all taxes levied or assessed, including, without limitation, unemployment and sales taxes, and all accounts and other indebtedness of every kind that you incur in the conduct of your Franchised Business. You agree to pay us an amount equal to any sales tax, gross receipts tax, or similar tax imposed on us with respect to any payments that you make to us as required under this Agreement within 30 days, unless the tax is credited against income tax that we otherwise pay to a state or federal authority. If any taxes, fees, or assessments are imposed on Royalty Fee payments, for example, by reason of us acting as a franchisor or licensing the Marks under this Agreement, you shall reimburse us the amount those taxes, fees, or assessments within 30 days after receipt of our invoice.

3.3.2 *Payment of Vendors.* You agree to promptly pay when due all trade creditors and vendors (including any that are affiliated with us) that supply goods or services to you and/or your Franchised Business. Your failure to pay vendors and suppliers shall be grounds for default and/or termination.

3.3.3. *Tax Disputes.* If there is a bona fide dispute as to your liability for taxes assessed or other indebtedness, you may contest the validity or the amount of the tax or indebtedness in accordance with procedures of the taxing authority or applicable law; however, in no event will you permit a tax sale or seizure by levy of execution or similar writ or warrant, or attachment by a creditor, to occur against the Franchised Business.

3.3.4 *Compliance with Law.* You must comply with all state and local laws and regulations regarding your Franchised Business.

3.3.5 *Notice of Violations and Actions.* You agree to notify us in writing immediately after: (a) you receive notice of any investigation by a government entity, any complaint or notice from the state or federal department of financial services, 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, or (b) the occurrence of any accident or injury which may adversely affect the operation of your Franchised Business or your financial condition, or give rise to liability or a claim against either party to this Agreement.

### 3.4 Electronic Transfer of Funds

All fees and other amounts due to us or advanced by us shall be paid to us through a designated bank account. You must allow us to debit your account through the Automated Clearing House ("**ACH**") system. The ACH form you are required to fill out is attached as Schedule 4. You shall make deposits to the designated bank account sufficient to cover amounts owed to us prior to the date such amounts are due. You shall not close your designated bank account without our written consent.

### 3.5 Interest, Late Fees and Failure to Comply

3.5.1 *Interest and Default Rate.* All amounts due to us and other amounts not received by us within five days after the due date shall incur interest at the rate of 1.5% per month from the date payment is due to the date payment is received by us.

3.5.2 *Late Fees.* In addition to the interest fee referenced above, you will pay us a late fee equal to the greater of: (i) 5% of the amounts due and owing; or (ii) $100 for each occurrence of a payment not received by us on or before its due date or each report you fail to provide as requested. This Section does not constitute an agreement by us to accept any payments after the due date or a commitment by us to extend credit to or otherwise finance you.

3.5.3 *Failure to Comply.* You shall pay us for all costs incurred by us in the collection of any unpaid and past due amounts, including reasonable accounting and legal fees. You shall also reimburse us on demand for all costs and expenses incurred by us (including without limitation, our costs of re-training your personnel, legal and accounting costs and the costs and expenses of our personnel) to enforce compliance of your monetary and non-monetary obligations under this Agreement. You shall reimburse us for such costs and expenses through the ACH system. You shall be subject to a $1,000 fee per incident per day of non-compliance which is payable on demand.

### 3.6 Application of Payments

Notwithstanding any designation by you, we shall have the right to apply any payments by you to any past due indebtedness owed to us or our Affiliates in any proportion or priority.

### 3.7 Operations Manual Replacement Fee

You agree to pay us $250 if you lose or destroy the Manual.

### 3.8 Insufficient Funds Fee

You agree to pay us $100 if any payment you owe to us or one of our Affiliates is rejected due to insufficient funds in your designated bank account, or if any other payment instrument you use is rejected for insufficient funds.

### 3.9 Software Fee

You agree to pay us up to $500 per month as of the date you sign this Agreement. The Software Fee will include technology and programs offered by our Affiliates as well as our bookkeeping software that you must use as a 10X Business Advisor. This fee is subject to increase by our Affiliates and any third-party vendors we decide to utilize to update or upgrade your tech stack. We may incorporate a new client relationship management (CRM) platform and other technology into our System which shall be incorporated into the Software Fee. We reserve the right to increase the Software Fee upon 30 days' notice to you. You must use your Computer System to (i) track sales receipts, services purchased and performed, and customer information, (ii) update inventory of merchandise and products, (iii) enter and manage your customer contact information, (iv) generate sales reports and analysis relating to your Franchised Business (v) maintain electronic records, and (vi) provide other services relating to the operation of your Franchised Business. We have the right to develop or to designate: (a) computer software programs and accounting system software that you must use in connection with the Computer System ("**Required Software**"), which you must install; (b) updates, supplements, modifications, or enhancements to the Required Software, which you must install; (c) the tangible media upon which you must record data; and (d) the database file structure of your Computer System. We may rely on suppliers to provide support for the hardware and software, and we may require that you enter into service contracts directly with the hardware and software suppliers and pay the suppliers directly for this support.

### 3.10 Management Fee

If we agree, in our discretion, to take over or conduct any of the advisory services you have promised to clients, you agree to pay our expenses plus an administrative fee of 100% of Gross Revenue above the other fees due to us (the "**Management Fee**"). The Management Fee will only be charged when we, one of our employees, or a third party appointed by us, actively perform advisory services for your Franchised Business. The Management Fee shall be paid at the same time as Royalty Fees and all other fees due to us. We have no obligation to you to manage your business during or after the term of this Agreement or upon default or abandonment, but we reserve this right in our sole discretion.

### 3.11 Convention Fee

We may hold an annual franchisee conference devoted to training and plans for the future of 10X Business Advisor System which you will be required to attend. You shall pay our required fee for the convention which can vary depending on the event. You must pay for your representatives' salaries and benefits, and for their travel, lodging, and meal expenses.

### 3.12 Revenue Share Opportunities

As a 10X Business Advisor, you will have the opportunity to refer new clients into the Cardone Ventures ecosystem, earning revenue through the use of Cardone Ventures intellectual property, content, processes, and resources, as well as earning revenue through the recruitment of new business advisors, for which you will earn a referral fee or a revenue share as detailed in our Manual ("**Revenue Share Opportunities**"). If you refer us a Revenue Share Opportunity that we agree to hold in our

sole discretion, you will work with Cardone Ventures and its executive team to host the Revenue Share Opportunities and will participate in the revenue earned from the Event in amounts that range from 2.5% to 10% depending on the event. If a client cancels prior to attending an event and no revenue was collected from the client, you will not earn revenue for that client. The types of Revenue Share Opportunities offered and the revenue share percentages will be included and updated from time to time in our Manual. The decision to host Revenue Share Opportunities may be agreed or denied by us for any reason.

### 3.13 Additional Advisor Technology Fee

Franchisee shall pay an additional $999 per business advisor after the first business advisor as a technology set up fee upon demand. This fee is uniformly imposed and non-refundable when paid.

## 4. TERM AND RENEWAL

### 4.1 Initial Term

The term of this Agreement starts on the Effective Date and, unless this Agreement is earlier terminated in accordance with its provisions, will expire two years from the Effective Date.

### 4.2 Renewal Terms

You will have the right to renew your rights to operate your Franchised Business, so long as you have satisfied all of the conditions specified below before each such renewal:

4.2.1 You have, during the entire term of this Agreement, fully complied with the provisions of this Agreement;

4.2.2 You have, at your expense, made such capital expenditures as were necessary to maintain uniformity with any Franchisor-required System modifications such that your Franchised Business reflects our then-current standards and specifications;

4.2.3 You have satisfied all monetary obligations owed by you to us (or any Affiliate or supplier), and have timely met these obligations throughout the term of this Agreement;

4.2.4 You are not in default of any provision of this Agreement or any other agreement between us or between you and our Affiliates or suppliers and vendors;

4.2.5 You have given written notice of your intent to operate a successor franchise to us not earlier than three months but no later than one month prior to the end of the term of this Agreement or successor term;

4.2.6 You have executed our then-current form of franchise agreement, which franchise agreement shall supersede this Agreement in all respects, and the terms of which may

differ from the terms of this Agreement by requiring, among other things, a different percentage Royalty Fee;

4.2.7 You have complied with our then-current qualifications for a new franchisee and have agreed to comply with any training requirements;

4.2.8 You have executed a general release, in a form the same as or similar to the General Release attached as Schedule 7, of any and all claims against us, any affiliate, and against our and our affiliates' officers, directors, shareholders, managers, members, partners, owners, employees and agents, except to the extent prohibited by the laws of the state where your Franchised Business is located; and

## 5. FRANCHISED BUSINESS

### 5.1 Operation of Your Franchised Business

You shall manage and administer your Franchised Business and maintain and store your books and records in a safe and secure location.

### 5.2 Time to Open

Immediately after you complete the training program and get certified as a 10X Business Advisor, you must start operating the Franchised Business. If you have not completed training and commenced operation of the Franchised Business within 12 months of the Effective Date of the Franchise Agreement, we may terminate the Franchise Agreement and retain all fees paid to us by you. You shall comply with all conditions set forth in Section 5.3 below and be prepared to open and continuously operate your Franchised Business. Time is of the essence.

### 5.3 Opening

You may not operate as a 10X Business Advisor until you are certified and we issue a written approval. We will not issue our approval, and you will be prohibited from operating your Franchised Business if (a) you have not completed all required training and certification programs, (b) in view of our management, we determine you and your employees are not prepared to serve as a 10X Business Advisor, or (c) other circumstances arise that would preclude you from being a 10X Business Advisor including, for example, you plead guilty or nolo contendere to a felony charge; become insolvent; or any other terminable offenses set forth in Section 16. Before opening your Franchised Business and commencing business, you must also:

5.3.1 fulfill all of your obligations pursuant to the other provisions of this Section 5;

5.3.2 furnish us with copies of all insurance policies required by this Agreement, or such other evidence of insurance coverage and payment of premiums as we may request;

5.3.3 obtain all necessary state, county, city, and local permits and licenses;

5.3.4 pay in full all amounts due to us, our Affiliates and any third-party vendors; and

5.3.5 obtain our written permission and approval to open.

### 5.4 Failure to Open

5.4.1 *Opening Date.* The Opening Date shall be included in Schedule 1 as being the date we approve you for opening your Franchised Business.

5.4.2 *Rights Upon Termination for Failure to Open.* If this Agreement is terminated because you fail to open or fail to comply with the time limitations to open once you are approved to open, we shall retain the entire Initial Franchise Fee paid by you among our other rights. The parties agree that the Initial Franchise Fee shall be retained in consideration of the services provided, time expended, work performed, and other efforts of us up to the date of your failure to timely commence operations of your Franchised Business and shall not be construed as nor considered to be a penalty.

## 6. MARKS

### 6.1 Ownership

Your right to use the Marks is derived solely from this Agreement, is non-exclusive and is limited to the conduct of business by you pursuant to, and in compliance with, this Agreement and all applicable standards, specifications and operating procedures prescribed from time to time by us. Any unauthorized use of the Marks by you is a breach of this Agreement and an infringement of our rights in and to the Marks. Your use of the Marks, and any goodwill created thereby, shall inure solely to our benefit. You shall not at any time acquire an ownership interest in the Marks by virtue of any use it may make of the Marks. This Agreement does not confer any goodwill, title or interest in the Marks to you. You shall not, at any time during the term of this Agreement or after its termination or expiration, contest the validity or ownership of any of the Marks or assist any other person in contesting the validity or ownership of any of the Marks.

### 6.2 Limitations on Use

6.2.1 *Business Entity Name.* You shall not use the name "**10X Business Advisor**" or a portion of any Mark as part of your business entity name.

6.2.2 *Unauthorized Service.* You shall not use "**10X Business Advisor**" or any of our Marks in connection with the sale of any unauthorized service or product or in any other manner not expressly authorized in writing by us. This is a material term of the Agreement and shall constitute grounds for immediate termination.

6.2.3 *Fictitious Name.* You shall obtain such fictitious or assumed name registrations as may be required under applicable law to do business as a 10X Business Advisor and shall

immediately cancel the fictitious name upon termination or expiration of this Agreement.

6.2.4 *Trademark Registration.* You shall not register or seek to register as a trademark or service mark, either with the United States Patent and Trademark Office or any state or foreign country, the names "**10X Business Advisor**", any of the Marks used in conjunction with your Franchised Business or a trademark or service mark that is confusingly similar to any Mark licensed to you.

6.2.5 *Public Notification.* You shall include on your letterhead, forms, cards and other such identification, a prominent notice stating that your Franchised Business is an "Independently Owned and Operated 10X Business Advisor Franchise" or such other.

6.2.6 *Limited Permission to Use the Marks.* The permission to use the names "**10X Business Advisor**" and our other Marks granted to you under this Agreement does not constitute a warranty of the absence of any third-party senior or superior use claims in and to the Marks. We shall have no liability to you for any senior users that may claim rights to the Marks. You shall amend any business entity name at our request and at your expense.

### 6.3 Notification of Infringements and Claims

You shall immediately notify us in writing of any infringement, claim of infringement, unfair competition, or challenge to your use of any of the Marks or claim by any person of any rights in any of the Marks. You shall not communicate with any person other than us and our counsel in connection with any such infringement, challenge, or claim. We are not required to take affirmative action when notified of these uses or claims. We have the sole right to control any administrative or judicial proceeding arising out of any infringement, challenge, or claim involving a trademark licensed by us. This Agreement does not require us to participate in your defense or indemnify you for expenses or damages if you are a party to an administrative or judicial proceeding involving a trademark licensed by us to you or if the proceeding is resolved unfavorable to you. You shall execute any and all instruments and documents, render such assistance, and do such acts and things as may, in the opinion of us or our counsel, be necessary or advisable to protect and maintain our interests in any such litigation or other proceeding or to otherwise protect and maintain our interest in the Marks.

### 6.4 Indemnification for Use of Marks

We may but we are not required to participate in your defense or indemnify you for expenses or damages if you are a party to an administrative or judicial proceeding involving the use of our Marks. At our option, we or our designee may defend and control the defense of any proceeding arising directly from your use of any Mark.

### 6.5 Discontinuance of Use

If we deem it necessary for you to modify or discontinue use of any of the Marks, and/or use additional or substitute trade names, trademarks, service marks or other commercial symbols, you shall comply with our directions within 10 business days after notice to you by us and subject to the limitations in Section 10.2. We shall not be required to reimburse you for your expenses in modifying or discontinuing the use of a Mark or any loss of goodwill associated with any modified or discontinued Mark or for any expenditures made by you to promote a modified or substitute Mark.

### 6.6 Right to Inspect

To preserve the validity and integrity of the Marks and any copyrighted materials licensed hereunder, and to ensure that you are properly employing the Marks in the operation of your Franchised Business, you shall comply with all reasonable requests for information and documentation and shall give us access to speak directly to your clients and employees, if applicable, about the operation of your Franchised Business. If you have an office space that is not your home, we shall have the right to inspect the premises without advance notice.

### 6.7 Franchisor's Sole Right to Domain Name

You shall not advertise on the Internet using, or establish, create or operate an Internet site or website using a domain name or uniform resource locator containing, the Marks or the words "**10X Business Advisor**" or any variation thereof without our written approval. We are the sole owner of a right, title and interest in and to such domain names. We may grant you a sub-page on our website for purposes of providing the public with contact information for your Franchised Business and other content in our discretion.

## 7. TRADE SECRETS AND OTHER CONFIDENTIAL INFORMATION

### 7.1 Confidentiality of Trade Secrets and Other Confidential Information

You acknowledge that we are disclosing Trade Secrets and other Confidential Information to you during the training program, through the Manual, and as a result of guidance furnished to you during the term of this Agreement. You shall not acquire any interest in the Trade Secrets or other Confidential Information, other than the right to use it in the development and operation of your Franchised Business and in performing your duties during the term of this Agreement. You acknowledge that the use or duplication of the Trade Secrets or other Confidential Information in any other business venture would constitute an unfair method of competition. You acknowledge that the Trade Secrets and other Confidential Information are proprietary and are disclosed to you solely on the condition that you (and all holders of a legal or beneficial interest in Franchisee and all officers, directors, executives, managers and members of the staff of Franchisee): (a) shall not use the Trade Secrets or other Confidential Information in any other business or capacity; (b) shall maintain the absolute confidentiality of the Trade Secrets and other Confidential Information during and after the term of this Agreement; (c) shall not make any unauthorized copies of any portion of the Trade Secrets or other Confidential Information disclosed in written or other tangible form; and (d) shall adopt and

implement all reasonable procedures prescribed from time to time by us to prevent unauthorized use or disclosure of the Trade Secrets and other Confidential Information. You shall enforce this Section as to your employees, agents and representatives including by requiring them to sign the Nondisclosure and Non-Competition Agreement attached as Schedule 2 and shall be liable to us for any unauthorized disclosure or use of Trade Secrets or other Confidential Information by any of them.

### 7.2 Additional Developments

All ideas, concepts, techniques or materials concerning the System or developed, in whole or in part, using Trade Secrets or other Confidential Information, whether or not protectable intellectual property and whether created by or for you or your owners or employees, shall be promptly disclosed to us and shall be deemed the sole and exclusive property of ours and our works made-for-hire, and no compensation shall be due to you or your owners or employees therefore, and you hereby agree to assign to us all right, title and interest in any intellectual property so developed. We have the right to incorporate such items into the System. To the extent any item does not qualify as a "work made-for-hire," you shall assign, and by this Agreement, do assign, ownership of that item, and all related rights to that item, to us and shall sign any assignment or other document as we request to assist us in obtaining or preserving intellectual property rights in the item. We shall disclose to you concepts and developments of other franchisees that are made part of the System. As we may reasonably request, you shall take all actions to assist our efforts to obtain or maintain intellectual property rights in any item or process related to the System, whether developed by us or not.

### 7.3 Exclusive Relationship

You acknowledge that we would be unable to protect the Trade Secrets and other Confidential Information against unauthorized use or disclosure and would be unable to encourage a free exchange of ideas and information among 10X Business Advisor System franchisees if owners of 10X Business Advisor System franchised businesses and members of their immediate families or households were permitted to hold an interest in or perform services for any Competitive Business. Therefore, you and any holder of a legal or beneficial interest in the Franchisee entity (or any member of their immediate families or households), and any officer, director, executive, manager or member of the staff of the Franchisee entity, either directly or indirectly, for themselves, or through, on behalf of or in conjunction with any person, partnership, corporation, limited liability company or other business entity, shall not:

7.3.1 divert or attempt to divert any business or customer of your Franchised Business to any Competitive Business, 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 Marks or the System;

7.3.2 at any time during the term of this Agreement, own, maintain, engage in, be employed by, perform services for or serve as an officer, director, or principal of, lend money or extend credit to, lease/sublease space to, or have any interest in or involvement with a Competitive Business;

7.3.3 at any time within a two-year period following termination or expiration of this Agreement, own, maintain, engage in, be employed by, perform services for or serve as an officer, director, or principal of, lend money or extend credit to, lease/sublease space to, or have any interest in or involvement with a Competitive Business or within a 25-mile radius of your office location for your Franchised Business or any 10X Business Advisor owned by franchisees or us as set forth in Section 17;

7.3.4 call on, solicit, accept business from, or take away any customers or prospective customers of your Franchised Business or of us, our franchisees, or our Affiliates for the benefit of any person or entity outside the System. The term "**Prospective Customer(s)**" includes any person or entity that received a quote for 10X Business Advisor Content or other services at your Franchised Business, or any person or entity whose information was provided to your Franchised Business, at any time during the six-month period preceding the termination, expiration, non-renewal or transfer of the Agreement; or

7.3.5 call on, solicit, accept business from, or take away for the benefit of yourself or any other person or entity, any Prospective Customers or customers of your Franchised Business or of us or our Affiliates, that you worked with or serviced in any capacity or that you received any confidential or proprietary information about, regarding the services and products similar to those provided by your Franchised Business, for a continuous period of two years after the nonrenewal, expiration or termination of this Agreement.

### 7.4 Nondisclosure and Non-Competition Agreements with Certain Individuals

We have the right to require any holder of a legal or beneficial interest in the Franchisee entity (and any member of their immediate families or households), and any officer, director, executive, manager or member of the staff and all employees of the Franchisee entity to execute a Nondisclosure and Non-Competition Agreement, in a form the same as or similar to Schedule 2, upon execution of this Agreement or prior to each such person's affiliation with Franchisee. Upon our request, you shall provide us with copies of all Nondisclosure and Non-Competition Agreements signed pursuant to this Section. Such agreements shall remain on file in a safe and secure location and are subject to audit or review as otherwise set forth herein. We shall be a third-party beneficiary with the right to enforce covenants contained in such agreements.

### 7.5 Reasonableness of Restrictions

You acknowledge that the restrictive covenants contained in this Section are essential elements of this Agreement, and that without their inclusion we would not have entered into this Agreement. You acknowledge that each of the terms set forth herein, including the restrictive covenants, is fair and reasonable and is reasonably required for the protection of us, the System and the Marks and you waive any right to challenge these restrictions as being overly broad, unreasonable or otherwise unenforceable.

## 8. TRAINING AND ASSISTANCE

### 8.1 Training and Private Coaching

Before opening your Franchised Business, you (or if you are an entity, your Operating Principal) must attend and successfully complete, to our satisfaction, the initial training program (which includes an online component and videos) we offer for 10X Business Advisor franchisees at our headquarters or another location that we specify. This includes all phases listed in Item 11 of our Disclosure Document, which are incorporated herein, to our complete satisfaction. If you fail to complete training, we may terminate this Agreement. You acknowledge that the Initial Franchise Fee is non-refundable. You must pay our then-current per diem training charges (which is currently $12,500 per person) for additional one-on-one training either live or through a virtual online platform; for refresher training courses; and for special assistance or training you need or request to be conducted. Our CEO Brandon Dawson may offer private coaching at his then-current hourly rate subject to his availability.

### 8.2 Franchisor Assistance

Prior to opening of your Franchised Business and during the term of this Agreement, we will provide to you general guidance either by telephone, email and/or videoconference that we think is advisable, in our sole discretion, and as may be described in the Manual.

### 8.3 Failure to Complete Initial Training Program

You are required to complete the initial training program before commencing operation of your Franchised Business. If we determine that you are unable to satisfactorily complete the training program described above, we have the right to terminate this Agreement. If this Agreement is terminated pursuant to this Section 8.3, we shall have no obligation to return any of the Initial Franchise Fee. If you are a business entity and the Operating Principal fails to complete the initial training program to our reasonable satisfaction, you may be permitted to select a substitute Operating Principal who must complete the initial training to our satisfaction. You will be required to pay us our then-current rates for additional training or $12,500 per trainee plus hotel, air fare and other expenses incurred by us and our trainers.

### 8.4 Ongoing Training

We may require that your or, if you are an entity, your Operating Principal and employees, if applicable, periodically attend additional courses, seminars, and other training programs. You will also bear all other expenses incurred in attending training, such as the costs of transportation, lodging, meals, wages, and worker's compensation insurance. You must pay our then-current per diem training charges (currently $12,500 per person) for additional training. We may hold periodic conferences, as we deem necessary, to discuss sales techniques, products and services, personnel training, bookkeeping, accounting, inventory control, performance standards, advertising programs and merchandising procedures. In the event that such conferences are held, we reserve the right to charge a fee for your attendance at the conference, and you must pay all your travel and living expenses related

to your attendance at the conference. You are solely responsible for ensuring that your management staff and employees are adequately trained.

## 9. OPERATIONS MANUAL

### 9.1 Loan by Franchisor

While this Agreement is in effect, we shall lend to you one copy of the Manual or grant you access to an electronic copy of the Manual. Except in the case of a conflict with applicable laws or regulations, you shall conduct your Franchised Business in strict accordance with the provisions set forth in the Manual. The Manual may consist of one or more separate manuals and other materials as designated by us and may be in written or electronic form. The Manual shall, at all times, remain our sole property and shall promptly be returned to us upon expiration or termination of this Agreement.

### 9.2 Revisions

We have the right to add to or otherwise modify the Manual from time to time to reflect changes in the specifications, standards, operating procedures and rules we prescribe. We may make such additions or modifications without prior notice to you. You shall immediately, upon notice, adopt any such changes and shall ensure that your copy of the Manual is up to date at all times. If a dispute as to the contents of the Manual arises, the terms of the master copy of the Manual maintained by us at our headquarters shall be controlling.

### 9.3 Confidentiality

The Manual contains Trade Secrets and other Confidential Information of ours, and its contents shall be kept confidential by you during the term of this Agreement and subsequent to the expiration, non-renewal or termination of this Agreement. You shall at all times ensure that your copy of the Manual is available at your Franchised Business in a current and up-to-date manner. If the Manual is in paper form or stored on computer-readable media, you shall maintain the Manual in a secure manner; if the Manual is in electronic form, you shall maintain the Manual in a password-protected file. You shall only grant authorized personnel, as defined in the Manual, access to the Manual or any key, combination, or passwords needed for access to the Manual. You shall not disclose, duplicate, or otherwise use any portion of the Manual in an unauthorized manner.

## 10. FRANCHISE SYSTEM

### 10.1 Uniformity

Except in the case of a conflict with applicable laws or regulations, you shall strictly comply, and shall cause your Franchised Business and your employees, if applicable, to strictly comply, with all requirements, specifications, standards, operating procedures and rules set forth in this Agreement, the Manual or other communications supplied to you by us. Consistent with the goals of the System, you shall be responsible for the day-to-day operation of your Franchised Business. In case of a conflict between the Manual, this Agreement or other communications supplied to you on the one hand, and

applicable laws or regulation, you shall request a variance and we shall grant an automatic variance for the purpose of compliance with such laws or regulations. You acknowledge the mandatory specifications, standards and operating procedures are not for the purpose of exercising control of over the day-to-day operation of your Franchised Business.

### 10.2 Modification of System

You acknowledge and understand that, from time to time, we may introduce, as part of the System, other methods, technology or services, and products which require certain System modifications including, without limitation, the adoption and use of modified or substitute Marks, new computer hardware and software, new equipment, new technology or signage. You agree to make all required upgrades and modifications at your expense as may be required by us.

### 10.3 Variance

We have the right to vary standards or specifications for any franchisee based upon that particular franchisee's qualifications, the peculiarities of the particular site or circumstances, sales ability, business potential, existing business practices or any other condition which we deem to be of importance to the successful operation of a Franchised Business. We shall not be required to disclose or grant to you a like or similar variance hereunder.

### 10.4 Unapproved Products and Services

You acknowledge that the offer or sale of any unapproved products or services through your Franchised Business constitutes a material breach of this Agreement and good cause for termination of this Agreement. You acknowledge that you may not solicit or accept business from a client that is already in the database of another 10X Business Advisor franchisee. You authorize us to cure any default under this Section on your behalf by removing and disposing of any unapproved products and unapproved equipment and other materials being used for your Franchised Business. Any dispute between you and us as to whether any item, service, or equipment is approved will be governed by the official lists we maintain at our principal place of business. You hereby grant us all of your right, title, and interests in and to any unapproved products and equipment being used at your Franchised Business and waive any claims you may have against us arising from the removal and disposal of any unapproved products and unapproved equipment and other materials. You acknowledge that we have the right to physically remove any unapproved products and equipment from your Franchised Business, and to dispose of them in any way we desire, without any compensation or liability to you.

### 10.5 Pricing

To the extent permitted by applicable law, we may periodically establish maximum and/or minimum prices for services and products that you offer through your Franchised Business, including without limitation, prices for promotions in which all or certain of our franchisees participate. If we establish such prices for any services or products, you cannot exceed or reduce that price, but will charge the price for the service or product that we establish subject to applicable law and restrictions. You will apply any pricing matrix or schedule established by us.

## 11. ADVERTISING AND PROMOTIONAL ACTIVITIES

### 11.1 Local Marketing

11.1.1 *Local Marketing Requirement.* You are not required to spend money on local marketing, advertising and promotion of your Franchised Business. However, certain criteria will apply to local online, digital marketing and advertising mechanisms including: (i) pay per click advertising through Google; (ii) Facebook advertising campaigns; (iii) YouTube advertising campaigns; (iv) Instagram advertising campaigns; (v) email marketing campaigns; (vi) localized digital campaigns utilizing search engine optimization tools (SEO); and (vii) any additional local marketing initiatives which are generally reserved for the Franchisor and shall only be performed with the express written consent of the Franchisor. It is solely your responsibility to ensure that any marketing of the services and products offered by your Franchised Business are compliant with the applicable laws in your jurisdiction.

11.1.2 *Franchisor's Control and Approval.* We shall have sole control over creative concepts, materials, and media used in local marketing programs, and the placement and allocation thereof. We do not warrant that any particular franchisee will benefit directly or pro rata from expenditures by its local marketing program. We do not warrant the success or effectiveness of any particular advertising/marketing program. We shall have the right to approve or disapprove all marketing and promotional materials that you propose to use.

11.1.3 *Local Marketing Criteria.* Certain criteria will apply to the local marketing that you conduct. All of your local marketing must be professional and dignified, must conform to our standards and requirements, and must be conducted in the media, type, and format that we have approved. You may not use any marketing or promotional plans that we have not approved in writing. You must submit to us samples of all proposed plans and materials (unless, within the previous six months, we prepared or already approved the plans or materials). If you email us with your request for approval, along with all needed information, we will ordinarily provide you with our response (whether approval or disapproval) to the proposed plans or materials within ten business days; but if we do not give our approval within 15 business days, we will have been deemed to disapprove the plans or materials.

11.1.4 *Our Sole Property.* All copyrights in and to marketing, advertising and promotional materials you develop (or that are developed for you) will become our sole property. You must sign any documents (and, if necessary, require your independent contractors to sign the documents) that we deem reasonably necessary to implement this provision. We may periodically make available to you certain marketing materials for your use in local marketing and promotion, some of which must be purchased.

11.1.5 *Local Marketing Defined*. As used in this Agreement, the term "local marketing" refers to only the direct costs of purchasing and producing marketing materials (such as camera-ready advertising and point of sale materials), marketing to referral partners, and your direct out-of-pocket expenses related to costs of marketing in your local market or area. Local marketing and promotions also include postage, shipping, telephone, and photocopying costs. Local marketing does not, however, include any of the following: (a) salaries, incentives or discounts offered to your employees, and your employees' expenses; (b) charitable, political, or other contributions or donations; and (c) the value of discounts given to consumers.

11.1.6 *Materials Available for Purchase*. We, our vendors or our Affiliates may periodically make available to you for purchase marketing plans and promotional materials, merchandising materials, sales aids, point-of-purchase materials, special promotions, community relations programs, and similar marketing and promotional materials for use in local marketing.

11.1.7 *Periodic Marketing Programs*. You acknowledge and agree that periodic marketing programs and promotions will, if and when we approve and adopt them, be an integral part of the System. Accordingly, you agree to honor and participate (at your expense) in marketing programs and promotions that we establish and/or that other franchisees sponsor, so long as they do not violate regulations and laws of appropriate governmental authorities. You must participate in all advertising, promotional and marketing initiatives we may require. Without limitation, initiatives may include prize contests, special product and service offers and coupons. Advertising, promotional and marketing initiatives may be conducted internationally, nationally, regionally and locally and may vary from region to region or locality to locality; all other franchisees using the System shall not necessarily be required to participate in the initiatives in which you must participate. You must also participate in the launch of any new services or products we may require, and you must honor all coupons, gift certificates and other promotional offers authorized by us including without limitation, you must honor all coupons, certificates and promotional offers presented to you.

11.1.8 *Considerations as to Charitable Efforts*. You acknowledge and agree that certain associations between you and your Franchised Business, on the one hand, and certain political, religious, cultural or other types of groups, organizations, causes, or activities, on the other, however well-intentioned and legal, may create an unwelcome, unfair, or unpopular association with, and an adverse effect on, our reputation and the good will associated with the Marks. Accordingly, you agree that you will not, without our prior written consent, take any actions that involve the donation of any money, products, services, goods, or other items to, any charitable, political or religious organization, group, or activity.

### 11.2 Franchisor Advertising

We are not obligated to conduct any advertising on your behalf, will not be administering any national advertisement fund and will not be obligated to spend any money in any particular area including the location of your Franchised Business.

### 11.3 Internet Marketing

11.3.1 *Restrictions on Internet.* You are restricted from establishing a presence on, or marketing on the Internet without our written consent which will not be unreasonably withheld. We have a website at the uniform resource locator (URL) www.cardoneventures.com that provides information about the System generally. We may provide you with a page on our home page, where we will have contact information on your location. We retain the sole right to post content on our website and otherwise market on the Internet, including the use of other websites, domain names, social media accounts, URLs, keywords, linking, search engines (and SEO techniques), banner ads, meta-tags, marketing, e-commerce and co-branding arrangements. You may be requested to provide content for our Internet marketing efforts, and you must follow our intranet and Internet usage rules, policies and requirements. We retain the sole right to use the Marks on the Internet, including on websites, as domain names, directory addresses, search terms and meta-tags, social media pages and in connection with linking, marketing, co-branding and other arrangements but we understand the importance of our 10X Business Advisors establishing a presence on the Internet and will provide training and marketing materials for you to promote the Franchised Business as we deem advisable. We retain the sole right to approve any linking to, or other use of, the 10X Business Advisor Systems website. You are not permitted to use a domain name containing "**10X**" or "**10X Business Advisor**", in the URL or any domain without our permission. You must adhere to our Internet and social media policies set forth in our Manual.

11.3.2 *Photo/Video Release.* Subject to applicable law, you authorize us to use your likeness and any likeness of your Franchised Business in a photograph ("**Image**") in any and all publications made by us or an affiliate on our website, on our social media network, in print or digital publications promoting our brand, and for any commercially reasonable reason. All such Images will become our property. You agree to waive any rights to royalties or any other compensation related to our use of the Images and to hold us harmless from all claims, demands, and causes of action which you may have in connection with this authorization. You further agree to secure copyrights or licenses from any professional photographer hired or engaged by you which provides for System-wide use of such photographs.

### 11.4 Cooperative Marketing

You are not required to participate a local or regional marketing cooperative. We do not currently have an advertising council composed of franchisees that advises us on advertising materials.

### 11.5 Client Information

You acknowledge that we and our affiliates shall have the right, through the Computer System, to independent and unrestricted access to lists of your Franchised Business' clients and/or prospects, including names, addresses, and other related information, all of which constitutes Client Information. We may use such Client Information in our business activities. You may not use Client Information to compete with us during the term of this Agreement and after the termination and/or expiration of this Agreement. Upon termination or expiration of this Agreement, we and our affiliates reserve the right to make any and all disclosures and use the Client Information in any manner that we or our affiliates deem appropriate or necessary.

## 12. ACCOUNTING, RECORDS, AND REPORTING OBLIGATIONS

### 12.1 Records

During the term of this Agreement, you shall maintain full, complete, and accurate books, records and accounts in compliance with all regulations. You shall utilize the accounting software QuickBooks (or other Franchisor approved accounting software) to manage your books. You shall retain during the term of this Agreement, and for three years thereafter, all books and records related to your Franchised Business including, without limitation, purchase orders, invoices, payroll records, sales tax records, state and federal tax returns, bank statements, cancelled checks, deposit receipts, cash receipts and disbursement journals, general ledgers, and any other financial records designated by us or required by law. By signing this Agreement, you grant us unlimited access to the accounting software and Computer System for any legitimate reason in our discretion or business purpose.

### 12.2 Gross Revenue Reports

You shall maintain an accurate record of Gross Revenue and, upon our request, shall deliver to us electronically a signed and verified statement of Gross Revenue.

### 12.3 Financial Statements

You shall supply to us on or before the 15th day of each month a balance sheet and income statement of your Franchised Business for the preceding month. You shall, at your expense, submit to us within 90 days after the end of each calendar year, an income statement, profit and loss statement, and balance sheet for the Franchised Business for the calendar year just ended. If required by us, such financial statements shall be reviewed or audited by a certified public accountant. You shall submit to us such other periodic financial reports in the manner and at the time specified in the Manual or otherwise requested by us in writing.

### 12.4 Other Reports

You shall submit to us copies of all state sales tax returns that are required to be filed with the appropriate governmental agency and such other records as we may reasonably request from time to

time or as specified in the Manual. We shall have the right to release financial and operational information relating to your Franchised Business to our lenders or prospective lenders. You shall certify as true and correct all reports to be submitted pursuant to this Agreement.

### 12.5 Computer Equipment; Required Software; Our Access; Telephone Numbers

12.5.1 *Computer System.* You must meet our current requirements concerning the Computer System, including: (a) data, audio, video, telephone, voice messaging, retrieval, and transmission systems for use for your Franchised Business; (b) physical, electronic, and other security systems and measures; (c) printers and other peripheral devices; (d) archival back-up systems; (e) Internet access and speed; and (f) technology used to enhance and evaluate the client experience (collectively, all of the above are referred to as the "**Computer System**"). It is solely your responsibility to ensure the installation and operation of the Computer System complies with applicable law, including without limitation privacy laws related to customer financial or other customer data.

12.5.2 *Required Equipment and Software.* You shall purchase, install, and use computer equipment consisting of hardware and software in accordance with our specifications in the Manual. We may periodically require you to upgrade and update the hardware and software used in connection with the Computer System. There are no contractual limitations on the frequency and cost of these upgrades and updates. We reserve the right to approve your email address or require you to use only an email address that we provide for your Franchised Business' business emails.

12.5.3 *Franchisor Access.* We shall have full access to your Computer System and data and all related information by means of direct access, either in person or by telephone, modem, or Internet to permit us to verify your compliance with your obligations under this Agreement. You must afford us unimpeded independent access to your Computer System used as a 10X Business Advisor in the manner, form, and at the times we may request. We will have the right at any time to retrieve and use this data and information from your Computer System in any manner we deem necessary or desirable. There are no contractual limitations on our right to access the information stored on your Computer System.

12.5.4 *Telephone.* We have the right to require you to use one or more designated telephone vendors. We may designate, and own, the telephone numbers for your Franchised Business.

12.5.5 *Email and Internet.* You must be able to access information that is available on the Internet and be able to send and receive email.

12.5.6 *Client Lists.* Any client or customer lists or information compiled or amassed through your Computer System or otherwise, will be our proprietary property. You may not sell or use client lists or information for any purpose other than in connection with the operation of your Franchised Business.

### 12.6 Right to Inspect

We have the right, during normal business hours without notice, to examine, copy, and audit your books, records, and tax returns. If the audit or any other inspection should reveal that any payments to us have been underpaid, then you shall immediately pay us the amount of the underpayment and interest from the date such amount was due until paid at the rate of 1.5% per month (or the rate legally allowed by the law of the state where you are located, whichever is lower). You shall, in addition, reimburse us for any and all costs and expenses connected with the inspection (including, without limitation, travel expenses and reasonable accounting and attorneys' fees). The foregoing remedies shall be in addition to any other remedies we may have.

### 12.7 Release of Records

At our request, you shall release or authorize and direct third party(ies), including accounting and legal professionals, to release to us copies of all accounting and financial records arising from or relating to the operation of your Franchised Business including, but not limited to, records evidencing sales, profits, losses, income, tax liabilities, tax payments, revenues, expenses, and any correspondence, notes, memoranda, audits, business records, or internal accounts within said third parties' possession, custody or control, and to continue to release such records to us on a monthly basis for the length of the unexpired term of this Agreement or until such time as we withdraw our request. You shall execute all documents necessary to facilitate the release of records referenced herein to us.

## 13. STANDARDS OF OPERATION

### 13.1 Authorized Services, Products and Suppliers

13.1.1 *Generally.* You shall not conduct any business or sell any advisory services through your Franchised Business other than the services approved by the Franchisor. We have the right to require you to purchase goods from designated or approved suppliers as well as enter into service agreements with approved vendors. We have the right to add, eliminate, modify, and substitute any services and goods offered through your Franchised Business or the designated suppliers for your Franchised Business in our sole discretion.

13.1.2 *Reputation and Goodwill.* You acknowledge that the reputation and goodwill of the System is based in large part on offering high quality services and products to your customers including the 10X Business Advisor Content. Accordingly, you and your employees, if applicable, shall provide the services and products offered through your Franchised Business with the greatest diligence and care and comply with our specifications and quality standards. You shall not offer for sale, sell or provide through your Franchised Business any advisory services or goods that we have not approved. Furthermore, you must offer for sale all advisory services and goods currently offered by us or which will be offered by us in the future.

13.1.3 *Supplier Review*. Notwithstanding anything contrary in this Agreement, we have the right to review from time to time our approval of suppliers. We may revoke our approval of any item, service or supplier at any time by notifying the supplier without notice to you. You shall, at your own expense, promptly cease using, selling or providing any services or goods disapproved by us. We will decide within a reasonable time (usually 30 days) after receiving the required information whether you may purchase or lease the goods or services from the supplier. Our criteria for approving or revoking approval of suppliers includes: the supplier's ability to provide sufficient quantity of goods; quality of goods or services at competitive prices; production and delivery capability; our existing relationships with competitive vendors; and experience, dependability and general reputation. We notify you in our Manual or other written communications if we revoke approval of any supplier. Despite the existence of this approval process, we reserve the right to be the only approved supplier of any service or good offered through your Franchised Business.

13.1.4 *Variance Rights*. We have the right to designate certain services, not otherwise authorized for general use as part of the System, to be offered locally or regionally based upon such factors as we determine including, but not limited to, franchisee qualifications, test marketing and regional or local differences. We have the right to give our consent to one or more franchisees to provide certain services not authorized for general use as part of the System. Such consent will be based upon the factors set forth in Section 10.4 and shall not create any rights in you to provide the same products or services.

13.1.5 *Supplier Benefits*. We have the right to retain volume rebates, markups and other benefits from suppliers, including our affiliates, or in connection with the furnishing of suppliers. You shall have no entitlement to or interest in any such benefits.

### 13.2 Ownership and Management

You must, at all times, retain and exercise direct management control over all aspects of your Franchised Business. Your personal supervision is required on a daily basis. You, and, if you are an entity, your Operating Principal, must devote best efforts to the operation of your Franchised Business. If you choose to hire employees, you will recruit, hire, train, terminate, and supervise employees, set pay rates, and pay all wages and related amounts, including any employment benefits, unemployment insurance, withholding taxes or other sums. We are not an employer, co-employer or joint employer with you of your management staff or other employees. You are solely responsible for all employment matters, decisions and relationships. You shall designate the Operating Principal(s) in Schedule 5 who is/are an individual that we approve who must own and control, or have the right to own and control not less than a 5% interest in Franchisee's equity, shall have the authority to bind Franchisee regarding all communications with us and operational decisions with respect to your Franchised Business, and who must have completed our initial training program to our satisfaction.

### 13.3 Contributions and Donations

In order to protect the Marks, you must obtain our prior written consent before making any contributions or donations of items, services or funds to any non-profit organization on behalf of your Franchised Business. We may withhold any such consent in our sole and absolute discretion.

### 13.4 Licenses, Permits and Regulations

You shall secure and maintain in force all required operational licenses, permits and certificates necessary for the operation of your Franchised Business, and shall operate your Franchised Business in full compliance with all applicable laws, ordinances and regulations.

### 13.5 Notification of Proceedings

You shall notify us in writing of the commencement of any action, suit or proceeding involving you or your Franchised Business, and of the issuance of any order, writ, injunction, judgment, award or decree which may affect the operation or financial condition of your Franchised Business immediately but not more than three days after notice of such commencement or issuance. You shall deliver to us immediately but not more than three days after your receipt thereof, a copy of any inspection report, warning, certificate or rating by any governmental agency relating to any law, rule or regulation that reflects your failure to meet and maintain the highest applicable rating or your noncompliance or less than full compliance with any applicable law, rule or regulation.

### 13.6 Compliance with Good Business Practices

You acknowledge that the quality of client service, and every detail of appearance and demeanor of you and your employees, is material to this Agreement and the relationship created and licenses granted hereby. Accordingly, you shall endeavor to maintain high standards of quality and service in the operation of your Franchised Business, including operating in strict compliance with all applicable rules and regulations. You shall at all times give prompt, courteous and efficient service to clients of your Franchised Business. You shall in all dealings with your clients, vendors and the general public, adhere to the highest standards of honesty, fair dealing and ethical conduct. If we deem that you did not fairly handle a client complaint or that you have operated outside of applicable rules and regulations, we have the right to intervene and satisfy the client. We have the right to terminate this Agreement for a material violation of this Section that negatively impacts the goodwill in the 10X Business Advisor brand. You shall reimburse us for all costs and expenses (including attorneys' fees) incurred by us in servicing a client of your Franchised Business or responding to negative publicity pursuant to this Section.

### 13.7 Attire

You shall abide by all dress code requirements stated in the Manual or upon our notification to you.

### 13.8 Credit Cards

Upon our request, you shall, at your expense, lease or purchase the necessary equipment and/or software through approved vendors and shall have arrangements in place with Visa, MasterCard, American Express and such other credit card issuers as we may designate, from time to time, to enable your Franchised Business to accept such methods of payment from your customers.

### 13.9 Email

You shall, at all times and at your expense, maintain an 10X Business Advisor email address and account for communicating with us and your clients. In sending emails from your 10X Business Advisor System email address, you shall identify yourself as an independent owner and operator of a 10X Business Advisor franchise. You shall refrain from giving out titles to yourself or employees, if applicable, and your staff that causes confusion to the public as to the ownership of the Franchisor and as to our and your franchise relationship.

### 13.10 Best Efforts

You shall use your best efforts to promote and increase the clients and recognition of services and products offered through your Franchised Business. You shall require all of your employees, officers, agents and representatives to make a good faith effort to enhance the sales of all services and products provided as part of the System.

## 14. FRANCHISOR'S ASSISTANCE

### 14.1 General Advice and Guidance

We may periodically provide general guidance to you by telephone and/or electronic correspondence, with respect to operating your Franchised Business as we deem necessary in our sole discretion.

### 14.2 Periodic Visits

We and our representative may, in our sole discretion, make periodic visits, which may be announced or unannounced, to monitor and observe your conduct in administering the advisory services offered through the System for the purposes of determining compliance with the requirements of this Agreement, for conducting quality assurance audits which may include client surveys, and for any other purpose connected with the System. Such right shall also include, without limitation, the ability to confer with your employees, if applicable, and clients. You shall, in all cases, facilitate our exercise of our rights under this Section. Our representatives who visit, monitor or review your Franchised Business may prepare, for the benefit of both you and us, written reports detailing any successes, problems or concerns discovered during any such visit and outlining any required or suggested changes or improvements in the operations of your Franchised Business. By signing this Agreement, you agree to implement any required changes or improvements as required by us with time being of the essence.

## 15. INSURANCE

### 15.1 Types and Amounts of Coverage

15.1.1 *Insurance Coverage Required.* Before starting any activities or operations under this Agreement, you agree to procure and maintain in full force and effect during the term of this Agreement, at your expense, at least the following insurance policy or policies in connection with your Franchised Business:

15.1.1.1 Commercial general liability insurance, which shall include us, Cardone Ventures, LLC, and any entity in which we have an interest and any entity affiliated with us and each of our members, managers, shareholders, directors, officers, partners, employees, servants and agents as additional insureds, protecting against any and all claims for personal, bodily and/or property injury occurring as you conduct your Franchised Business and protecting against assumed or contractual liability under this Agreement with respect to your Franchised Business and your operations, including personal and advertising liability as well as products and completed operations coverage, with such policy to be placed with minimum limits of $1,000,000 combined single limit per occurrence;

15.1.1.2 Workers' Compensation Coverage and such other insurance as may be required by statute or rule of the state or locality in which your Franchised Business is located;

15.1.1.3 Business interruption and extra expense insurance for a minimum of twelve (12) months to cover net profits and continuing expenses, including Royalty Fees;

15.1.1.4 Errors & Omissions insurance with a minimum per occurrence limit of $500,000 and a minimum general aggregate limit of $1,000,000;

15.1.1.5 Umbrella liability coverage with minimum limits of $1,000,000; and

15.1.1.6 Any other insurance coverage that is required by the Manual or federal, state, or municipal law.

15.1.2 *Insurance Advice.* You shall seek advice from your professional and business advisors and a licensed insurance agent and procure such other types of coverage and amounts of coverage in accordance with the advice received and as required by law.

### 15.2 Future Increases and Additional Insureds

We have the right to establish and modify the minimum coverages required and require different or additional kinds of insurance to reflect inflation, changes in standards of liability, higher damage

awards, or other relevant changes in circumstances. You must name us and Cardone Ventures, LLC, as additional insured on all insurance policies, and you must also include any endorsements we may require and include a waiver of subrogation in favor of us, Cardone Ventures, LLC, and our affiliates, and each of our and our affiliates' officers, directors, shareholders, partners, members, agents, attorneys, representatives, independent contractors, servants, and employees.

### 15.3 Carrier Standards

The insurance policies you procure must be written by an insurance company or companies we have approved, having at all times a rating of at least "A" in the most recent Key Rating Guide published by the A.M. Best Company (or another rating that we reasonably designate if A.M. Best Company no longer publishes the Key Rating Guide) and licensed and admitted to do business in the state in which your Franchised Business is located. We may reasonably specify additional coverages and higher policy limits for all franchisees periodically in the Manual or otherwise in writing to reflect inflation, identification of new risks, changes in the law or standards of liability, higher damage awards and other relevant changes in circumstances.

### 15.4 Evidence of Coverage

Your obligation to obtain and maintain the insurance policies shall not be limited in any way by reason of any insurance which may be maintained by us, nor shall your performance of this obligation relieve you of liability under the indemnity provisions set forth in Section 21.3. Upon issuance of a policy and renewal of said policy, you shall provide to us certificates of insurance showing compliance with the foregoing requirements immediately but no later than 15 days from your receipt of such certificates. Such certificates shall state that said policy or policies shall not be canceled or altered without at least 30 days' prior written notice to us and shall reflect proof of payment of premiums. Once the Franchised Business is launched, we, our parent company Cardone Ventures, LLC, and our affiliates shall have full access to and visibility of your certificates of insurance, and we reserve the right, but do not have the obligation, to track insurance renewal dates and provide you with renewal reminders.

### 15.5 Failure to Maintain Coverage

We do not derive revenue as a result of your purchase of insurance. If you fail to purchase and maintain any required insurance coverage or furnish satisfactory evidence of coverage to us, in addition to our other remedies (including without limitation declaring you in default of this Agreement), we may, but are not obligated to, purchase the insurance coverage for you. If we do purchase insurance on your behalf, you must pay us on our demand the amount of any premiums plus an additional 10% administrative fee to cover expenses we incur in obtaining the insurance. The failure to maintain insurance coverage at any time is a material default under this Agreement.

## 16. DEFAULT AND TERMINATION

### 16.1 Termination by Franchisee

Under no circumstances may Franchisee terminate this Agreement. Your unilateral termination of this Agreement will be deemed a termination without cause and a breach of this Agreement.

### 16.2 Termination by Franchisor

16.2.1 Upon the occurrence of any of the following events, you shall be deemed to be in default of this Agreement. We have the right to terminate this Agreement, upon written notice to you and without any opportunity to cure the default, if you:

16.2.1.1 fail to timely establish and commence operations of your Franchised Business pursuant to Section 5;

16.2.1.2 fail to satisfactorily complete any phase of our training program in our discretion;

16.2.1.3 fail to obtain and maintain all required licenses, permits, and certifications to operate your Franchised Business;

16.2.1.4 make any material misrepresentation or omission during the pre-sale process and/or in your application to obtain a 10X Business Advisor System franchise from us or otherwise to us in the course of entering into this Agreement;

16.2.1.5 are convicted of or plead no contest to a felony or other crime or offense;

16.2.1.6 fail to refrain from activities, behavior, or conduct likely to adversely affect the reputation of us, you or your Franchised Business after a 5-day written notice to cure;

16.2.1.7 disclose, duplicate, or otherwise use in an unauthorized manner any portion of the Manual, Trade Secrets, trademarks, our trade names "**10X Business Advisor**", or any Confidential Information;

16.2.1.8 fail to have any holder of a legal or beneficial interest of Franchisee and all employees of the Franchisee entity, if applicable, execute a nondisclosure and non-competition agreement, in a form the same as or similar to the Nondisclosure and Non-Competition Agreement attached as Schedule 2, upon execution of this Agreement or prior to each such person's affiliation with Franchisee or fails to provide us with copies of all nondisclosure and non-competition agreements signed pursuant to Section 7.4 if requested by us;

16.2.1.9 abandon, fail, or refuse to actively operate your Franchised Business or express an intent to abandon your Franchised Business or to leave the 10X Business Advisor System;

16.2.1.10 surrender or transfer control of the operation of your Franchised Business without our approval, make or attempt to make an unauthorized direct or indirect transfer or assignment of your Franchised Business, or your assets, or an ownership interest in the Franchisee entity, or if you fail or refuse to assign your Franchised Business or the interest in the Franchisee entity of a deceased or incapacitated owner thereof as herein required;

16.2.1.11 fail to maintain your Franchised Business under the primary supervision of your Operating Principal, if you are an entity, during the 180 days following the death or Incapacity of Franchisee or any holder of a legal or beneficial interest in the Franchisee entity pursuant to Section 18.6;

16.2.1.12 submit to us at any time during the term of this Agreement any reports or other data, information or supporting records that understate any Royalty Fee or any other fees owed to us by more than 2% for any accounting period;

16.2.1.13 become insolvent, meaning unable to pay bills as they become due in the ordinary course of business or if a receiver of your property or any part thereof is appointed by a court or if you make a general assignment for the benefit of your creditors or if a final judgment remains unsatisfied of record for 30 days or longer (unless supersede as bond is filed) or if execution is levied against your Franchised Business;

16.2.1.14 misuse or make an unauthorized use of any of the Marks or commit any other act which impairs the goodwill associated with any of the Marks;

16.2.1.15 fail to submit reports or other information or supporting records when due, to pay any Royalty Fee, amounts due for purchases from us or any of our Affiliates, or other payment when due to us or any affiliate within five days of a written notice to you;

16.2.1.16 engage in any activity exclusively reserved to us;

16.2.1.17 fail to comply with any applicable law or regulation governing the operation of your Franchised Business;

16.2.1.18 breach this Agreement three times in a 12-month period and/or fail three times in a 12-month period to comply with mandatory specifications,

customer service standards, or operating procedures prescribed in the Manual, whether or not previous breaches or failures are cured;

16.2.1.19 default under any other agreement between us (or any of our affiliates) and you, such that we or our affiliates, as the case may be, have the right to terminate such agreement or such agreement automatically terminates;

16.2.1.20 perform any competing services or sell competing products; and

16.2.1.21 if any governmental office overseeing your business determines you violated any state or federal law or if, during the investigation, we determine in our sole discretion that you violated any of the subsections in Section 16.2.1.

16.2.2 Except as otherwise provided in Section 16.2.1, we have the right to terminate this Agreement for the following breaches and defaults by giving notice of such termination stating the nature of the default; provided, however, that you may avoid termination by curing such default or failure (or by providing proof acceptable to us that you have made all reasonable efforts to cure such default or failure and shall continue to make all reasonable efforts to cure until a cure is effected if such default or failure cannot reasonably be cured before the effective date of the termination) within the specified period:

16.2.2.1 within three days of receiving notice of your failure to maintain insurance as specified in Section 15 of this Agreement;

16.2.2.2 within five days of receiving notice of your failure to pay any amounts due to us, one of our Affiliates or an approved supplier; or

16.2.2.3 within 30 days of receiving notice of any other default by you or upon your failure to comply with any mandatory specification, standard, or operating procedure prescribed in the Manual or otherwise prescribed in writing.

16.2.3 For any default of this Agreement which triggers our ability to terminate, we may as an alternative to termination, at our sole and absolute discretion, automatically and permanently transfer your clients to an existing 10X Business Advisor franchisee.

### 16.3 Reinstatement and Extension

If provisions of this Agreement provide for periods of notice less than those required by applicable law, or provide for termination, cancellation or non-renewal other than in accordance with applicable law, we may reinstate or extend the term of this Agreement for the purpose of complying with applicable law by submitting a written notice to you without waiving any of our rights under this Agreement.

### 16.4 Right of Franchisor to Discontinue Services to Franchisee

If you are in breach of any obligation under this Agreement, and we deliver to you a notice of default or termination, we have the right to suspend our performance of any of our obligations under this Agreement until such time as you correct the breach.

### 16.5 Right of Franchisor to Operate Your Franchised Business

Following the delivery of a notice of default or termination, if necessary, in our discretion, we shall have the right, but not the obligation, to assume the operation of your Franchised Business until such time as you correct the breach if applicable. We charge a Management Fee as set forth in Section 3.10.

### 16.6 Cross-Default

Any default by Franchisee or, if an entity, its individual owners under any other agreement between Franchisor or its affiliates as one party, and Franchisee or any of Franchisee's owners or affiliates as the other party, shall be deemed a default of this Agreement, and Franchisor shall have the right, at its option, to terminate this Agreement and/or any other agreement between Franchisee and its owners on the one side and Franchisor or its affiliates on the other side, without affording Franchisee an opportunity to cure, effective immediately upon notice.

## 17. RIGHTS AND DUTIES UPON EXPIRATION OR TERMINATION

### 17.1 Actions to be Taken

Except as otherwise provided herein, upon termination, non-renewal or expiration, this Agreement and all rights granted hereunder to you shall terminate and you shall:

17.1.1 immediately cease to operate your Franchised Business and shall not thereafter, directly or indirectly, represent to the public or hold yourself out as a present or former 10X Business Advisor System franchisee;

17.1.2 cease to use the Trade Secrets or other Confidential Information, the System and the Marks, including, without limitation, all slogans, symbols, logos, advertising materials, stationery, forms, and any other items which display or are associated with the Marks;

17.1.3 take such action as may be necessary to cancel or assign to us, at our option, any assumed name or equivalent registration filed with state, city, or county authorities which contains the names "**10X Business Advisor**" or any other Mark, and you shall furnish us with evidence satisfactory to us of compliance with this obligation within 30 days after termination or expiration of this Agreement;

17.1.4 pay all sums owing to us and any of our Affiliates. In the event of termination for any default, such sums shall include, but not be limited to, all damages, costs, and expenses, including reasonable attorneys' fees, unpaid Royalty Fees, loss of future Royalty Fee

payments incurred by us as a result of any early termination of this Agreement, and any other amounts due to us or any affiliate;

17.1.5 pay to us all costs and expenses, including reasonable attorneys' fees, incurred by us subsequent to the termination or expiration of your Franchised Business in obtaining injunctive or other relief for the enforcement of any provisions of this Agreement as set forth in Section 22.4;

17.1.6 immediately return to us the Manual, Trade Secrets, and all other Confidential Information, including records, files, instructions, brochures, agreements, and any other materials relating to the operation of your Franchised Business (all of which are acknowledged to be our property);

17.1.7 assign all telephone listings and numbers for your Franchised Business to us. You agree to notify the telephone company and all listing agencies of the termination or expiration of your right to use any telephone numbers or facsimile numbers associated with the Marks in any regular, classified or other telephone directory listing;

17.1.8 if this Agreement is terminated by us for cause, we shall be entitled, as stipulated liquidated damages and not as a penalty and solely to compensate us for lost Royalty Fees for the period after termination of this Agreement, to a sum equal to the average Royalty Fees earned by us (even if not paid) per month over the 12 month period preceding the date of termination (or, if the Franchised Business was not open throughout such 12 month period, then the average Royalty Fees earned by us per month for the period in which your Franchised Business was open), multiplied by 36 or the number of months remaining in the then-current term of this Agreement, whichever is less ("**Liquidated Damages**"). In the event a default of this Agreement by you caused the Royalty Fees earned to substantially decline during the period to be used to calculate average Royalty Fees earned, then we may use any other reasonable time period or method to calculate Liquidated Damages;

17.1.9 execute any legal document that may be necessary to effectuate the termination of this Agreement and shall furnish to us, within 30 days after the date of termination, written evidence satisfactory to us of your compliance with the foregoing obligations;

17.1.10 comply with all applicable covenants that, by their nature, survive expiration or termination of this Agreement, including those discussing confidentiality, non-competition, and non-solicitation, in this Agreement;

17.1.11 transfer any interests in existing client contracts to us or our designee; and

17.1.12 comply with all other applicable provisions of this Agreement.

## 17.2 Post-Termination Covenant Not to Compete

17.2.1 *Franchisee Acknowledgement.* You acknowledge that the restrictive covenants contained in this Section and in Section 7 are fair and reasonable and are justifiably required for purposes including, but not limited to, the following:

17.2.1.1 to protect the Trade Secrets and other Confidential Information of Franchisor;

17.2.1.2 to induce us to grant a 10X Business Advisor Franchised Business to you; and

17.2.1.3 to protect us against our substantial costs in training you and your officers, directors, executives, and staff.

17.2.2 *In-Term and Post-Termination Non-Compete and Non-Solicit Agreement.* Except as otherwise approved in writing by us neither you, nor any holder of a legal or beneficial interest in Franchisee, nor any officer, director, executive, manager or member of the staff of Franchisee or any of their immediate family, shall, for themselves or through, on behalf of, or in conjunction with any other person, partnership or corporation, during the term of this Agreement and for a period of two years after the expiration or termination of this Agreement, regardless of the cause of termination, either directly or indirectly:

17.2.2.1 own, maintain, engage in, be employed by or serve as an officer, director, or principal of, lend money or extend credit to, lease/sublease space to, offer services or products (including identical or similar advisory services and goods offered by your Franchised Business) to or have any interest in or involvement with a Competitive Business located or operating (a) at or within a 25-mile radius of your Office Location for your Franchised Business;

17.2.2.2 solicit business from clients of your former 10X Business Advisor Franchised Business;

17.2.2.3 contact or communicate with any of your suppliers or vendors for any purpose related to a Competitive Business;

17.2.2.4 solicit any of our employees, or any other 10X Business Advisor System franchisee for any competitive purpose, or knowingly solicit or induce such an employee or franchisee to violate any confidentiality, non-competition or franchise agreement; or

17.2.2.5 refrain from any activity set forth in Section 7.3.

### 17.3 Unfair Competition

If you operate any other business during and after the term of this Agreement that is not in violation of the in-term and post-term covenants, you shall not use any reproduction, counterfeit, copy or colorable imitation of the Marks, either in connection with such other business or the promotion thereof, that is likely to cause confusion, mistake or deception, or that is likely to dilute our rights in the Marks. You shall not utilize any designation of origin, description or representation that falsely suggests or represents an association or connection with us. This Section is not intended as an approval of your right to operate other businesses and in no way is it intended to contradict Sections 7.3, 17, 17.1 or 17.2. If you have an office space, you shall make such modifications or alterations to your Franchised Business (including changing telephone and facsimile numbers) immediately upon termination or expiration of this Agreement as may be necessary to prevent any association between us or the System and any business subsequently operated by you or others at your Franchised Business.. If you fail or refuse to comply with the requirements of this Section, we have the right to enter upon your commercial space for the purpose of making or causing to be made such changes as may be required, at the expense of Franchisee, which expense you shall pay upon demand.

### 17.4 Franchisor's Option to Purchase Certain Business Assets

We have the right (but not the obligation), for a period of 30 days after termination or expiration of this Agreement, to purchase any or all assets of your Franchised Business including supplies and other inventory at the depreciated value calculated on a declining basis of accounting at the rate of 20% per annum or your cost (at our option), less any sums of money owed by you to us and less any sums necessary to acquire clear title to the lease or sublease interest. In the event that we are unable to agree on the value of said items, an independent appraiser shall be appointed by us to determine the value of the items based on the declining basis of accounting metric set forth in this Section. The determination of said appraiser shall be final and binding upon the parties. You shall pay the costs and expenses associated with the appointment of an independent appraiser.

### 17.5 Survival of Certain Provisions

All obligations of you and us, which expressly or by their nature survive the expiration or termination of this Agreement, shall continue in full force and effect subsequent to and notwithstanding their expiration or termination and until satisfied or by their nature expire.

## 18. TRANSFERABILITY OF INTEREST

### 18.1 Transfer by Franchisor

This Agreement and all rights and duties hereunder are fully transferable in whole or in part by us and such rights will inure to the benefit of any person or entity to whom transferred. Nothing contained in this Agreement shall require us to remain in the business offered through the System or to offer the same advisory services, whether or not bearing our Marks, in the event that we exercise our rights under this Agreement to assign our rights in this Agreement.

### 18.2 Transfer by Franchisee to a Third Party

Your rights and duties as set forth in this Agreement, and the franchise herein granted, are personal to you (or, if you are an entity, your owners), and we have entered into this Agreement in reliance upon your personal skill and financial ability. Accordingly, neither you nor any holder of a legal or beneficial interest in Franchisee may sell, assign, convey, give away, pledge, mortgage, sublicense or otherwise transfer, whether by operation of law or otherwise, any interest in this Agreement, your Franchised Business granted hereby, the assets of your Franchised Business or any part or all of the ownership interest in you without our prior written approval. The term "**transfer**" means any of the following: the sale of the assets of your Franchised Business; the sale, assignment, or conveyance of your stock, membership interest, membership units, or partnership units of your franchise to any third party; or the placement of your assets, stock, membership interest, partnership units, or membership units of your business into a business trust. Any purported transfer without such approval shall be null and void and shall constitute a material breach of this Agreement. If you are in compliance with this Agreement, our consent to such transfer shall be conditioned upon the satisfaction of the following requirements:

18.2.1 you have complied with the requirements set forth in Section 19;

18.2.2 all obligations owed to us, our subsidiaries, our affiliates, suppliers, and all other outstanding obligations relating to your Franchised Business, are fully paid and satisfied;

18.2.3 you and any transferring owners, if you are a business entity have executed a general release, in a same form as the General Release attached as Schedule 7, of any and all claims against us, including our officers, directors, shareholders, managers, members, partners, owners, employees and agents (in their corporate and individual capacities), including, without limitation, claims arising under federal, state or local laws, rules or ordinances, and any other matters incident to the termination of this Agreement or to the transfer of your interest herein or to the transfer of your ownership of all or any part of your Franchised Business, provided, however, that if a general release is prohibited, you shall give the maximum release allowed by law;

18.2.4 the prospective transferee has satisfied us that it meets our management, business and financial standards, and otherwise possesses the character and capabilities, including business reputation and credit rating, as we may require to demonstrate ability to own and operate your Franchised Business;

18.2.5 the transferee and, if we require, all persons owning any interest in the transferee, have executed the then-current franchise agreement for new franchisees, which may be substantially different from this Agreement, including different Royalty Fee rates and other material provisions, and the franchise agreement then executed shall be for the term specified in such agreement;

18.2.6 the transferee has executed a general release, in a form the same as or similar to the General Release attached as Schedule 7, of any and all claims against us and our officers, directors, shareholders, managers, members, partners, owners, employees and agents (in their corporate and individual capacities), with respect to any representations regarding the franchise or the business conducted pursuant thereto or any other matter that may have been made to the transferee by Franchisee;

18.2.7 you have provided us with a complete copy of all contracts and agreements and related documentation between you and the prospective transferee relating to the intended sale or transfer of the franchise;

18.2.8 you have paid to us a fee in the amount equal to (i) $2,500 if you are transferring your Franchised Business (or substantially all of its assets) to an existing 10X Business Advisor System franchisee; or (ii) 25% of the then-current Initial Franchise Fee if you are transferring to an unrelated third party;

18.2.9 the transferee, or all holders of a legal or beneficial interest in the transferee, has agreed to be personally bound jointly and severally by all provisions of this Agreement for the remainder of its term by executing a personal guaranty in such form as prepared by us;

18.2.10 the transferee has obtained all necessary consents and approvals by third parties and all applicable federal, state and local laws, rules, ordinances and requirements applicable to the transfer have been complied with or satisfied;

18.2.11 you have, and if you are an entity, all of the holders of a legal and beneficial interest in Franchisee have executed and delivered to us a nondisclosure and non-competition agreement in a form satisfactory to us and in substance the same as the nondisclosure and non-competition covenants contained in Sections 7 and 17; and

18.2.12 the transferee agrees that, if it is an entity, its Operating Principal(s) shall complete, to our satisfaction, our complete training program to our satisfaction prior to assuming the management of the day-to-day operation of your Franchised Business.

**18.3 Transfer to a Controlled Entity**

18.3.1 *Controlled Entity*. If you wish to transfer this Agreement or any interest herein to a corporation, limited liability company or other legal entity which shall be entirely owned by you ("**Controlled Entity**"), which Controlled Entity is being formed for the financial planning, tax or other convenience of Franchisee, our consent to such transfer shall be conditioned upon the satisfaction of the following requirements:

18.3.1.1 the Controlled Entity is newly organized, and its charter or articles of formation provides that its activities are confined exclusively to the operation of your Franchised Business;

18.3.1.2 Franchisee or all holders of a legal or beneficial interest in Franchisee own all of the equity and voting power of the outstanding stock or other capital interest in the Controlled Entity;

18.3.1.3 all obligations of you to us or any affiliate are fully paid and satisfied; provided, however, that neither you nor the Controlled Entity shall be required to pay a transfer fee;

18.3.1.4 the Controlled Entity has entered into a written agreement with us expressly assuming the obligations of this Agreement and all other agreements relating to the operation of your Franchised Business. If the consent of any other party to any such other agreement is required, you have obtained such written consent and provided the same to us prior to consent by us;

18.3.1.5 all holders of a legal or beneficial interest in the Controlled Entity have entered into an agreement with us jointly and severally guaranteeing the full payment of the Controlled Entity's obligations to us and the performance by the Controlled Entity of all the obligations of this Agreement;

18.3.1.6 each stock certificate or other ownership interest certificate of the Controlled Entity has conspicuously endorsed upon the face thereof a statement in a form satisfactory to us that it is held subject to, and that further assignment or transfer thereof is subject to, all restrictions imposed upon transfers and assignments by this Agreement; and

18.3.1.7 copies of the Controlled Entity's articles of incorporation or organization, bylaws, operating agreement, federal tax identification number, and other governing regulations or documents, including resolutions of the board of directors authorizing entry into this Agreement, have been promptly furnished to us. Any amendment to any such documents shall also be furnished to us immediately upon adoption.

18.3.2 *Term of Transferred Franchise.* The term of the transferred franchise shall be the unexpired term of this Agreement, including all renewal rights, subject to any and all conditions applicable to such renewal rights.

18.3.3 *No Waiver.* We consent to a transfer of any interest in this Agreement, or of any ownership interest in your Franchised Business, shall not constitute a waiver of any claims we may have against the transferor or the transferee, nor shall it be deemed a waiver of our right to demand compliance with the terms of this Agreement.

### 18.4 Franchisor's Disclosure to Transferee

We have the right, without liability of any kind or nature whatsoever to you, to make available for inspection by any intended transferee of your Franchised Business all or any part of our records relating to this Agreement, your Franchised Business or to the history of the relationship of the parties hereto. You hereby specifically consent to such disclosure by us and shall release and hold us harmless from and against any claim, loss or injury resulting from an inspection of our records relating to your Franchised Business by an intended transferee identified by you.

### 18.5 For-Sale Advertising

You shall not, without our prior written consent, place in, on or upon the area of your Franchised Business, or in any communication media, including the Internet, any form of advertising relating to the sale of your Franchised Business.

### 18.6 Transfer by Death or Incapacity

Upon the death or incapacity of Franchisee or any holder of a legal or beneficial interest in Franchisee (if Franchisee is a business entity), the appropriate representative of such person (whether administrator, personal representative or trustee) shall, within a reasonable time not exceeding 180 days following such event, transfer such individual's interest in your Franchised Business or in the Franchisee entity to a third party approved by us. Such transfers, including transfers by will or inheritance, shall be subject to the conditions for assignments and transfers contained in this Agreement. During such 180 day period, your Franchised Business must remain at all times under the primary management of an operator who otherwise meets our management qualifications. Following such a death or incapacity of such person, if necessary in our discretion, we shall have the right, but not the obligation, to assume operation of your Franchised Business until the deceased or incapacitated owner's interest is transferred to a third party approved by us. We shall be given access to your Franchised Business, even if located within our principal residence, and shall not be held liable for trespass or any related tort. We may charge a management fee for the period in which we operate your Franchised Business, and we shall be entitled to reimbursement of any expenses we incur that are not paid out of the operating cash flow of your Franchised Business.

## 19. RIGHT OF FIRST REFUSAL AND BUY-BACK

### 19.1 Submission of Offer

If you, or any of your owners, propose to sell or otherwise transfer (including a transfer by death or incapacity pursuant to Section 18.6) your Franchised Business (or any of its assets outside of the normal course of business), any ownership interest in the Franchisee entity or any ownership interest in your Franchised Business granted hereunder, you shall obtain and deliver a bona fide, executed written offer or proposal to purchase, along with all pertinent documents including any contract or due diligence materials, to us, except with regards to a sale or transfer to a family member. The offer must apply only to an approved sale of the assets or interests listed above and may not include any other property or rights of the Franchisee entity or any of your owners.

### 19.2 Franchisor's Right to Purchase

We shall, for 30 days from the date of delivery of all such documents, have the right, exercisable by written notice to you, to purchase the offered assets or interest for the price and on the same terms and conditions contained in such offer communicated to you. We have the right to substitute cash for the fair market value of any form of payment proposed in such offer. Our credit shall be deemed at least equal to the credit of any proposed buyer. After providing notice to you of our intent to exercise this right of first refusal, we shall have up to 60 days to close the purchase. We shall be entitled to receive from you all customary representations and warranties given by you as the seller of the assets or such ownership interest or, at our election, such representations and warranties contained in the proposal.

### 19.3 Non-Exercise of Right of First Refusal

If we do not exercise our right of first refusal within 30 days from the date of delivery of all such documents, the offer or proposal may be accepted by you, subject to our prior written approval as required by Section 18.2. Should the sale fail to close within 120 days after the offer is delivered to us, our right of first refusal shall renew and be implemented in accordance with this Section.

### 19.4 Sales or Transfers to Family Excepted

If you propose to sell or otherwise transfer your Franchised Business (or any of your assets outside of the normal course of business), any ownership interest in the Franchisee entity or any ownership interest in your Franchised Business granted hereunder to a member of Franchisee's (or your owners') family, then the terms and conditions of this Section shall be inapplicable. Nothing in this Section 19.4 shall be construed to relieve you from full compliance with the terms and conditions of Section 18.2 prior to a sale or transfer to family pursuant to this Section.

### 19.5 Franchisor Buy-Back

We shall have the right to purchase your Franchised Business at a multiple of five times earnings before interest, taxes, depreciation, and amortization (EBITDA) as of the date that written notice is sent to you exercising our buyback rights. The closing of the asset sale shall take place within 60 days of the date written notice is sent by us to you exercising our option. We shall be responsible to prepare the asset sale documents, and you agree to cooperate with executing any necessary documents to effectuate the transfer.

## 20. BENEFICIAL OWNERS OF FRANCHISEE

### 20.1 Disclosure of Ownership Interests

If you are an entity, you represent, and we enter into this Agreement with you in reliance upon such representation, that the individual(s) identified in Schedule 5 of this Agreement is/are the holder(s) of a legal or beneficial interest (in the stated percentages) of the Franchisee entity ("**Owner(s)**"). All

Owner(s) must be acting and must sign the Unlimited Guaranty and Assumption of Obligations attached as Schedule 3 in his/her individual capacity.

### 20.2 Updates to Ownership

You agree that you will amend and modify Schedule 5 upon any change in ownership interest of the Franchisee entity and you shall furnished a revised Schedule 5 promptly to us to ensure that Schedule 5 is at all times current, complete and accurate.

## 21. RELATIONSHIP AND INDEMNIFICATION

### 21.1 Relationship

This Agreement is purely a contractual relationship between the parties and does not appoint or make you an agent, legal representative, joint-venturer, partner, employee, servant, or independent contractor of Franchisor for any purpose whatsoever. You may not represent or imply to third parties that you are an agent of Franchisor, and you are in no way authorized to make any contract, agreement, warranty, or representation on behalf of Franchisor, or to create any obligation, express or implied, on our behalf. During the term of this Agreement, and any extension or renewal hereof, you shall hold yourself out to the public only as a franchisee and an owner and operator of your Franchised Business pursuant to a franchise license granted by us. You shall also conspicuously identify yourself as the independent owner of your business in all business communications, such as email signatures, and on any documents, materials or information released by you. Under no circumstances shall we be liable for any act, omission, contract, debt, nor any other obligation of you. We shall in no way be responsible for any injuries to persons or property resulting from the operation of your Franchised Business. Any third-party contractors and vendors retained by you to convert or construct the premises are independent contractors of you alone.

### 21.2 Standard of Care

This Agreement does not establish a fiduciary relationship between the parties. Unless otherwise specifically provided in this Agreement with respect to certain issues, whenever this Agreement requires you to obtain our written consent or permits you to take any action or refrain from taking any action, we are free to act in our own self-interest without any obligation to act reasonably, to consider the impact on you or to act subject to any other standard of care limiting our right, except as may be provided by statute or regulation.

### 21.3 Indemnification

You shall hold harmless and indemnify us, our affiliates, all holders of a legal or beneficial interest in Franchisor and all officers, directors, executives, managers, members, partners, owners, employees, agents, successors and assigns (collectively "**Franchisor Indemnities**") from and against all losses, damages, fines, costs, expenses or liability (including reasonable attorneys' fees and all other costs of litigation) incurred in connection with any action, suit, demand, claim, investigation or proceeding, or any settlement thereof, which arises from or is based upon your (a) ownership or operation of your

Franchised Business; (b) violation, breach or asserted violation or breach of any federal, state or local law, regulation or rule governing the operation of your Franchised Business; (c) breach of any representation, warranty, covenant, or provision of this Agreement or any other agreement between you and us (or an affiliate); (d) defamation, libel or slander of us or the System; (e) acts, errors or omissions committed or incurred in connection with your Franchised Business; (f) acts, errors or omissions committed or occurring in connection with the sale or transfer of this Agreement, the assets of your Franchised Business or any ownership interest in you, if you are an entity; (g) infringement or misuse of a third party's trademark, patent, copyright or other intellectual property; or (h) infringement, violation or alleged infringement or violation of any Mark, patent or copyright or any misuse of the Trade Secrets or other Confidential Information. The obligations of this Section shall expressly survive the termination of this Agreement.

### 21.4 Right to Retain Counsel

You shall give us immediate notice of any such action, suit, demand, claim, investigation, or proceeding that may give rise to a claim for indemnification by a Franchisor Indemnity. We have the right to retain counsel of our own choosing in connection with any such action, suit, demand, claim, investigation or proceeding. In order to protect persons, property, our reputation or the goodwill of others, we have the right to, at any time without notice, take such remedial or corrective actions as it deems expedient with respect to any action, suit, demand, claim, investigation or proceeding if, in our sole judgment, there are grounds to believe any of the acts or circumstances listed above have occurred. If our exercise of our rights under this Section causes any of your insurers to refuse to pay a third-party claim, all cause of action and legal remedies you might have against such insurer shall automatically be assigned to us without the need for any further action on either party's part. Under no circumstances shall we be required or obligated to seek coverage from third parties or otherwise mitigate losses in order to maintain a claim against you. The failure to pursue such remedy or mitigate such loss shall in no way reduce the amounts recoverable by us from you.

## 22. GENERAL CONDITIONS AND PROVISIONS

### 22.1 No Waiver

No failure of ours to exercise any power reserved to it hereunder, or to insist upon strict compliance by you with any obligation or condition hereunder, and no custom nor practice of the parties in variance with the terms hereof, shall constitute a waiver of our right to demand exact compliance with the terms of this Agreement. Waiver by us of any particular default by you shall not be binding unless in writing and executed by us and shall not affect nor impair our right with respect to any subsequent default of the same or of a different nature. Subsequent acceptance by us of any payment(s) due shall not be deemed to be a waiver by us of any preceding breach by you of any terms, covenants or conditions of this Agreement.

### 22.2 Injunctive Relief

As any breach by you of any of the restrictions contained in Sections 6, 7, and 17 would result in irreparable injury to us, and as the damages arising out of any such breach would be difficult to

ascertain, in addition to all other remedies provided by law or in equity, we shall be entitled to seek injunctive relief (whether a restraining order, a preliminary injunction or a permanent injunction) against any such breach, whether actual or contemplated, without the necessity of posting security or bond and you shall be responsible for our reasonable attorneys' fees incurred in pursuing the same. Our right to seek injunctive relief will not affect the parties' waiver of jury trial and the arbitration requirements set forth herein. Our rights herein shall include pursuing injunctive relief through arbitration or in a state or federal court in our discretion.

### 22.3 Notices

All notices required or permitted under this Agreement shall be in writing and shall be deemed received: (a) at the time delivered by hand to the recipient party (or to an officer, director or partner of the recipient party); (b) on the next business day after transmission by facsimile or other reasonably reliable electronic communication system; (c) two business days after being sent via guaranteed overnight delivery by a commercial courier service; or (d) five business days after being sent by Registered Mail, return receipt requested. Either party may change their address by a written notice sent in accordance with this Section 22.3. All notices, payments and reports required by this Agreement shall be sent to us at the following address, or at such other address as we may provide:

10X Business Advisor Franchising LLC
18851 NE 29th Avenue, Suite 414
Aventura, FL 33180

With a copy to:

Greenspoon Marder LLP
Attn: Franchise Law Practice Group
2255 Glades Road, Suite 400-E
Boca Raton, FL 33431

All notices to Franchisee shall be sent to the address set forth on Page 1 of this Agreement.

### 22.4 Cost of Enforcement or Defense

You agree to pay us all damages, costs and expenses (including without limitation reasonable attorneys' fees, arbitration fees, discovery costs, and all other related expenses) that we incur before expiration and termination to enforce or defend any provision in this Agreement including your non-payment of fees due to us and/or non-compliance of any System standard. You further agree to pay us all damages, costs and expenses (including without limitation reasonable attorneys' fees, arbitration fees, discovery costs, and all other related expenses) that we incur after the termination or expiration of the franchise granted under this Agreement in: (a) obtaining injunctive or other relief for the enforcement of any provisions of this Agreement (including without limitation Sections 9 and 17 above); and/or (b) successfully prosecuting any actions and/or defending a claim from you that we misrepresented the terms of this Agreement, fraudulently induced you to sign this Agreement, that the provisions of this Agreement are not fair, were not properly entered into, and/or that the terms of this Agreement (as

it may be amended by its terms) do not exclusively govern the parties' relationship. If we are required to enforce or defend this Agreement or any claim arising out of the franchise relationship in a judicial or arbitration proceeding, we shall be entitled to reimbursement of our costs, including reasonable accounting and attorneys' fees, in connection with such proceeding if we are deemed the prevailing party or if you bring an action and voluntarily dismiss it. We shall be entitled to all attorneys' fees and costs associated with you bringing an action in the incorrect forum or venue.

### 22.5 Unlimited Guaranty and Assumption of Obligations

If you are an entity, all holders of a legal or beneficial interest in the Franchisee entity of 5% or greater shall be required to execute, as of the date of this Agreement, the Unlimited Guaranty and Assumption of Obligations attached as Schedule 3, through which such holders agree to assume and discharge all of your obligations under this Agreement and to be personally liable hereunder for all of the same.

### 22.6 Approvals

Whenever this Agreement requires the prior approval or consent of us, you shall make a timely written request to us for such approval and, except as otherwise provided herein, any approval or consent granted shall be effective only if in writing. We make no warranties or guarantees upon which you may rely and assumes no liability or obligation to you or any third party to which it would not otherwise be subject, by providing any waiver, approval, advice, consent or services to you in connection with this Agreement, or by reason of any neglect, delay or denial of any request for approval.

### 22.7 Entire Agreement

This Agreement, its schedules and the documents referred to herein shall be construed together and constitute the entire, full, and complete agreement between us and you concerning the subject matter hereof and shall supersede all prior agreements. You agree that no representation, oral or otherwise, has induced you to execute this Agreement, and there are no representations (other than those within our Disclosure Document), inducements, promises or agreements, oral or otherwise, between the parties not embodied herein, which are of any force or effect with respect to the matters set forth in or contemplated by this Agreement or otherwise. No amendment, change or variance from this Agreement shall be binding on either party unless executed in writing by both parties. However, this provision expressly excludes representations made in the Disclosure Document or its exhibits or amendments.

### 22.8 Severability and Modification

Except as noted below, each paragraph, part, term, and provision of this Agreement shall be considered severable. If any paragraph, part, term, or provision herein is ruled to be unenforceable, unreasonable, or invalid, such ruling shall not impair the operation of or affect the remaining portions, paragraphs, parts, terms and provisions of this Agreement, and the latter shall continue to be given full force and effect and bind the parties; and such unenforceable, unreasonable, or invalid paragraphs, parts, terms or provisions shall be deemed not part of this Agreement. If we determine that a finding of invalidity adversely affects the basic consideration of this Agreement, we have the right to, at our

option, terminate this Agreement. Notwithstanding the above, each of the covenants contained in Sections 7 and 17 shall be construed as independent of any other covenant or provision of this Agreement. If all or any portion of any such covenant is held to be unenforceable, unreasonable, or invalid, then it shall be amended to provide for limitations on disclosure of Trade Secrets or other Confidential Information or on competition to the maximum extent provided or permitted by law.

### 22.9 Construction

All captions and headings herein are intended solely for the convenience of the parties, and none shall be deemed to affect the meaning or construction of any provision hereof.

### 22.10 Force Majeure

Whenever a period of time is provided in this Agreement for either party to perform any act, except pay monies, neither party shall be liable nor responsible for any delays due to strikes, lockouts, casualties, acts of God, war, terrorism, governmental regulation, pandemic or other causes beyond the reasonable control of the parties, and the time period for the performance of such act shall be extended for the amount of time of the delay. This clause shall not result in an extension of the term of this Agreement. During any applicable force majeure event, you shall be required to pay all weekly or monthly fees due to us timely unless otherwise notified in writing by us.

### 22.11 Timing

Time is of the essence. Except as set forth in Section 22.10, failure to perform any act within the time required or permitted by this Agreement shall be a material breach.

### 22.12 Withholding Payments

You shall not, for any reason, withhold payment of any Royalty Fees or other amounts due to us or one of our Affiliates or suppliers. You shall not withhold or offset any amounts, damages or other monies allegedly due to you against any amounts due to us. No endorsement or statement on any payment for less than the full amount due to us will be construed as an acknowledgment of payment in full, or an accord and satisfaction, and we have the right to accept and cash any such payment without prejudice to our right to recover the full amount due, or pursue any other remedy provided in this Agreement or by law. We have the right to apply any payments made by you against any of your past due indebtedness as we deem appropriate. We shall set off sums we might owe to you against any unpaid debts owed by you to us.

### 22.13 Further Assurances

Each party to this Agreement will execute and deliver such further instruments, contracts, forms or other documents, and will perform such further acts, as may be necessary or desirable to perform or complete any term, covenant or obligation contained in this Agreement.

### 22.14 Third Party Beneficiaries

Anything to the contrary notwithstanding, nothing in this Agreement is intended, nor shall be deemed, to confer upon any person or legal entity other than Franchisor or Franchisee, and their respective successors and assigns as may be contemplated by this Agreement, any rights or remedies under this Agreement.

### 22.15 Multiple Originals

Both parties will execute multiple copies of this Agreement, and each executed copy will be deemed an original.

## 23. DISPUTE RESOLUTION

### 23.1 Choice of Law

This Agreement is effective upon its acceptance in Florida by our authorized officer. Except to the extent this Agreement or any particular dispute is governed by the U.S. Trademark Act of 1946 (Lanham Act, 15 U.S.C. Section 1051 and the sections following it) or other federal law, Florida law governs all claims that in any way relate to or arise out of this Agreement or any of the dealings of the parties. However, no laws regulating the sale of franchises or governing the relationship between franchisor and franchisee shall apply unless the jurisdictional requirements of such laws are met independently of this paragraph. References to any law or regulation also refer to any successor laws or regulations and any implementing regulations for any statute, as in effect at the relevant time. References to a governmental agency also refer to any successor regulatory body that succeeds to the function of such agency.

### 23.2 Jurisdiction and Venue

Franchisee and Franchisor each consent and irrevocably submit to the exclusive jurisdiction and venue of the state and federal courts of competent jurisdiction in Miami-Dade County, Florida, for any claims that in any way relate to or arise out of this Agreement or any of the dealings of the parties, except those required to be submitted to arbitration, and waive any objection to the jurisdiction and venue of such courts. This exclusive choice of jurisdiction and venue provision does not restrict the ability of the parties to confirm or enforce judgments or awards in any appropriate jurisdiction.

### 23.3 Jury Waiver

IN ANY TRIAL BETWEEN ANY OF THE PARTIES AS TO ANY CLAIMS, YOU AGREE TO WAIVE YOUR RIGHTS TO A JURY TRIAL AND INSTEAD HAVE SUCH ACTION TRIED BY A JUDGE.

### 23.4 Class Action Waiver

YOU AGREE TO BRING ANY CLAIMS, IF AT ALL, INDIVIDUALLY AND YOU SHALL NOT JOIN SUCH CLAIM WITH CLAIMS OF ANY OTHER PERSON OR ENTITY (EVEN IF YOU COMMONLY OWN SAID ENTITY) NOR SHALL YOU BRING, JOIN OR PARTICIPATE IN A CLASS OR COLLECTIVE ACTION AGAINST US WITH OTHER FRANCHISEES OR OTHER PERSONS OR ENTITTIES.

### 23.5 Limitation of Damages

FRANCHISEE WAIVES, TO THE FULLEST EXTENT PERMITTED BY LAW, ANY RIGHT OR CLAIM FOR ANY PUNITIVE OR EXEMPLARY DAMAGES AGAINST THE FRANCHISOR AND AGREES THAT IF THERE IS A DISPUTE, FRANCHISEE WILL BE LIMITED TO THE RECOVERY OF ACTUAL DAMAGES SUSTAINED BY IT WHICH SHALL NOT EXCEED AND SHALL BE LIMITED TO THE REFUND OF FRANCHISEE'S INITIAL FRANCHISE FEE AND ROYALTY FEES PAID. FRANCHISEE WAIVES AND DISCLAIMS ANY RIGHT TO CONSEQUENTIAL DAMAGES IN ANY ACTION OR CLAIM AGAINST FRANCHISOR CONCERNING OR RELATED TO THIS AGREEMENT OR THE FRANCHISE RELATIONSHIP.

### 23.6 Limitation of Actions

FRANCHISEE AGREES TO BRING ANY CLAIMS AGAINST FRANCHISOR, IF AT ALL, WITHIN SIX MONTHS OF THE OCCURRENCE OF THE FACTS GIVING RISE TO SUCH CLAIMS OR SIX MONTHS FROM THE DATE ON WHICH YOU OR WE KNEW OR SHOULD HAVE KNOWN, IN THE EXERCISE OF REASONABLE DILIGENCE, OF THE FACTS GIVING RISE TO SUCH CLAIMS, WHICHEVER OCCURS FIRST, AND THAT ANY ACTION NOT BROUGHT WITHIN THIS PERIOD SHALL BE BARRED AS A CLAIM, COUNTERCLAIM, DEFENSE, OR SET-OFF EXCEPT FOR CLAIMS FOR: (A) INDEMNIFICATION; OR (B) UNAUTHORIZED USE OF THE CONFIDENTIAL INFORMATION OR MARKS. HOWEVER, THIS PROVISION DOES NOT LIMIT OUR RIGHT TO TERMINATE THIS AGREEMENT IN ANY WAY.

### 23.7 Prior Notice of Claims

As a mandatory condition precedent to commencing an action for any legal claim brought by you, you must notify us within 30 days after the occurrence of the violation or breach, and failure to timely give such notice shall preclude any claim for damages and serve as a condition precedent to filing an action in court or in arbitration against us.

### 23.8 Internal Dispute Resolution

As a mandatory condition precedent prior to you taking any legal or other action against us, or our owners, officer and directors, whether for damages, injunctive, equitable or other relief (including, but not limited to, rescission), based upon any alleged act or omission of ours, you shall first give us and

our Affiliates 90 days prior written notice and opportunity to cure such alleged act or omission, or to resolve such matter.

### 23.9 Mediation and Arbitration

23.9.1 *Mediation*. Except for actions brought by us against you for non-payment of fees and for claims by us seeking injunctive relief against you, the parties agree to submit any claim, controversy or dispute between or involving us or any of our affiliates (and our and their respective shareholders, officers, directors, agents, representatives and/or employees) and you (and your agents, representatives and/or employees, as applicable) arising out of or related to: (a) this Agreement or any other agreement between us and you or our and your respective affiliates; (b) our relationship with you; (c) the validity of this Agreement or any other agreement between you and us or our and your respective affiliates; or (d) any System standard, to non-binding mediation at a place that we designate within 5 miles of where our principal office is located at the time of the demand for mediation is made in Miami-Dade County, Florida. The mediation shall be conducted by either a mutually agreed-upon mediator or, failing such agreement within a reasonable period of time (not to exceed 15 days) after either party has notified the other of their desire to seek mediation, by the American Arbitration Association in accordance with its Commercial Mediation Procedures. Absent agreement to the contrary, the mediator shall be experienced in the mediation of disputes between franchisors and franchisees. You and we agree that any statements made by either you or us in any such mediation proceeding will not be admissible in any subsequent arbitration or legal proceeding or otherwise disclosed by either you or us to any third party who, except to the extent a third party is a participant in the mediation proceeding. Each party will bear its own costs and expenses of conducting the mediation and share equally the costs of any third parties who are required to participate. However, the parties must immediately and contemporaneously submit the dispute for non-binding mediation. If the parties are unable to resolve the claim, controversy or dispute within 90 days after the mediator has been chosen, then, unless such time period is extended by the written agreement of the parties, either party may bring a legal proceeding under this Section. The mediation provisions of this Agreement are intended to benefit and bind certain third-party non-signatories, and all of your and our owners and affiliates. Any mediation proceeding conducted pursuant to this sub-section and any settlement or agreement arising therefrom shall be kept confidential between the parties, except for any settlement disclosure we are legally required to make within a franchise disclosure document. The parties intend for any mediation proceeding to be both private and confidential. Any third parties who are required to participate in a mediation proceeding must be bound by the same confidentiality obligations as the parties.

23.9.2 *Arbitration*. EXCEPT FOR ACTIONS BROUGHT BY US AGAINST YOU FOR NON-PAYMENT OF FEES OR ACTIONS BY US SEEKING INJUNCTIVE RELIEF AGAINST YOU, ANY DISPUTE ARISING OUT OF OR IN CONNECTION WITH THIS AGREEMENT, IF NOT RESOLVED BY THE

INTERNAL DISPUTE RESOLUTION AND MEDIATION PROCEDURES DESCRIBED ABOVE, MUST BE DETERMINED BY ARBITRATION IN MIAMI-DADE COUNTY, FLORIDA, OR WHERE OUR PRINCIPAL OFFICES ARE LOCATED AT THE TIME THE DEMAND FOR ARBITRATION IS FILED BY THE AMERICAN ARBITRATION ASSOCIATION ("**AAA**"). THIS ARBITRATION CLAUSE WILL NOT DEPRIVE US OF ANY RIGHT WE MAY OTHERWISE HAVE TO SEEK INJUNCTIVE RELIEF FROM A COURT OF COMPETENT JURISDICTION. THE FLORIDA-BASED ARBITRATOR MUST HAVE SUBSTANTIAL EXPERIENCE IN FRANCHISE LAW AND WITH COMMERCIAL DISPUTES. THE PARTIES AGREE THEY WILL ASK THAT THE ARBITRATOR LIMIT DISCOVERY TO THE GREATEST EXTENT POSSIBLE CONSISTENT WITH BASIC FAIRNESS IN ORDER TO MINIMIZE THE TIME AND EXPENSE OF ARBITRATION. IF PROPER NOTICE OF ANY HEARING HAS BEEN GIVEN, THE ARBITRATOR WILL HAVE FULL POWER TO PROCEED TO TAKE EVIDENCE OR TO PERFORM ANY OTHER ACTS NECESSARY TO ARBITRATE THE MATTER IN THE ABSENCE OF ANY PARTY WHO FAILS TO APPEAR. THE ARBITRATOR WILL HAVE NO POWER TO: (A) STAY THE EFFECTIVENESS OF ANY PENDING TERMINATION OF FRANCHISE; (B) ASSESS PUNITIVE DAMAGES AGAINST EITHER PARTY; OR (C) MAKE ANY AWARD THAT MODIFIES OR SUSPENDS ANY LAWFUL PROVISION OF THIS AGREEMENT. THE PARTY AGAINST WHOM THE ARBITRATORS RENDER A DECISION MUST PAY ALL EXPENSES OF ARBITRATION AND REASONABLE ATTORNEYS' FEES. THE REASONED AWARD BY THE ARBITRATOR SHALL BE BINDING. ANY COURT OF COMPETENT JURISDICTION MAY ENTER JUDGMENT UPON ANY AWARD. THE PARTIES AGREE AND INTEND THAT AN ARBITRATION WILL BE KEPT BOTH PRIVATE AND CONFIDENTIAL BETWEEN THEM. AT THE OUTSET OF ANY ARBITRATION, THE PARTIES WILL SEEK THE ENTRY OF A PROTECTIVE ORDER FROM THE ARBITRATOR, PROTECTING ALL PLEADINGS, MOTIONS, EXHIBITS, DEPOSITION TRANSCRIPTS, DISCOVERY REQUESTS AND RESPONSES, DOCUMENTS, AWARDS, ORDERS, DECISIONS AND REPORTS FROM DISCLOSURE BY THE PARTIES, THE ARBITRATOR, AND ANY NON-PARTY WITNESSES OR OTHER PARTICIPANTS. ADDITIONALLY, ANY FINAL AWARD SHALL REITERATE SUCH ORDER OF PROTECTION, EXCEPT FOR THE TERMS OF AN AWARD WHICH WE ARE LEGALLY REQUIRED TO DISCLOSE IN A FRANCHISE DISCLOSURE DOCUMENT, OR DISCLOSURES IN CONNECTION WITH JUDICIAL PROCEEDINGS ANCILLARY TO THE ARBITRATION, SUCH AS A JUDICIAL CHALLENGE TO, OR ENFORCEMENT OF, AN AWARD, AND UNLESS OTHERWISE REQUIRED BY LAW.

### 23.10 Waiver of Bond

You agree that if we are forced to bring suit to enforce any provision of this Agreement, you agree to waive any requirement that we post bond to obtain a temporary, preliminary, or permanent injunction to enforce these duties.

### 23.11 Arbitration Fees

If we are the substantially prevailing party in arbitration, you agree to reimburse our costs and attorney fees, as well as the arbitration costs and fees, incurred in pursuing or defending the claims against you or us including all mediation and investigation costs and expenses. In any arbitration filed by you where we have no substantive counterclaim against you, you are required to advance and pay all fees to the AAA and the arbitrator.

### 23.12 Third Party Beneficiaries

Our officers, directors, members, shareholders, agents, and employees are express third-party beneficiaries of the terms of the dispute resolution provisions contained herein.

### 23.13 Release of Prior Claims

By executing this Agreement, you, individually and on behalf of your heirs, legal representatives, successors and assigns, and each assignee of this Agreement by accepting assignment of the same, forever releases and discharges Franchisor and our officers, directors, employees, agents and servants, including our subsidiary and affiliated corporations, their respective officers, directors, employees, agents and servants, from any and all claims relating to or arising under this Agreement or any other agreement between the parties executed prior to the date of this Agreement including, but not limited to, any and all claims, whether presently known or unknown, suspected or unsuspected, arising under the franchise, securities or antitrust laws of the United States or of any state or territory thereof, misrepresentation, fraud, inducement, and any claim arising in tort; however, this release expressly excludes claims arising from representations in the Disclosure Document or its exhibits or amendments.

### 23.14 No Personal Liability

You agree that fulfillment of any and all of our obligations written in this Agreement or based on any oral communications that may be ruled to be binding in a court of law will be our sole responsibility and none of our agents, representatives, nor any individuals associated with our franchise company will be personally liable to you for any reason. This is an important part of this Agreement. You agree that nothing that you believe you have been told by us or our representatives will be binding unless it is written in this Agreement. Do not sign this Agreement if there is any question concerning its contents or any representations made.

## 24. ACKNOWLEDGMENTS

### 24.1 Receipt of this Agreement and the Franchise Disclosure Document

You represent and acknowledge that you have received this Agreement and that you have received our Disclosure Document at least 14 calendar days prior to the date on which this Agreement was executed. **Initial: [ ]**

### 24.2 True and Accurate Information

You represent that all information set forth in any and all applications, financial statements, and submissions to us is true, complete, and accurate in all respects, and you acknowledge that we are relying upon the truthfulness, completeness, and accuracy of such information. **Initial: [ ]**

### 24.3 No Violation of Other Agreements

You represent that your execution of this Agreement will not violate any other agreement or commitment to which you or any holder of a legal or beneficial interest in the Franchisee entity is a party. **Initial: [ ]**

IN WITNESS WHEREOF the parties hereto, intending to be legally bound hereby have duly executed this Agreement.

**10X BUSINESS ADVISOR FRANCHISING, LLC**

Signature: _____

Print Name: _____

Title: _____

Date: _____

**FRANCHISEE:**

Franchisee Name: _____

Signature: _____

Print Name: _____

Title: _____

Date: _____

**SCHEDULE 1 TO THE FRANCHISE AGREEMENT**
**FRANCHISE FEE, OFFICE LOCATION AND OPENING DATE**

**INITIAL FRANCHISE FEE: $ _____**

**OFFICE LOCATION: _____**

**OPENING DATE [IF NOT FILLED OUT, THE OPENING DATE SHALL BE NO LATER THAN 12 MONTHS FROM THE EFFECTIVE DATE OF THE FRANCHISE AGREEMENT]: _____**

**10X BUSINESS ADVISOR FRANCHISING, LLC**

Signature: _____

Print Name: _____

Title: _____

Date: _____

**FRANCHISEE:**

Franchisee Name: _____

Signature: _____

Print Name: _____

Title: _____

Date: _____

**SCHEDULE 2 TO THE FRANCHISE AGREEMENT**
**NONDISCLOSURE AND NON-COMPETITION AGREEMENT**

This "**Agreement**" made as of the ____ day of _____, 20____, is by and between_____, ("**Franchisee**," "**we**," "**us**," or "**our**") and _____("**Individual**," "**you**," or "**your**").

**W I T N E S E T H:**

WHEREAS, Franchisee is a party to that certain Franchise Agreement dated _____, 20__ ("**Franchise Agreement**") by and between Franchisee and the Franchisor, 10X Business Advisor Franchising, LLC ("**Company**"); and

WHEREAS, Franchisee desires Individual to have access to and review certain Trade Secrets and other Confidential Information, which are more particularly described below; and

WHEREAS, Franchisee is required by the Franchise Agreement to have Individual execute this Agreement prior to providing Individual access to said Trade Secrets and other Confidential Information; and

WHEREAS, Individual understands the necessity of not disclosing any such information to any other party or using such information to compete against Company, Franchisee or any other franchisee of Company in any business that (i) offers the same or similar business growth and sales coaching, executive coaching, business management and relating consulting services and products as a 10X Business Advisor under any service system (ii) in which Trade Secrets and other Confidential Information (as defined below) could be used to the disadvantage of Franchisee, or Company, any affiliate of Company or Company's other franchisees (hereinafter, "**Competitive Business**"); provided, however, that the term "**Competitive Business**" shall not apply to any business operated by Franchisee under a Franchise Agreement with Company.

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

**1. Trade Secrets and Confidential Information**

1.1 Individual understands Franchisee possesses and will possess Trade Secrets and other Confidential Information that are important to its business.

1.2 For the purposes of this Agreement, a "**Trade Secret**" is information in any form (including, but not limited to, materials and techniques, technical or non-technical data, formulas, patterns, compilations, programs, devices, methods, techniques, drawings, processes, financial data, financial plans, product plans, passwords, lists of actual or potential customers or suppliers) related to or used in the 10X Business Advisor franchised business that is not commonly known by or available to the public and that information: (i) derives economic value, actual or potential, from not being generally known to, and not being readily ascertainable by proper means by, other

persons who can obtain economic value from its disclosure or use; and (ii) is the subject of efforts that are reasonable under the circumstances to maintain its secrecy.

1.3 For the purposes of this Agreement "**Confidential Information**" means technical and non-technical information used in or related to 10X Business Advisor franchised business that is not commonly known by or available to the public, including, without limitation, Trade Secrets and information contained in the Operations Manual and training guides and materials. In addition, any other information identified as confidential when delivered by Franchisee shall be deemed Confidential Information. Confidential Information shall not include, however, any information that: (i) is now or subsequently becomes generally available to the public through no fault of Individual; (ii) Individual can demonstrate was rightfully in its possession, without obligation of nondisclosure, prior to disclosure pursuant to this Agreement; (iii) is independently developed without the use of any Confidential Information; or (iv) is rightfully obtained from a third party who has the right, without obligation of nondisclosure, to transfer or disclose such information.

1.4 Any information expressly designated by Company or Franchisee as "**Trade Secrets**" or "**Confidential Information**" shall be deemed such for all purposes of this Agreement, but the absence of designation shall not relieve Individual of his or her obligations hereunder in respect of information otherwise constituting Trade Secrets or Confidential Information. Individual understands Franchisee's providing of access to the Trade Secrets and other Confidential Information creates a relationship of confidence and trust between Individual and Franchisee with respect to the Trade Secrets and other Confidential Information.

## 2. Confidentiality/Non-Disclosure

2.1 Individual shall not communicate or divulge to (or use for the benefit of) any other person, firm, association, or corporation, with the sole exception of Franchisee, now or at any time in the future, any Trade Secrets or other Confidential Information. At all times from the date of this Agreement, Individual must take all steps reasonably necessary and/or requested by Franchisee to ensure that the Confidential Information and Trade Secrets are kept confidential pursuant to the terms of this Agreement. Individual must comply with all applicable policies, procedures and practices that Franchisee has established and may establish from time to time with regard to the Confidential Information and Trade Secrets.

2.2 Individual's obligations under paragraph 2(a) of this Agreement shall continue in effect after termination of Individual's relationship with Franchisee, regardless of the reason or reasons for termination, and whether such termination is voluntary or involuntary, and Franchisee is entitled to communicate Individual's obligations under this Agreement to any future client or employer to the extent deemed necessary by Franchisee for protection of its rights hereunder and regardless of whether Individual or any of its affiliates or assigns becomes an investor, partner, joint venturer, broker, distributor or the like in a 10X Business Advisor franchised business.

## 3. Non-Competition

3.1 During the term of Individual's relationship with Franchisee and for a period of two years after the expiration or termination of Individual's relationship with Franchisee, regardless of the cause of expiration or termination, Individual shall not, directly or indirectly, divert or attempt to divert any business or customer of Franchisee or the Company or any licensed 10X Business Advisor to any Competitive Business, 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 Company's trade names "**10X Business Advisor**" and such other trademarks, service marks, trade dress, designs, graphics, logos, emblems, insignia, fascia, slogans, drawings and other commercial symbols as the Company designates to be used in connection with 10X Business Advisor or the Company's uniform standards, methods, procedures and specifications for the establishment and operation of 10X Business Advisor System franchised businesses.

3.2 During the term of Individual's relationship with Franchisee, Individual shall not, directly or indirectly, develop, own, manage, operate, be employed by or have any interest in a Competitive Business or offer Competitive Business services without the express written consent of Franchisee and the Company.

3.3 For a period of two years after the term of Individual's relationship with Franchisee, regardless of the cause of termination, Individual shall not, directly or indirectly, develop, own, manage, operate, be employee by or have any interest in a Competitive Business or offer Competitive Business services anywhere within a 25-mile radius of your office location for your Franchised Business or any 10X Business Advisor without the express written consent of Franchisee and the Company.

3.4 At no time shall Individual, directly or indirectly, solicit or otherwise attempt to induce or influence any employee or other business associate of Franchisee, Company or any other 10X Business Advisor to violate a non-disclosure or non-competition agreement to which such employee or business associate is a party.

## 4. Reasonableness of Restrictions

Individual acknowledges that each of the terms set forth herein, including the restrictive covenants, is fair and reasonable and is reasonably required for the protection of Franchisee, Company, and Company's Trade Secrets and other Confidential Information, the Company's business system, network of franchises and trade and service marks, and Individual waives any right to challenge these restrictions as being overly broad, unreasonable or otherwise unenforceable. If, however, a court of competent jurisdiction determines that any such restriction is unreasonable or unenforceable, then Individual shall submit to the reduction of any such activity, time period or geographic restriction necessary to enable the court to enforce such restrictions to the fullest extent permitted under applicable law. It is the desire and intent of the parties that the provisions of this Agreement shall be

enforced to the fullest extent permissible under the laws and public policies applied in any jurisdiction where enforcement is sought.

## 5. Relief for Breaches of Confidentiality, Non-Solicitation, and Non-Competition

Individual further acknowledges that an actual or threatened violation of the covenants contained in this Agreement will cause Franchisee and Company immediate and irreparable harm, damage and injury that cannot be fully compensated for by an award of damages or other remedies at law. Accordingly, Franchisee and/or Company shall be entitled, as a matter of right, to an injunction from any court of competent jurisdiction restraining any further violation by Individual of this Agreement without any requirement to show any actual damage or to post any bond or other security. Such right to an injunction shall be cumulative and in addition to, and not in limitation of, any other rights and remedies that Franchisee and Company may have at law or in equity.

## 6. Dispute Resolution

6.1 **Choice of Law.** Except as to claims governed by federal law, Florida 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**").

6.2 **Jurisdiction and Venue.** You and we agree that venue and jurisdiction for any Claims, except those required to be submitted to arbitration, shall be proper solely in the state and federal court nearest to our corporate headquarters in Miami-Dade County, Florida.

6.3 **Jury Waiver.** In any trial between any of the parties as to any Claims, you and we agree to waive our rights to a jury trial and instead have such action tried by a judge.

6.4 **Class Action Waiver.** You agree to bring any Claims, if at all, individually and you shall not join such claim with claims of any other person or entity or bring, join or participate in a class action against us.

6.5 **Punitive Damages Waiver.** As to any Claims, you and we agree to waive our rights, if any, to seek or recover punitive damages.

6.6 **Limitation of Actions.** You agree to bring any Claims against us, if at all, within six months 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.

6.7 **Prior Notice of Claims.** As a condition precedent to commencing an action for a Claim, you must notify us within 30 days after the occurrence of the violation or breach, and failure to timely give such notice shall preclude any claim for damages.

6.8 **Internal Dispute Resolution.** You must first bring any Claim to our CEO, after providing notice as set forth in Section 6(g) above. You must exhaust this internal dispute resolution procedure before you may bring your Claim before a third party.

6.9 **Mediation and Arbitration.** Before you may bring any Claim against us, you agree to try for a period of 60 days to mediate such claim before a mutually agreed to mediator in the city or county where our headquarters are located. If we cannot mutually agree on a mediator, you and we agree to use the mediation services of the American Arbitration Association ("**AAA**"), and split any AAA and mediator fees equally. If mediation is unsuccessful and you decide to pursue a legal claim against us, you agree to bring such claim solely in binding arbitration conducted in the city or county of our headquarters in accordance with the Commercial Arbitration Rules of the American Arbitration Association then in effect. The proceedings will be held by a single arbitrator. The decision of the arbitrator will be final and binding upon the parties. Judgment upon the award rendered by the arbitrator may be entered in any court having personal and subject matter jurisdiction.

6.10 **Waiver of Bond.** You agree that if we are forced to bring suit to enforce any provision of this Agreement, you agree to waive any requirement that we post bond to obtain a temporary, preliminary, or permanent injunction to enforce these duties.

6.11 **Attorney Fees.** If we are the substantially prevailing party as to any Claims, you agree to reimburse our costs and attorney fees incurred in pursuing or defending the Claims.

## 7. Miscellaneous

7.1 This Agreement constitutes the entire Agreement between the parties with respect to the subject matter hereof. This Agreement supersedes any prior agreements, negotiations and discussions between Individual and Franchisee. This Agreement cannot be altered or amended except by an agreement in writing signed by the duly authorized representatives of the parties.

7.2 This Agreement shall be effective as of the date this Agreement is executed and shall be binding upon the successors and assigns of Individual and shall inure to the benefit of Franchisee, its subsidiaries, successors and assigns. Company is an intended third-party beneficiary of this Agreement with the independent right to enforce the confidentiality and non-competition provisions contained herein.

7.3 The failure of either party to insist upon performance in any one or more instances upon performance of any terms and conditions of this Agreement shall not be construed a waiver of future performance of any such term, covenant or condition of this Agreement and the obligations of either party with respect thereto shall continue in full force and effect.

7.4 In the event that any part of this Agreement shall be held to be unenforceable or invalid, the remaining parts hereof shall nevertheless continue to be valid and enforceable as though the invalid portions were not a part hereof.

7.5 This Agreement may be modified or amended only by a written instrument duly executed by Individual, Franchisee and Company.

7.6 The existence of any claim or cause of action Individual might have against Franchisee or Company will not constitute a defense to the enforcement by Franchisee or Company of this Agreement.

**INDIVIDUAL CERTIFIES THAT HE OR SHE HAS READ THIS AGREEMENT CAREFULLY AND UNDERSTANDS AND ACCEPTS THE OBLIGATIONS THAT IT IMPOSES WITHOUT RESERVATION. NO PROMISES OR REPRESENTATIONS HAVE BEEN MADE TO SUCH PERSON TO INDUCE THE SIGNING OF THIS AGREEMENT.**

**THE PARTIES ACKNOWLEDGE THAT THE COMPANY IS A THIRD-PARTY BENEFICIARY TO THIS AGREEMENT AND THAT THE COMPANY SHALL BE ENTITLED TO ENFORCE THIS AGREEMENT WITHOUT THE COOPERATION OF THE FRANCHISEE. INDIVIDUAL AND FRANCHISEE AGREE THAT THIS AGREEMENT CANNOT BE MODIFIED OR AMENDED WITHOUT THE WRITTEN CONSENT OF THE COMPANY.**

IN WITNESS WHEREOF, Franchisee has hereunto caused this Agreement to be executed by its duly authorized officer, and Individual has executed this Agreement, all being done in duplicate originals with one original being delivered to each party as of the day and year first above written.

**FRANCHISEE:**

By: _____

Its: _____

**INDIVIDUAL:**

Signature: _____

Name Printed: _____

**SCHEDULE 3 TO THE FRANCHISE AGREEMENT**
**UNLIMITED GUARANTY AND ASSUMPTION OF OBLIGATIONS**

THIS UNLIMITED GUARANTY AND ASSUMPTION OF OBLIGATIONS (this "**Guaranty**") is given on _____ by _____ **("Guarantor(s))**.

In consideration of, and as an inducement to, the execution of that certain Franchise Agreement dated _____ herewith ("**Franchise Agreement**") by 10X Business Advisor Franchising, LLC ("**Franchisor**"), each of the undersigned Guarantor(s) hereby personally and unconditionally guarantees to Franchisor and its successors and assigns, for the term of the Agreement and thereafter as provided in the Agreement, that _____("**Franchisee**") shall punctually pay and perform each and every undertaking, agreement and covenant set forth in the Agreement. Each of the undersigned Guarantor(s) shall be personally bound by, and personally liable for, Franchisee's (a) financial and operational obligations under the Franchise Agreement and (b) breach of any provision in the Franchise Agreement including those relating to monetary obligations, operational obligations, and obligations to take or refrain from taking specific actions or engaging in specific activities, such as those contemplated by Sections 6, 7, and 17 of the Franchise Agreement. Each of the undersigned waives: (a) acceptance and notice of acceptance by Franchisor of the foregoing undertakings; (b) notice of demand for payment of any indebtedness or non-performance of any obligations hereby guaranteed; (c) protest and notice of default to any party with respect to the indebtedness or non-performance of any obligations hereby guaranteed; (d) any right it may have to require that an action be brought against Franchisee (or Developer) or any other person as a condition of liability; and (e) any and all other notices and legal or equitable defenses to which it may be entitled.

Each of the undersigned Guarantor(s) consents and agrees that: (a) the undersigned's direct and immediate liability under this Guaranty shall be joint and several; (b) the undersigned shall render any payment or performance required under the Franchise Agreement upon demand if Franchisee fails or refuses punctually to do so; (c) such liability shall not be contingent or conditioned upon pursuit by Franchisor of any remedies against Franchisee or any other person or entity; and (d) such liability shall not be diminished, relieved or otherwise affected by any extension of time, credit or other indulgence which Franchisor may from time to time grant to Franchisee or to any other person including, without limitation, the acceptance of any partial payment or performance, or the compromise or release of any claims, none of which shall in any way modify or amend this Guaranty, which shall be continuing and irrevocable during the term of the Franchise Agreement.

This Guaranty represents the entire agreement and understanding of these parties concerning the subject matter hereof, and supersedes all other prior agreements, understandings, negotiations and discussions, representations, warranties, commitments, proposals, offers and contracts concerning the subject matter hereof, whether oral or written.

Successors and Assigns; Death of Guarantor. This Guaranty shall be binding upon Guarantor and his or her heirs, executors, administrators, successors and assigns and shall inure to the benefit of Franchisor and its successors, endorsees, transferees and assigns. Without limiting any other provision hereof, Guarantor expressly agrees that Guarantor's death shall not serve as a revocation of or otherwise affect the guaranty made hereunder and that Guarantor's estate and heirs shall continue to

be liable hereunder with respect to any Guaranteed Obligations created or arising after Guarantor's death.

The validity, interpretation and enforcement of this Guaranty and any dispute arising out of the relationship between Guarantor and Franchisor, whether in contract, tort, equity or otherwise, shall be governed by the internal laws of the State of Florida (without giving effect to principles of conflicts of law).

Dispute Resolution. You agree to be bound by the Dispute Resolution provisions found in Section 23 of any Franchise Agreement between the Franchisor and Franchisee as if set forth herein and as being equally applicable to this Guaranty and the dealings of the parties hereunder. Specifically, Guarantor agrees to arbitrate any and all claims arising under or relating to the Franchise Agreement and the franchise relationship of the parties in Miami-Dade County, Florida, and that Miami-Dade county, Florida, is the sole and exclusive jurisdiction and venue for any such claims.

IN WITNESS WHEREOF, this Guaranty has been entered into the day and year first before written.

| **PERSONAL GUARANTOR:** | **PERSONAL GUARANTOR:** |
|---|---|
| _____ | _____ |
| Personally and Individually (Printed Name) | Personally and Individually (Printed Name) |
| _____ | _____ |
| Personally and Individually (Signature) | Personally and Individually (Signature) |
| HOME ADDRESS | HOME ADDRESS |
| _____ | _____ |
| _____ | _____ |
| _____ | _____ |
| TELEPHONE NO.: _____ | TELEPHONE NO.: _____ |
| PERCENTAGE OF OWNERSHIP IN FRANCHISEE: _____% | PERCENTAGE OF OWNERSHIP IN FRANCHISEE: _____ % |

**SCHEDULE 4 TO THE FRANCHISE AGREEMENT**
**ACH PAYMENT AGREEMENT**

FRANCHISEE NAME: _____

AUTHORIZATION AGREEMENT FOR ACH Payments

(I/we) do hereby authorize 10x Business Advisor Franchising, LLC, hereinafter named the "**Franchisor**", to initiate (debit or credit) entries to (my/our) (Checking Account / Savings Account) as indicated and named below as the depository financial institution, hereafter named FINANCIAL INSTITUTION pursuant to the terms of the Franchise Agreement by and between us and the Franchisor.

(I/we) acknowledge that the origination of ACH transactions to my (my/our) account must comply with the provisions of U.S. law. Furthermore, if any such debit(s) should be returned NSF, (I/we) authorize the Franchisor to collect such debit(s) by electronic debit and subsequently collect a returned debit NSF fee of $100.00 per occurrence by electronic debit from my account identified below. In the event all funds and interests are not received by Franchisor within five days from presentment and intended withdrawal from our account by Franchisor, then we will be deemed in default of the Franchise Agreement. We further agree to pay all reasonable costs of collection including but not limited to reasonable attorney's fees and court costs incurred by Franchisor. I am a duly authorized check signer on the financial institution account identified below, and authorize all of the above as evidenced by my signature below.

CHECK (ACH) INFORMATION ROUTING NUMBER: _____
ACCOUNT NUMBER: _____
DEPOSITORY NAME: _____
BRANCH: _____
CITY: _____ STATE: _____ZIP: _____

COMPANY NAME: _____
FIRST NAME/LAST NAME: _____
BILLING ADDRESS: _____
CITY_____STATE_____ZIP_____
PHONE NUMBER: _____
CUSTOMER NUMBER: _____
SIGNATURE ON FILE: _____
PHONE OR EMAIL APPROVAL AUTHORIZATION NUMBER: _____

**FRANCHISEE:**

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

**SCHEDULE 5 TO THE FRANCHISE AGREEMENT**
**HOLDERS OF LEGAL OR BENEFICIAL INTEREST**
**IN FRANCHISEE; OPERATING PRINCIPAL**

**Operating Principal(s):**

Name: _____
Position/Title: _____
Home Address: _____
_____
_____
Telephone No.: _____
E-mail address: _____
Percentage of ownership: ____%

Name: _____
Position/Title: _____
Home Address: _____
_____
_____
Telephone No.: _____
E-mail address: _____
Percentage of ownership: ____%

**Holders of Legal or Beneficial Interest:**

Name: _____
Position/Title: _____
Home Address: _____
_____
_____
Telephone No.: _____
E-mail address: _____
Percentage of ownership: ____%

Name: _____
Position/Title: _____
Home Address: _____
_____
_____
Telephone No.: _____
E-mail address: _____
Percentage of ownership: ____%

Name: _____
Position/Title: _____
Home Address: _____
_____
_____
Telephone No.: _____
E-mail address: _____
Percentage of ownership: ____%

Name: _____
Position/Title: _____
Home Address: _____
_____
_____
Telephone No.: _____
E-mail address: _____
Percentage of ownership: ____%

**FRANCHISEE:**

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

**SCHEDULE 6 TO THE FRANCHISE AGREEMENT**
**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.

Section 16.2 is deleted and in its place are substituted the following:

**16.2.1 Termination by Us Without Right to Cure.** We 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 franchisor 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 16.2.2 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 franchisor makes a reasonable determination that continued operation of the franchise by the franchisee will result in an imminent danger to public health or safety.

**16.2.2 Termination by Us with Opportunity to Cure**. We may terminate this Agreement, after sending you notice and a 60-day opportunity to cure, for any other breach of this Agreement.

| **10X BUSINESS ADVISOR FRANCHISING, LLC** | **FRANCHISEE:** |
|---|---|
| By: _____ | By: _____ |
| Date: _____ | 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.

Section 3.1 of the Franchise Agreement shall be amended to state that the Initial Franchise Fees owed by franchisees shall be deferred until Franchisor has satisfied its pre-opening obligations to franchisee and franchisee has commenced operations its Franchised Business.

| | |
|---|---|
| **10X BUSINESS ADVISOR FRANCHISING, LLC** | **FRANCHISEE:** |
| By: _____ | By: _____ |
| Date: _____ | 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. 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.

3. Franchisee rights upon termination and non-renewal are set forth in sections 19 and 20 of the Illinois Franchise Disclosure Act.

4. In conformance with Section 41 of the Illinois Franchise Disclosure Act, any condition, stipulation, or provision purporting to bind any person acquiring any franchise to waive compliance with the Illinois Franchise Disclosure Act or any other law of Illinois is void.

5. **The Deferral of Initial Franchises Fees**. In accordance with Section 200.508 of the Illinois Franchise Disclosure Act, payment of the Initial Franchise Fee shall be deferred until Franchisor has satisfied its pre-opening obligations to franchisee and franchisee has commenced doing business. The Illinois Attorney General's Office imposed this deferral requirement due to Franchisor's financial condition.

| **10X BUSINESS ADVISOR FRANCHISING, LLC** | **FRANCHISEE:** |
|---|---|
| By: _____ | By: _____ |
| Date: _____ | 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 general release required as a condition of renewal, sale, and/or assignment/transfer shall not apply to any liability under the Maryland Franchise Registration and Disclosure Law.

3. This franchise agreement provides that disputes are resolved through arbitration. A Maryland franchise regulation states that it is an unfair or deceptive practice to require a franchisee to waive its right to file a lawsuit in Maryland claiming a violation of the Maryland Franchise Law. In light of the Federal Arbitration Act, there is some dispute as to whether this forum selection requirement is legally enforceable.

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 3.1 of the Franchise Agreement is modified to state: "Based upon the Franchisor's financial condition, the Maryland Securities Commissioner has required a financial assurance. Therefore, all initial fees and payments owed by franchisees shall be deferred until the Franchisor completes its pre-opening obligations under the Franchise Agreement."

| **10X BUSINESS ADVISOR FRANCHISING, LLC** | **FRANCHISEE:** |
|---|---|
| By: _____ | By: _____ |
| Date: _____ | 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.

| **10X BUSINESS ADVISOR FRANCHISING, LLC** | **FRANCHISEE:** |
|---|---|
| By: _____ | By: _____ |
| Date: _____ | 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 us 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. Section 3.1 of the Franchise Agreement shall be amended to state that the Initial Franchise Fees owed by franchisees shall be deferred until Franchisor has satisfied its pre-opening obligations to franchisees and franchisee has commenced operations of its Franchised Business.

7. Section 17 of the Franchise Agreement is modified and deletes the obligation of franchisees to consent to termination or liquidated damages.

8. Section 23 of the Franchise Agreement is modified and amended to provide that all arbitration or mediation required under the Franchise Agreement shall be at a location agreeable to all parties and may not be remote from the franchisee's Franchised Business.

**9.** Section 23 to the Franchise Agreement shall be modified to state that the statute of limitations under North Dakota law shall apply.

| **10X BUSINESS ADVISOR FRANCHISING, LLC** | **FRANCHISEE:** |
|---|---|
| By: _____ | By: _____ |
| Date: _____ | 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.

| **10X BUSINESS ADVISOR FRANCHISING, LLC** | **FRANCHISEE:** |
|---|---|
| By: _____ | By: _____ |
| Date: _____ | 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.

2. Section 3.1 of the Franchise Agreement shall be amended to state that the Initial Franchise Fees owed by franchisees shall be deferred until Franchisor has satisfied its pre-opening obligations to franchisees and franchisee has commenced operations of its Franchised Business.

| | |
|---|---|
| **10X BUSINESS ADVISOR FRANCHISING, LLC** | **FRANCHISEE:** |
| By: _____ | By: _____ |
| Date: _____ | Date: _____ |

**WASHINGTON 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 state of Washington has a statute, RCW 19.100.180, which may supersede the franchise agreement in your relationship with the franchisor including the areas of termination and renewal rights of your franchise. There may also be court decisions that may supersede the franchise agreement in your relationship with the franchisor including the areas of termination and renewal of your franchise.

In any arbitration involving a franchise purchased in Washington, the arbitration site shall be either in the state of Washington, or in a place mutually agreed upon at the time of the arbitration, or as determined by the arbitrator.

In the event of a conflict of laws, the provisions of the Washington Franchise Investment Protection Act, Chapter 19.100 RCW shall prevail.

A release or waiver of rights signed by the franchisee shall not include rights under the Washington Franchise Investment Protection Act except when executed pursuant to a negotiated settlement after the agreement is in effect and where the parties are represented by independent counsel. Provisions such as those that unreasonably restrict or limit the statute of limitations period for claims under the Act, rights or remedies under the Act such as a right to a jury trial may not be enforceable.

Transfer fees are collectable to the extent that they reflect the franchisor's reasonable estimated or actual costs in effecting a transfer.

The undersigned does hereby acknowledge receipt of this addendum.

| **10X BUSINESS ADVISOR FRANCHISING, LLC** | **FRANCHISEE:** |
|---|---|
| By: _____ | By: _____ |
| Date: _____ | 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.

| **10X BUSINESS ADVISOR FRANCHISING, LLC** | **FRANCHISEE:** |
|---|---|
| By: _____ | By: _____ |
| Date: _____ | Date: _____ |

**SCHEDULE 7 TO THE FRANCHISE AGREEMENT**
**GENERAL RELEASE**

THIS GENERAL RELEASE is made and given on this ____ day of _____, 20____ by _____, ("**RELEASOR**") an individual/corporation/ limited liability company/partnership with a principal address of _____, in consideration of:

_____ the execution by 10X Business Advisor Franchising, LLC, a Delaware limited liability corporation ("**RELEASEE**"), of a successor Franchise Agreement or other renewal documents renewing the franchise (the "**Franchise**") granted to RELEASOR by RELEASEE pursuant to that certain Franchise Agreement (the "**Franchise Agreement**") between RELEASOR and RELEASEE; or

_____ RELEASEE'S consent to RELEASOR'S assignment of its rights and duties under the Franchise Agreement; or

_____ RELEASEE'S consent to RELEASOR'S assumption of rights and duties under the Franchise Agreement;

and other good and valuable consideration, the adequacy of which is hereby acknowledged, and accordingly RELEASOR hereby releases and discharges RELEASEE, RELEASEE's officers, directors, shareholders, managers, members, partners, owners, employees and agents (in their corporate and individual capacities), and RELEASEE's successors and assigns, from any and all causes of action, suits, debts, damages, judgments, executions, claims and demands whatsoever, in law or in equity, that RELEASOR and RELEASOR's heirs, executors, administrators, successors and assigns had, now have or may have, upon or by reason of any matter, cause or thing whatsoever from the beginning of the world to the date of this RELEASE arising out of or related to the Franchise or the Franchise Agreement, including, without limitation, claims arising under federal, state and local laws, rules and ordinances. This General Release shall not be amended or modified unless such amendment or modification is in writing and is signed by RELEASOR and RELEASEE.

IN WITNESS WHEREOF, RELEASOR has executed this General Release as of the date first above written.

**RELEASOR**: _____
(type/print name)
By: _____

Name: _____

Title: _____
(or, if an individual)
Signed: _____

Name printed: _____

# SCHEDULE 8 TO THE FRANCHISE AGREEMENT
# SBA ADDENDUM

## ADDENDUM TO FRANCHISE[1] AGREEMENT

**THIS ADDENDUM** ("Addendum") is made and entered into on _____, 20____, by and between _____ ("Franchisor"), located at _____, and _____ ("Franchisee"), located at _____.

Franchisor and Franchisee entered into a Franchise Agreement on _____, 20___, (such Agreement, together with any amendments, the "Franchise Agreement"). Franchisee is applying for financing(s) from a lender in which funding is provided with the assistance of the U. S. Small Business Administration ("SBA"). SBA requires the execution of this Addendum as a condition for obtaining SBA-assisted financing.

In consideration of the mutual promises below and for good and valuable consideration, the receipt and sufficiency of which the parties acknowledge, the parties agree that notwithstanding any other terms in the Franchise Agreement or any other document Franchisor requires Franchisee to sign:

**CHANGE OF OWNERSHIP**

- If Franchisee is proposing to transfer a partial interest in Franchisee and Franchisor has an option to purchase or a right of first refusal with respect to that partial interest, Franchisor may exercise such option or right only if the proposed transferee is not a current owner or family member of a current owner of Franchisee. If the Franchisor's consent is required for any transfer (full or partial), Franchisor will not unreasonably withhold such consent. In the event of an approved transfer of the franchise interest or any portion thereof, the transferor will not be liable for the actions of the transferee franchisee.

**FORCED SALE OF ASSETS**

- If Franchisor has the option to purchase the business personal assets upon default or termination of the Franchise Agreement and the parties are unable to agree on the value of the assets, the value will be determined by an appraiser chosen by both parties. If the Franchisee owns the real estate where the franchise location is operating, Franchisee will not be required to sell the real estate upon default or termination, but Franchisee may be required to lease the real estate for the remainder of the franchise term (excluding additional

[1] While relationships established under license, jobber, dealer and similar agreements are not generally described as "franchise" relationships, if such relationships meet the Federal Trade Commission's (FTC's) definition of a franchise (see 16 CFR § 436), they are treated by SBA as franchise relationships for franchise affiliation determinations per 13 CFR § 121.301(f)(5).

renewals) for fair market value.

**COVENANTS**

- If the Franchisee owns the real estate where the franchise location is operating, Franchisor has not and will not during the term of the Franchise Agreement record against the real estate any restrictions on the use of the property, including any restrictive covenants, branding covenants or environmental use restrictions. If any such restrictions are currently recorded against the Franchisee's real estate, they must be removed in order for the Franchisee to obtain SBA-assisted financing.

**EMPLOYMENT**

- Franchisor will not directly control (hire, fire or schedule) Franchisee's employees. For temporary personnel franchises, the temporary employees will be employed by the Franchisee not the Franchisor.

As to the referenced Franchise Agreement, this Addendum automatically terminates when SBA no longer has any interest in any SBA-assisted financing provided to the Franchisee.

Except as amended by this Addendum, the Franchise Agreement remains in full force and effect according to its terms.

Franchisor and Franchisee acknowledge that submission of false information to SBA, or the withholding of material information from SBA, can result in criminal prosecution under 18 U.S.C. 1001 and other provisions, including liability for treble damages under the False Claims Act, 31 U.S.C. §§ 3729 -3733.

**Authorized Representative of FRANCHISOR:**

By: _____

Print Name: _____

Title:_____

**Authorized Representative of FRANCHISEE:**

By: _____

Print Name: _____
Title:_____
**Note to Parties**: This Addendum only addresses "affiliation" between the Franchisor and Franchisee. Additionally, the applicant Franchisee and the franchise system must meet all SBA eligibility requirements

**EXHIBIT C TO THE DISCLOSURE DOCUMENT**

**10X BUSINESS ADVISOR FRANCHISING LLC**
**OPERATIONS MANUAL TABLE OF CONTENTS**

# 10X BUSINESS ADVISOR

## OPERATING MANUAL TOC


### SECTION 1 | INTRODUCTION TO 10X BUSINESS ADVISOR

Franchise vision, mission, and core values.
Commitments from franchisor and commitments from franchisee.
Code of conduct for franchisees.
Contact information for support.
Pages 1-15

### SECTION 2 | ESTABLISHING THE BUSINESS

Onboarding onto the learning platform.
Onboarding onto the financial transaction platform.
Guidelines and scripts for initial promotions.
Pages 16-45

### SECTION 3 | PERSONNEL & HR

Hiring guidelines to include hiring platforms and interview checklists.
Sample job descriptions for Coordinator, Events Manager, and Operations Support roles.
Sample Employee Handbook.
Performance review processes to include goals and 1:1s.
Recommended meeting cadence (daily, weekly, quarterly).
Pages 46-75

### SECTION 4 | ADMINISTRATIVE & OPERATING PROCEDURES

Creating new contacts, deals, and workflows in CRM.
Enrolling clients onto the learning platforms and programs.
Processing sales transactions for franchisee-hosted events.
Processing sales transactions for franchisor-hosted or other 10X events.
Submitting monthly revenue reports for commissions and revenue qualifications.
Pages 76-86

### SECTION 5 | EVENTS PROCEDURES

Tracking registrations.
Pre-, during, and post- event communication guidelines and examples.
Media and AV checklist, to include approved brand music playlists.
Catering checklist with recommended menu and budget.

Venue checklist.
Virtual event / webinar checklist with Zoom guidelines.
Sample name tag format and approved lanyard/sleeve suppliers.
Links to approved slide decks and guidelines for approved edits.
Sample event run of show and agenda.
Pages 87-115

## SECTION 6 | MARKETING

Approved brand guide and assets.
Guidelines for how to submit marketing assets for approval.
Sample client lifecycle diagram, showing potential revenue and commissions.
Example social media posts (Facebook, Instagram, LinkedIn).
Example email copy and sequencing timelines.
Pages 116-128

## SECTION 7 | TECHNOLOGY AND SUPPORT PLATFORMS

Setup and operation of CEO Platform (white labeled portal, community capabilities, PPFs, R3)
Setup and operation of CRM
Setup and operation of Hiring Platform (R3 Hiring Tool)
Reporting Best Practices for all platforms
Pages 129-149

**EXHIBIT D TO THE DISCLOSURE DOCUMENT**

**FINANCIAL STATEMENTS**

# 10X Business Advisor Franchising LLC
# Balance Sheet
# End of Sep 2023

| Financial Row | Jan 2023 Amount | Feb 2023 Amount | Mar 2023 Amount | Apr 2023 Amount | May 2023 Amount | Jun 2023 Amount | Jul 2023 Amount | Aug 2023 Amount | Sep 2023 Amount |
|---|---|---|---|---|---|---|---|---|---|
| **ASSETS** | | | | | | | | | |
| **Current Assets** | | | | | | | | | |
| **Bank** | | | | | | | | | |
| **10100 - Cash** | | | | | | | | | |
| 10106 - Umpqua Checking (10XBA) 7709 | $23,294.19 | $23,268.40 | $23,242.32 | $23,216.52 | $22,890.62 | $22,864.62 | $22,838.68 | $22,819.18 | $23,285.13 |
| **Total - 10100 - Cash** | **$23,294.19** | **$23,268.40** | **$23,242.32** | **$23,216.52** | **$22,890.62** | **$22,864.62** | **$22,838.68** | **$22,819.18** | **$23,285.13** |
| **Total Bank** | **$23,294.19** | **$23,268.40** | **$23,242.32** | **$23,216.52** | **$22,890.62** | **$22,864.62** | **$22,838.68** | **$22,819.18** | **$23,285.13** |
| **Accounts Receivable** | | | | | | | | | |
| 12000 - Accounts Receivable | $240,452.38 | $322,452.38 | $301,118.71 | $279,785.04 | $265,118.04 | $244,451.04 | $304,784.04 | $278,450.37 | $252,116.70 |
| **Total Accounts Receivable** | **$240,452.38** | **$322,452.38** | **$301,118.71** | **$279,785.04** | **$265,118.04** | **$244,451.04** | **$304,784.04** | **$278,450.37** | **$252,116.70** |
| **Other Current Asset** | | | | | | | | | |
| **15100 - Due From** | | | | | | | | | |
| 15113 - Due to/From 10X Business Advisor Franchising | $0.00 | $0.00 | $0.00 | $0.00 | $0.00 | $0.00 | $0.00 | $0.00 | $26,333.67 |
| **Total - 15100 - Due From** | **$0.00** | **$0.00** | **$0.00** | **$0.00** | **$0.00** | **$0.00** | **$0.00** | **$0.00** | **$26,333.67** |
| **Total Other Current Asset** | **$0.00** | **$0.00** | **$0.00** | **$0.00** | **$0.00** | **$0.00** | **$0.00** | **$0.00** | **$26,333.67** |
| **Total Current Assets** | **$263,746.57** | **$345,720.78** | **$324,361.03** | **$303,001.56** | **$288,008.66** | **$267,315.66** | **$327,622.72** | **$301,269.55** | **$301,735.50** |
| **Total ASSETS** | **$263,746.57** | **$345,720.78** | **$324,361.03** | **$303,001.56** | **$288,008.66** | **$267,315.66** | **$327,622.72** | **$301,269.55** | **$301,735.50** |
| **Liabilities & Equity** | | | | | | | | | |
| **Current Liabilities** | | | | | | | | | |
| **Accounts Payable** | | | | | | | | | |
| **22000 - Accounts Payable** | | | | | | | | | |
| 22000 - Accounts Payable | ($700.00) | ($700.00) | ($700.00) | ($700.00) | ($700.00) | ($700.00) | ($700.00) | ($700.00) | ($700.00) |
| 22001 - Intercompany Accounts Payable | $700.00 | $7,908.43 | $7,908.43 | $7,908.43 | $7,908.43 | $7,908.43 | $8,130.93 | $700.00 | $700.00 |
| **Total - 22000 - Accounts Payable** | **$0.00** | **$7,208.43** | **$7,208.43** | **$7,208.43** | **$7,208.43** | **$7,208.43** | **$7,430.93** | **$0.00** | **$0.00** |
| **Total Accounts Payable** | **$0.00** | **$7,208.43** | **$7,208.43** | **$7,208.43** | **$7,208.43** | **$7,208.43** | **$7,430.93** | **$0.00** | **$0.00** |
| **Other Current Liability** | | | | | | | | | |
| **20500 - Deferred Revenue** | | | | | | | | | |
| 20518 - Other Deferred Revenue | $0.00 | $92,500.00 | $77,500.00 | $64,166.66 | $51,666.65 | $39,166.64 | $119,166.63 | $99,166.62 | $80,496.94 |
| **Total - 20500 - Deferred Revenue** | **$0.00** | **$92,500.00** | **$77,500.00** | **$64,166.66** | **$51,666.65** | **$39,166.64** | **$119,166.63** | **$99,166.62** | **$80,496.94** |
| 25001 - Due to CV | $447,808.40 | $453,462.56 | $468,444.14 | $471,389.63 | $481,001.79 | $497,551.54 | $484,163.71 | $489,540.14 | $513,819.31 |
| **Total Other Current Liability** | **$447,808.40** | **$545,962.56** | **$545,944.14** | **$535,556.29** | **$532,668.44** | **$536,718.18** | **$603,330.34** | **$588,706.76** | **$594,316.25** |
| **Total Current Liabilities** | **$447,808.40** | **$553,170.99** | **$553,152.57** | **$542,764.72** | **$539,876.87** | **$543,926.61** | **$610,761.27** | **$588,706.76** | **$594,316.25** |
| **Long Term Liabilities** | | | | | | | | | |
| **28000 - Long Term Liabilities** | | | | | | | | | |
| 28012 - Long Term Deferred Revenue | $31,050.00 | $31,050.00 | $31,050.00 | $31,050.00 | $31,050.00 | $31,050.00 | $31,050.00 | $31,050.00 | $31,050.00 |
| **Total - 28000 - Long Term Liabilities** | **$31,050.00** | **$31,050.00** | **$31,050.00** | **$31,050.00** | **$31,050.00** | **$31,050.00** | **$31,050.00** | **$31,050.00** | **$31,050.00** |
| **Total Long Term Liabilities** | **$31,050.00** | **$31,050.00** | **$31,050.00** | **$31,050.00** | **$31,050.00** | **$31,050.00** | **$31,050.00** | **$31,050.00** | **$31,050.00** |
| **Equity** | | | | | | | | | |
| Retained Earnings | ($170,806.87) | ($170,806.87) | ($170,806.87) | ($170,806.87) | ($170,806.87) | ($170,806.87) | ($170,806.87) | ($170,806.87) | ($170,806.87) |
| Net Income | ($44,304.96) | ($67,693.34) | ($89,034.67) | ($100,006.29) | ($112,111.34) | ($136,854.08) | ($143,381.68) | ($147,680.34) | ($152,823.88) |
| **Total Equity** | **($215,111.83)** | **($238,500.21)** | **($259,841.54)** | **($270,813.16)** | **($282,918.21)** | **($307,660.95)** | **($314,188.55)** | **($318,487.21)** | **($323,630.75)** |
| **Total Liabilities & Equity** | **$263,746.57** | **$345,720.78** | **$324,361.03** | **$303,001.56** | **$288,008.66** | **$267,315.66** | **$327,622.72** | **$301,269.55** | **$301,735.50** |

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

# 10X Business Advisor Franchising LLC
## Profit & Loss Statement
## From Jan 2023 to Sep 2023

| Financial Row | Jan 2023 Amount | Feb 2023 Amount | Mar 2023 Amount | Apr 2023 Amount | May 2023 Amount | Jun 2023 Amount | Jul 2023 Amount | Aug 2023 Amount | Sep 2023 Amount | Total Amount |
|---|---|---|---|---|---|---|---|---|---|---|
| **Ordinary Income/Expense** | | | | | | | | | | |
| **Income** | | | | | | | | | | |
| 41100 - 10X Bus Adv Franchise | $0.00 | $7,500.00 | $15,000.00 | $30,000.00 | $37,500.00 | $37,500.00 | $45,000.00 | $45,000.00 | $52,500.00 | $270,000.00 |
| **42000 - Other Revenue** | | | | | | | | | | |
| 46140 - Discounts | $0.00 | $0.00 | $0.00 | ($16,666.66) | ($24,999.99) | ($24,999.99) | ($24,999.99) | ($24,999.99) | ($33,333.32) | ($149,999.94) |
| **Total - 42000 - Other Revenue** | **$0.00** | **$0.00** | **$0.00** | **($16,666.66)** | **($24,999.99)** | **($24,999.99)** | **($24,999.99)** | **($24,999.99)** | **($33,333.32)** | **($149,999.94)** |
| **Total - Income** | **$0.00** | **$7,500.00** | **$15,000.00** | **$13,333.34** | **$12,500.01** | **$12,500.01** | **$20,000.01** | **$20,000.01** | **$19,166.68** | **$120,000.06** |
| **Cost Of Sales** | | | | | | | | | | |
| **53000 - Affiliate Wholesale Cost** | | | | | | | | | | |
| 53030 - CTTI Event/Wholesale Costs | $20,000.00 | $0.00 | $0.00 | $0.00 | $0.00 | $0.00 | $0.00 | $0.00 | $0.00 | $20,000.00 |
| **Total - 53000 - Affiliate Wholesale Cost** | **$20,000.00** | **$0.00** | **$0.00** | **$0.00** | **$0.00** | **$0.00** | **$0.00** | **$0.00** | **$0.00** | **$20,000.00** |
| 57000 - Merchant Fees | $0.00 | $0.00 | $0.00 | $0.00 | $0.00 | $0.00 | $0.00 | ($6.35) | $0.00 | ($6.35) |
| **Total - Cost Of Sales** | **$20,000.00** | **$0.00** | **$0.00** | **$0.00** | **$0.00** | **$0.00** | **$0.00** | **($6.35)** | **$0.00** | **$19,993.65** |
| **Gross Profit** | **($20,000.00)** | **$7,500.00** | **$15,000.00** | **$13,333.34** | **$12,500.01** | **$12,500.01** | **$20,000.01** | **$20,006.36** | **$19,166.68** | **$100,006.41** |
| **Expense** | | | | | | | | | | |
| **61000 - Personnel** | | | | | | | | | | |
| 61021 - Payroll | $22,527.76 | $22,857.52 | $22,419.26 | $22,504.90 | $22,558.99 | $22,569.30 | $22,438.02 | $22,438.02 | $22,438.02 | $202,751.79 |
| 61022 - Incentives | $625.00 | $0.00 | $625.00 | $625.00 | $625.00 | $625.00 | $625.00 | $625.00 | $625.00 | $5,000.00 |
| 61050 - Payroll Taxes | $1,075.55 | $745.78 | $1,184.05 | $1,098.40 | $993.24 | $853.51 | $868.95 | $868.95 | $868.95 | $8,557.38 |
| **61060 - Benefits** | | | | | | | | | | |
| 61062 - Insurance | $50.86 | $50.86 | $50.86 | $50.86 | $101.93 | $231.35 | $347.20 | $347.20 | $347.20 | $1,578.32 |
| **Total - 61060 - Benefits** | **$50.86** | **$50.86** | **$50.86** | **$50.86** | **$101.93** | **$231.35** | **$347.20** | **$347.20** | **$347.20** | **$1,578.32** |
| **Total - 61000 - Personnel** | **$24,279.17** | **$23,654.16** | **$24,279.17** | **$24,279.16** | **$24,279.16** | **$24,279.16** | **$24,279.17** | **$24,279.17** | **$24,279.17** | **$217,887.49** |
| **63000 - Business Expense** | | | | | | | | | | |
| **63060 - Professional Services** | | | | | | | | | | |
| 63061 - Accounting | $0.00 | $0.00 | $0.00 | $0.00 | $0.00 | $0.00 | $2,000.00 | $0.00 | $0.00 | $2,000.00 |
| 63064 - Consulting | $0.00 | $7,208.43 | $12,036.08 | $0.00 | $0.00 | $12,937.59 | $222.50 | $0.00 | $0.00 | $32,404.60 |
| **Total - 63060 - Professional Services** | **$0.00** | **$7,208.43** | **$12,036.08** | **$0.00** | **$0.00** | **$12,937.59** | **$2,222.50** | **$0.00** | **$0.00** | **$34,404.60** |
| 63070 - Bank Service Charges | $25.79 | $25.79 | $26.08 | $25.80 | $25.90 | $26.00 | $25.94 | $25.85 | $31.05 | $238.20 |
| **Total - 63000 - Business Expense** | **$25.79** | **$7,234.22** | **$12,062.16** | **$25.80** | **$25.90** | **$12,963.59** | **$2,248.44** | **$25.85** | **$31.05** | **$34,642.80** |
| **Total - Expense** | **$24,304.96** | **$30,888.38** | **$36,341.33** | **$24,304.96** | **$24,305.06** | **$37,242.75** | **$26,527.61** | **$24,305.02** | **$24,310.22** | **$252,530.29** |
| **Net Ordinary Income** | **($44,304.96)** | **($23,388.38)** | **($21,341.33)** | **($10,971.62)** | **($11,805.05)** | **($24,742.74)** | **($6,527.60)** | **($4,298.66)** | **($5,143.54)** | **($152,523.88)** |
| **Other Income and Expenses** | | | | | | | | | | |
| **Other Expense** | | | | | | | | | | |
| **70000 - Other Expenses** | | | | | | | | | | |
| 70060 - Taxes | $0.00 | $0.00 | $0.00 | $0.00 | $300.00 | $0.00 | $0.00 | $0.00 | $0.00 | $300.00 |
| **Total - 70000 - Other Expenses** | **$0.00** | **$0.00** | **$0.00** | **$0.00** | **$300.00** | **$0.00** | **$0.00** | **$0.00** | **$0.00** | **$300.00** |
| **Total - Other Expense** | **$0.00** | **$0.00** | **$0.00** | **$0.00** | **$300.00** | **$0.00** | **$0.00** | **$0.00** | **$0.00** | **$300.00** |
| **Net Other Income** | **$0.00** | **$0.00** | **$0.00** | **$0.00** | **($300.00)** | **$0.00** | **$0.00** | **$0.00** | **$0.00** | **($300.00)** |
| **Net Income** | **($44,304.96)** | **($23,388.38)** | **($21,341.33)** | **($10,971.62)** | **($12,105.05)** | **($24,742.74)** | **($6,527.60)** | **($4,298.66)** | **($5,143.54)** | **($152,823.88)** |

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

# 10X Business Advisor Franchising, LLC
# Financial Statements
**For the period ended December 31, 2022**
***with***
**Independent Auditor's Report Thereon**

# 10X BUSINESS ADVISOR FRANCHISING, LLC
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WILBUR F. DIVINE, IV, CPA (1925-1989)
JAMES A. BLALOCK, CPA (1914-1996)
G. MICHAEL MARTIN, CPA (1945-2014)

*REGULATED BY THE STATE OF FL
**REGULATED BY THE STATE OF FL AND
THE STATE OF TN
***REGULATED BY THE STATE OF FL
AND THE STATE OF NY
****REGULATED BY THE STATE OF WI
*****REGULATED BY THE STATE OF FL
AND THE STATE OF NJ
******REGULATED BY THE STATE OF NJ
*******REGULATED BY THE STATE OF NY
********REGULATED BY THE STATE OF FL
AND THE STATE OF NC

# INDEPENDENT AUDITOR'S REPORT

To the Member of
10X Business Advisor Franchising, LLC
Vancouver, WA

## Opinion

We have audited the accompanying financial statements of 10X Business Advisor Franchising, LLC (a Delaware Limited Liability Company), which comprise the balance sheet as of December 31, 2022, and the related statements of income, members' equity, and cash flows for the period from inception (June 23, 2022) to December 31, 2022, 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 10X Business Advisor Franchising, LLC as of December 31, 2022, and the results of its operations and its cash flows from inception (June 23, 2022) to December 31, 2022 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 10X Business Advisor Franchising, LLC and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

## Responsibilities of Management for the Financial Statements

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

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about 10X Business Advisor Franchising, LLC's ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

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

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

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of 10X Business Advisor Franchising, LLC'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 10X Business Advisor Franchising, LLC'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.

*Divine, Blalock, Martin & Sellari, LLC*

**West Palm Beach, FL**
**June 15, 2023**

# 10X BUSINESS ADVISOR FRANCHISING, LLC
# BALANCE SHEET
# AS OF DECEMBER 31, 2022

***Assets***

| | |
|---|---|
| Current Assets | |
| Cash and Cash Equivalents | $ 23,319 |
| Accounts Receivable | 280,452 |
| Total Current Assets | 303,771 |
| Total Assets | $ 303,771 |

***Liabilities and Members' Deficit***

| | |
|---|---|
| Current Liabilities | |
| Accounts Payable | $ - |
| Due to Related Party | 443,529 |
| Deferred Revenue | 3,450 |
| Total Current Liabilities | 446,979 |
| Long-Term Liabilities | |
| Deferred Revenue | 31,050 |
| Total Long-Term Liabilities | 31,050 |
| Total Liabilities | 478,029 |
| Members' Deficit | |
| Members' Deficit | (174,258) |
| Total Members' Deficit | (174,258) |
| Total Liabilities and Members' Deficit | $ 303,771 |

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

# 10X BUSINESS ADVISOR FRANCHISING, LLC
# STATEMENT OF INCOME
# FOR THE PERIOD ENDED DECEMBER, 2022

| | |
|---|---|
| Revenue | |
| Initial Franchise Fees | $ 310,500 |
| Franchise Royalty Fees | - |
| Total Revenue | 310,500 |
| Operating Expenses | |
| Bank Fees | 126 |
| Consulting Fees | 87,713 |
| Miscellaneous | 1,555 |
| Software Expense | 497 |
| Salaries & Payroll | 394,867 |
| Total Operating Expenses | 484,758 |
| Loss From Operations | (174,258) |
| Net Loss | $ (174,258) |

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

# 10X BUSINESS ADVISOR FRANCHISING, LLC
# STATEMENT OF CHANGES IN MEMBERS' EQUITY
# AS OF DECEMBER 31, 2022

| | |
|---|---|
| Members' Equity @ June 23, 2022 | $ - |
| Net Loss | (174,258) |
| Members' Deficit @ December 31, 2022 | $ (174,258) |

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

# 10X BUSINESS ADVISOR FRANCHISING, LLC
# STATEMENT OF CASH FLOWS
# FOR THE PERIOD ENDED DECEMBER 31, 2022

| | |
|---|---|
| Cash Flows from Operating Activities | |
| Net Income (Loss) | $ (174,258) |
| Adjustments to reconcile Net Income (Loss) | |
| Increase (Decrease) in Operating Liabilities | |
| Accounts Receivable | (280,452) |
| Deferred Revenue | 34,500 |
| Total Adjustments | (245,952) |
| Net Cash Provided / (Used) by Operating Activities | (420,210) |
| Cash Flows from Financing Activities | |
| Proceeds from Related Party | 443,529 |
| Net Cash Provided / (Used) by Financing Activities | 443,529 |
| Net (Decrease) Increase in Cash and Cash Equivalents | 23,319 |
| Cash and Cash Equivalents, Beginning of Period | - |
| Cash and Cash Equivalents @ December 31, 2022 | $ 23,319 |

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

# 10X BUSINESS ADVISOR FRANCHISING, LLC
# NOTES TO FINANCIAL STATEMENTS
# For the period ended December 31, 2022

## NOTE 1 – BUSINESS ACTIVITY

10X Business Advisor Franchising, LLC was formed in the state of Delaware on June 23, 2022; the Company is in the business of offering franchises to operate a business under the name "10X Business Advisor" which provides business growth and sales coaching, executive coaching, business management, and related consulting services to business owners, managers, executives etc. Unless otherwise indicated, the terms "we," "us," "our," and "Company" refer to 10X Business Advisor Franchising, LLC.

### ***Parents, Predecessors and Affiliates***

Our parent company is Cardone Ventures, LLC, a Delaware limited liability company.

Our affiliate, Cardone Training Technologies, Inc, a Florida corporation, will provide the 10X Certified Coach, Speaker and Mentor Program to franchisees to qualify them to be a 10X Business Advisor.

Our affiliate, Mocaworks, LLC, a Washington limited liability company, will provide the technology platform to franchisees.

The above parent and affiliates do not sell franchises in any other line of business and are not otherwise engaged in any other business activity.

Our CEO has an ownership interest in these affiliates and our parent company.

## NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

### ***Basis of Accounting***

The Company's policy is to prepare its financial statements on the accrual basis of accounting; consequently, revenues are recognized when earned rather than when received, and expenses are recognized when the obligation is incurred rather than when cash is disbursed.

### ***Cash and Cash Equivalents***

The Company considers all highly liquid investments with original maturities of three months or less to be cash equivalents.

### ***Accounts Receivable and Bad Debts***

Customer accounts receivable are stated at the amount management expects to collect on balances. The Company uses the direct write-off method for bad debts; management closely monitors outstanding balances and writes off, as of year-end, any balances that are considered to be uncollectible. Accordingly, no allowance for doubtful accounts is required. Bad debts amounted to $0 for the period ended December 31, 2022.

### ***Property and Equipment***

Property and equipment are stated at cost. Depreciation and amortization are generally provided using the straight-line method over the estimated useful lives of the related assets which ranges between 3 to 10 years. At December 31, 2022, the Company did not own any fixed assets.

**NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, continued**

***Income Taxes***

Certain transactions of the Company may be subject to accounting methods for income tax purposes that differ significantly from the accounting methods used in preparing the financial statements in accordance with generally accepted accounting principles. Accordingly, the taxable income of the Company reported for federal and state income tax purposes may differ from net income in these financial statements.

As a limited liability company, income or loss of the Company is allocated to the members. No provision for federal or state income taxes is necessary because any income or loss is includable in the tax returns of the individual members. Local income taxes, if any, are paid by the Company. The Company was not subject to any local income taxes for the period ended December 31, 2022.

The Company's tax returns are subject to possible examination by the taxing authorities. For federal income tax purposes, the tax returns essentially remain open for possible examination for a period of three years after the respective filing deadlines of those returns.

The Company accounts for uncertain tax positions in accordance with ASC 740-10, *Accounting for Uncertainty in Income Taxes.* ASC 740-10 prescribes a recognition threshold and measurement attribute for financial statement recognition and measurement of a tax position taken or expected to be taken in a tax return. ASC 740-10 also provides guidance on de-recognition, classification, interest and penalties, and disclosure and transition accounting. The Company has concluded that no liability for uncertain tax positions is required at December 31, 2022.

***Advertising***

Advertising costs are expensed as incurred.

***Concentrations of Credit Risk***

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

***Revenue Recognition***

The Company's revenue recognition policies are in compliance with accounting standards ASC Topic 606, *Revenue from Contracts with Customers*. The new guidance includes the following five-step revenue recognition model:

- Identify the contract with the customer.
- Identify the performance obligation in the contract.
- Determine the transaction price.
- Allocate the transaction price to performance obligations.
- Recognize revenue when (or as) each performance obligation is satisfied.

**NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, continued**

***Revenue Recognition, continued***

In 2020, the Financial Accounting Standards Board (FAB) issued Accounting Standards Update (ASU), *Franchisors-Revenue from Contracts with Customers (Subtopic 952-606) Practical Expedient.* This new practical expedient will allow franchisors that are not public business entities to account for pre-opening services provided to a franchise as a single performance obligation in the services are in line with the services listed within the guidance, and they meet certain other conditions.

The Company recognizes franchise royalty and software fees on a monthly basis, which are generally based upon a percentage of sales made by the Company's franchises, when they are earned and deemed collectible.

The following services are provided by the Company prior to the opening of a franchised location:

- Provide initial training program at our corporate headquarters and provide instruction and assistance prior to opening.
- Copy of our proprietary operations manual.
- Provide a bookkeeping system through our proprietary software or third-party vendor that we select giving us complete access to the financials of your Franchised Business.

***Use of Estimates in the Preparation of Financial Statements***

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America (U.S. GAAP") 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. Significant estimates made by the Company's management include, but are not limited to, allowances for doubtful accounts and contracts receivable, the allowance for losses on contracts in process and the percentage of completion on uncompleted contracts. Actual results could materially differ from those estimates.

***Fair Value of Financial Assets and Liabilities***

We measure and disclose certain financial assets and liabilities at fair value. ASC Topic 820, Fair Value Measurements and Disclosures, defines fair value as the exchange price that would be received for an asset or paid to transfer a liability (an exit price) in the principal or most advantageous market for the asset or liability in an orderly transaction between market participants on the measurement date. ASC Topic 820 also establishes a fair value hierarchy which requires an entity to maximize the use of observable inputs and minimize the use of unobservable inputs when measuring fair value.

**NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, continued**

***Fair Value of Financial Assets and Liabilities, continued***

The standard describes three levels of inputs that may be used to measure fair value:

Level 1 - Quoted prices in active markets for identical assets or liabilities.

Level 2 - Observable inputs other than Level 1 prices such as quoted prices for similar assets or liabilities; quoted prices in markets that are not active; or other inputs that are observable or can be corroborated by observable market data for substantially the full term of the assets or liabilities.

Level 3 - Unobservable inputs that are supported by little or no market activity and that are significant to the fair value of the assets or liabilities.

We utilize the active market approach to measure fair value for our financial assets and liabilities. We report separately each class of assets and liabilities measured at fair value on a recurring basis and include assets and liabilities that are disclosed but not recorded at fair value in the fair value hierarchy.

***Recently Issued Accounting Pronouncements Not Yet Adopted***

In February 2016, the FASB issued a new accounting standard on leases. The new standard, among other changes, will require lessees to recognize a right-of-use asset and a lease liability on the balance sheet for all leases. The lease liability will be measured at the present value of the lease payments over the lease term. The right-of-use asset will be measured at the lease liability amount, adjusted for lease prepayments, lease incentives received and the lessee's initial direct costs (e.g., commissions). The new standard is effective for annual reporting periods beginning after December 15, 2021, including interim reporting periods within those annual reporting periods. The adoption will require a modified retrospective approach for leases that exist or are entered into after the beginning of the earliest period presented. The Company is currently evaluating the impact of this new accounting standard on its financial position and results of operations. The Company does not believe that any other recently issued accounting pronouncements would have a material effect on the accompanying financial statements.

**NOTE 3: ACCOUNTS RECEIVABLE**

Accounts receivable represents amounts due from franchisee's for the initial franchise fee on units purchased in 2022. The full amount is due and expected to be received in 2023. The balance as of December 31, 2022 was $280,452.

**NOTE 4 – DEFERRED REVENUE**

Deferred revenue represents the initial franchise fee sales for which substantially all the services to be provided by the Company have not yet been performed. In addition, a portion of the initial franchise fee is allocated to the license fee and amortized over the life of the contact. The total amount deferred as of December 31, 2022 was $34,500.

## NOTE 5 – RELATED PARTY TRANSACTIONS

The Company's sole member is also a member of Cardone Ventures, LLC. There are significant related party transactions between 10X Business Advisor Franchising, LLC and Cardone Ventures, LLC. These transactions have been properly accounted for and are used to provide funding and liquidity. As of December 31, 2022 the Company owed Cardone Ventures, LLC $443,529.

## NOTE 6 – COMMITMENTS AND CONTINGENCIES

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

## NOTE 7 – SUBSEQUENT EVENTS

The Company has evaluated subsequent events through June 15, 2023, the date which the financial statements were available to be issued and nothing has occurred that would require disclosure.

## EXHIBIT E TO THE DISCLOSURE DOCUMENT

## LIST OF CURRENT AND FORMER FRANCHISEES

The following is a list of the names of all current franchisees and the address and telephone number of each of their outlets as of December 31, 2022:

(a) **Operational Franchisees.** The following are the names, addresses and telephone numbers of all 10X Business Advisor franchisees as of December 31, 2022 who are operational:

**Florida:**

1. Alpha Group Global LLC
   106 S. Federal Highway Apt. N-715
   Fort Lauderdale, FL 33301
   luke.hs.homes@gmail.com

**Nevada**:

1. Real Talent Acquisition Group LLC
   445 Teramo Court
   Reno, NV 89521
   jayr@grantcardoneteam.com

**Texas:**

1. Wealth X Taxes LLC
   551 S. Interstate 35, Suite # 311
   Round Rock, TX 78664
   charles@wealthxtaxes.com

(b) **Franchise Agreements Executed But Not Yet Operational.** The following are the names, addresses and telephone numbers of all 10X Business Advisor franchisees as of December 31, 2022 who are not yet operational but have signed a Franchise Agreement:

None.

(c) **Former Franchisees.** The following are the names, last known home addresses and home telephone numbers of all Franchisees that have been terminated, canceled, not renewed, or otherwise voluntarily or involuntarily ceased to do business under a 10X Business Advisor Franchise Agreement during the most recently completed fiscal year (January 1, 2022 to December 31, 2022) or who have not communicated with us within 10 weeks of the date of issuance of this Disclosure Document:

None.

## EXHIBIT F TO THE DISCLOSURE DOCUMENT

## FRANCHISE DISCLOSURE QUESTIONNAIRE

As you know, 10X Business Advisor Franchising, LLC and you are preparing to enter into a Franchise Agreement for the operation of a 10X Business Advisor. In this Franchisee Disclosure Questionnaire, 10X Business Advisor Franchising, LLC will be referred to as "**we**" or "**us**." The purpose of this Questionnaire is to determine whether any statements or promises were made to you that we did not authorize and that may be untrue, inaccurate, or misleading. Please review each of the following questions carefully and provide honest and complete responses to each question.

1. Have you received and personally reviewed 10X Business Advisor Franchising, LLC's Franchise Agreement and each exhibit, addendum, and schedule attached to it?

   Yes _____ No _____

2. Have you received and personally reviewed our Disclosure Document we provided to you?

   Yes _____ No _____

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

   Yes _____ No _____

4. Has any employee or other person speaking on our behalf made any statement or promise concerning the revenues, profits, or operating costs of a 10X Business Advisor that we or our franchisees operate?

   Yes _____ No _____

5. Has any employee or other person speaking on our behalf made any statement or promise concerning a 10X Business Advisor that is contrary to, or different from, the information contained in the Disclosure Document?

   Yes _____ No _____

6. Has any employee or other person speaking on our behalf made any statement or promise concerning the likelihood of success that you should or might expect to achieve from operating a 10X Business Advisor?

   Yes _____ No _____

7. Has any employee or other person speaking on our behalf made any statement, promise, or agreement concerning the advertising, marketing, training, support service, or assistance that we will furnish to you that is contrary to, or different from, the information contained in this Disclosure Document?

   Yes _____ No _____

8. If you have answered "Yes" to any of questions 4 through 7, please provide a full explanation of your answer in the following blank lines. (Attach additional pages, if necessary, and refer to them below.) If you have answered "No" to each of these questions, please leave the following lines blank.

   _____

   _____

   _____

   _____

9. Do you understand that in all dealings with you, our officers, directors, employees, and agents act only in a representative capacity and not in an individual capacity and these dealings are solely between you and us?

   Yes _____ No _____

No statement, questionnaire, or acknowledgement signed or agreed to by a franchisee in connection with the commencement of a 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.

By signing this Franchisee Disclosure Questionnaire, you are representing that you have responded truthfully to the above questions as if you were signing them under oath.

| | |
|---|---|
| _____ | _____ |
| Name of Franchisee/Applicant | Name of Franchisee/Applicant |
| _____ | _____ |
| Date | Date |
| _____ | _____ |
| Signature | Signature |

# EXHIBIT G TO THE DISCLOSURE DOCUMENT

# STATE ADDENDA TO THE DISCLOSURE DOCUMENT

**CALIFORNIA ADDENDUM**
**TO FRANCHISE 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 we 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 6 of the Disclosure Document is amended by adding the following:

With respect to the Late Fee described in Item 6, this Item is amended to disclose that the maximum rate of interest permitted under California law is 10%.

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.

Item 19 of the Disclosure Document: The earnings claims figures do not reflect the costs of sales, operating expenses, or other costs or expenses that must be deducted from the gross sales figures to obtain your net income or profit. You should conduct an independent investigation of the costs and expense you will incur in operating your franchised business. Franchisees or former Franchisees, listed in the Disclosure Document, may be one source of this information.

The Franchise Agreement requires application of the laws of Florida. 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.

The Franchise Agreement requires binding arbitration. The arbitration will occur at Aventura, Florida, with the costs being borne according to the Rules for Commercial Arbitration of the American Arbitration Association. Prospective Franchisees are encouraged to consult private legal counsel to determine the applicability of California and federal laws (such as Business and Professions Code Section 20040.5, Code of Civil Procedure Section 1281, and the Federal Arbitration Act) to any provisions of a Franchise Agreement restricting venue to a forum outside the State of California.

SECTION 31125 OF THE FRANCHISE INVESTMENT LAW REQUIRES US TO GIVE TO YOU A DISCLOSURE DOCUMENT APPROVED BY THE COMMISSIONER OF THE DEPARTMENT FINANCIAL PROTECTION AND INNOVATIONBEFORE WE ASK 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 www.cardoneventures.com.

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

**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.

State Cover Page:

> **Financial Condition**. The Franchisor's financial condition as reflected in its financial statement (see Item 21) calls into question the Franchisor's financial ability to provide services and support to you.

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 FRANCHISEES, OR SUBFRANCHSIOR, AT LEAST SEVEN DAYS PRIOR TO THE EXECUTION BY THE PROSPECTIVE FRANCHISEES 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.

Item 5 of the Disclosure Document shall be amended to state that the Initial Franchise Fees owed by franchisees shall be deferred until Franchisor has satisfied its pre-opening obligations to franchisee and franchisee has commenced operations its Franchised Business.

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

**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.w. is modified to provide that Illinois law applies.

2. 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.

3. In conformance with Section 41 of the Illinois Franchise Disclosure Act, 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.

4. The conditions under which your Franchise Agreement can be terminated and your rights upon nonrenewal may be affected by Sections 19 and 20 of the Illinois Franchise Disclosure Act.

5. **The Deferral of Initial Franchises Fees**. In accordance with Section 200.508 of the Illinois Franchise Disclosure Act, payment of the Initial Franchise Fee shall be deferred until Franchisor has satisfied its pre-opening obligations to franchisee and franchisee has commenced doing business. The Illinois Attorney General's Office imposed this deferral requirement due to Franchisor's financial condition.

**MARYLAND ADDENDUM**
**TO THE DISCLOSURE DOCUMENT**

1. Item 5 of the Disclosure Document is modified to state: "Based upon the Franchisor's financial condition, the Maryland Securities Commissioner has required a financial assurance. Therefore, all initial fees and payments owed by franchisees shall be deferred until the Franchisor completes its pre-opening obligations under the Franchise Agreement."

2. Item 17.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.

3. Item 17.u. is modified to also provide, "A Maryland franchise regulation states that it is an unfair or deceptive practice to require a Franchisee to waive its right to file a lawsuit in Maryland claiming a violation of the Maryland Franchise Law. In light of the Federal Arbitration Act, there is some dispute as to whether this forum selection requirement is legally enforceable."

4. 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."

5. The Franchise Agreement provides for termination upon bankruptcy of the franchisee. This provision may not be enforceable under federal bankruptcy law.

6. The Franchise Disclosure Questionnaire attached as Exhibit F to the Disclosure Document is modified to state: "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."

**MINNESOTA ADDENDUM**
**TO THE DISCLOSURE DOCUMENT**

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 an 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 SOURCES OF INFORMATION. REGISTRATION OF THIS FRANCHISE BY NEW YORK STATE DOES NOT MEAN THAT NEW YORK STATE RECOMMENDS IT OR HAS VERIFIED THE INFORMATION IN THIS FRANCHISE DISCLOSURE DOCUMENT. IF YOU LEARN THAT ANYTHING IN THE 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 DISCLOSURE DOCUMENT. HOWEVER, THE FRANCHISOR CANNOT USE THE NEGOTIATING PROCESS TO PREVAIL UPON A PROSPECTIVE FRANCHISEE TO ACCEPT TERMS WHICH ARE LESS FAVORABLE SET 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.

## 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 Franchises.

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.

Item 5 of this Disclosure Document shall be amended to state that the Initial Franchise Fees owed by franchisees shall be deferred until Franchisor has satisfied its pre-opening obligations to franchisees and franchisee has commenced operations of its Franchised Business.

Item 17(i) of the Disclosure Document is modified and deletes the obligation of franchisees to consent to termination or liquidated damages.

Item 17(u) of the Disclosure Document is modified and amended to provide that all arbitration or mediation required under the Franchise Agreement shall be at a location agreeable to all parties and may not be remote from the franchisee's Franchised Business.

**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.

**SOUTH DAKOTA ADDENDUM**
**TO THE DISCLOSURE DOCUMENT**

Item 5 of the Disclosure Document shall be amended to state that the Initial Franchise Fees owed by franchisees shall be deferred until Franchisor has satisfied its pre-opening obligations to franchisees and franchisee has commenced operations of its Franchised Business.

**VIRGINIA ADDENDUM**
**TO THE DISCLOSURE DOCUMENT**

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

In recognition of the restrictions contained in Section 13.1-564 of the Virginia Retail Franchising Act, the Franchise Disclosure Document is amended as follows:

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

Pursuant to Section 13.1-564 of the Virginia Retail Franchising Act, it is unlawful for a franchisor to cancel a franchise without reasonable cause. If any ground 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.

**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 H TO THE DISCLOSURE DOCUMENT

## 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 | |
| Hawaii | |
| Illinois | |
| Indiana | October 6, 2023 |
| Maryland | |
| Michigan | |
| Minnesota | |
| New York | |
| North Dakota | |
| Rhode Island | October 12, 2023 |
| South Dakota | |
| Virginia | |
| Washington | |
| Wisconsin | October 6, 2023 |

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 I TO THE DISCLOSURE DOCUMENT

## 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 10X Business Advisor Franchising, LLC offers you a franchise, it must provide this Disclosure Document to you 14 calendar days before you sign a binding agreement with, or make a payment to, the franchisor or an affiliate in connection with the proposed franchise sale.

Iowa requires that we give 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 we give 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 we give 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 10X Business Advisor Franchising, LLC does not deliver this Disclosure Document on time or if it contains a false or misleading statement, or a material omission, a violation of federal and state law may have occurred and should be reported to the Federal Trade Commission, Washington, D.C. 20580 and the State Administrator listed in Exhibit A. Our Agents for Service of Process are listed in Exhibit A.

Date of Issuance: October 3, 2023

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

| **Name** | **Principal Business Address** | **Telephone Number** |
|---|---|---|
| Brandon Dawson, Sean Conrad, and Heather Block | 18851 NE 29th Avenue, Suite 414, Aventura, FL 33180 | (213) 435-9587 |

I have received a Disclosure Document dated October 3, 2023 including the following exhibits on the date listed below:

A. LIST OF STATE ADMINISTRATORS AND STATE AGENTS FOR SERVICE OF PROCESS
B. FRANCHISE AGREEMENT
    Schedule 1-Franchise Fee, Office Location and Opening Date
    Schedule 2-Nondisclosure and Non-Competition

Schedule 3-Unlimited Guaranty and Assumption of Obligations
Schedule 4-ACH Payment Agreement
Schedule 5-Holders of Legal or Beneficial Interest in Franchisee; Operating Principal
Schedule 6-State Addenda to the Franchise Agreement
Schedule 7-General Release
Schedule 8-SBA Addendum

C. OPERATIONS MANUAL TABLE OF CONTENTS
D. FINANCIAL STATEMENTS
E. LIST OF CURRENT AND FORMER FRANCHISEES
F. FRANCHISEE DISCLOSURE QUESTIONNAIRE
G. STATE ADDENDA TO THE DISCLOSURE DOCUMENT
H. STATE EFFECTIVE DATES
I. RECEIPT

Please sign and print your name below, date, and return one copy of this receipt to 10X Business Advisor Franchising, LLC and keep the other for your records.

_____
Date of Receipt

_____
Print Name

_____
Signature
(individually or as an officer, member, or partner of)

_____
a [STATE of Incorporation]
[Corporation/LLC/Partnership]

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This Disclosure Document summarizes certain provisions of the Franchise Agreement and other information in plain language. Read this Disclosure Document and all agreements carefully.

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If 10X Business Advisor Franchising, LLC does not deliver this Disclosure Document on time or if it contains a false or misleading statement, or a material omission, a violation of federal and state law may have occurred and should be reported to the Federal Trade Commission, Washington, D.C. 20580 and the State Administrator listed in Exhibit A. Our Agents for Service of Process are listed in Exhibit A.

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Date of Receipt

_____
Print Name

_____
Signature
(individually or as an officer, member, or partner of)

_____
a [STATE of Incorporation]
[Corporation/LLC/Partnership]