FRANCHISE DISCLOSURE DOCUMENT

Co/LAB Lending

Marsh and Munar Team, LLC
A Pennsylvania Limited Liability Company
8795 Peach Street, Erie, PA 16509
814-315-2822
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https://www.colablending.com

As a Co/LAB Lending franchisee, you will operate a business structured as an independent Mortgage Brokerage. Franchisees will operate the franchised business under the brand "Co/LAB Lending".

The total investment necessary to begin operation of a Co/LAB Lending franchise is $54,750 to $114,100. This includes $30,000 to $30,000 that must be paid to the franchisor or affiliate depending on how you choose to pay the Franchise Fee.

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

You may wish to receive your disclosure document in another format that is more convenient for you. To discuss the availability of disclosures in different formats, please contact Megan Marsh and Andres Munar at 8795 Peach Street, Erie, PA 16509 and 814-315-2822.

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, D.C. 20580. You can also visit the FTC's home page at www.ftc.gov for additional information. Call your state agency or visit your public library for other sources of information on franchising. There may also be laws on franchising in your state. Ask your state agencies about them.

Issuance date: April 22, 2026

How to Use This Franchise Disclosure Document

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

QUESTION	WHERE TO FIND INFORMATION
How much can I earn?	Item 19 may give you information about outlet sales, costs, profits or losses. You should also try to obtain this information from others, like current and former franchisees. You can find their names and contact information in Item 20.
How much will I need to invest?	Items 5 and 6 list fees you will be paying to the franchisor or at the franchisor's direction. Item 7 lists the initial investment to open. Item 8 describes the suppliers you must use.
Does the franchisor have the financial ability to provide support to my business?	Item 21 or Exhibit 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 Co/LAB Lending 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 Co/LAB Lending franchisee?	Item lists current and former franchisees. You can contact them to ask about their experiences.
What else should I know?	These questions are only a few things you should look for. Review all 23 Items and all Exhibits in this disclosure document to better understand this franchise opportunity. See the table of contents.

What You Need To Know About Franchising *Generally*

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

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

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

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

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

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

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

Some States Require Registration

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

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 Pennsylvania. 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 Pennsylvania than in your own state.

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

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

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

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Exhibits

A. State Addenda to Disclosure Document
B. Franchise Agreement (with State Addenda to Agreements, Guaranty and Non-Compete Agreement, Rider to Lease Agreement, and Form of General Release)
C. Branch Office Amendment to the Franchise Agreement
D. Item 21 Financial Statements
E. State Administrators and Agents for Service of Process

State Effective Dates
Receipt (2 copies)

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

In this disclosure document, "we", "us," or "our" refers to Marsh and Munar Team, LLC. "You" means the person to whom we grant a franchise. If you are a corporation, limited liability company, or other entity, each owner of the franchise entity must sign our Guaranty and Non-Compete Agreement, which means that all of the franchise agreement's provisions also will apply to your owners.

Us, Any Parents, and Certain Affiliates

Our name is Marsh and Munar Team, LLC. Our principal business address is 8795 Peach Street, Erie, PA 16509. We do not have any parent entities. We do not have any affiliates that offer franchises in any line of business. We do have an affiliate that provides products to our franchisees.

Our Predecessors

We do not have any predecessors.

Our Business Name

We use the names "CoLAB" and "Co/LAB Lending". We do not intend to use any other names to conduct business.

Agent for Service of Process

Our agent for service of process in Pennsylvania is Megan Marsh, and the agent's principal business address is 8795 Peach Street, Erie, PA 16509. Our agents for service of process in other states are disclosed in Exhibit A.

Business Organization

We are a Pennsylvania Limited Liability Company. We were formed on 9/16/2019.

Information About Our Business and the Franchises Offered

We do not operate businesses of the type being franchised, but our Affiliate does.

We do not have any other business activities. We have not offered franchises in other lines of business.

If you sign a franchise agreement with us, you will develop and operate a business structured as an independent Mortgage Brokerage, under the trade name Co/LAB Lending. The Co/LAB Lending Lending Franchise provides Mortgage consulting and brokering services to homebuyers looking to obtain a mortgage for a new home or refinance their existing home. In some cases, Co/LAB Lending may grant you the right to establish one or more additional office locations known as a "Branch Office" that are for a shorter term and have other special

provisions (see Item 12 below for a discussion of Branch Offices). Co/LAB Lending Offices offer high quality mortgage brokerage services (collectively, the "Services"), including the processing, originating and solicitation of mortgage loan applications for purchasing a residence or other property or refinancing an existing mortgage. As of the date this disclosure document was issued, Co/LAB Lending Offices are offered primarily to owners who operate an existing real estate brokerage business.

We operate in the Mortgage Brokerage market that is well developed. Our products and services are offered year-round. You will compete for customers with independent owners, national chains, regional chains, and franchised businesses, offering Mortgage consulting and brokering services to homebuyers looking to obtain a mortgage for a new home or refinance their existing home.

Each Co/LAB Lending franchisee must be authorized, under the law of the state(s) in which the franchisee will do business, to provide mortgage brokerage services, and must provide its services through licensed loan originators. Franchisees will serve the general public, competing with other businesses offering mortgage brokerage services. As a mortgage broker you will execute mortgage brokerage agreements with wholesale lenders that underwrite and fund mortgages. These agreements allow your Co/LAB Lending Office to originate loans made by the lenders, who will, unless you are compensated directly by the consumer, compensate you for your services typically at a predetermined percentage of the loan amount, with the total amount of compensation for many loans subject to regulation. See Item 8. You will, in turn, recruit and compensate the licensed individuals who work with potential borrowers to help them find the right loan ("Loan Originators"). Loan Originator compensation may include salary, other benefits and, most typically, a commission calculated as a percentage of the loan amount. You will set the pricing for loans your Office originates depending on your pricing strategy which will take into account the compensation levels set with lenders as well as the interest rates and loan products then available to you as well as your analysis of what is competitive in your market.

Each Co/LAB Lending Office is an independently owned, operated and licensed business and is solely responsible for its day-to-day conduct and activities. Accordingly, no Co/LAB Lending Office is an agent (actual, implied or ostensible) of Marsh and Munar Team, LLC.

Branch Offices

After you have opened your first Co/LAB Lending Office you may request the right to establish a Branch Office (or "Branch Office"). Among other differences, a Branch Office will have a shorter term than an Office that is a full franchise (a "full franchise" is a franchised Office that is not a branch, satellite office, kiosk, or other extension of the Office). Marsh and Munar Team, LLC reserves the unfettered right to grant permission to establish a Branch Office. If you qualify to purchase a Branch Office you must execute the Branch Office Amendment attached as Exhibit C. To qualify for a Branch Office you must not only be in good standing, but we will also consider a number of factors including market saturation, the financial condition of your Office, the extent to which you have adopted Co/LAB Lending best practices, whether and how you have used the system and tools; and your level of experience. If the proposed Branch Office

will be co-located in a real estate office not affiliated with the Franchise Owner or owned by a spouse, partner or family member of the Franchise Owner.

The term of the Branch Office will end at the date of expiration of the franchise agreement for the Office identified in the Branch Office Amendment as the Office associated with the Branch Office. You must identify the Office you select for your Branch Office at the time the Branch Office Amendment is signed.

Laws and Regulations

The mortgage industry is highly regulated. You will need to be familiar with applicable federal, state and local laws from the market you operate in. These ordinances are specific to mortgage loan origination servicers. These laws include the Truth in Lending Act, Regulation Z, The Equal Credit Opportunity Act and Regulations, The Fair Credit Reporting Act and several implementing regulations, the Real Estate settlement Procedures Act and Regulation X, the Fair Housing Act, The Gramm-Leach-Bliley Act and its implementing regulations, the Consumer Financial Protection Act and its implementing regulations, the Telephone consumer Protection Act and other state and federal laws pertaining to the solicitation of consumers.

The relationship between you and an affiliated real estate brokerage will be subject to RESPA, including its Affiliated Business Arrangement provisions. If you meet all of the conditions required under your franchise agreement you may operate an Existing business in addition to the services provided by your Co/LAB Lending Mortgage office so long as the business is operated in accordance with applicable law, including the AFBA provisions of RESPA.

The franchised business must be operated through a newly formed business entity and during the term of the franchise agreement the only business the business entity will conduct will be the development, ownership and operation of the Office. You may operate an existing business only through a separately incorporated or formed business entity.

Under RESPA, at or before the time the affiliated real estate sales agent refers a client to you for mortgage services, the client must be given an Affiliated Business Disclosure in a required format. The AFBA disclosure briefly describes your business relationship with the real estate broker, the range of your fees for mortgage products and services and that there is no requirement that the client use the affiliated mortgage broker. In addition, the law of the state(s) where you will do business may impose additional requirements or restrictions, such as requiring additional disclosures when you work with a customer referred by an affiliated real estate broker or placing conditions on which referrals are acceptable.

The AFBA provisions of RESPA require that the only financial gain that the owner of a mortgage brokerage may receive from the mortgage brokerage, directly or indirectly, is a return on its ownership interest in the mortgage brokerage business. However, the mortgage brokerage business may be the owner, if affiliated real estate brokerage company and other parties that may refer business to it, the reasonable value of services rendered or facilities provided, such as office space. These payments must be for the market value of the services or facilities and may not be based upon the number of transaction or the value of business referred by the recipient to the mortgage brokerage business.

The consumer Financial Protection Bureau is the federal regulator responsible for RESPA. With regard to AFBA's, the CFPG will expect that the franchisee be properly capitalized and staffed. The AFBA should be a viable entity performing meaning full services and not a shell or sham entity. The appropriate amount of capital shall vary depending on a number of factors depending on your market and size of your business. Some states will also require that the person who oversees the operation should have some experience in the mortgage industry and background in the field. Many states and the CFPB require that mortgage brokers must have compliance systems in place as well. Commercial mortgage origination is also subject to federal and state laws.

You are required to obtain a NMLS license for your company, individually and for each physical branch location from the state in which you will operate.

You should consult with a legal advisor about legal requirements that may apply to your business.

Prior Business Experience

We have offered franchises since February 2024. None of our affiliates have offered franchises in other lines of business. One of our affiliates provides products to our franchisees.

Our affiliates, Munar Mortgage, LLC DBA Keystone Alliance Mortgage, and DBA Co/LAB Lending LLC, have operated Co/LAB Lending in Erie, Pennsylvania since June 2014. This affiliate has the same business address as us.

Our affiliate, Co/LAB Concierge Services, LLC, has provided services to our franchisees since 2025. This affiliate has the same business address as us.

Our affiliate, Co/LAB Processing, LLC, has provided services to our franchisees since 2025. This affiliate has the same business address as us.

Item 2
BUSINESS EXPERIENCE

Megan Marsh - CEO. Megan Marsh has been our CEO in Erie, Pennsylvania, since 9/2019.

1. Erie Home Solutions LLC, Managing Member, 1/07/2013 - Present
2. Marsh Brothers LLC, Managing Member, 8/22/2014 - Present
3. 5140 Buffalo Road LLC, Managing Member
4. Munar Mortgage LLC- DBA Co/LAB Lending, 5/12/2014 – 11/2022
5. Tmmt LLC, Managing Member, 12/16/2016 - Present
6. Marsh & Munar Team LLC- DBA Co/LAB Lending Franchise, 8/26/2019 - Present
7. Keystone Capital LLC, 1/22/2003 – Present
8. Co/Lab Processing, LLC, 11/2022- Present
9. Marsh & Munar Team PR, LLC, 11/2020 - Present

Andres Munar – COO. Andres Munar has been our COO in Erie, Pennsylvania, since 1/2022.

1. Munar Mortgage LLC- DBA Co/LAB Lending, 5/2014 - Present
2. Tmmt LLC, Managing Member, 12/2016 - Present
3. Marsh & Munar Team LLC- DBA Co/LAB Lending Franchise, 8/2019 - Present
4. Keystone Capital LLC, 1/2003 – Present
5. Marsh & Munar Team PR, LLC, 11/2020 - Present

Eric Varner – Director of Franchising & Marketing. Eric Varner has been our Director of Franchising & Marketing in Erie, Pennsylvania, since 1/2022.

1. Marsh and Munar Team, LLC, Director of Marketing, 1/2022 – Present
2. Keystone Alliance Mortgage, LLC, Director of Marketing, 12/2016 – Present

Kenneth Travis Director of Sales. Kenneth Travis has been our Director of Sales in Erie, Pennsylvania, since 1/2025.

1. Greenlight Mortgage, LLC, Loan Originator, 8/2024 – 12/2024
2. Greenlight Mortgage, LLC, Licensed Loan Officer, 8/2024 – 12/2024
3. Greenlight Mortgage, LLC, Loan Officer, 11/2023 – 12/2024
4. Greenlight Mortgage, LLC, Loan Officer, 5/2023 – 9/2023
5. Greenlight Mortgage, LLC, Loan Originator, 1/2023 – Present
6. Porchlight Mortgage, LLC, Loan Originator/President, 1/2023 – 5/2023
7. Southwest Funding, LP, Branch Manager/Loan Originator, 2/2020 – 1/2023

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

Franchise Fee

When you sign your franchise agreement, you must pay us $25,000 as the initial franchise fee. This fee is uniform and is not refundable.

Transition Team Loan Officer

If you are an existing loan officer When you sign your franchise agreement, you must pay us $25,000 as the initial franchise fee.

Item 6
OTHER FEES

Type of Fee	Amount	Due Date	Remarks
Royalty	Standard Franchise: 10% of your gross sales up to $25 Million, 9% from $25 Million to $50 Million, 8% from $50 Million to $100 Million, and 7% above $100 Million in closed volume. And a minimum royalty of $1,000. And a cap of $1,000 on each individual loan transaction.	Monthly, by the 15th of the following month	See Note 1 and Note 2 and Note 3.
Market Cooperative Contribution	As determined by co-op. Currently, none.	Monthly, by the 15th of the following month	We have the right to establish local or regional advertising cooperatives. The maximum contribution that a co-op may require is 2% of gross sales. Any location owned by us or any affiliate will have the same voting rights as our franchisees. Dues will be imposed by a majority vote and will not be less than 1% of gross sales. If any location owned by us or any affiliates have a majority vote, the maximum fees imposed will not exceed 3% of gross sales.
Replacement / Additional Training fee	Currently, $285 per person per day.	Prior to attending training	If you send a manager or other employee to our training program after you open, we will charge our then-current training fee.

Type of Fee	Amount	Due Date	Remarks
Third party vendors	Pass-through of costs, plus reasonable administrative charge. Currently, none.	Varies	We have the right to require franchisees to use third-party vendors and suppliers that we designate. Examples can include computer support vendors, mystery shopping, and customer feedback systems. The vendors and suppliers may bill franchisees directly, or we have the right to collect payment for these vendors together with a reasonable markup or charge for administering the payment program.
Software subscription	Currently; $79 per month $49 per user for support	Monthly	We require you to use certain software as described in Item 11. You pay subscription fees directly to the software supplier, and not to us.
Non-compliance fee	$500	On demand	We may charge you $500 if your business is not in compliance with our system specifications or the franchise agreement and you fail to correct the non-compliance after 30 days' notice. Thereafter, we may charge you $250 per week until you correct such non-compliance.
Reimbursement	Amount that we spend on your behalf, plus 10%	Within 15 days of invoice	If we pay any amount that you owe or are required to pay to a third party, you must reimburse us.
Late fee	$100 plus interest on the unpaid amount at a rate equal to 18% per year (or, if such payment exceeds the maximum allowed by law, then interest at the highest rate allowed by law)	On demand	We may charge a late fee if you fail to make a required payment when due.
Insufficient funds fee	$30 (or, if such amount exceeds the maximum allowed by law, then the maximum allowed by law)	On demand	We may charge an insufficient funds fee if a payment made by you is returned because of insufficient funds in your account.

Type of Fee	Amount	Due Date	Remarks
Costs of collection	Our actual costs	As incurred	Payable if we incur costs (including reasonable attorney fees) in attempting to collect amounts you owe to us.
Special support fee	Our then-current fee, plus our expenses. Currently, $600 per day.	On demand	If we provide in-person support to you in response to your request, we may charge this fee plus any out-of-pocket expenses (such as travel, lodging, and meals for employees providing onsite support).
Customer complaint resolution	Our expenses	On demand	We may take any action we deem appropriate to resolve a customer complaint about your business. If we respond to a customer complaint, we may require you to reimburse us for our expenses.
Records audit	Our actual cost	On demand	Payable only if (1) we audit you because you have failed to submit required reports or other non-compliance, or (2) the audit concludes that you under-reported gross sales by more than 3% for any 4-week period.
Special inspection fee	Currently $600, plus our out-of-pocket costs	On demand	Payable only if we conduct an inspection of your business because of a governmental report, customer complaint or other customer feedback, or your default or non-compliance with any system specification.
Non-compliance cure costs and fee	Our out-of-pocket costs and internal cost allocation, plus 10%	When billed	We may cure your non-compliance on your behalf (for example, if you do not have required insurance, we may purchase insurance for you), and you will owe our costs plus a 10% administrative fee.
Transfer fee	$10,000 plus any broker fees and other out-of-pocket costs we incur	When transfer occurs	Payable if you sell your business.

Type of Fee	Amount	Due Date	Remarks
Liquidated damages	An amount equal to royalty fees and marketing fund contributions for the lesser of (i) 2 years or (ii) the remaining weeks of the franchise term.	On demand	Payable if we terminate your franchise agreement because of your default, or if you terminate the franchise agreement without the right to do so.
Indemnity	Our costs and losses from any legal action related to the operation of your franchise	On demand	You must indemnify and defend (with counsel reasonably acceptable to us) us and our affiliates against all losses in any action by or against us related to, or alleged to arise out of, the operation of your franchise (unless caused by our misconduct or negligence).
Prevailing party's legal costs	Our attorney fees, court costs, and other expenses of a legal proceeding, if we are the prevailing party	On demand	In any legal proceeding (including arbitration), the losing party must pay the prevailing party's attorney fees, court costs and other expenses.

All fees are payable only to us (other than software subscription charges). All fees are imposed by us and collected by us (other than software subscription charges). All fees are non-refundable. There are currently no marketing cooperatives, purchasing cooperatives, or other cooperatives that impose fees on you.

Notes

1. "Gross Sales" is defined in our franchise agreement as the total dollar amount of all broker compensation generated through your business for a given period, including, but not limited to, payment for any services or products sold by you, whether for cash or credit. Gross Sales does not include (i) bona fide refunds to customers, (ii) sales taxes collected, (iii) sale of used equipment not in the ordinary course of business, or (iv) sales of prepaid cards or similar products (but the redemption of any such card or product will be included in Gross Sales).

2. We currently require you to pay royalty fees and other amounts due to us by pre-authorized bank draft. However, we can require an alternative payment method.

3. All percentage based fees will apply to Gross Sales generated through the primary franchised business location and any Branch Office locations if applicable.

Item 7
ESTIMATED INITIAL INVESTMENT

YOUR ESTIMATED INITIAL INVESTMENT - FRANCHISE AGREEMENT

Type of expenditure	Amount	Method of payment	When due	To whom payment is to be made
Initial franchise fee (see Note 1)	30,000 - $30,000	Check or wire transfer	Upon signing the franchise agreement	Us
Rent and Lease Security Deposit (see Note 2)	$2,500 - $6,000	Check	Upon signing lease	Landlord
Utilities	$0 - $500	Check, debit, and/or credit	Upon ordering service	Utility providers
Leasehold Improvements	$0 - $12,000	Check	As incurred or when billed	Contractors
Market Introduction Program	$2,500 - $5,000	Check, debit, and/or credit	As incurred or when billed	Vendors and suppliers
Furniture, Fixtures, and Equipment	$1,000 - $10,000	Check, debit, and/or credit	As incurred	Vendors and suppliers
Computer Systems	$1,200 - $3,600	Check, debit, and/or credit	As incurred	Vendors and suppliers
Insurance and Bonds	$1,000 - $4,000	Check	Upon ordering	Insurance company
Signage	$1,000 - $8,000	Check, debit, and/or credit	Upon ordering	Vendor
Office Expenses	$500 - $1,000	Check, debit, and/or credit	As incurred	Vendors
Licenses and Permits	$1,800 - $3,500	Check	Upon application	Government
Professional Fees (lawyer, accountant, etc.)	$1,000 - $3,000	Check, debit, and/or credit	As incurred or when billed	Professional service firms
Travel, lodging and meals for initial training	$1,250 - $2,500	Cash, debit or credit	As incurred	Airlines, hotels, and restaurants
Additional funds (for first 3 months) (see Note 3)	$10,000 - $25,000	Varies	Varies	Employees, suppliers, utilities

Type of expenditure	Amount	Method of payment	When due	To whom payment is to be made
Total	$54,750 - $114,100			This is the total estimated initial investment to open and commence operating your initial location for the first three months (as described more fully in Chart A of this Item 7). See Note 3.

Notes

1. The Franchise Fee is paid at the time you execute the Franchise Agreement. We do not offer direct financing for the Franchise Fee but may offer a payment plan.

2. Our estimates in this table assume you pay one month rent plus a security deposit before you open for business. We expect that you will rent your location. If you choose to purchase real estate instead of renting, your costs will be significantly different.

3. This includes any other required expenses you will incur before operations begin and during the initial period of operations, such as payroll, additional inventory, rent, and other operating expenses in excess of income generated by the business. It does not include any salary or compensation for you. In formulating the amount required for additional funds, we relied on the following factors, basis, and experience: the development of a Co/LAB Lending business by our affiliate, and our general knowledge of the industry.

Item 8
RESTRICTIONS ON SOURCES OF PRODUCTS AND SERVICES

Generally

We have the right to require you to purchase or lease all goods, services, supplies, fixtures, equipment, inventory, computer hardware and software, real estate, or comparable items related to establishing or operating your business (1) either from us or our designee, or from suppliers approved by us, or (2) according to our specifications.

Specific Obligations

The following are our current specific obligations for purchases and leases:

A. Real Estate. Your business location is subject to our approval and must meet our specifications.

B. Insurance. You must obtain insurance as described in the Franchise Agreement and in our Brand Standards Manual, which includes

(i) Fidelity Bond Coverage as required by state,

(ii)Workers Compensation coverage as required by state law,

(iii) Commercial General Liability insurance, including products liability coverage, and broad form commercial liability coverage,

(iv) Cyber Security,

(v) Business Automobile Liability insurance including owned, leased, non-owned and hired automobiles coverage in an amount of not less than $1,000,000,

(vi) Mortgage Broker's Errors and Omissions insurance up to $1,000,000.

Your policies (other than Workers Compensation) must list us and our affiliates as an additional insured, must include a waiver of subrogation in favor of us and our affiliates, must be primary and non-contributing with any insurance carried by us or our affiliates, and must stipulate that we receive 30 days' prior written notice of cancellation.

C. Point-of-sale software and hardware, and related software and hardware. You must purchase (or lease) the point-of-sale software and hardware, and related software and hardware, that we specify. See Item 11 for more details.

D. Merchandise, Products and services. You must purchase products and services from our Affiliate, which includes branded merchandise such as shirts, hats, sweatshirts and other marketing material showcasing the Co/LAB Lending Brand. These items will be purchased from Marsh and Munar Team, LLC.

E. Mortgage Processing. You have the option to use our Affiliate for mortgage processing, not the requirement. If you choose to use other outside vendors for mortgage processing, we must approve your vendor.

Us or our Affiliates as Supplier

Our affiliate is currently a supplier of goods or services that you must purchase in that you are required to purchase all of the branded merchandise and apparel from our Affiliate, Marsh and Munar, LLC. We reserve the right to be a supplier (or the sole supplier) of a good or service in the future.

Ownership of Suppliers

Outside of your requirement to purchase branded merchandise and materials from our Affiliate, none of our officers own an interest in a supplier to our franchisees.

Alternative Suppliers

If you want to use a supplier that is not on our list of approved suppliers, you must request our approval in writing. We will grant or revoke approvals of suppliers based on criteria appropriate to the situation, which may include evaluations of the supplier's capacity, quality, financial stability, reputation, and reliability; inspections; product testing, and performance reviews. Our criteria for approving suppliers are not available to you. We permit you to contract with alternative suppliers who meet our criteria only if you request our approval in writing, and we grant approval. There is no fee for us to review or approve an alternate supplier. We will provide you with written notification of the approval or disapproval of any supplier you propose within 30 days after receipt of your request. We may grant approvals of new suppliers or revoke past approvals of suppliers on written notice to you, or by updating our Manual.

Issuing Specifications and Standards

We issue specifications and standards to you for applicable aspects of the franchise in our Manual and/or in written directives. We may issue new specifications and standards for any aspect of our brand system, or modify existing specifications and standards, at any time by revising our Manual and/or issuing new written directives (which may be communicated to you by any method we choose). We will generally (but are not obligated to) issue new or revised specifications only after thorough testing in our headquarters, in company-owned outlets, and/or a limited market test in multiple units.

Revenue to Us and Our Affiliates

We will derive revenue from the required purchases and leases by franchisees. Because we are a new franchisor, our total revenue in 2025 was $41,000. Our revenue from all required purchases and leases of products and services by franchisees in 2025 was $215,016. The percentage of our total revenues that were from required purchases or leases in 2025 was 19%.

Our affiliate, Co/LAB Processing, will derive revenue from the require purchases and leases by franchisees. Its revenue from all required purchases and leases of products and services by franchisees in 2025 was $0.

Our affiliate, Co/LAB Concierge, will derive revenue from the require purchases and leases by franchisees. Its revenue from all required purchases and leases of products and services by franchisees in 2025 was $0.

Proportion of Required Purchases and Leases

We estimate that the required purchases and leases to establish your business are 50% to 80% of your total purchases and leases to establish your business.

We estimate that the required purchases and leases of goods and services to operate your business are 50% to 80% of your total purchases and leases of goods and services to operate your business.

Payments by Designated Suppliers to Us

We will receive payments from designated suppliers from franchisee purchases based on the following: some of the products we require and recommend pay us an affiliate commission.

Purchasing or Distribution Cooperatives

No purchasing or distribution cooperative currently exists.

Negotiated Arrangements

We do negotiate purchase arrangements with suppliers, including price terms, for the benefit of franchisees. However, this is subject to change in the future.

Benefits Provided to You for Purchases

We do not provide any material benefit to you based on your purchase of particular goods or services, or your use of particular suppliers.

Item 9
FRANCHISEE'S OBLIGATIONS

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

Obligation	Section in agreement	Disclosure document item
a. Site selection and acquisition/lease	Franchise Agreement (FA): §§ 6.1, 6.2	Item 11
b. Pre-opening purchase/leases	FA: §§ 6.2, 6.3	Items 5, 7, 8 and 11
c. Site development and other pre-opening requirements	FA: Article 6	Items 5, 7, 8 and 11
d. Initial and ongoing training	FA: §§ 5.4, 6.4, 7.6	Items 5, 6, 8 and 11
e. Opening	FA: §§ 6.5, 6.6	Items 7, 8 and 11

Obligation	Section in agreement	Disclosure document item
f. Fees	FA: Article 4, §§ 5.5, 7.8, 10.5, 11.2, 11.3, 15.2, 16.1, 17.6	Items 5, 6 and 7
g. Compliance with standards and policies/operating manual	FA: §§ 6.3, 7.1, 7.3, 7.5, 7.9 –7.13, 7.15, 10.1, 10.4, 11.1	Items 8, 11 and 14
h. Trademarks and proprietary information	FA: Article 12, § 13.1	Items 13 and 14
i. Restrictions on products/services offered	FA: § 7.3	Items 8, 11 and 16
j. Warranty and customer service requirements	FA: §§ 7.3, 7.8, 7.9	Item 8
k. Territorial development and sales quotas	FA: Not applicable	Item 12
l. Ongoing product/service purchases	FA: Article 8	Items 6 and 8
m. Maintenance, appearance, and remodeling requirements	FA: §§ 7.12, 7.13	Items 6, 7 and 8
n. Insurance	FA: § 7.15	Items 6, 7 and 8
o. Advertising	FA: Article 9	Items 6, 7, 8 and 11
p. Indemnification	FA: Article 16	Items 6 and 8
q. Owner's participation/management/staffing	FA: § 2.4	Items 15
r. Records and reports	FA: Article 10	Item 11
s. Inspections and audits	FA: §§ 10.5, 11.2	Items 6 and 11

Obligation	Section in agreement	Disclosure document item
t. Transfer	FA: Article 15	Items 6 and 17
u. Renewal	FA: § 3.2	Item 17
v. Post-termination obligations	FA: Article 13, § 14.3	Item 17
w. Non-competition covenants	FA: § 13.2	Item 17
x. Dispute resolution	FA: Article 17	Items 6 and 17

Item 10
FINANCING

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

Our Pre-Opening Obligations

Before you open your business:

A. *Your site.* We will review and advise you regarding potential locations that you submit to us. (Section 5.4).

(i) We generally do not own your premises.

(ii) If your site is not already known and approved by us when you sign your franchise agreement, then we and you will specify in your franchise agreement the area in which you must select a site (Franchise Agreement, Summary Page). We do not select your site. Your site is subject to our approval. To obtain our approval, you must provide all information and documents about the site that we require.

(iii) The factors we consider in approving sites are general location and neighborhood, competition, trade area demographics, traffic patterns, parking, size, physical characteristics of existing buildings, and lease terms.

(iv) The time limit for us to approve or disapprove your proposed site is 30 days after you submit all of our required documents and information. (Section 6.1). If we and you cannot agree on a site, you will be unable to comply with your obligation to develop and open the franchise by the deadline stated in the franchise agreement. Unless we agree to extend the deadline, you will be in default and we may terminate your franchise agreement.

(v) We are not obligated to assist you in conforming the premises of your site to local ordinances and building codes and obtaining any required permits. This will be your responsibility.

B. *Constructing, remodeling, or decorating the premises*. We will provide you with a set of our standard building plans and specifications and/or standard recommended floor plans, and our specifications for required décor. (Section 5.4)

C. *Hiring and training employees*. We will provide you with our suggested staffing levels (Section 5.2), suggested guidelines for hiring employees (Section 5.2), operational instructions in the Manual which you can use as part of training new employees (Section 5.3), and our initial training program described below. Our opening support (as described below) includes assisting you in training employees. All hiring decisions and conditions of employment are your sole responsibility.

D. *Necessary equipment, signs, fixtures, opening inventory, and supplies.* We will provide you a list of our specifications and approved suppliers for equipment, signs, fixtures, opening inventory, and supplies necessary to open your business. (Section 5.4) We do not provide these items directly; we only provide the names of approved suppliers. We do not deliver or install these items.

E. *Brand Standards Manual*. We will give you access to our Brand Standards Manual (Section 5.1).

F. *Initial Training Program.* We will conduct our initial training program. (Section 5.4). The current initial training program is described below.

G. *Market introduction plan*. We will advise you regarding the planning and execution of your market introduction plan. (Section 5.4)

H. *On-site opening support.* We will have a representative provide on-site support for 2-3 Days in connection with your business opening. (Section 5.4)

Description of Franchise Model Support structure:

Licensing & Approval:

We can guide you & provide templates, where you will create info and submit or process everything for you through our concierge services.

Vendor Account Creation:

We will direct you who to contact & you will manage and implement.

Lender Signups:

We will direct you who to call & provide guidelines and process with what you will need.

Human Resource Setup:

We will provide you with templates & provide direction on how to use and implement.

Technology:

Franchisee will contact the approved software providers, and other required accounts, create users & account foundation. We will help connect your software solutions and support your engaging with the necessary vendors.

Marketing:

We provide contacts for our service providers for you to call and get set up, sales email templates, .

Post Opening:

Licensing:

Our concierge team will assist you.

Compliance:

Our concierge team will handle your compliance.

Tracking Closings:

We give template & teach them what & how to track.

Office Supplies:

We teach them how & where to order supplies.

Hiring:

We give them a guide and templates.

Bookkeeping:

We give them trial balance and they choose bookkeeper.

Closed File Audit

Review Packages

We give them a checklist of what they need to be doing with files after they close.

Marketing:

We send Franchises marketing program guide of content to use with their database, social accounts, etc.

Length of Time to Open

The typical length of time between signing the franchise agreement and the opening of your business is 3-6 months. You will be required to have the franchised business open within 180 Days from the date of executing the Franchise Agreement. Factors that may affect the time period include your ability to obtain a lease, obtain financing, develop your location, obtain business permits and licenses, and hire employees.

Our Post-Opening Obligations

After you open your business:

A. *Developing products or services you will offer to your customers*. Although it is our intent and practice to refine and develop products or services that you will offer to your customers, the franchise agreement does not obligate us to do so.

B. *Hiring and training employees*. We will provide you with our suggested staffing levels (Section 5.2), suggested guidelines for hiring employees (Section 5.2), and operational instructions in the Manual which you can use as part of training new employees (Section 5.3). All hiring decisions and conditions of employment are your sole responsibility.

C. *Improving and developing your business; resolving operating problems you encounter.* If you request, we will provide advice to you (by telephone or electronic communication) regarding improving and developing your business, and resolving operating problems you encounter, to the extent we deem reasonable. If we provide in-person support in response to your request, we may charge a fee (currently $600 per day) plus any out-of-pocket expenses (such as travel, lodging, and meals for our employees providing onsite support). (Section 5.5)

D. *Establishing prices*. Franchisee determines their own prices. Franchisor will advise about pricing upon request, and Franchisor may strongly encourage certain pricing. (Section 5.5 and 7.4).

E. *Establishing and using administrative, bookkeeping, accounting, and inventory control procedures.* We will provide you our recommended procedures for administration, bookkeeping, accounting, and inventory control (Section 5.5). We may make any such procedures part of required (and not merely recommended) procedures for our system.

F. *Marketing Fund*. We will administer the Marketing Fund (Section 5.5). We will prepare an unaudited annual financial statement of the Marketing Fund within 120 days of the close of our fiscal year and will provide the financial statement to you upon request. (Section 9.3)

G. *Website*. We will maintain a website for the Co/LAB Lending brand, which will include your business information and telephone number. (Section 5.5)

Advertising

Our obligation. We will use the Marketing Fund only for marketing and related purposes and costs. Media coverage is primarily local. We use outside vendors and consultants to produce advertising. We are not required to spend any amount of advertising in the area or territory where any particular franchisee is located. We will maintain the brand website (which may be paid for by the Marketing Fund). We have no other obligation to conduct advertising.

Your own advertising material. You may use your own advertising or marketing material only with our approval. To obtain our approval, you must submit any proposed advertising or marketing material at least 14 days prior to use. If we do not respond, the material is deemed rejected. If you develop any advertising or marketing materials, we may use those materials for any purpose, without any payment to you.

Advertising council. We do not have an advertising council composed of franchisees. The franchise agreement does not give us the power to form an advertising council.

Local or Regional Advertising Cooperatives. We do not currently have any local or regional advertising cooperatives. We have the right to require you to participate in a local or regional advertising cooperative. We will define the area of the cooperative based on media markets, or other geographic criteria that we deem appropriate. Each franchisee in the area would have one vote per outlet (unless the franchisee is in default under its franchise agreement). The amount you must contribute to the cooperative will be determined by vote of the members, but not less than 1% and not more than 2% of gross sales. If our own outlets are members of a cooperative, they must contribute to the cooperative on the same basis as franchisees, and they will vote on the same basis as other members. We administer the cooperative, but we have the right to delegate responsibility for administration to an outside company such as an advertising agency or accounting firm, or to the franchisee members of the cooperative. We have the right to require the cooperative to operate from written bylaws or other governing documents that we determine. The documents are not currently available for you to review. Cooperatives will prepare annual financial statements which will be made available for review only by us and by the members of cooperative. We have the power to require cooperatives to be formed, changed, dissolved, or merged.

Marketing Fund. We do not currenly have a Marketing Fund

Market introduction plan. You must develop a market introduction plan and obtain our approval of the plan at least 30 days before the projected opening date of your business.

Point of Sale and Computer Systems

We require you to buy (or lease) and use a point-of-sale system and computer system as follows:

Google Business Suite

MLO Force – Mortgage Educators to be used for Licensing, Compliance and Classes

Point of Sale & LOS - Arive

QuickBooks

The system will include Arive POS/LOS, computers, monitors, printers, copiers and phone system. Arive is the first complete origination system software for Independent Mortgage Brokers, that connects with many wholesale lenders & other service providers (credit, appraisal ordering), to simplify the complex operation of working with multiple banks. For additional information on the POS/LOS, please visit: https://www.arive.com/. These systems will generate or store data such as client, property, product details, sales transactions, invoicing, employee, scheduling, reporting, and accounting information.

We estimate that these systems will cost between $1,200 and $3,600 to purchase.

We are not obligated to provide any ongoing maintenance, repairs, upgrades, or updates. We do require you enter into a third-party subscription contract for the POS/LOS and any other applicable software/apps.

You must upgrade or update any system when we determine. There is no contractual limit on the frequency or cost of this obligation.

We estimate that the annual cost of any optional or required maintenance, updating, upgrading, or support contracts will be approximately $1,020.

You must give us independent access to the information that will be generated or stored in these systems. The information that we may access will include sales, customer data, and reports. There is no contractual limitation on our right to access the information.

Brand Standards Manual

Manual Section	**Number of Pages**
Preface & Introduction	35
Establishing My Franchise Business	37
Personnel	48
Administrative Procedures	25
Daily Procedures	41

Selling & Marketing	35
Total Number of Pages	**221**

Training Program

Our training program consists of the following:

TRAINING PROGRAM

Subject	Hours of Classroom Training	Hours of On-The-Job Training	Location
SAFE 20 Hour	20 Hours	-	Online
Broker FastTrack Pre-Opening Course	5 Hours	-	Online
Corporate Headquarters	35 Hours	-	In Person, our Headquarters, Erie, PA or Virtual
Broker FastTrack	25 Hours	-	Online with Group Coaching
Co/LAB Lending Onboarding Course	5 Hours	5 Hours	Live Virtual
TOTALS:	90 Hours	5 Hours	

Broker FastTrack - Pre-Opening Course

TRAINING PROGRAM

Subject	Hours of Classroom Training	Hours of On-The-Job Training	Location
Your Broker Team	1	-	Virtual- with Q&A Time
Filing Business Entity	1	-	Virtual- with Q&A Time
Mortgage Broker Start Up Checklist	4	-	Virtual- with Q&A Time
Licensing Application & Approval	2	-	Virtual- with Q&A Time
Mentoring and Coaching	-	12	Held over a 12 week period, Virtual
TOTALS:	8 Hours	12 Hours	

Corporate In Person (prior to open)

TRAINING PROGRAM

Subject	Hours of Classroom Training	Hours of On-The-Job Training	Location
Day 1- Brand , Where to Find Help, The Mortgage Process - Mission - Vision - Values	8 Hours	-	Erie, PA or Virtual
Day 2- Systems & Vendors, Wholesale Lenders, Loan Products	8 Hours	-	Erie, PA or Virtual
Attend Leadership Meeting	-	1	Virtual
Day 3- Pricing & Compensation, Compliance	8 Hours	-	Erie, PA or Virtual
Day 4- Marketing, Impact Areas, Hiring Strategies	8 Hours	-	Erie, PA or Virtual
Put together their Marketing Plan		-	
Day 5- Review & Wrap up	4 Hours	-	Erie, PA or Virtual
Join Monthly Huddle and/or Sales Training		-	
TOTALS:	36 Hours		

Training classes will be scheduled in accordance with the needs of new franchisees. We anticipate holding training classes in advance of the opening of the franchisee's location, doing so remotely, at a corporate location, and at the franchisee's location once sufficient build-out has been completed and close to being open, as elaborated on in the additional questions below. This may change as we start to bring on more franchisees. We anticipate holding Live Corporate training class once per month, Live Class at Corporate the first week of every month.

In order for Franchisees to attend, they need to first take their 20 hours of education and pass the NMLS exam AND take our 5-hour course on setting up the business entity and getting licensed. This course is taken online and then there is a Live Q&A hour once a week to answer any questions.

They must have their office approved and licensed in order to activate many of the accounts we will be going over.

5 Hour Broker Setup Course is taught in an online education portal and has a workbook that accompanies it.

Corporate Live Training will be held at our Corporate Office in Erie, PA, where we have a studio where we hold training that can hold up to 15-20 people comfortably.

You must complete the 20 hours of Pre-License & 5 Hour Broker set up training, along with passing the NMLS and all setup activities. Attending the Corporate training should take place within 6 weeks of business opening. It can be done before or after opening, and should be determined based on the experience of the initial team. Ex. If the Loan Originator or admin has worked in a Brokerage, attending corporate training can take place a few weeks after opening, but we would prefer it be prior to.

Our signature Broker FastTrack Course is a 12-week accelerator where we teach new brokers how to accelerate being successful as a broker. We want all franchisees to take the online course within the first 12 months of opening their brokerage.

There is also a 3rd party training program Franchisees can pay to take, if they would like additional training.

If the Franchise has completely green originators and support staff, they will need to go through additional training

The instruction materials consist primarily of our Onboarding Checklist which contains links organized by section for all applicable written procedures, training videos, learning checks referred to as Knowledge Reviews (automatically graded with correct answers provided, with a structure in place requiring successful completion via a minimum score threshold), and a shadowing/coaching checklist and approval process all required to successfully and fully complete the necessary training. Additional instructional material will be provided consisting of additional similar training (additional procedures, additional video training, additional checklists, etc.) for "higher-level" functions required of the franchisee and/or the individual acting as the owner/operator and/or manager of the franchisee.

Training classes will be led by the franchisor(s) and/or its delegate(s), such as a corporate-employed, tenured individual who has been delegated to lead some or all aspects of training (i.e. a manager / assistant manager / senior employee who works at a corporate (franchisor) location). Some aspects of training classes will be self-directed and led by the franchisee themselves as they follow the training structure in place which would include video training and the aforementioned instructional materials created by the franchisor/corporate (so in that sense, it is still being led by the franchisor/corporate/its delegate(s), just done remotely and/or by pre-recorded materials listed in the Onboarding/Training structure).

The instructor, of the franchisor(s) have experience dating back to the establishment of corporate. Franchisor/corporate delegate(s) may have various lengths of experience depending on the individual delegate, but they would typically have minimally one year of experience, if not more, and have had successfully completed both their own training and facilitation of others' training in the past; the delegate(s) would typically be in a management role at a corporate location or be a "senior," tenured employee if not in a formal management position.

There is no fee for up to 2 people to attend training. You must pay the travel and living expenses of your employees or managers attending training.

You must attend training. You may send any additional persons to training that you want (up to the maximum described above). You must complete training to our satisfaction at least four weeks before opening your business. You will be required to pass a test which evaluates your understanding for the content and franchise operating content as covered in the training program. Should you fail to pass the test or complete the initial training, we have the right to terminate the franchise agreement with no refund of the initial franchise fee.

Your business must at all times be under your on-site supervision or under the on-site supervision of a general manager who has completed our training program. If you need to send a new general manager to our training program, we will charge a fee, which is currently $285 per person. Otherwise, our training programs and/or refresher courses are as shown above. We have the right to require additional/refresher courses to be added as needed.

Item 12
TERRITORY

You may operate the Office only from the Premises and may not relocate the Office without our approval. You have no options, rights of first refusal, or similar rights to acquire additional franchises, branch offices or extensions of the Office.

You will not receive an exclusive territory. You may face competition from other franchisees, from outlets that we own, or from other channels of distribution or competitive brands that we control. As of the date of this disclosure document, we have no plans to operate a Co/LAB Lending Office or own a mortgage brokerage business that offers services to the public. However, we may establish other franchised outlets that may compete with your location. We retain all rights to develop, locate and operate, and to grant others the right to develop, locate and operate, mortgage brokerage offices under another trademark or service mark or any other business under the Marks or under any other trademark or service mark or to engage in any other business activity anywhere. We and our affiliates retain all rights with respect to Co/LAB Lending Offices, the Marks, the sale of similar or dissimilar products and services, and any other activities we deem appropriate whenever and wherever we desire, including:

(1) the right to establish and operate, and to grant to others the right to establish and operate, businesses offering similar or dissimilar products and services under the Marks and on any terms and conditions we deem appropriate;

(2) the right to operate, and to grant others the right to operate, Co/LAB Lending Offices located anywhere under any terms and conditions we deem appropriate and regardless of proximity to the Office;

(3) the right to acquire the assets or ownership interests of one or more businesses providing products and services similar to those provided by Co/LAB Lending Offices, and franchising, licensing or creating similar arrangements with respect to

these businesses once acquired, wherever these businesses (or the franchisees or licensees of these businesses) are located or operating; and

(4) the right to be acquired (whether through acquisition of assets, ownership interests or otherwise, regardless of the form of transaction), by a business providing products and services similar to those provided by Co/LAB Lending Offices, or by another business, even if such business operates franchises and/or licenses competitive businesses.

We also reserve the right to use alternative channels of distribution, including the Internet, telemarketing, and other direct marketing in any area or location, and you do not have the right to do so except as approved by us. We do not have to pay you any compensation for doing so or for exercising any of our retained rights. Provided you obtain our consent to expand and each applicable state law permits operation as a virtual (no physical presence) office you may do business virtually in 2 states under each Co/LAB Lending franchise agreement in addition to the state in which you first operate your Co/LAB Lending Mortgage business.

We understand that currently Arizona, Hawaii, Missouri Nevada, and Texas may not allow a virtual (no physical presence) office. You must contact your legal advisors to determine in which states a virtual office is allowed. You should be aware that state licensing requirements are subject to change at any time. For each additional state in which you plan to expand you must first obtain our written consent to expansion and the proper license in the specific location or state requested. We grant our consent to expand in our sole discretion and may consider factors such as whether you are in good standing and whether all your office equipment and software is up to date. There are no restrictions on your right to solicit or accept loan applications from consumers in the states in which you operate. You will be expected to meet high standards of service and professionalism reflective of the goodwill and respect enjoyed by the Co/LAB Lending name and organization. These expectations can be met by limiting your mortgage broker services to market areas where you can serve customers and clients directly and personally and where you have the greatest knowledge of local conditions, infrastructures, community history and the housing/mortgage market.

Branch Offices

We grant you the right to establish one or more Branch office locations ("Branch Offices") to accommodate your expansion to additional physical office(s) or to add a virtual office in a state beyond the 2 additional states allowed in your franchise agreement, provided that you shall not then, or at any time thereafter prior to the opening of such Branch Office, be in default of any of your obligations arising under the Franchise Agreement and upon the additional conditions set forth below. You will be required to sign the Branch Office Amendment (attached as Exhibit A -10 for each Branch Office you establish).

Permission to establish a Branch Office shall be within our sole and absolute discretion. Factors we will consider in determining whether to grant you the right to establish a Branch Office include, without limitation, the location of the proposed Branch Office, population growth

and the overall market share enjoyed by the Co/LAB Lending Network in the area of the proposed Branch Office and other market conditions that may affect the desirability of establishing a Branch Office. You will be required to pay a Branch Office Initial Fee of $5,000 (see Item 5), plus a monthly ongoing Royalty Fee of 6% of Gross Sales. If you are renewing an existing Branch Office (also known as a Branch Office), you will be required to sign the Branch Office Amendment (attached as Exhibit C) plus all ongoing Branch Office fees for each Branch Office that you renew (see Item 6). Each Branch Office must be located at a site approved by Marsh and Munar Team, LLC. Each Branch Office shall operate as a part of the Office (i.e., as a branch of the Office operating under and as a part of the same ownership as the Office), shall operate under the same name as the Office, and, except as otherwise provided in the Franchise Agreement, shall comply with and be subject in every respect to all of the terms, conditions, provisions and restrictions of the Franchise Agreement as are applicable to the Office. Marsh and Munar Team, LLC is not under any obligation to provide Branch Offices any of the services and benefits made available to the Office although Marsh and Munar Team, LLC may, in its sole and absolute discretion, provide some services and benefits to Branch Offices.

Branch Offices shall be "address only" locations and therefore shall have no protected area or territorial exclusivity whatsoever. If you are operating a Branch Office and wish to continue operating it upon renewal of your franchise relationship, you will also be required to sign the Branch Office Amendment (attached as Exhibit A-10). Although we have the right to do so (as described above), neither we nor our affiliate operates, franchises, or has present plans to operate or franchise a business under a different trademark that offers or will offer goods or services similar to those you will offer in your Office as of the date this disclosure document was issued.

Item 13
TRADEMARKS

Principal Trademark

The following is the principal trademark that we license to you. This trademark is owned by us. We do have a federal registration for our principal trademark.

Trademark	Registration Date	Registration Number
Co/LAB Lending	2/14/2023	6979059

Due to the fact that none of our registrations are more than six years old, there have not been any renewals or affidavits filed, but we intend to do so when legally required.

Determinations

There are no currently effective material determinations of the United States Patent and Trademark Office, the Trademark Trial and Appeal Board, or any state trademark administrator or court. There are no pending infringement, opposition, or cancellation proceedings.

Litigation

There is no pending material federal or state court litigation regarding our use or ownership rights in a trademark.

Agreements

There are no currently effective agreements that significantly limit our rights to use or license the use of trademarks listed above in a manner material to the franchise.

Protection of Rights

We protect your right to use the principal trademarks listed in this Item, and we protect you against claims of infringement or unfair competition arising out of your use of the trademarks, to the extent described in this section.

The franchise agreement obligates you to notify us of the use of, or claims of rights to, a trademark identical to or confusingly similar to a trademark licensed to you. The franchise agreement does not require us to take affirmative action when notified of these uses or claims. We have the right to control any administrative proceedings or litigation involving a trademark licensed by us to you.

If you use our trademarks in accordance with the franchise agreement, then (i) we will defend you (at our expense) against any legal action by a third-party alleging infringement by your use of the trademark, and (ii) we will indemnify you for expenses and damages if the legal action is resolved unfavorably to you.

Under the franchise agreement, we may require you to modify or discontinue using a trademark, at your expense.

Superior Prior Rights and Infringing Uses

We do not know of either superior prior rights or infringing uses that could materially affect your use of the principal trademarks.

Item 14
PATENTS, COPYRIGHTS AND PROPRIETARY INFORMATION

Patents

We do not own rights in, or licenses to, patents that are material to the franchise. We do not have any pending patent applications.

Copyrights

All of our original works of authorship fixed in a tangible medium of expression are automatically protected under the U.S. Copyright Act, whether or not we have obtained registrations. This includes our Brand Standards Manual as well as all other sales, training,

management and other materials that we have created or will create. You may use these copyrighted materials during the term of the franchise, in a manner consistent with our ownership rights, solely for your franchised business.

We do not have any registered copyrights. There are no pending copyright applications for our copyrighted materials. There are no currently effective determinations of the U.S. Copyright Office (Library of Congress) or any court regarding any copyright.

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

We have no obligation to protect any of our copyrights or to defend you against claims arising from your use of copyrighted items. The franchise agreement does not require us to take affirmative action when notified of copyright infringement. We control any copyright litigation. We are not required to participate in the defense of a franchisee or indemnify a franchisee for expenses or damages in a proceeding involving a copyright licensed to the franchisee. We may require you to modify or discontinue using the subject matter covered by any of our copyrights, at your expense.

We do not know of any copyright infringement that could materially affect you.

Proprietary Information

We have a proprietary, confidential Brand Standards Manual and related materials that include guidelines, standards and policies for the development and operation of your business. We also claim proprietary rights in other confidential information or trade secrets that include all methods for developing and operating the business, and all non-public plans, data, financial information, processes, vendor pricing, supply systems, marketing systems, formulas, techniques, designs, layouts, operating procedures, customer data, information and know-how.

You (and your owners, if the franchise is owned by an entity) must protect the confidentiality of our Brand Standards Manual and other proprietary information, and you must use our confidential information only for your franchised business. We may require your managers and key employees to sign confidentiality agreements.

Item 15
OBLIGATION TO PARTICIPATE IN THE ACTUAL OPERATION OF THE FRANCHISE BUSINESS

Your Participation

You are not required to participate personally in the direct operation of your business. However, we recommend that you participate.

You must designate one person as your "Principal Executive". The Principal Executive is the executive primarily responsible for your business and has decision-making authority on behalf of the business. The Principal Executive must complete our initial training program. The Principal Executive must complete any post-opening training programs that we develop in the future. The

Principal Executive must make reasonable efforts to attend all in-person meetings and remote meetings (such as telephone conference calls), including regional or national brand conferences, that we require. The Principal Executive cannot fail to attend more than three consecutive required meetings.

If your business is owned by an entity, all owners of the business must sign our Guaranty and Non-Compete Agreement (see Attachment 3 to Exhibit B).

"On-Premises" Supervision

You are not required to personally conduct "on-premises" supervision (that is, act as general manager) of your business. However, we recommend on-premises supervision by you.

There is no limit on who you can hire as an on-premises supervisor. The general manager of your business (whether that is you or a hired person) must successfully complete our training program.

If the franchise business is owned by an entity, we do not require that the general manager own any equity in the entity.

Restrictions on Your Manager

If we request, you must have your general manager sign a confidentiality and non-compete agreement. We do not require you to place any other restrictions on your manager.

Item 16
RESTRICTIONS ON WHAT THE FRANCHISEE MAY SELL

You must offer for sale only goods and services that we have approved.

You must offer for sale all goods and services that we require. We have the right to change the types of authorized goods or services, and there are no limits on our right to make changes.

We do not restrict your access to customers, except that all sales must be made at or from your premises.

Item 17
RENEWAL, TERMINATION, TRANSFER, AND DISPUTE RESOLUTION

THE FRANCHISE RELATIONSHIP

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

Provision	Section in franchise or other agreement	Summary
a. Length of the franchise term	Franchise Agreement (FA): § 3.1	7 years from date of franchise agreement.
b. Renewal or extension of the term	FA: § 3.2	For our franchise system, "renewal" means that at the end of your term, you sign our successor franchise agreement for an additional term. You may be asked to sign a contract with materially different terms and conditions than your original contract.
c. Requirements for franchisee to renew or extend	FA: § 3.2	To renew, you must give advance notice to us; be in compliance with all contractual obligations to us and third parties; renovate to our then-current standards; sign then-current form of franchise agreement and related documents (including personal guaranty); sign general release (unless prohibited by applicable law). If you continue operating your franchise after the expiration of the term without a renewal agreement, then we may either terminate your operation at any time or deem you to have renewed your agreement for an additional term.
d. Termination by franchisee	FA: § 14.1	If we violate a material provision of the franchise agreement and fail to cure or to make substantial progress toward curing the violation within 30 days after notice from you.
e. Termination by franchisor without cause	Not Applicable	
f. Termination by franchisor with cause	FA: § 14.2	We may terminate your agreement for cause, subject to any applicable notice and cure opportunity.
g. "Cause" defined--curable defaults	FA: § 14.2	Non-payment by you (10 days to cure); violate franchise agreement other than non-curable default (30 days to cure).

Provision	Section in franchise or other agreement	Summary
h. "Cause" defined--non-curable defaults	FA: § 14.2	FA: Misrepresentation when applying to be a franchisee; knowingly submitting false information; bankruptcy; lose possession of your location; violation of law; violation of confidentiality; violation of non-compete; violation of transfer restrictions; slander or libel of us; refusal to cooperate with our business inspection; cease operations for more than 5 consecutive days; three defaults in 12 months; cross-termination; charge or conviction of, or plea to a felony, or commission or accusation of an act that is reasonably likely to materially and unfavorably affect our brand; any other breach of franchise agreement which by its nature cannot be cured.
i. Franchisee's obligations on termination/non-renewal	FA: §§ 14.3 – 14.6	Pay all amounts due; return Manual and proprietary items; notify phone, internet, and other providers and transfer service; cease doing business; remove identification; purchase option by us.
j. Assignment of agreement by franchisor	FA: § 15.1	Unlimited
k. "Transfer" by franchisee - defined	FA: Article 1	For you (or any owner of your business) to voluntarily or involuntarily transfer, sell, or dispose of, in any single or series of transactions, (i) substantially all of the assets of the business, (ii) the franchise agreement, (iii) any direct or indirect ownership interest in the business, or (iv) control of the business.
l. Franchisor's approval of transfer by franchisee	FA: § 15.2	No transfers without our approval.
m. Conditions for franchisor's approval of transfer	FA: § 15.2	Pay transfer fee; buyer meets our standards; buyer is not a competitor of ours; buyer and its owners sign our then-current franchise agreement and related documents (including personal guaranty); you've made all payments to us and are in compliance with all contractual requirements; buyer completes training program; you sign a general release; business complies with then-current system

Provision	Section in franchise or other agreement	Summary
		specifications (including remodel, if applicable).
n. Franchisor's right of first refusal to acquire franchisee's business	FA: § 15.5	If you want to transfer your business (other than to your co-owner or your spouse, sibling, or child), we have a right of first refusal.
o. Franchisor's option to purchase franchisee's business	Not Applicable	
p. Death or disability of franchisee	FA: §§ 2.4, 15.4	If you die or become incapacitated, a new principal executive acceptable to us must be designated to operate the business, and your executor must transfer the business to an approved new owner within nine months.
q. Non-competition covenants during the term of the franchise	FA: § 13.2	Neither you, any owner of the business, or any spouse of an owner may have ownership interest in, lend money or provide financial assistance to, provide services to, or be employed by, any competitor.
r. Non-competition covenants after the franchise is terminated or expires	FA: § 13.2	For one year, neither you, any owner of the business, or any spouse of an owner may have ownership interest in, lend money or provide financial assistance to, provide services to, or be employed by a competitor located within five miles of your former territory or the territory of any other Co/LAB Lending business operating on the date of termination.
s. Modification of the agreement	FA: § 18.4	No modification or amendment of the agreement will be effective unless it is in writing and signed by both parties. This provision does not limit our right to modify the Manual or system specifications.
t. Integration/merger clause	FA: § 18.3	Only the terms of the agreement are binding (subject to state law). Any representations or promises outside of the disclosure document and franchise agreement may not be enforceable. However, no claim made in any franchise agreement is intended to disclaim the express representations made in this Disclosure Document.

Provision	Section in franchise or other agreement	Summary
u. Dispute resolution by arbitration or mediation	FA: § 17.1	All disputes are resolved by arbitration (except for injunctive relief) (subject to applicable state law).
v. Choice of forum	FA: §§ 17.1; 17.5	Arbitration will take place where our headquarters is located (currently, Erie, Pennsylvania) (subject to applicable state law). Any legal proceedings not subject to arbitration will take place in the District Court of the United States, in the district where our headquarters is then located, or if this court lacks jurisdiction, the state courts of the state and county where our headquarters is then located (subject to applicable state law).
w. Choice of law	FA: § 18.8	Pennsylvania (subject to applicable state law).

Item 18
PUBLIC FIGURES

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

Item 19
FINANCIAL PERFORMANCE REPRESENTATIONS

The FTC's Franchise Rule permits a franchisor to provide information about the actual or potential financial performance of its franchised and/or franchisor-owned outlets, if there is a reasonable basis for the information, and if the information is included in the disclosure document. Financial performance information that differs from that included in Item 19 may be given only if: (1) a franchisor provides the actual records of an existing outlet you are considering buying; or (2) a franchisor supplements the information provided in this Item 19, for example, by providing information about possible performance at a particular location or under 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, Megan Marsh and Andres Munar, 8795 Peach Street, Erie, PA 16509, and 814-315-2822, the Federal Trade Commission, and the appropriate state regulatory agencies.

Item 20
OUTLETS AND FRANCHISEE INFORMATION

Table 1
Systemwide Outlet Summary
For Years 2023 to 2025

Column 1 Outlet Type	Column 2 Year	Column 3 Outlets at the Start of the Year	Column 4 Outlets at the End of the Year	Column 5 Net Change
Franchised	2023	0	0	0
	2024	0	1	0
	2025	1	7	+6
Company-Owned	2023	1	1	0
	2024	1	1	0
	2025	1	1	0
Total Outlets	2023	1	1	0
	2024	1	2	0
	2025	2	8	+6

Table 2
Transfers of Outlets from Franchisees to New Owners (other than the Franchisor)
For Years 2023 to 2025

Column 1 State	Column 2 Year	Column 3 Number of Transfers
None	2023	0
	2024	0
	2025	0
Total	2023	0
	2024	0
	2025	0

Table 3
Status of Franchised Outlets
For Years 2023 to 2025

Column 1 State	Column 2 Year	Column 3 Outlets at the Start of the Year	Column 4 Outlets Opened	Column 5 Termi-Nations	Column 6 Non-Renewals	Column 7 Reacquired by Franchisor	Column 8 Ceased Operations – Other Reasons	Column 9 Outlets at End of the Year
California	2023	0	0	0	0	0	0	0
	2024	0	0	0	0	0	0	0
	2025	0	1	0	0	0	0	1
Georgia	2023	0	0	0	0	0	0	0
	2024	0	0	0	0	0	0	0
	2025	0	1	0	0	0	0	1
North Carolina	2023	0	0	0	0	0	0	0
	2024	0	0	0	0	0	0	0
	2025	0	1	0	0	0	0	1
Ohio	2023	0	0	0	0	0	0	0
	2024	0	0	0	0	0	0	0
	2025	0	1	0	0	0	0	1
Pennsylvania	2023	0	0	0	0	0	0	0
	2024	0	0	0	0	0	0	0
	2025	0	1	0	0	0	0	1
Texas	2023	0	0	0	0	0	0	0
	2024	0	1	0	0	0	0	1
	2025	1	1	0	0	0	0	1
Totals	2023	0	0	0	0	0	0	0
	2024	0	1	0	0	0	0	1
	2025	1	6	0	0	0	0	7

Table 4
Status of Company-Owned Outlets
For Years 2023 to 2025

Column 1 State	Column 2 Year	Column 3 Outlets at the Start of the Year	Column 4 Outlets Opened	Column 5 Outlets Reacquired from Franchisee	Column 6 Outlets Closed	Column 7 Outlets Sold to Franchisee	Column 8 Outlets at End of the Year
Pennsylvania	2023	1	0	0	0	0	1
	2024	1	0	0	0	0	1
	2025	1	0	0	0	0	1
Totals	2023	1	0	0	0	0	1
	2024	1	0	0	0	0	1
	2025	1	0	0	0	0	1

Table 5
Projected Openings for 2023 As Of December 31, 2025

Column 1 State	Column 2 Franchise Agreements Signed but Outlet Not Opened	Column 3 Projected New Franchised Outlets in the Next Fiscal Year	Column 4 Projected New Company-Owned Outlets in the Next Fiscal Year
California	0	1	0
Ohio	0	1	0
Pennsylvania	0	1	0
North Carolina	0	1	0
Texas	0	1	0
Totals	0	5	0

If you buy this franchise, your contact information may be disclosed to other buyers when you leave the franchise system. In some instances, current and former franchisees sign provisions restricting their ability to speak openly about their experience with our franchise system. You may wish to speak with current and former franchisees, but be aware that not all such franchisees will be able to communicate with you.

List of Current Franchisees

The following is a list of the current franchisees who as of the end of our last fiscal year were open and operating in our system:

Franchise Name	Street Address	City	State	Zip Code
Inclusive Lending	511 East John Carpenter Freeway, Suite 500	Irving	TX	75062
Munar Mortgage	8795 Peach Street	Erie	PA	16509
Trueway Mortgage	500 Buford Hwy NE, Suite 1001-206	Suwanee	GA	30024
TAM Mortgage	3324 Neiman Rd	Plano	TX	75025
Lurn Lending LLC	2211 Michelson Dr., Suite 08-11	Irvine	CA	92612
Optist Inc	7552 Slate Ridge Blvd	Reynoldsburg	OH	43068
Fellowship Mortgage	1890 S Main St, Suite 102-C	Wake Forest	NC	27587

The following is a list of the current franchisees who had signed franchise agreements as of the end of our last fiscal year but are not yet open:

None

List of Terminated Franchisees

The following is a list of the franchisees who have had an unit terminated, cancelled, transferred, not renewed or otherwise voluntarily or involuntarily ceased to do business under a franchise agreement during the most recently completed fiscal year or who have not communicated with Franchisor within 10 weeks of the application date:

None.

List of Units for Sale

The following is a list of the franchised units now under Franchisor control that Franchisor is selling:

None.

Confidentiality Clauses

In the last three fiscal years, no franchisees have signed any contract, order, or settlement provision that directly or indirectly restricts a current or former franchisee from discussing his or her personal experience as a franchisee in our system with any prospective franchisee.

Franchisee Organizations

There are no trademark-specific franchisee organizations associated with our franchise system.

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. Exhibit D contains our audited opening balance sheet dated 12/31/2025 and 12/31/2024. Our fiscal year end is December 31.

Item 22
CONTRACTS

Copies of all proposed agreements regarding this franchise offering are attached as the following Exhibits:

B. Franchise Agreement (with State Addenda to Agreements, Guaranty and Non-Compete Agreement, and Form of General Release)

C. Branch Office Agreement

Item 23
RECEIPTS

Detachable documents acknowledging your receipt of this disclosure document are attached as the last two pages of this disclosure document.

EXHIBIT A

STATE ADDENDA TO DISCLOSURE DOCUMENT

CALIFORNIA ADDENDUM TO DISCLOSURE DOCUMENT

The registration of this franchise offering by the California Department of Financial Protection and Innovation does not constitute approval, recommendation, or endorsement by the commissioner.

California Corporations Code, Section 31125 requires the franchisor to give the franchisee a disclosure document, approved by the Department of Financial Protection and Innovation, 14-days prior to the execution of an agreement or the solicitation of a proposed material modification of an existing agreement.

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 offering circular.

Our website, www.CoLABLending.com, has not been reviewed or approved by the California Department of Financial Protection and Innovation. Any complaints concerning the content of this website may be directed to the California Department of Financial Protection and Innovation at www.dfpi.ca.gov.

California's Franchise Investment Law (Corporations Code sections 31512 and 31512.1) states that any provision of a franchise agreement or related document requir3en the franchisee to waive specific provisions of the law is contrary to public policy and is void and unenforceable. The law also prohibits a franchisor from disclaiming or denying (i) representations it, its employees, or its agents make to you, (ii) your ability to rely on any representations it makes to you, or (iii) any violations of the law.

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

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

All the owners of the franchise will be required to execute personal guarantees. This requirement places the marital assets of the spouses domiciled in community property states – AZ, CA, ID, LA, NV, NM, TX, WA and WI – at risk if your franchise fails.

1. The following paragraph is added to the end of Item 1 of the Disclosure Document:

A mortgage broker in the state of CA is required to carry a DFPI Law license or a DRE Real-estate license.

2. The following paragraph is added to the end of Item 3 of the Disclosure Document:

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

3. The following paragraph is added to the end of Item 6 of the Disclosure Document:

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%.

4. The following paragraphs are added at the end of Item 17 of the Disclosure Document:

The Franchise Agreement requires franchisee to sign a general release of claims upon renewal or transfer of the Franchise Agreement. California Corporations Code Section 31512 provides that any condition, stipulation or provision purporting to bind any person acquiring a franchise to waive compliance with any provision of that law or any rule or order thereunder is void.

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.

The Franchise Agreement provides for termination upon bankruptcy. This provision may not be enforceable under federal bankruptcy law (11 U.S.C.A. Sec. 101 et seq.).

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 contains a liquidated damages clause. Under California Civil Code Section 1671, certain liquidated damages clauses are unenforceable.

The Franchise Agreement requires mediation. The mediation will occur in Erie, Pensylvania with the costs being borne equally by Franchisor and Franchisee. 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 Mediation Act) to any provisions of a franchise agreement restricting venue to a forum outside the State of California.

The Franchise Agreement requires application of the laws of Pennsylvania. This provision may not be enforceable under California law.

5. The following paragraphs are added at the end of Item 5 of the Disclosure Document:

The Department has determined that we, the franchisor, have not demonstrated we are adequately capitalized and/or that we must rely on franchise fees to fund our operations. The Commissioner has imposed a fee deferral condition, which requires that we defer the collection of all initial fees from California franchisees until we have completed all of our pre-opening obligations and you are open for business. For California franchisees who sign a development agreement, the payment of the development and initial fees attributable to a specific unit in your development schedule is deferred until that unit is open.

HAWAII ADDENDUM TO DISCLOSURE DOCUMENT

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

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

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

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

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

Commissioner of Securities
335 Merchant Street
Honolulu, Hawaii 96813

Registration of franchises or filings of offering circulars in other states. As of the date of filing of this Addendum in the State of Hawaii:

1. A franchise registration is effective or an offering circular is on file in the following states: _____

2. A proposed registration or filing is or will be shortly on file in the following states:

_____

3. No states have refused, by order or otherwise to register these franchises.

4. No states have revoked or suspended the right to offer these franchises.

5. The proposed registration of these franchises has not been withdrawn in any state.

ILLINOIS ADDENDUM TO DISCLOSURE DOCUMENT

In recognition of the requirements of the Illinois Franchise Disclosure Act of 1987, as amended (the "Act"), this Disclosure Document is amended as follows:

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

Section 4 of the Act provides that any provision in a franchise agreement that designates jurisdiction or venue outside the State of Illinois is void. However, a franchise agreement may provide for arbitration outside of Illinois.

Section 41 of the Act provides that any condition, stipulation, or provision purporting to bind any person acquiring any franchise to waive compliance with the Act or any other law of Illinois is void.

Your rights upon termination and non-renewal of a franchise agreement are set forth in sections 19 and 20 of the Act.

MARYLAND ADDENDUM TO DISCLOSURE DOCUMENT

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

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

The following is added to Item 17:

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.

Any claims arising under the Maryland Franchise Registration and Disclosure Law must be brought within 3 years after the grant of the franchise.

You have the right to file a lawsuit alleging a cause of action arising under the Maryland Franchise Law in any court of competent jurisdiction in the State of Maryland.

The Franchise Agreement provides for termination upon bankruptcy of the franchisee. This provision may not be enforceable under federal bankruptcy law.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Any questions regarding this notice should be directed to:

State of Michigan Department of Attorney General
G. Mennen Williams Building, 7th Floor
525 W. Ottawa Street
Lansing, Michigan 48909

Telephone Number: (517) 373 7117

MINNESOTA ADDENDUM TO DISCLOSURE DOCUMENT

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

- Minnesota Statutes, Section 80C.21 and Minnesota Rules 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 agreement(s) 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 Minnesota Statutes, Section 80C.14, Subd. 3-5, which require (except in certain specified cases) (1) 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 (2) 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 Statues, Section 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, which states "No action may be commenced pursuant to this Section more than three years after the cause of action accrues."

THESE FRANCHISES HAVE BEEN REGISTERED UNDER THE MINNESOTA FRANCHISE ACT. REGISTRATION DOES NOT CONSTITUTE APPROVAL, RECOMMENDATION OR ENDORSEMENT BY THE COMMISSIONER OF COMMERCE OF MINNESOTA OR A FINDING BY THE COMMISSIONER THAT THE INFORMATION PROVIDED HEREIN IS TRUE, COMPLETE AND NOT MISLEADING.

THE MINNESOTA FRANCHISE ACT MAKES IT UNLAWFUL TO OFFER OR SELL ANY FRANCHISE IN THIS STATE WHICH IS SUBJECT TO REGISTRATION WITHOUT FIRST PROVIDING TO THE PROSPECTIVE FRANCHISEE, AT LEAST 7 DAYS PRIOR TO THE EXECUTION BY THE PROSPECTIVE FRANCHISEE OF ANY BINDING FRANCHISE OR OTHER AGREEMENT, OR AT LEAST 7 DAYS PRIOR TO THE PAYMENT OF ANY CONSIDERATION, BY THE FRANCHISEE, WHICHEVER OCCURS FIRST, A COPY OF THIS PUBLIC OFFERING STATEMENT, TOGETHER WITH A COPY OF ALL PROPOSED AGREEMENTS RELATING TO THE FRANCHISE. THIS PUBLIC OFFERING STATEMENT CONTAINS A SUMMARY ONLY OF CERTAIN MATERIAL PROVISIONS OF THE FRANCHISE AGREEMENT. THE CONTRACT OR AGREEMENT SHOULD BE REFERRED TO FOR AN UNDERSTANDING OF ALL RIGHTS AND OBLIGATIONS OF BOTH THE FRANCHISOR AND THE FRANCHISEE.

NEW YORK ADDENDUM TO DISCLOSURE DOCUMENT

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

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

> **INFORMATION COMPARING FRANCHISORS IS AVAILABLE. CALL THE STATE ADMINISTRATORS LISTED IN EXHIBIT A OR YOUR PUBLIC LIBRARY FOR SOURCES OF INFORMATION. REGISTRATION OF THIS FRANCHISE BY NEW YORK STATE DOES NOT MEAN THAT NEW YORK STATE RECOMMENDS IT OR HAS VERIFIED THE INFORMATION IN THIS FRANCHISE DISCLOSURE DOCUMENT. IF YOU LEARN THAT ANYTHING IN THE FRANCHISE DISCLOSURE DOCUMENT IS UNTRUE, CONTACT THE FEDERAL TRADE COMMISSION AND NEW YORK STATE DEPARTMENT OF LAW, BUREAU OF INVESTOR PROTECTION AND SECURITIES, 28 LIBERTY ST. 21ST FLOOR, NEW YORK, NY 10005. THE FRANCHISOR MAY, IF IT CHOOSES, NEGOTIATE WITH YOU ABOUT ITEMS COVERED IN THE FRANCHISE DISCLOSURE DOCUMENT. HOWEVER, THE FRANCHISOR CANNOT USE THE NEGOTIATING PROCESS TO PREVAIL UPON A PROSPECTIVE FRANCHISEE TO ACCEPT TERMS WHICH ARE LESS FAVORABLE THAN THOSE SET FORTH IN THIS FRANCHISE DISCLOSURE DOCUMENT.**

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

> With the exception of what is stated above, the following applies to the franchisor, its predecessor, a person identified in Item 2, or an affiliate offering franchises under the franchisor's principal trademark:
>
> A. No such party has an administrative, criminal or civil action pending against that person alleging: a felony, a violation of a franchise, antitrust, or securities law, fraud,

embezzlement, fraudulent conversion, misappropriation of property, unfair or deceptive practices, or comparable civil or misdemeanor allegations.

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

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

D. No such party is subject to a currently effective injunctive or restrictive order or decree relating to the franchise, or under a Federal, State, or Canadian franchise, securities, antitrust, trade regulation or trade practice law, resulting from a concluded or pending action or proceeding brought by a public agency; or is subject to any currently effective order of any national securities association or national securities exchange, as defined in the Securities and Exchange Act of 1934, suspending or expelling such person from membership in such association or exchange; or is subject to a currently effective injunctive or restrictive order relating to any other business activity as a result of an action brought by a public agency or department, including, without limitation, actions affecting a license as a real estate broker or sales agent.

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

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

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

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

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

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

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

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

NORTH DAKOTA ADDENDUM TO DISCLOSURE DOCUMENT

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

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

1. Restrictive Covenants: Franchise disclosure documents that disclose the existence of covenants restricting competition contrary to NDCC Section 9-08-06, without further disclosing that such covenants will be subject to the statute.

2. Situs of Arbitration Proceedings: Franchise agreements providing that the parties must agree to the arbitration of disputes at a location that is remote from the site of the franchisee's business.

3. Restrictions on Forum: Requiring North Dakota franchisees to consent to the jurisdiction of courts outside of North Dakota.

4. Liquidated Damages and Termination Penalties: Requiring North Dakota franchisees to consent to liquidated damages or termination penalties.

5. Applicable Laws: Franchise agreements that specify that they are to be governed by the laws of a state other than North Dakota.

6. Waiver of Trial by Jury: Requiring North Dakota Franchises to consent to the waiver of a trial by jury.

7. Waiver of Exemplary and Punitive Damages: Requiring North Dakota Franchisees to consent to a waiver of exemplary and punitive damage.

8. General Release: Franchise Agreements that require the franchisee to sign a general release upon renewal of the franchise agreement.

9. Limitation of Claims: Franchise Agreements that require the franchisee to consent to a limitation of claims. The statute of limitations under North Dakota law applies.

10. Enforcement of Agreement: Franchise Agreements that require the franchisee to pay all costs and expenses incurred by the franchisor in enforcing the agreement. The prevailing party in any enforcement action is entitled to recover all costs and expenses including attorney's fees.

OHIO ADDENDUM TO DISCLOSURE DOCUMENT

In the State of Ohio only, this Disclosure Document is amended by adding the following two cover pages to this Disclosure Document:

READ THIS DISCLOSURE DOCUMENT CAREFULLY

The state of Ohio has not reviewed and does not approve, recommend, endorse, or sponsor this or any franchise. If you have any questions about this franchise, the information contained in this disclosure document should be reviewed with an attorney or financial advisor before you sign any agreement.

The following disclosure document contains the disclosures required by Ohio law.

RHODE ISLAND ADDENDUM TO DISCLOSURE DOCUMENT

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

Item 17, summary columns for (v) and (w) are amended to add the following:

> Any provision in the franchise agreement restricting jurisdiction or venue to a forum outside Rhode Island or requiring the application of the laws of a state other than Rhode Island is void as to a claim otherwise enforceable under the Rhode Island Franchise Investment Act.

VIRGINIA ADDENDUM TO DISCLOSURE DOCUMENT

In the Commonwealth of Virginia only, this Disclosure Document is amended as follows:

The following statements are added to Item 17(h):

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

Under Section 13.1-564 of the Virginia Retail Franchising Act, it is unlawful for a franchisor to use undue influence to induce a franchisee to surrender any right given to him under the franchise. If any provision of the Franchise Agreement involves the use of undue influence by the franchisor to induce a franchisee to surrender any rights given to the franchisee under the franchise, that provision may not be enforceable.

Item 17(t) is amended to read as follows:

Only the terms of the Franchise Agreement and other related written agreements are binding (subject to applicable state law). Any representations or promises outside of the Disclosure Document and Franchise Agreement may not be enforceable.

WASHINGTON ADDENDUM TO DISCLOSURE DOCUMENT

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

1. Conflict of Laws. In the event of a conflict of laws, the provisions of the Washington Franchise Investment Protection Act, chapter 19.100 RCW will prevail.

2. Franchisee Bill of Rights. RCW 19.100.180 may supersede provisions in the franchise agreement or related agreements concerning your relationship with the franchisor, including in the areas of termination and renewal of your franchise. There may also be court decisions that supersede the franchise agreement or related agreements concerning your relationship with the franchisor. Franchise agreement provisions, including those summarized in Item 17 of the Franchise Disclosure Document, are subject to state law.

3. Site of Arbitration, Mediation, and/or Litigation. In any arbitration or mediation involving a franchise purchased in Washington, the arbitration or mediation site will be either in the state of Washington, or in a place mutually agreed upon at the time of the arbitration or mediation, or as determined by the arbitrator or mediator at the time of arbitration or mediation. In addition, if litigation is not precluded by the franchise agreement, a franchisee may bring an action or proceeding arising out of or in connection with the sale of franchises, or a violation of the Washington Franchise Investment Protection Act, in Washington.

4. General Release. A release or waiver of rights in the franchise agreement or related agreements purporting to bind the franchisee to waive compliance with any provision under the Washington Franchise Investment Protection Act or any rules or orders thereunder is void except when executed pursuant to a negotiated settlement after the agreement is in effect and where the parties are represented by independent counsel, in accordance with RCW 19.100.220(2). In addition, any such release or waiver executed in connection with a renewal or transfer of a franchise is likewise void except as provided for in RCW 19.100.220(2). Statute of Limitations and Waiver of Jury Trial. Provisions contained in the franchise agreement or related agreements that unreasonably restrict or limit the statute of limitations period for claims under the Washington Franchise Investment Protection Act, or rights or remedies under the Act such as a right to a jury trial, may not be enforceable.

5. Statute of Limitations and Waiver of Jury Trial. Provisions contained in the franchise agreement or related agreements that unreasonably restrict or limit the statute of limitations period for claims under the Washington Franchise Investment Protection Act, or rights or remedies under the Act such as a right to a jury trial, may not be enforceable.

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

7. Termination by Franchisee. The franchisee may terminate the franchise agreement under any grounds permitted under state law.

8. Certain Buy-Back Provisions. Provisions in franchise agreements or related agreements that permit the franchisor to repurchase the franchisee's business for any reason during the term of the franchise agreement without the franchisee's consent are unlawful pursuant to RCW 19.100.180(2)(j), unless the franchise is terminated for good cause.

9. Fair and Reasonable Pricing. Any provision in the franchise agreement or related agreements that requires the franchisee to purchase or rent any product or service for more than a fair and reasonable price is unlawful under RCW 19.100.180(2)(d).

10. Waiver of Exemplary & Punitive Damages. RCW 19.100.190 permits franchisees to seek treble damages under certain circumstances. Accordingly, provisions contained in the franchise agreement or elsewhere requiring franchisees to waive exemplary, punitive, or similar damages are void, except when executed pursuant to a negotiated settlement after the agreement is in effect and where the parties are represented by independent counsel, in accordance with RCW 19.100.220(2).

11. Franchisor's Business Judgement. Provisions in the franchise agreement or related agreements stating that the franchisor may exercise its discretion on the basis of its reasonable business judgment may be limited or superseded by RCW 19.100.180(1), which requires the parties to deal with each other in good faith.

12. Indemnification. Any provision in the franchise agreement or related agreements requiring the franchisee to indemnify, reimburse, defend, or hold harmless the franchisor or other parties is hereby modified such that the franchisee has no obligation to indemnify, reimburse, defend, or hold harmless the franchisor or any other indemnified party for losses or liabilities to the extent that they are caused by the indemnified party's negligence, willful misconduct, strict liability, or fraud.

13. Attorneys' Fees. If the franchise agreement or related agreements require a franchisee to reimburse the franchisor for court costs or expenses, including attorneys' fees, such provision applies only if the franchisor is the prevailing party in any judicial or arbitration proceeding.

14. Noncompetition Covenants. Pursuant to RCW 49.62.020, a noncompetition covenant is void and unenforceable against an employee, including an employee of a franchisee, unless the employee's earnings from the party seeking enforcement, when annualized, exceed $100,000 per year (an amount that will be adjusted annually for inflation). In addition, a noncompetition covenant is void and unenforceable against an independent contractor of a franchisee under RCW 49.62.030 unless the independent contractor's earnings from the party seeking enforcement, when annualized, exceed $250,000 per year (an amount that will be adjusted annually for inflation). As a result, any provision contained in the franchise agreement or elsewhere that conflicts with these limitations is void and unenforceable in Washington.

15. Nonsolicitation Agreements. RCW 49.62.060 prohibits a franchisor from restricting, restraining, or prohibiting a franchisee from (i) soliciting or hiring any employee of a franchisee of the same franchisor or (ii) soliciting or hiring any employee of the franchisor. As a result, any such provisions contained in the franchise agreement or elsewhere are void and unenforceable in Washington.

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

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

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

EXHIBIT B

Co/Lab Lending

FRANCHISE AGREEMENT

SUMMARY PAGE	
Franchisee Business Entity	
Initial Franchise Fee	$
Franchisee's Address	
Territory	
Opening Deadline	
Principal Executive	

This Agreement is made between Marsh and Munar Team, LLC, a Pennsylvania Limited Liability Company ("Co/LAB Franchising"), and Franchisee effective as of the date signed by Co/LAB Franchising (the "Effective Date").

Background Statement:

A. Co/LAB Franchising and its affiliates, Munar Mortgage, LLC DBA Keystone Alliance Mortgage, and DBA Co/LAB Lending LLC, have created and own a system (the "System") for developing and operating a business structured as an independent Mortgage Brokerage, under the trade name "Co/LAB".

B. The System includes (1) methods, procedures, and standards for developing and operating a Co/LAB business, (2) plans, specifications, equipment, signage and trade dress for Co/LAB businesses, (3) particular products and services, (4) the Marks, (5) training programs, (6)

business knowledge, (7) marketing plans and concepts, and (8) other mandatory or optional elements as determined by Co/LAB Franchising from time to time.

C. The parties desire that Co/LAB Franchising license the Marks and the System to Franchisee for Franchisee to develop and operate a Co/LAB business on the terms and conditions of this Agreement.

ARTICLE 1. DEFINITIONS

"**Action**" means any action, suit, proceeding, claim, demand, governmental investigation, governmental inquiry, judgment or appeal thereof, whether formal or informal.

"**Approved Vendor**" means a supplier, vendor, or distributor of Inputs which has been approved by Co/LAB Franchising.

"**Business**" means the Co/LAB business owned by Franchisee and operated under this Agreement.

"**Competitor**" means any business which offers Mortgage consulting and brokering services to homebuyers looking to obtain a mortgage for a new home or refinance their existing home.

"**Confidential Information**" means all non-public information of or about the System, Co/LAB Franchising, and any Co/LAB business, including all methods for developing and operating the Business, and all non-public plans, data, financial information, processes, vendor pricing, supply systems, marketing systems, formulas, techniques, designs, layouts, operating procedures, information and know-how.

"**Gross Sales**" means the total dollar amount of all sales generated through the Business for a given period, including, but not limited to, payment for any services or products sold by Franchisee, whether for cash or credit. Gross Sales does not include (i) bona fide refunds to customers, (ii) sales taxes collected by Franchisee, (iii) sales of used equipment not in the ordinary course of business, or (iv) sales of prepaid cards or similar products (but the redemption of any such card or product will be included in Gross Sales).

"**Input**" means any goods, services, supplies, fixtures, equipment, inventory, computer hardware and software, real estate, or comparable items related to establishing or operating the Business.

"**Location**" means the location stated on the Summary Page.

"**Losses**" includes (but is not limited to) all losses; damages; fines; charges; expenses; lost profits; reasonable attorneys' fees; travel expenses, expert witness fees; court costs; settlement amounts; judgments; loss of Co/LAB Franchising's reputation and goodwill; costs of or resulting from delays; financing; costs of advertising material and media time/space and the costs of changing, substituting or replacing the same; and any and all expenses of recall, refunds, compensation, public notices and other such amounts incurred in connection with the matters described.

"**Manual**" means Co/LAB Franchising's confidential Brand Standards Manual(s), including any supplements, additions, or revisions from time to time, which may be in any form or media.

"**Marketing Fund**" means the fund established (or which may be established) by Co/LAB Franchising into which Marketing Fund Contributions are deposited.

"**Marks**" means the trade name and logo contained on the Summary Page, and all other trade names, trademarks, service marks and logos specified by Co/LAB Franchising from time to time for use in a Co/LAB business.

"**Owner**" means each person or entity which directly or indirectly owns or controls any equity of Franchisee. If Franchisee is an individual person, then "Owner" means Franchisee.

"**Remodel**" means a refurbishment, renovation, and remodeling of the Location to conform to the building design, exterior facade, trade dress, signage, fixtures, furnishings, equipment, decor, color schemes, presentation of the Marks, and other System Standards in a manner consistent with the image then in effect for a new Co/LAB business.

"**Required Vendor**" means a supplier, vendor, or distributor of Inputs which Co/LAB Franchising requires franchisees to use.

"**System Standards**" means, as of any given time, the then-current mandatory procedures, requirements, and/or standards of the System as determined by Co/LAB Franchising, which may include without limitation, any procedures, requirements and/or standards for appearance, business metrics, cleanliness, customer service, design (such as construction, decoration, layout, furniture, fixtures and signs), equipment, inventory, marketing and public relations, operating days, operating hours, presentation of Marks, product and service offerings, quality of products and services (including any guaranty and warranty programs), reporting, safety, technology (such as computers, computer peripheral equipment, smartphones, point-of-sale systems, back-office systems, information management systems, security systems, video monitors, other software, backup and archiving systems, communications systems (including email, audio, and video systems), payment acceptance systems, and internet access, as well as upgrades, supplements, and modifications thereto), uniforms, and vehicles.

"**Territory**" means the territory stated on the Summary Page.

"**Transfer**" means for Franchisee (or any Owner) to voluntarily or involuntarily transfer, sell, or dispose of, in any single or series of transactions, (i) substantially all of the assets of the Business, (ii) this Agreement, (iii) any direct or indirect ownership interest in the Business, or (iv) control of the Business.

ARTICLE 2. GRANT OF LICENSE

2.1 Grant. Co/LAB Franchising grants to Franchisee the right to operate a Co/LAB business solely at the Location. If no Location is stated on the Summary Page when this Agreement is signed, then the parties will determine the Location in accordance with Section 6.1. Franchisee shall develop, open and operate a Co/LAB business at the Location for the entire term of this Agreement.

2.2 Territory. Co/LAB Franchising has the right to establish, or license the establishment of, another business within the Territory selling the same or similar goods or services under the same

or similar trademarks or service marks as a Co/LAB business. Co/LAB Franchising retains the right to:

(i) establish and license others to establish and operate Co/LAB businesses both inside and outside the Territory, notwithstanding their proximity to the Territory or their impact on the Business;

(ii) operate and license others to operate businesses anywhere that do not operate under the Co/LAB brand name; and

(iii) sell and license others to sell products and services in the Territory through channels of distribution (including the internet) other than Co/LAB outlets.

2.3 Franchisee Control. Franchisee represents that it will identify each owner, officer and director of Franchisee, and describes the nature and extent of each owner's interest in Franchisee. If any of this information changes, Franchisee shall notify Franchisor within 10 days.

2.4 Principal Executive. Franchisee agrees that the person designated as the "Principal Executive" on the Summary Page is the executive primarily responsible for the Business and has decision-making authority on behalf of Franchisee. The Principal Executive does not have to serve as a day-to-day general manager of the Business, but the Principal Executive must devote substantial time and attention to the Business. If the Principal Executive dies, becomes incapacitated, transfers his/her interest in Franchisee, or otherwise ceases to be the executive primarily responsible for the Business, Franchisee shall promptly designate a new Principal Executive, subject to Co/LAB Franchising's reasonable approval.

2.5 Guaranty. If Franchisee is an entity, then Franchisee shall have each Owner sign a personal guaranty of Franchisee's obligations to Co/LAB Franchising, in the form of Attachment 3.

2.6 No Conflict. Franchisee represents to Co/LAB Franchising that Franchisee and each of its Owners (i) are not violating any agreement (including any confidentiality or non-competition covenant) by entering into or performing under this Agreement, (ii) are not a direct or indirect owner of any Competitor, and (iii) are not listed or "blocked" in connection with, and are not in violation under, any anti-terrorism law, regulation, or executive order.

2.7 BRANCH OFFICES. After you have opened your first Co/Lab Office you may request the right to establish one or more additional office locations known as a "Branch Office". Among other differences, a Branch Office will have a shorter term than an Office that is a full franchise (a "full franchise" is a franchised Office that is not a branch, satellite office, kiosk, or other extension of the Office). Marsh and Munar Team, LLC reserves the unfettered right to grant permission to establish a Branch Office. To qualify for a Branch Office you must not only be in good standing, but we will also consider a number of factors including market saturation, the financial condition of your Office, the extent to which you have adopted Co/Lab best practices, whether and how you have used the system and tools and your level of experience.

You must execute the then current form of Branch Office Amendment and pay a Branch Office Initial Fee, as well as monthly ongoing Royalty and Marketing Fund Fees and Branch

Loan Originator fees, as set forth in the Branch Office Amendment for each Branch Office you open or renew and all such fees shall be in addition to all fees payable under this Agreement. Each Branch Office shall operate as a part of the Office (i.e., as a branch of the Office operating under and as a part of the same ownership as the Office) shall operate under the same name as the Office and except as modified by the Branch Office Amendment, shall comply with and be subject to all of the terms, conditions, provisions and restrictions of the Franchise Agreement as are applicable to the Office, including without limitation, the Limited License governing the authorized Limited Use of the Co/Lab Marks as well as the same outside business and activities prohibitions specified in Section 4 and, the payment of all fees required by Section 6. The Branch Office shall also comply with and operate strictly in accordance with all applicable mortgage licensing rules and regulations. The Branch Office may have its own telephone number if permitted by applicable law, but all business cards, forms, stationery, advertisements and other promotional or marketing materials used by the Branch Office must clearly identify the name of the Office (i.e., the Co/Lab name authorized under the Franchise Agreement). In addition, Co/Lab may require that all materials state that the Branch Office is a "branch office" of the Office. Each Branch Office must have an interior office name plaque displayed in accordance with the Brand Standards Manual. If located in commercial space, the Branch Office must also have an exterior office sign that comports with the office signage requirements set forth in the Brand Standards Manual. If located in residential space, the Branch Office may have an exterior office sign that comports with the office signage requirements set forth in the Brand Standards Manual and the Branch Office and any signage must comply with local law regarding signage and zoning. All Branch Offices must also comply in all respects with applicable provisions of the Brand Standards Manual and any supplements or special addenda to the Brand Standards Manual that may be issued from time to time that cover branch offices or their operation. Other than space, staff and equipment shared with a co-located business in compliance with RESPA, no other businesses of any kind may operate from or utilize the same office space, staff or equipment as that of the Branch Office.

You understand and acknowledge that we are not under any obligation to provide Branch Offices any of the services and benefits made available to the Office although we may provide some services and benefits to Branch Offices as we, in our sole and absolute discretion, deem appropriate. Each Branch Office Amendment shall terminate upon transfer, termination or expiration of this Agreement.

Branch Offices shall have no protected area or territorial exclusivity whatsoever. Renewal of the Branch Office is subject to Marsh and Munar Team, LLC's continuation of the Branch Office concept, which may be modified, amended or discontinued at any time and is subject to compliance with the terms of renewal for a Branch Office, as stated in the Branch Office Amendment. If the Branch Office program is discontinued no renewals will be granted for any Branch Office. In the event you fail to renew your franchise relationship with us (no longer have at least one active franchise agreement for a full franchise) your Branch Office will terminate.

NO RIGHT TO ADDITIONAL OFFICES.

Nothing contained in this Agreement shall be deemed, expressly or by implication, to grant or extend to you any right, option or preference to purchase, acquire or open an additional Co/Lab franchise or Branch Office now or in the future.

ARTICLE 3. TERM

3.1 Term. This Agreement commences on the Effective Date and continues for 7 years. In the event Franchisee elects not to renew the Agreement, or fails to provide notice of renewal as required by Section 3.2(i), or elects and completes the Buyout Option Franchisee acknowledges and agrees that operational, licensing, compliance, and administrative responsibilities shall transition from Franchisor to Franchisee 120 days prior to the end of the term. Franchisee further acknowledges that the operational systems, licensing support, compliance infrastructure, administrative assistance, vendor management, lender coordination, and related support services provided by Franchisor are services provided as part of the franchise relationship and are not guaranteed beyond the term of the Agreement except as expressly stated herein. Franchisee shall assume sole responsibility for maintaining all business entities, licenses, approvals, filings, registrations, sponsorships, compliance obligations, and operational requirements necessary for Franchisee's continued independent operation following expiration, non-renewal, or buyout completion.

3.2 Successor Agreement. When the term of this Agreement expires, Franchisee may enter into a successor agreement subject to the following conditions prior to each expiration:

(i) Franchisee notifies Co/LAB Franchising of the election to renew between 120 and 180 days prior to the end of the term;

(ii) Franchisee (and its affiliates) are in compliance with this Agreement and all other agreements with Co/LAB Franchising (or any of its affiliates) at the time of election and at the time of renewal;

(iii) Franchisee has made or agrees to make (within a period of time acceptable to Co/LAB Franchising) renovations and changes to the Business as Co/LAB Franchising requires (including a Remodel, if applicable) to conform to the then-current System Standards;

(iv) Franchisee and its Owners execute Co/LAB Franchising's then-current standard form of franchise agreement and related documents (including personal guaranty), which may be materially different than this form (including, without limitation, higher and/or different fees), except that Franchisee will not pay another initial franchise fee and will not receive more renewal or successor terms than described in this Section;

(v) Franchisee and each Owner executes a general release (on Co/LAB Franchising's then-standard form) of any and all claims against Co/LAB Franchising, its affiliates, and their respective owners, officers, directors, agents and employees.

3.3 Transitional Services. In the event Franchisee elects not to renew the Agreement or elects an approved Buyout Option, Franchisee may request that Franchisor continue providing limited

operational transition support services ("Transition Services"). Franchisor will provide its approval of transition services within 30 days. If no approval is provided by that time the services will be deemed not approved and Franchisee will take on the responsibilities as sated in Section 3.1 here in. The Transition Services Fee shall be calculated as follows: the average monthly operational-services portion of Franchisee's fees paid to Franchisor during the prior twelve (12) months, multiplied by three (3). The parties acknowledge that this fee is intended to reasonably compensate Franchisor for transition-related operational, licensing, compliance, administrative, and closeout services provided during the transition period.

(i) If approved by Franchisor and paid by Franchisee, Transition Services shall be limited solely to: completing licensing renewals, compliance renewals, filings, lender renewals, sponsorship renewals, vendor renewals, administrative matters, and similar operational items that were already initiated or substantially in progress prior to expiration, non-renewal, or buyout completion.

(ii) Transition Services shall not include: new state licensing, new state expansion, new lender onboarding, new operational initiatives, new compliance implementation, new vendor onboarding, ongoing business management, or any new project, filing, or operational activity initiated after expiration, non-renewal, or Buyout completion.

(iii) Any additional services requested by Franchisee following expiration or buyout completion shall require a separate written consulting or services agreement and may be accepted or declined by Franchisor in its sole discretion.

ARTICLE 4. FEES

4.1 Initial Franchise Fee. Upon signing this Agreement, Franchisee shall pay an initial franchise fee in the amount stated on the Summary Page. This initial franchise fee is not refundable.

4.2 Royalty Fee. If Franchisee purchases the standard franchise model, Franchisee shall pay Co/LAB Franchising a monthly royalty fee (the "Royalty Fee") equal to 10% of Gross Sales up to $25,000,000, 9% from $25,000,001 to $50,000,000, 8% from $50,000,001 to $100,000,000 and 7% above $100,000,001 or a minimum of $1,000 per month. Also the royalty fee is capped at $1,000 for each individual loan transaction. The Royalty Fee is automatically deducted.

4.3 Marketing Contributions.

(a) Marketing Fund Contribution. If Franchisor institutes a Marketing Fund, Franchisee shall pay Co/LAB Franchising a contribution to the Marketing Fund (the "Marketing Fund Contribution") equal to 1% of Franchisee's Gross Sales (or such lesser amount as Co/LAB Franchising determines), at the same time as the Royalty Fee. Currently there is no Marketing Fund.

(b) Market Cooperative Contribution. If the Business participates in a Market Cooperative, then Franchisee shall contribute to the Market Cooperative a percentage of Gross Sales (or other amount) determined by the Market Cooperative, not to exceed 2%.

4.4 Replacement / Additional Training Fee. If Franchisee sends an employee to Co/LAB Franchising's training program after opening, Co/LAB Franchising may charge its then-current training fee. As of the date of this Agreement, the training fee is $285 per person.

4.5 Branch Office Fees. You agree to pay us the Branch Office Fee of $5,000 and ongoing Royalty and Marketing Fund Fees as set forth in each Branch Office Amendment you sign and all such fees shall be payable in addition to the fees set forth in this Agreement.

4.6 Non-Compliance Fee. Co/LAB Franchising may charge Franchisee $500 for any instance of non-compliance with the System Standards or this Agreement (other than Franchisee's non-payment of a fee owed to Co/LAB Franchising) which Franchisee fails to cure after 30 days' notice. Thereafter, Co/LAB Franchising may charge Franchisee $250 per week until Franchisee ceases such non-compliance. This fee is a reasonable estimate of Co/LAB Franchising's internal cost of personnel time attributable to addressing the non-compliance, and it is not a penalty or estimate of all damages arising from Franchisee's breach. The non-compliance fee is in addition to all of Co/LAB Franchising's other rights and remedies (including default and termination under Section 14.2).

4.7 Reimbursement. Co/LAB Franchising may (but is never obligated to) pay on Franchisee's behalf any amount that Franchisee owes to a supplier or other third party. If Co/LAB Franchising does so or intends to do so, Franchisee shall pay such amount plus a 10% administrative charge to Co/LAB Franchising within 15 days after invoice by Co/LAB Franchising accompanied by reasonable documentation.

4.8 Payment Terms.

(a) Method of Payment. Franchisee shall pay the Royalty Fee, Marketing Fund Contribution, and any other amounts owed to Co/LAB Franchising by pre-authorized bank draft or in such other manner as Co/LAB Franchising may require. Franchisee shall comply with Co/LAB Franchising's payment instructions.

(b) Calculation of Fees. Franchisee shall report monthly Gross Sales to Co/LAB Franchising by the 5th of the following month. If Franchisee fails to report monthly Gross Sales, then Co/LAB Franchising may withdraw estimated Royalty Fees and Marketing Fund Contributions equal to 125% of the last Gross Sales reported to Co/LAB Franchising, and the parties will true-up the actual fees after Franchisee reports Gross Sales. Franchisee acknowledges that Co/LAB Franchising has the right to remotely access Franchisee's point-of-sale system to calculate Gross Sales.

(c) Late Fees and Interest. If Franchisee does not make a payment on time, Franchisee shall pay a $100 "late fee" plus interest on the unpaid amount at a rate equal to 18% per year (or, if such payment exceeds the maximum allowed by law, then interest at the highest rate allowed by law).

(d) Insufficient Funds. Co/LAB Franchising may charge $30 for any payment returned for insufficient funds (or, if such amount exceeds the maximum allowed by law, then the fee allowed by law).

(e) Costs of Collection. Franchisee shall repay any costs incurred by Co/LAB Franchising (including reasonable attorney fees) in attempting to collect payments owed by Franchisee.

(f) Application. Co/LAB Franchising may apply any payment received from Franchisee to any obligation and in any order as Co/LAB Franchising may determine, regardless of any designation by Franchisee.

(g) Obligations Independent; No Set-Off. The obligations of Franchisee to pay to Co/LAB Franchising any fees or amounts described in this Agreement are not dependent on Co/LAB Franchising's performance and are independent covenants by Franchisee. Franchisee shall make all such payments without offset or deduction.

ARTICLE 5. ASSISTANCE

5.1 Manual. Co/LAB Franchising shall make its Manual available to Franchisee.

5.2 Assistance in Hiring Employees. Co/LAB Franchising shall provide its suggested staffing levels to Franchisee. Co/LAB Franchising shall provide suggested guidelines for hiring employees. All hiring decisions and conditions of employment are Franchisee's sole responsibility.

5.3 Assistance in Training Employees. Co/LAB Franchising shall, to the extent it deems appropriate, provide programs for Franchisee to conduct training of new employees.

5.4 Pre-Opening Assistance.

(a) Selecting Location. Co/LAB Franchising shall provide its criteria for Co/LAB locations to Franchisee. Co/LAB Franchising will review and advise Franchisee regarding potential locations submitted by Franchisee.

(b) Pre-Opening Plans, Specifications, and Vendors. Within a reasonable period of time after the Effective Date, Co/LAB Franchising shall provide Franchisee with (i) Co/LAB Franchising's sample set of standard building plans and specifications and/or standard recommended floor plans; (ii) the applicable System Standards, (iii) other specifications as Co/LAB Franchising deems appropriate (which may include specifications regarding inventory, supplies, materials, and other matters), and (iv) Co/LAB Franchising's lists of Approved Vendors and/or Required Vendors.

(c) Pre-Opening Training. Co/LAB Franchising shall make available its standard pre-opening training to the Principal Executive and up to one other team member, at Co/LAB Franchising's headquarters and/or at a Co/LAB business designated by Co/LAB Franchising. Co/LAB Franchising shall not charge any fee for this training. Franchisee is responsible for its own travel, lodging, meal, and other out-of-pocket expenses. Co/LAB Franchising reserves the

right to vary the length and content of the initial training program based on the experience and skill level of any individual attending the program.

(d) Market Introduction Plan. Co/LAB Franchising shall advise Franchisee regarding the planning and execution of Franchisee's market introduction plan.

(e) On-Site Opening Assistance. Co/LAB Franchising shall have a representative support Franchisee's business opening with one week of onsite opening training and assistance.

5.5 Post-Opening Assistance.

(a) Advice, Consulting, and Support. If Franchisee requests, Co/LAB Franchising will provide advice to Franchisee (by telephone or electronic communication) regarding improving and developing Franchisee's business, and resolving operating problems Franchisee encounters, to the extent Co/LAB Franchising deems reasonable. If Co/LAB Franchising provides in-person support in response to Franchisee's request, Co/LAB Franchising may charge its then-current fee plus any out-of-pocket expenses (such as travel, lodging, and meals for employees providing onsite support).

(b) Pricing. Upon request, Co/LAB Franchising will provide recommended prices for products and services offered by franchisees of the System. Franchisee retains discretion to determine the prices it charges for products and services. Franchisor will advise about pricing upon request, and Franchisor may strongly encourage certain pricing.

(c) Procedures. Co/LAB Franchising will provide Franchisee with Co/LAB Franchising's recommended administrative, bookkeeping, accounting, and inventory control procedures. Co/LAB Franchising may make any such procedures part of required (and not merely recommended) System Standards.

(d) Marketing. Co/LAB Franchising shall manage the Marketing Fund.

(e) Internet. Co/LAB Franchising shall maintain a website for Co/LAB, which will include Franchisee's location (or territory) and telephone number.

ARTICLE 6. LOCATION, TRAINING, AND OPENING

6.1 Location. Franchisee will operate the business from their home office at the address stated on the Summary Page.

6.2 New Franchisee Training. Franchisee's Principal Executive must complete Co/LAB Franchising's training program for new franchisees to Co/LAB Franchising's satisfaction at least four weeks before opening the Business.

6.3 Conditions to Opening. Franchisee shall notify Co/LAB Franchising at least 30 days before Franchisee intends to open the Business to the public. Before opening, Franchisee must satisfy all of the following conditions: (1) Franchisee is in compliance with this Agreement, (2) Franchisee has obtained all applicable governmental permits and authorizations, (3) the Business conforms to all applicable System Standards, (4) Co/LAB Franchising has inspected and approved

the Business, (5) Franchisee has hired sufficient employees, (6) Franchisee's officers and employees have completed all of Co/LAB Franchising's required pre-opening training; and (7) Co/LAB Franchising has given its written approval to open, which will not be unreasonably withheld.

6.4 Opening Date. Franchisee shall open the Business to the public on or before the date stated on the Summary Page.

ARTICLE 7. OPERATIONS

7.1 Compliance with Manual and System Standards. Franchisee shall at all times and at its own expense comply with all mandatory obligations contained in the Manual and with all other System Standards.

7.2 Compliance with Law. Franchisee and the Business shall comply with all laws and regulations. Franchisee and the Business shall obtain and keep in force all governmental permits and licenses necessary for the Business.

7.3 Products, Services, and Methods of Sale. Franchisee shall offer all products and services, and only those products and services, from time to time prescribed by Co/LAB Franchising in the Manual or otherwise in writing. Franchisee shall make sales only to retail customers, and only at the Location. Unless otherwise approved or required by Co/LAB Franchising, Franchisee shall not make sales by any other means, including without limitation by wholesale, by delivery, by mail order or over the internet, or at temporary or satellite locations. Franchisee shall provide all products and perform all services in a high-quality manner that meets or exceeds the customer's reasonable expectations and all applicable System Standards.

7.4 Prices. Notwithstanding any provision of this Agreement or the Manual to the contrary, Franchisee retains the sole discretion to determine the prices it charges for products and services.

7.5 Personnel.

(a) Management. The Business must at all times be under the on-site supervision of the Principal Executive or a general manager who has completed Co/LAB Franchising's training program.

(b) Service. Franchisee shall cause its personnel to render competent and courteous service to all customers and members of the public.

(c) Appearance. Franchisee shall cause its personnel to comply with any dress attire, uniform, personal appearance and hygiene standards set forth in the Manual.

(d) Qualifications. Co/LAB Franchising may set minimum qualifications for categories of employees employed by Franchisee.

(e) Sole Responsibility. Franchisee is solely responsible for the terms and conditions of employment of all of its personnel, including recruiting, hiring, training, scheduling, supervising, compensation, and termination. Franchisee is solely responsible for all actions of its

personnel. Franchisee and Co/LAB Franchising are not joint employers, and no employee of Franchisee will be an agent or employee of Co/LAB Franchising. Within seven days of Co/LAB Franchising's request, Franchisee and each of its employees will sign an acknowledgment form stating that Franchisee alone (and not Co/LAB Franchising) is the employee's sole employer. Franchisee will use its legal name on all documents with its employees and independent contractors, including, but not limited to, employment applications, time cards, pay checks, and employment and independent contractor agreements, and Franchisee will not use the Marks on any of these documents.

7.6 Post-Opening Training. Co/LAB Franchising may at any time require that the Principal Executive and/or any other employees complete training programs, in any format and in any location determined by Co/LAB Franchising. Co/LAB Franchising may charge a reasonable fee for any training programs. Co/LAB Franchising may require Franchisee to provide training programs to its employees. If a training program is held at a location which requires travel by the Principal Executive or any other employee, then Franchisee shall pay all travel, living and other expenses.

7.7 Software. Without limiting the generality of Section 7.1 or Section 8.1, Franchisee shall acquire and use all software and related systems required by Co/LAB Franchising. Franchisee shall enter into any subscription and support agreements that Co/LAB Franchising may require. Franchisee shall upgrade, update, or replace any software from time to time as Co/LAB Franchising may require. Franchisee shall protect the confidentiality and security of all software systems, and Franchisee shall abide by any System Standards related thereto. Franchisee shall give Co/LAB Franchising unlimited access to Franchisee's point of sale system and other software systems used in the Business, by any means designated by Co/LAB Franchising.

7.8 Customer Complaints. Franchisee shall use its best efforts to promptly resolve any customer complaints. Co/LAB Franchising may take any action it deems appropriate to resolve a customer complaint regarding the Business, and Co/LAB Franchising may require Franchisee to reimburse Co/LAB Franchising for any expenses.

7.9 Evaluation and Compliance Programs. Franchisee shall participate at its own expense in programs required from time to time by Co/LAB Franchising for obtaining customer evaluations, reviewing Franchisee's compliance with the System, and/or managing customer complaints, which may include (but are not limited to) a customer feedback system, customer survey programs, and mystery shopping. Co/LAB Franchising shall share with Franchisee the results of these programs, as they pertain to the Business. Franchisee must meet or exceed any minimum score requirements set by Co/LAB Franchising for such programs. Co/LAB Franchising may set minimum scores that Franchisee must receive from the public on internet review sites (such as Yelp or Google).

7.10 Payment Systems. Franchisee shall accept payment from customers in any form or manner designated by Co/LAB Franchising (which may include, for example, cash, specific credit and/or debit cards, gift cards, electronic fund transfer systems, and mobile payment systems). Franchisee shall purchase or lease all equipment and enter into all business relationships necessary to accept payments as required by Co/LAB Franchising. Franchisee must at all times comply with payment card industry data security standards (PCI-DSS).

7.11 Gift Cards, Loyalty Programs, and Incentive Programs. At its own expense, Franchisee shall sell or otherwise issue gift cards, certificates, or other pre-paid systems, and participate in any customer loyalty programs, membership/subscription programs, or customer incentive programs, designated by Co/LAB Franchising, in the manner specified by Co/LAB Franchising in the Manual or otherwise in writing. Franchisee shall honor all valid gift cards and other pre-paid systems, regardless of whether issued by Franchisee or another Co/LAB business. Franchisee shall comply with all procedures and specifications of Co/LAB Franchising related to gift cards, certificates, and other pre-paid systems, or related to customer loyalty, membership/subscription, or customer incentive programs.

7.12 Maintenance and Repair. Franchisee shall at all times keep the Business in a neat and clean condition, perform all appropriate maintenance, and keep all physical property in good repair. In addition, Franchisee shall promptly perform all work on the physical property of the Business as Co/LAB Franchising may prescribe from time to time, including but not limited to periodic interior and exterior painting; resurfacing of the parking lot; roof repairs; and replacement of obsolete or worn out signage, floor coverings, furnishings, equipment and décor. Franchisee acknowledges that the System Standards may include requirements for cleaning, maintenance, and repair.

7.13 Remodeling. In addition to Franchisee's obligations to comply with all System Standards in effect from time to time, Co/LAB Franchising may require Franchisee to undertake and complete a Remodel of the Location to Co/LAB Franchising's satisfaction. Franchisee must complete the Remodel in the time frame specified by Co/LAB Franchising. Co/LAB Franchising may require the Franchisee to submit plans for Co/LAB Franchising's reasonable approval prior to commencing a required Remodel. Co/LAB Franchising's right to require a Remodel is limited as follows: (i) the Remodel will not be required in the first two or last two years of the term (except that a Remodel may be required as a condition to renewal of the term or a Transfer), and (ii) a Remodel will not be required more than once every five years from the date on which Franchisee was required to complete the prior Remodel.

7.14 Meetings. The Principal Executive shall use reasonable efforts to attend all in-person meetings and remote meetings (such as telephone conference calls) that Co/LAB Franchising requires, including any national or regional brand conventions. Franchisee shall not permit the Principal Executive to fail to attend more than three consecutive required meetings.

7.15 Insurance.

(a) Franchisee shall obtain and maintain insurance policies in the types and amounts as specified by Co/LAB Franchising in the Manual. If not specified in the Manual, Franchisee shall maintain at least the following insurance coverage:

(i) Fidelity Bond Coverage as required by state,

(ii)Workers Compensation coverage as required by state law,

(iii) Commercial General Liability insurance, including products liability coverage, and broad form commercial liability coverage,

(iv) Cyber Security,

(v) Business Automobile Liability insurance including owned, leased, non-owned and hired automobiles coverage in an amount of not less than $1,000,000,

(vi) Mortgage Broker's Errors and Omissions insurance up to $1,000,000.

(b) Franchisee's policies (other than Workers Compensation) must (1) list Co/LAB Franchising and its affiliates as an additional insured, (2) include a waiver of subrogation in favor of Co/LAB Franchising and its affiliates, (3) be primary and non-contributing with any insurance carried by Co/LAB Franchising or its affiliates, and (4) stipulate that Co/LAB Franchising shall receive 30 days' prior written notice of cancellation.

(c) Franchisee shall provide Certificates of Insurance evidencing the required coverage to Co/LAB Franchising prior to opening and upon annual renewal of the insurance coverage, as well as at any time upon request of Co/LAB Franchising.

7.16 Payments to Third Parties. Franchisee shall pay all vendors and suppliers in a timely manner. Franchisee shall pay all taxes when due. If Franchisee borrows money, it shall comply with the terms of its loan and make all loan payments when due. If Franchisee leases the Location, Franchisee shall comply with its lease for the Location and make all rent payments when due.

7.17 Public Relations. Franchisee shall not make any public statements (including giving interviews or issuing press releases) regarding Co/LAB, the Business, or any particular incident or occurrence related to the Business, without Co/LAB Franchising's prior written approval, which will not be unreasonably withheld.

7.18 Association with Causes. Franchisee shall not in the name of the Business (i) donate money, products, or services to any charitable, political, religious, or other organization, or (ii) act in support of any such organization, without Co/LAB Franchising's prior written approval, which will not be unreasonably withheld.

7.19 No Other Activity Associated with the Business. Franchisee shall not engage in any business or other activity at the Location other than operation of the Co/LAB Business. Franchisee shall not use assets of the Business for any purpose other than the Business. If Franchisee is an entity, the entity shall not own or operate any other business except Co/LAB businesses.

7.20 No Third-Party Management. Franchisee shall not engage a third-party management company to manage or operate the Business without the prior written approval of Co/LAB Franchising, which will not be unreasonably withheld.

7.21 Identification. Franchisee must identify itself as the independent owner of the Business in the manner prescribed by Co/LAB Franchising. Franchisee must display at the Business signage prescribed by Co/LAB Franchising identifying the Location as an independently owned franchise.

7.22 Business Practices. Franchisee, in all interactions with customers, employees, vendors, governmental authorities, and other third parties, shall be honest and fair. Franchisee shall comply

with any code of ethics or statement of values from Co/LAB Franchising. Franchisee shall not take any action which may injure the goodwill associated with the Marks.

ARTICLE 8. SUPPLIERS AND VENDORS

8.1 Generally. Franchisee shall acquire all Inputs required by Co/LAB Franchising from time to time in accordance with System Standards. Co/LAB Franchising may require Franchisee to purchase or lease any Inputs from Co/LAB Franchising, Co/LAB Franchising's designee, Required Vendors, Approved Vendors, and/or under Co/LAB Franchising's specifications. Co/LAB Franchising may change any such requirement or change the status of any vendor. To make such requirement or change effective, Co/LAB Franchising shall issue the appropriate System Standards.

8.2 Alternate Vendor Approval. If Co/LAB Franchising requires Franchisee to purchase a particular Input only from an Approved Vendor or Required Vendor, and Franchisee desires to purchase the Input from another vendor, then Franchisee must submit a written request for approval and any information, specifications and/or samples requested by Co/LAB Franchising. Co/LAB Franchising may condition its approval on such criteria as Co/LAB Franchising deems appropriate, which may include evaluations of the vendor's capacity, quality, financial stability, reputation, and reliability; inspections; product testing, and performance reviews. Co/LAB Franchising will provide Franchisee with written notification of the approval or disapproval of any proposed new vendor within 30 days after receipt of Franchisee's request.

8.3 Alternate Input Approval. If Co/LAB Franchising requires Franchisee to purchase a particular Input, and Franchisee desires to purchase an alternate to the Input, then Franchisee must submit a written request for approval and any information, specifications and/or samples requested by Co/LAB Franchising. Co/LAB Franchising will provide Franchisee with written notification of the approval or disapproval of any proposed alternate Input within 30 days after receipt of Franchisee's request.

8.4 Purchasing. Co/LAB Franchising may negotiate prices and terms with vendors on behalf of the System. Co/LAB Franchising may receive rebates, payments or other consideration from vendors in connection with purchases by franchisees. Co/LAB Franchising has the right (but not the obligation) to collect payments from Franchisee on behalf of a vendor and remit the payments to the vendor and to impose a reasonable markup or charge for administering the payment program. Co/LAB Franchising may implement a centralized purchasing system. Co/LAB Franchising may establish a purchasing cooperative and require Franchisee to join and participate in the purchasing cooperative on such terms and conditions as Co/LAB Franchising may determine.

8.5 No Liability of Franchisor. Co/LAB Franchising shall not have any liability to Franchisee for any claim or loss related to any product provided or service performed by any Approved Vendor or Required Vendor, including without limitation defects, delays, or unavailability of products or services.

8.6 Product Recalls. If Co/LAB Franchising or any vendor, supplier, or manufacturer of an item used or sold in Franchisee's Business issues a recall of such item or otherwise notifies Franchisee that such item is defective or dangerous, Franchisee shall immediately cease using or

selling such item, and Franchisee shall at its own expense comply with all instructions from Co/LAB Franchising or the vendor, supplier, or manufacturer of such item with respect to such item, including without limitation the recall, repair, and/or replacement of such item.

ARTICLE 9. MARKETING

9.1 Approval and Implementation. Franchisee shall not conduct any marketing, advertising, or public relations activities (including in-store marketing materials, websites, online advertising, social media marketing or presence, and sponsorships) that have not been approved by Co/LAB Franchising. Co/LAB Franchising may (but is not obligated to) operate all "social media" accounts on behalf of the System, or it may permit franchisees to operate one or more accounts. Franchisee must comply with any System Standards regarding marketing, advertising, and public relations, include any social media policy that Co/LAB Franchising may prescribe. Franchisee shall implement any marketing plans or campaigns determined by Co/LAB Franchising.

9.2 Use by Co/LAB Franchising. Co/LAB Franchising may use any marketing materials or campaigns developed by or on behalf of Franchisee, and Franchisee hereby grants an unlimited, perpetual, royalty-free license to Co/LAB Franchising for such purpose.

9.3 Marketing Fund. Co/LAB Franchising may establish a Marketing Fund to promote the System on a local, regional, national, and/or international level. If Co/LAB Franchising has established a Marketing Fund:

(a) Separate Account. Co/LAB Franchising shall hold the Marketing Fund Contributions from all franchisees in one or more bank accounts separate from Co/LAB Franchising's other accounts.

(b) Use. Co/LAB Franchising shall use the Marketing Fund only for marketing, advertising, and public relations materials, programs and campaigns (including at local, regional, national, and/or international level), and related overhead. The foregoing includes such activities and expenses as Co/LAB Franchising reasonably determines, and may include, without limitation: development and placement of advertising and promotions; sponsorships; contests and sweepstakes; development of décor, trade dress, Marks, and/or branding; development and maintenance of brand websites; social media; internet activities; e-commerce programs; search engine optimization; market research; public relations, media or agency costs; trade shows and other events; printing and mailing; and administrative and overhead expenses related to the Marketing Fund (including the compensation of Co/LAB Franchising's employees working on marketing and for accounting, bookkeeping, reporting, legal and other expenses related to the Marketing Fund).

(c) Discretion. Franchisee agrees that expenditures from the Marketing Fund need not be proportionate to contributions made by Franchisee or provide any direct or indirect benefit to Franchisee. The Marketing Fund will be spent at Co/LAB Franchising's sole discretion, and Co/LAB Franchising has no fiduciary duty with regard to the Marketing Fund.

(d) Contribution by Other Outlets. Co/LAB Franchising is not obligated to (i) have all other Co/LAB businesses (whether owned by other franchisees or by Co/LAB Franchising or its

affiliates) contribute to the Marketing Fund, or (ii) have other Co/LAB businesses that do contribute to the Marketing Fund contribute the same amount or at the same rate as Franchisee.

(e) Surplus or Deficit. Co/LAB Franchising may accumulate funds in the Marketing Fund and carry the balance over to subsequent years. If the Marketing Fund operates at a deficit or requires additional funds at any time, Co/LAB Franchising may loan such funds to the Marketing Fund on reasonable terms.

(f) Financial Statement. Co/LAB Franchising will prepare an unaudited annual financial statement of the Marketing Fund within 120 days of the close of Co/LAB Franchising's fiscal year and will provide the financial statement to Franchisee upon request.

9.4 Market Cooperatives. Co/LAB Franchising may establish market advertising and promotional cooperative funds ("Market Cooperative") in any geographical areas. If a Market Cooperative for the geographic area encompassing the Location has been established at the time Franchisee commences operations hereunder, Franchisee shall immediately become a member of such Market Cooperative. If a Market Cooperative for the geographic area encompassing the Location is established during the term of this Agreement, Franchisee shall become a member of such Market Cooperative within 30 days. Co/LAB Franchising shall not require Franchisee to be a member of more than one Market Cooperative. If Co/LAB Franchising establishes a Market Cooperative:

(a) Governance. Each Market Cooperative will be organized and governed in a form and manner, and shall commence operations on a date, determined by Co/LAB Franchising. Co/LAB Franchising may require the Market Cooperative to adopt bylaws or regulations prepared by Co/LAB Franchising. Unless otherwise specified by Co/LAB Franchising, the activities carried on by each Market Cooperative shall be decided by a majority vote of its members. Co/LAB Franchising will be entitled to attend and participate in any meeting of a Market Cooperative. Any Co/LAB business owned by Co/LAB Franchising in the Market Cooperative shall have the same voting rights as those owned by its franchisees. Each Business owner will be entitled to cast one vote for each Business owned, provided, however, that a franchisee shall not be entitled to vote if it is in default under its franchise agreement. If the members of a Market Cooperative are unable or fail to determine the manner in which Market Cooperative monies will be spent, Co/LAB Franchising may assume this decision-making authority after 10 days' notice to the members of the Market Cooperative.

(b) Purpose. Each Market Cooperative shall be devoted exclusively to administering regional advertising and marketing programs and developing (subject to Co/LAB Franchising's approval) standardized promotional materials for use by the members in local advertising and promotion.

(c) Approval. No advertising or promotional plans or materials may be used by a Market Cooperative or furnished to its members without the prior approval of Co/LAB Franchising pursuant to Section 9.1. Co/LAB Franchising may designate the national or regional advertising agencies used by the Market Cooperative.

(d) Funding. The majority vote of the Market Cooperative will determine the dues to be paid by members of the Market Cooperative, including Franchisee, but not less than 1% and not more than 2% of Gross Sales.

(e) Enforcement. Only Co/LAB Franchising will have the right to enforce the obligations of franchisees who are members of a Market Cooperative to contribute to the Market Cooperative.

(f) Termination. Co/LAB Franchising may terminate any Market Cooperative. Any funds left in a Market Cooperative upon termination will be transferred to the Marketing Fund.

9.5 Market Introduction Plan. Franchisee must develop a market introduction plan and obtain Co/LAB Franchising's approval of the market introduction plan at least 30 days before the projected opening date of the Business.

ARTICLE 10. RECORDS AND REPORTS

10.1 Systems. Franchisee shall use such customer data management, sales data management, administrative, bookkeeping, accounting, and inventory control procedures and systems as Co/LAB Franchising may specify in the Manual or otherwise in writing.

10.2 Reports.

(a) Financial Reports. Franchisee shall provide such periodic financial reports as Co/LAB Franchising may require in the Manual or otherwise in writing, including:

(i) a monthly profit and loss statement and balance sheet for the Business within 30 days after the end of each calendar month;

(ii) an annual financial statement (including profit and loss statement, cash flow statement, and balance sheet) for the Business within 90 days after the end of Co/LAB Franchising's fiscal year; and

(iii) any information Co/LAB Franchising requests in order to prepare a financial performance representation for Co/LAB Franchising's franchise disclosure document.

(b) Legal Actions and Investigations. Franchisee shall promptly notify Co/LAB Franchising of any Action or threatened Action by any customer, governmental authority, or other third party against Franchisee or the Business, or otherwise involving the Franchisee or the Business. Franchisee shall provide such documents and information related to any such Action as Co/LAB Franchising may request.

(c) Government Inspections. Franchisee shall give Co/LAB Franchising copies of all inspection reports, warnings, certificates, and ratings issued by any governmental entity with respect to the Business, within three days of Franchisee's receipt thereof.

(d) Other Information. Franchisee shall submit to Co/LAB Franchising such other financial statements, budgets, forecasts, reports, records, copies of contracts, documents related to litigation, tax returns, copies of governmental permits, and other documents and information related to the Business as specified in the Manual or that Co/LAB Franchising may reasonably request.

10.3 Initial Investment Report. Within 120 days after opening for business, Franchisee shall submit to Co/LAB Franchising a report detailing Franchisee's investment costs to develop and open the Business, with costs allocated to the categories described in Item 7 of Co/LAB Franchising's Franchise Disclosure Document and with such other information as Co/LAB Franchising may request.

10.4 Business Records. Franchisee shall keep complete and accurate books and records reflecting all expenditures and receipts of the Business, with supporting documents (including, but not limited to, payroll records, payroll tax returns, register receipts, production reports, sales invoices, bank statements, deposit receipts, cancelled checks and paid invoices) for at least three years. Franchisee shall keep such other business records as Co/LAB Franchising may specify in the Manual or otherwise in writing.

10.5 Records Audit. Co/LAB Franchising may examine and audit all books and records related to the Business, and supporting documentation, at any reasonable time. Co/LAB Franchising may conduct the audit at the Location and/or require Franchisee to deliver copies of books, records and supporting documentation to a location designated by Co/LAB Franchising. Franchisee shall also reimburse Co/LAB Franchising for all costs and expenses of the examination or audit if (i) Co/LAB Franchising conducted the audit because Franchisee failed to submit required reports or was otherwise not in compliance with the System, or (ii) the audit reveals that Franchisee understated Gross Sales by 3% or more for any 4-week period.

ARTICLE 11. FRANCHISOR RIGHTS

11.1 Manual; Modification. The Manual, and any part of the Manual, may be in any form or media determined by Co/LAB Franchising. Co/LAB Franchising may supplement, revise, or modify the Manual, and Co/LAB Franchising may change, add or delete System Standards at any time in its discretion. Co/LAB Franchising may inform Franchisee thereof by any method that Co/LAB Franchising deems appropriate (which need not qualify as "notice" under Section 18.9). In the event of any dispute as to the contents of the Manual, Co/LAB Franchising's master copy will control.

11.2 Inspections. Co/LAB Franchising may enter the premises of the Business from time to time during normal business hours and conduct an inspection. Franchisee shall cooperate with Co/LAB Franchising's inspectors. The inspection may include, but is not limited to, observing operations, conducting a physical inventory, evaluating physical conditions, monitoring sales activity, speaking with employees and customers, and removing samples of products, supplies and materials. Co/LAB Franchising may videotape and/or take photographs of the inspection and the Business. Co/LAB Franchising may set a minimum score requirement for inspections, and Franchisee's failure to meet or exceed the minimum score will be a default under this Agreement. Without limiting Co/LAB Franchising's other rights under this Agreement, Franchisee will, as

soon as reasonably practical, correct any deficiencies noted during an inspection. If Co/LAB Franchising conducts an inspection because of a governmental report, customer complaint or other customer feedback, or a default or non-compliance with any System Standard by Franchisee (including following up a previous failed inspection), then Co/LAB Franchising may charge all out-of-pocket expenses plus its then-current inspection fee to Franchisee.

11.3 Co/LAB Franchising's Right to Cure. If Franchisee breaches or defaults under any provision of this Agreement, Co/LAB Franchising may (but has no obligation to) take any action to cure the default on behalf of Franchisee, without any liability to Franchisee. Franchisee shall reimburse Co/LAB Franchising for its costs and expenses (including the allocation of any internal costs) for such action, plus 10% as an administrative fee.

11.4 Right to Discontinue Supplies Upon Default. While Franchisee is in default or breach of this Agreement, Co/LAB Franchising may (i) require that Franchisee pay cash on delivery for products or services supplied by Co/LAB Franchising, (ii) stop selling or providing any products and services to Franchisee, and/or (iii) request any third-party vendors to not sell or provide products or services to Franchisee. No such action by Co/LAB Franchising shall be a breach or constructive termination of this Agreement, change in competitive circumstances or similarly characterized, and Franchisee shall not be relieved of any obligations under this Agreement because of any such action. Such rights of Co/LAB Franchising are in addition to any other right or remedy available to Co/LAB Franchising.

11.5 Business Data. All customer data and other non-public data generated by the Business is Confidential Information and is exclusively owned by Co/LAB Franchising. Co/LAB Franchising hereby licenses such data back to Franchisee without charge solely for Franchisee's use in connection with the Business for the term of this Agreement.

11.6 Innovations. Franchisee shall disclose to Co/LAB Franchising all ideas, plans, improvements, concepts, methods and techniques relating to the Business (collectively, "Innovations") conceived or developed by Franchisee, its employees, agents or contractors. Co/LAB Franchising will automatically own all Innovations, and it will have the right to use and incorporate any Innovations into the System, without any compensation to Franchisee. Franchisee shall execute any documents reasonably requested by Co/LAB Franchising to document Co/LAB Franchising's ownership of Innovations.

11.7 Communication Systems. If Co/LAB Franchising provides email accounts and/or other communication systems to Franchisee, then Franchisee acknowledges that it has no expectation of privacy in the assigned email accounts and other communications systems, and Franchisee authorizes Co/LAB Franchising to access such communications.

11.8 Delegation. Co/LAB Franchising may delegate any duty or obligation of Co/LAB Franchising under this Agreement to an affiliate or to a third party.

11.9 System Variations. Co/LAB Franchising may vary or waive any System Standard for any one or more Co/LAB franchises due to the peculiarities of the particular site or circumstances, density of population, business potential, population of trade area, existing business practices,

applicable laws or regulations, or any other condition relevant to the performance of a franchise or group of franchises. Franchisee is not entitled to the same variation or waiver.

11.10 Temporary Public Safety Closure. If Co/LAB Franchising discovers or becomes aware of any aspect of the Business which, in Co/LAB Franchising's opinion, constitutes an imminent danger to the health or safety of any person, then immediately upon Co/LAB Franchising's order, Franchisee must temporarily cease operations of the Business and remedy the dangerous condition. Co/LAB Franchising shall have no liability to Franchisee or any other person for action or failure to act with respect to a dangerous condition.

ARTICLE 12. MARKS

12.1 Authorized Marks. Franchisee shall use no trademarks, service marks or logos in connection with the Business other than the Marks. Franchisee shall use all Marks specified by Co/LAB Franchising, and only in the manner as Co/LAB Franchising may require. Franchisee has no rights in the Marks other than the right to use them in the operation of the Business in compliance with this Agreement. All use of the Marks by Franchisee and any goodwill associated with the Marks, including any goodwill arising due to Franchisee's operation of the Business, will inure to the exclusive benefit of Co/LAB Franchising.

12.2 Change of Marks. Co/LAB Franchising may add, modify, or discontinue any Marks to be used under the System. Within a reasonable time after Co/LAB Franchising makes any such change, Franchisee must comply with the change, at Franchisee's expense.

12.3 Infringement.

(a) Defense of Franchisee. If Franchisee has used the Marks in accordance with this Agreement, then (i) Co/LAB Franchising shall defend Franchisee (at Co/LAB Franchising's expense) against any Action by a third-party alleging infringement by Franchisee's use of a Mark, and (ii) Co/LAB Franchising will indemnify Franchisee for expenses and damages if the Action is resolved unfavorably to Franchisee.

(b) Infringement by Third Party. Franchisee shall promptly notify Co/LAB Franchising if Franchisee becomes aware of any possible infringement of a Mark by a third party. Co/LAB Franchising may, in its sole discretion, commence or join any claim against the infringing party.

(c) Control. Co/LAB Franchising shall have the exclusive right to control any prosecution or defense of any Action related to possible infringement of or by the Marks.

12.4 Name. If Franchisee is an entity, it shall not use the words "Co/LAB" or any confusingly similar words in its legal name.

ARTICLE 13. COVENANTS

13.1 Confidential Information. With respect to all Confidential Information, Franchisee shall (a) adhere to all procedures prescribed by Co/LAB Franchising for maintaining confidentiality, (b) disclose such information to its employees only to the extent necessary for the operation of the Business; (c) not use any such information in any other business or in any manner not specifically

authorized in writing by Co/LAB Franchising, (d) exercise the highest degree of diligence and effort to maintain the confidentiality of all such information during and after the term of this Agreement, (e) not copy or otherwise reproduce any Confidential Information, and (f) promptly report any unauthorized disclosure or use of Confidential Information. Franchisee acknowledges that all Confidential Information is owned by Co/LAB Franchising (except for Confidential Information which Co/LAB Franchising licenses from another person or entity). This Section will survive the termination or expiration of this Agreement indefinitely.

13.2 Covenants Not to Compete.

(a) Restriction – In Term. During the term of this Agreement, neither Franchisee, any Owner, nor any spouse of an Owner (the "Restricted Parties") shall directly or indirectly have any ownership interest in, lend money or provide financial assistance to, provide any services to, or be employed by, any Competitor.

(b) No Restriction – Post Term. After this Agreement expires or is terminated for any reason (including the Buyout Option), the Restricted Parties may directly or indirectly have any ownership interest in, lend money or provide financial assistance to, provide any services to, or be employed by, any Competitor.

(c) Interpretation. The parties agree that each of the foregoing covenants is independent of any other covenant or provision of this Agreement. If all or any portion of the covenants in this Section is held to be unenforceable or unreasonable by any arbitrator or court, then the parties intend that the arbitrator or court modify such restriction to the extent reasonably necessary to protect the legitimate business interests of Co/LAB Franchising. Franchisee agrees that the existence of any claim it may have against Co/LAB Franchising shall not constitute a defense to the enforcement by Co/LAB Franchising of the covenants of this Section. If a Restricted Party fails to comply with the obligations under this Section during the restrictive period, then the restrictive period will be extended an additional day for each day of noncompliance.

13.3 General Manager and Key Employees. If requested by Co/LAB Franchising, Franchisee will cause its general manager and other key employees to sign Co/LAB Franchising's then-current form of confidentiality and non-compete agreement (unless prohibited by applicable law).

ARTICLE 14. DEFAULT AND TERMINATION

14.1 Termination by Franchisee. Franchisee may terminate this Agreement any time beginning 3 years after this Agreement is signed by paying the Buyout Fee ("Buyout Option"). The Buyout Fee is equal to the average royalty fee payment over the previous 12 months, times the number of months remaining in the Term. ((Avg Royalty from past 12 mo.) X (# of months remaining in contract)).

Otherwise, Franchisee may terminate this Agreement only if Co/LAB Franchising violates a material provision of this Agreement and fails to cure or to make substantial progress toward curing the violation within 30 days after receiving written notice from Franchisee detailing the alleged default. Termination by Franchisee is effective 10 days after Co/LAB Franchising receives written notice of termination.

14.2 Termination by Co/LAB Franchising.

(a) Subject to 10-Day Cure Period. Co/LAB Franchising may terminate this Agreement if Franchisee does not make any payment to Co/LAB Franchising when due, or if Franchisee does not have sufficient funds in its account when Co/LAB Franchising attempts an electronic funds withdrawal, and Franchisee fails to cure such non-payment within 10 days after Co/LAB Franchising gives notice to Franchisee of such breach.

(b) Subject to 30-Day Cure Period. If Franchisee breaches this Agreement in any manner not described in subsection (a) or (c), and Franchisee fails to cure such breach to Co/LAB Franchising's satisfaction within 30 days after Co/LAB Franchising gives notice to Franchisee of such breach, then Co/LAB Franchising may terminate this Agreement.

(c) Without Cure Period. Co/LAB Franchising may terminate this Agreement by giving notice to Franchisee, without opportunity to cure, if any of the following occur:

(i) Franchisee misrepresented or omitted material facts when applying to be a franchisee, or breaches any representation in this Agreement;

(ii) Franchisee knowingly submits any false report or knowingly provides any other false information to Co/LAB Franchising;

(iii) a receiver or trustee for the Business or all or substantially all of Franchisee's property is appointed by any court, or Franchisee makes a general assignment for the benefit of Franchisee's creditors, or Franchisee is unable to pay its debts as they become due, or a levy or execution is made against the Business, or an attachment or lien remains on the Business for 30 days unless the attachment or lien is being duly contested in good faith by Franchisee, or a petition in bankruptcy is filed by Franchisee, or such a petition is filed against or consented to by Franchisee and the petition is not dismissed within 45 days, or Franchisee is adjudicated as bankrupt;

(iv) Franchisee fails to open for business by the date specified on the Summary Page;

(v) Franchisee loses possession of the Location;

(vi) Franchisee or any Owner commits a material violation of Section 7.2 (compliance with laws) or Section 13.1 (confidentiality), violates Section 13.2 (non-compete) or Article 15 (transfer), or commits any other violation of this Agreement which by its nature cannot be cured;

(vii) Franchisee abandons or ceases operation of the Business for more than five consecutive days;

(viii) Franchisee or any Owner slanders or libels Co/LAB Franchising or any of its employees, directors, or officers;

(ix) Franchisee refuses to cooperate with or permit any audit or inspection by Co/LAB Franchising or its agents or contractors, or otherwise fails to comply with Section 10.5 or Section 11.2;

(x) the Business is operated in a manner which, in Co/LAB Franchising's reasonable judgment, constitutes a significant danger to the health or safety of any person, and Franchisee fails to cure such danger within 48 hours after becoming aware of the danger (due to notice from Co/LAB Franchising or otherwise);

(xi) Franchisee has received two or more notices of default and Franchisee commits another breach of this Agreement, all in the same 12-month period;

(xii) Co/LAB Franchising (or any affiliate) terminates any other agreement with Franchisee (or any affiliate) due to the breach of such other agreement by Franchisee (or its affiliate).

(xiii) Franchisee or any Owner is charged with, pleads guilty or no-contest to, or is convicted of a felony; or

(xiv) Franchisee or any Owner is accused by any governmental authority or third party of any act, or if Franchisee or any Owner commits any act or series of acts, that in Co/LAB Franchising's opinion is reasonably likely to materially and unfavorably affect the Co/LAB brand.

14.3 Effect of Termination. Upon termination or expiration of this Agreement, all obligations that by their terms or by reasonable implication survive termination, including those pertaining to non-competition, confidentiality, indemnity, and dispute resolution, will remain in effect, and Franchisee must immediately:

(i) pay all amounts owed to Co/LAB Franchising based on the operation of the Business through the effective date of termination or expiration;

(ii) return to Co/LAB Franchising all copies of the Manual, Confidential Information and any and all other materials provided by Co/LAB Franchising to Franchisee or created by a third party for Franchisee relating to the operation of the Business, and all items containing any Marks, copyrights, and other proprietary items; and delete all Confidential Information and proprietary materials from electronic devices;

(iii) notify the telephone, internet, email, electronic network, directory, and listing entities of the termination or expiration of Franchisee's right to use any numbers, addresses, domain names, locators, directories and listings associated with any of the Marks, and authorize their transfer to Co/LAB Franchising or any new franchisee as may be directed by Co/LAB Franchising, and Franchisee hereby irrevocably appoints Co/LAB Franchising, with full power of substitution, as its true and lawful attorney-in-fact, which appointment is coupled with an interest; to execute such directions and authorizations as may be necessary or appropriate to accomplish the foregoing; and

(iv) cease doing business under any of the Marks.

14.4 Remove Identification. Within 30 days after termination or expiration, Franchisee shall at its own expense "de-identify" the Location so that it no longer contains the Marks, signage, or any trade dress of a Co/LAB business, to the reasonable satisfaction of Co/LAB Franchising. Franchisee shall comply with any reasonable instructions and procedures of Co/LAB Franchising for de-identification. If Franchisee fails to do so within 30 days after this Agreement expires or is terminated, Co/LAB Franchising may enter the Location to remove the Marks and de-identify the Location. In this event, Co/LAB Franchising will not be charged with trespass nor be accountable or required to pay for any assets removed or altered, or for any damage caused by Co/LAB Franchising.

14.5 Liquidated Damages. If Co/LAB Franchising terminates this Agreement based upon Franchisee's default (or if Franchisee purports to terminate this Agreement except as permitted under Section 14.1), then within 10 days thereafter Franchisee shall pay to Co/LAB Franchising a lump sum (as liquidated damages and not as a penalty) calculated as follows: (x) the average Royalty Fees and Marketing Fund Contributions that Franchisee owed to Co/LAB Franchising under this Agreement for the 12-month period preceding the date on which Franchisee ceased operating the Business; multiplied by (y) the lesser of (1) 24 or (2) the number of months remaining in the then-current term of this Agreement. If Franchisee had not operated the Business for at least 12 months, then (x) will equal the average Royalty Fees and Marketing Fund Contributions that Franchisee owed to Co/LAB Franchising during the period that Franchisee operated the Business. The "average Royalty Fees and Marketing Fund Contributions that Franchisee owed to Co/LAB Franchising" shall not be discounted or adjusted due to any deferred or reduced Royalty Fees and Marketing Fund Contributions set forth in an addendum to this Agreement, unless this Section 14.5 is specifically amended in such addendum. Franchisee acknowledges that a precise calculation of the full extent of Co/LAB Franchising's damages under these circumstances is difficult to determine and the method of calculation of such damages as set forth in this Section is reasonable. Franchisee's payment to Co/LAB Franchising under this Section will be in lieu of any direct monetary damages that Co/LAB Franchising may incur as a result of Co/LAB Franchising's loss of Royalty Fees and Marketing Fund Contributions that would have been owed to Co/LAB Franchising after the date of termination; however, such payment shall be in addition to all damages and other amounts arising under Section 14.3 and Section 14.4, Co/LAB Franchising's right to injunctive relief for enforcement of Article 13, and any attorneys' fees and other costs and expenses to which Co/LAB Franchising is entitled under this Agreement. Except as provided in this Section, Franchisee's payment of this lump sum shall be in addition to any other right or remedy that Co/LAB Franchising may have under this Agreement or otherwise.

14.6 Purchase Option. When this Agreement expires or is terminated, Co/LAB Franchising will have the right (but not the obligation) to purchase any or all of the assets related to the Business, and/or to require Franchisee to assign its lease or sublease to Co/LAB Franchising. To exercise this option, Co/LAB Franchising must notify Franchisee no later than 30 days after this Agreement expires or is terminated. The purchase price for all assets that Co/LAB Franchising elects to purchase will be the lower of (i) the book value of such assets as declared on Franchisee's last filed tax returns or (ii) the fair market value of the assets. If the parties cannot agree on fair market value within 30 days after the exercise notice, the fair market value will be determined by an independent appraiser reasonably acceptable to both parties. The parties will equally share the

cost of the appraisal. Co/LAB Franchising's purchase will be of assets only (free and clear of all liens), and the purchase will not include any liabilities of Franchisee. The purchase price for assets will not include any factor or increment for any trademark or other commercial symbol used in the business, the value of any intangible assets, or any goodwill or "going concern" value for the Business. Co/LAB Franchising may withdraw its exercise of the purchase option at any time before it pays for the assets. Franchisee will sign a bill of sale for the purchased assets and any other transfer documents reasonably requested by Co/LAB Franchising. If Co/LAB Franchising exercises the purchase option, Co/LAB Franchising may deduct from the purchase price: (a) all amounts due from Franchisee; (b) Franchisee's portion of the cost of any appraisal conducted hereunder; and (c) amounts paid or to be paid by Co/LAB Franchising to cure defaults under Franchisee's lease and/or amounts owed by Franchisee to third parties. If any of the assets are subject to a lien, Co/LAB Franchising may pay a portion of the purchase price directly to the lienholder to pay off such lien. Co/LAB Franchising may withhold 25% of the purchase price for 90 days to ensure that all of Franchisee's taxes and other liabilities are paid. Co/LAB Franchising may assign this purchase option to another party.

ARTICLE 15. TRANSFERS

15.1 By Co/LAB Franchising. Co/LAB Franchising may transfer or assign this Agreement, or any of its rights or obligations under this Agreement, to any person or entity, and Co/LAB Franchising may undergo a change in ownership and/or control, without the consent of Franchisee.

15.2 By Franchisee. Franchisee acknowledges that the rights and duties set forth in this Agreement are personal to Franchisee and that Co/LAB Franchising entered into this Agreement in reliance on Franchisee's business skill, financial capacity, personal character, experience, and business ability. Accordingly, Franchisee shall not conduct or undergo a Transfer without providing Co/LAB Franchising at least 60 days prior notice of the proposed Transfer, and without obtaining Co/LAB Franchising's consent. In granting any such consent, Co/LAB Franchising may impose conditions, including, without limitation, the following:

(i) Co/LAB Franchising receives a transfer fee equal to $10,000 plus any broker fees and other out-of-pocket costs incurred by Co/LAB Franchising;

(ii) the proposed assignee and its owners have completed Co/LAB Franchising's franchise application processes, meet Co/LAB Franchising's then-applicable standards for new franchisees, and have been approved by Co/LAB Franchising as franchisees;

(iii) the proposed assignee is not a Competitor;

(iv) the proposed assignee executes Co/LAB Franchising's then-current form of franchise agreement and any related documents, which form may contain materially different provisions than this Agreement (provided, however, that the proposed assignee will not be required to pay an initial franchise fee);

(v) all owners of the proposed assignee provide a guaranty in accordance with Section 2.5;

(vi) Franchisee has paid all monetary obligations to Co/LAB Franchising and its affiliates, and to any lessor, vendor, supplier, or lender to the Business, and Franchisee is not otherwise in default or breach of this Agreement or of any other obligation owed to Co/LAB Franchising or its affiliates;

(vii) the proposed assignee and its owners and employees undergo such training as Co/LAB Franchising may require;

(viii) Franchisee, its Owners, and the transferee and its owners execute a general release of Co/LAB Franchising in a form satisfactory to Co/LAB Franchising; and

(ix) the Business fully complies with all of Co/LAB Franchising's most recent System Standards.

15.3 Transfer for Convenience of Ownership. If Franchisee is an individual, Franchisee may Transfer this Agreement to a corporation or limited liability company formed for the convenience of ownership after at least 15 days' notice to Co/LAB Franchising, if, prior to the Transfer: (1) the transferee provides the information required by Section 2.3; (2) Franchisee provides copies of the entity's charter documents, by-laws (or operating agreement) and similar documents, if requested by Co/LAB Franchising, (3) Franchisee owns all voting securities of the corporation or limited liability company, and (4) Franchisee provides a guaranty in accordance with Section 2.5.

15.4 Transfer upon Death or Incapacity. Upon the death or incapacity of Franchisee (or, if Franchisee is an entity, the Owner with the largest ownership interest in Franchisee), the executor, administrator, or personal representative of that person must Transfer the Business to a third party approved by Co/LAB Franchising (or to another person who was an Owner at the time of death or incapacity of the largest Owner) within nine months after death or incapacity. Such transfer must comply with Section 15.2.

15.5 Co/LAB Franchising's Right of First Refusal. Before Franchisee (or any Owner) engages in a Transfer (except under Section 15.3, to a co-Owner, or to a spouse, sibling, or child of an Owner), Co/LAB Franchising will have a right of first refusal, as set forth in this Section. Franchisee (or its Owners) shall provide to Co/LAB Franchising a copy of the terms and conditions of any Transfer. For a period of 30 days from the date of Co/LAB Franchising's receipt of such copy, Co/LAB Franchising will have the right, exercisable by notice to Franchisee, to purchase the assets subject of the proposed Transfer for the same price and on the same terms and conditions (except that Co/LAB Franchising may substitute cash for any other form of payment). If Co/LAB Franchising does not exercise its right of first refusal, Franchisee may proceed with the Transfer, subject to the other terms and conditions of this Article.

15.6 No Sublicense. Franchisee has no right to sublicense the Marks or any of Franchisee's rights under this Agreement.

15.7 No Lien on Agreement. Franchisee shall not grant a security interest in this Agreement to any person or entity. If Franchisee grants an "all assets" security interest to any lender or other secured party, Franchisee shall cause the secured party to expressly exempt this Agreement from the security interest.

ARTICLE 16. INDEMNITY

16.1 Indemnity. Franchisee shall indemnify and defend (with counsel reasonably acceptable to Co/LAB Franchising) Co/LAB Franchising, its parent entities, subsidiaries and affiliates, and their respective owners, directors, officers, employees, agents, successors and assignees (collectively, "Indemnitees") against all Losses in any Action by or against Co/LAB Franchising and/or any Indemnitee directly or indirectly related to, or alleged to arise out of, the operation of the Business. Notwithstanding the foregoing, Franchisee shall not be obligated to indemnify an Indemnitee from Actions arising as a result of any Indemnitee's intentional misconduct or negligence. Any delay or failure by an Indemnitee to notify Franchisee of an Action shall not relieve Franchisee of its indemnity obligation except to the extent (if any) that such delay or failure materially prejudices Franchisee. Franchisee shall not settle an Action without the consent of the Indemnitee. This indemnity will continue in effect after this Agreement ends.

16.2 Assumption. An Indemnitee may elect to assume the defense of any Action subject to this indemnification, and control all aspects of defending the Action, including negotiations and settlement, at Franchisee's expense. Such an undertaking shall not diminish Franchisee's obligation to indemnify the Indemnitees.

ARTICLE 17. DISPUTE RESOLUTION

17.1 Arbitration.

(a) Disputes Subject to Arbitration. Except as expressly provided in subsection (c) and (d), any controversy or claim between the parties (including any controversy or claim arising out of or relating to this Agreement or its formation and including any question of arbitrability) shall be resolved by arbitration administered by the American Arbitration Association in accordance with its Commercial Arbitration Rules, including the Optional Rules for Emergency Measures of Protection. Judgment on the award rendered by the arbitrator may be entered in any court having jurisdiction.

(b) Location. The place of arbitration shall be the city and state where Co/LAB Franchising's headquarters are located.

(c) Injunctive Relief. Either party may apply to the arbitrator seeking injunctive relief until the arbitration award is rendered or the controversy is otherwise resolved. Either party also may, without waiving any remedy or right to arbitrate under this Agreement, seek from any court having jurisdiction any interim or provisional injunctive relief.

(d) Intellectual Property Claims. Either party may bring a claim involving an alleged infringement of any of Co/LAB Franchising's intellectual property rights in a court authorized to hear such claims under Section 17.5 of this Agreement.

(e) Confidentiality. All documents, information, and results pertaining to any arbitration or lawsuit will be confidential, except as required by law or as required for Co/LAB Franchising to comply with laws and regulations applicable to the sale of franchises.

(f) Performance During Arbitration or Litigation. Unless this Agreement has been terminated, Co/LAB Franchising and Franchisee will comply with this Agreement and perform their respective obligations under this Agreement during the arbitration or litigation process.

17.2 Damages. In any controversy or claim arising out of or relating to this Agreement, each party waives any right to punitive or other monetary damages not measured by the prevailing party's actual damages, except damages expressly authorized by federal statute and damages expressly authorized by this Agreement.

17.3 Waiver of Class Actions. The parties agree that any claims will be arbitrated, litigated, or otherwise resolved on an individual basis, and waive any right to act on a class-wide basis.

17.4 Time Limitation. Any arbitration or other legal action arising from or related to this Agreement must be instituted within two years from the date such party discovers the conduct or event that forms the basis of the arbitration or other legal action. The foregoing time limit does not apply to claims (i) by one party related to non-payment under this Agreement by the other party, (ii) for indemnity under Article 16, or (iii) related to unauthorized use of Confidential Information or the Marks.

17.5 Venue Other Than Arbitration. For any legal proceeding not required to be submitted to arbitration, the parties agree that any such legal proceeding will be brought in the United States District Court where Co/LAB Franchising's headquarters is then located. If there is no federal jurisdiction over the dispute, the parties agree that any such legal proceeding will be brought in the court of record of the state and county where Co/LAB Franchising's headquarters is then located. Each party consents to the jurisdiction of such courts and waives any objection that it, he or she may have to the laying of venue of any proceeding in any of these courts.

17.6 Legal Costs. In any legal proceeding (including arbitration) related to this Agreement or any guaranty, the non-prevailing party shall pay the prevailing party's attorney fees, costs and other expenses of the legal proceeding. "Prevailing party" means the party, if any, which prevailed upon the central litigated issues and obtained substantial relief.

ARTICLE 18. MISCELLANEOUS

18.1 Relationship of the Parties. The parties are independent contractors, and neither is the agent, partner, joint venturer, or employee of the other. Co/LAB Franchising is not a fiduciary of Franchisee. Co/LAB Franchising does not control or have the right to control Franchisee or its Business. Any required specifications and standards in this Agreement and in the System Standards exist to protect Co/LAB Franchising's interest in the System and the Marks, and the goodwill established in them, and not for the purpose of establishing any control, or duty to take control, over the Business. Co/LAB Franchising has no liability for Franchisee's obligations to any third party whatsoever.

18.2 No Third-Party Beneficiaries. This Agreement does not confer any rights or remedies upon any person or entity other than Franchisee, Co/LAB Franchising, and Co/LAB Franchising's affiliates.

18.3 Entire Agreement. This Agreement constitutes the entire agreement of the parties and supersedes all prior negotiations and representations. Nothing in this Agreement or in any related agreement is intended to disclaim the representations made by Co/LAB Franchising in its franchise disclosure document.

18.4 Modification. No modification or amendment of this Agreement will be effective unless it is in writing and signed by both parties. This provision does not limit Co/LAB Franchising's rights to modify the Manual or System Standards.

18.5 Consent; Waiver. No consent under this Agreement, and no waiver of satisfaction of a condition or nonperformance of an obligation under this Agreement will be effective unless it is in writing and signed by the party granting the consent or waiver. No waiver by a party of any right will affect the party's rights as to any subsequent exercise of that right or any other right. No delay, forbearance or omission by a party to exercise any right will constitute a waiver of such right.

18.6 Cumulative Remedies. Rights and remedies under this Agreement are cumulative. No enforcement of a right or remedy precludes the enforcement of any other right or remedy.

18.7 Severability. The parties intend that (i) if any provision of this Agreement is held by an arbitrator or court to be unenforceable, then that provision be modified to the minimum extent necessary to make it enforceable, unless that modification is not permitted by law, in which case that provision will be disregarded, and (ii) if an unenforceable provision is modified or disregarded, then the rest of this Agreement will remain in effect as written.

18.8 Governing Law. The laws of the state of Pennsylvania (without giving effect to its principles of conflicts of law) govern all adversarial proceedings between the parties. The parties agree that any Pennsylvania law for the protection of franchisees or business opportunity purchasers will not apply unless its jurisdictional requirements are met independently without reference to this Section 18.8.

18.9 Notices. Any notice will be effective under this Agreement only if made in writing and delivered as set forth in this Section to: (A) if to Franchisee, addressed to Franchisee at the notice address set forth in the Summary Page; and (B) if to Co/LAB Franchising, addressed to 8795 Peach Street, Erie, PA 16509. Any party may designate a new address for notices by giving notice of the new address pursuant to this Section. Notices will be effective upon receipt (or first rejection) and must be: (1) delivered personally; (2) sent by registered or certified U.S. mail with return receipt requested; or (3) sent via overnight courier. Notwithstanding the foregoing, Co/LAB Franchising may amend the Manual, give binding notice of changes to System Standards, and deliver notices of default by electronic mail or other electronic communication.

18.10 Holdover. If Franchisee continues operating the Business after the expiration of the term without a renewal agreement or successor franchise agreement executed by the parties in accordance with Section 3.2, then at any time (regardless of any course of dealing by the parties), Co/LAB Franchising may by giving written notice to Franchisee (the "Holdover Notice") either (i) require Franchisee to cease operating the Business and comply with all post-closing obligations effective immediately upon giving notice or effective on such other date as Co/LAB Franchising

specifies, or (ii) bind Franchisee to a renewal term of 5 years, and deem Franchisee and its Owners to have made the general release of liability described in Section 3.2(vi).

18.11 Joint and Several Liability. If two or more people sign this Agreement as "Franchisee", each will have joint and several liability.

18.12 No Offer and Acceptance. Delivery of a draft of this Agreement to Franchisee by Co/LAB Franchising does not constitute an offer. This Agreement shall not be effective unless and until it is executed by both Franchisee and Co/LAB Franchising.

Agreed to by:

FRANCHISOR:

MARSH AND MUNAR TEAM, LLC

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

FRANCHISEE:

_____

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

ATTACHMENT 1 TO FRANCHISE AGREEMENT

STATE ADDENDA TO AGREEMENTS

ILLINOIS RIDER TO FRANCHISE AGREEMENT

This Rider amends the Franchise Agreement dated _____ (the "Agreement"), between Marsh and Munar Team, LLC, a Pennsylvania Limited Liability Company ("Co/LAB Franchising") and _____, a _____ _____ ("Franchisee").

1. Definitions. Capitalized terms used but not defined in this Rider have the meanings given in the Agreement. The "Illinois Act" means the Illinois Franchise Disclosure Act of 1987.

2. Governing Law and Jurisdiction. Notwithstanding any provision of the Agreement to the contrary, the Agreement is governed by Illinois law. The parties irrevocably submit to the jurisdiction and venue of the federal and state courts in Illinois, except for matters which the Agreement provides will be resolved by arbitration.

3. Limitation of Claims. No action can be maintained to enforce any liability created by the Illinois Act unless brought before the expiration of 3 years from the act or transaction constituting the violation upon which it is based, the expiration of 1 year after Franchisee become aware of facts or circumstances reasonably indicating that Franchisee may have a claim for relief in respect to conduct governed by the Illinois Act, or 90 days after delivery to the Franchisee of a written notice disclosing the violation, whichever shall first expire.

4. Waivers Void. Notwithstanding any provision of the Agreement to the contrary, any condition, stipulation, or provision purporting to bind Franchisee to waive compliance with any provision of the Illinois Act or any other law of the State of Illinois is void. This Section shall not prevent Franchisee from entering into a settlement agreement or executing a general release regarding a potential or actual lawsuit filed under any of the provisions of this Act, nor shall it prevent the arbitration of any claim pursuant to the provisions of Title 9 of the United States Code.

5. Effective Date. This Rider is effective as of the Effective Date.

Agreed to by:

FRANCHISOR:	FRANCHISEE:
MARSH AND MUNAR TEAM, LLC	_____
By: _____	By: _____
Name: _____	Name: _____
Title: _____	Title: _____
Date: _____	Date: _____

INDIANA RIDER TO FRANCHISE AGREEMENT

This Rider amends the Franchise Agreement dated _____ (the "Agreement"), between Marsh and Munar Team, LLC, a Pennsylvania Limited Liability Company ("Co/LAB Franchising") and _____, a _____ _____ ("Franchisee").

1. Definitions. Capitalized terms used but not defined in this Rider have the meanings given in the Agreement. The "Indiana Acts" means the Indiana Franchise Act and the Indiana Deceptive Franchise Practices Act.

2. Certain Provisions Modified. Any provision of the Agreement which would have any of the following effects is hereby modified to the extent required for the Agreement to be in compliance with the Indiana Acts:

(1) Requiring goods, supplies, inventories, or services to be purchased exclusively from the franchisor or sources designated by the franchisor where such goods, supplies, inventories, or services of comparable quality are available from sources other than those designated by the franchisor. However, the publication by the franchisor of a list of approved suppliers of goods, supplies, inventories, or services or the requirement that such goods, supplies, inventories, or services comply with specifications and standards prescribed by the franchisor does not constitute designation of a source nor does a reasonable right of the franchisor to disapprove a supplier constitute a designation. This subdivision does not apply to the principal goods, supplies, inventories, or services manufactured or trademarked by the franchisor.

(2) Allowing the franchisor to establish a franchisor-owned outlet engaged in a substantially identical business to that of the franchisee within the granted Area to the Unit franchisee by the franchise agreement; or, if no exclusive territory is designated, permitting the franchisor to compete unfairly with the franchisee within a reasonable area.

(3) Allowing substantial modification of the franchise agreement by the franchisor without the consent in writing of the franchisee.

(4) Allowing the franchisor to obtain money, goods, services, or any other benefit from any other person with whom the franchisee does business, on account of, or in relation to, the transaction between the franchisee and the other person, other than for compensation for services rendered by the franchisor, unless the benefit is promptly accounted for, and transmitted to the franchisee.

(5) Requiring the franchisee to prospectively assent to a release, assignment, novation, waiver, or estoppel which purports to relieve any person from liability to be imposed by the Indiana Deceptive Franchise Practices Act or requiring any controversy between the franchisee and the franchisor to be referred to any person, if referral would be binding on the franchisee. This subsection (5) does not apply to arbitration before an independent arbitrator.

(6) Allowing for an increase in prices of goods provided by the franchisor which the franchisee had ordered for private retail consumers prior to the franchisee's receipt of an official price increase notification. A sales contract signed by a private retail consumer shall constitute evidence of each order. Price changes applicable to new models of a product at the time of introduction of such new

models shall not be considered a price increase. Price increases caused by conformity to a state or federal law, or the revaluation of the United States dollar in the case of foreign-made goods, are not subject to this subsection (6).

(7) Permitting unilateral termination of the franchise if such termination is without good cause or in bad faith. Good cause within the meaning of this subsection (7) includes any material violation of the franchise agreement.

(8) Permitting the franchisor to fail to renew a franchise without good cause or in bad faith. This chapter shall not prohibit a franchise agreement from providing that the agreement is not renewable upon expiration or that the agreement is renewable if the franchisee meets certain conditions specified in the agreement.

(9) Requiring a franchisee to covenant not to compete with the franchisor for a period longer than three years or in an area greater than the exclusive area granted by the franchise agreement or, in absence of such a provision in the agreement, an area of reasonable size, upon termination of or failure to renew the franchise.

(10) Limiting litigation brought for breach of the agreement in any manner whatsoever.

(11) Requiring the franchisee to participate in any (A) advertising campaign or contest; (B) promotional campaign; (C) promotional materials; or (D) display decorations or materials; at an expense to the franchisee that is indeterminate, determined by a third party, or determined by a formula, unless the franchise agreement specifies the maximum percentage of gross monthly sales or the maximum absolute sum that the franchisee may be required to pay.

3. Effective Date. This Rider is effective as of the Effective Date.

Agreed to by:

FRANCHISOR:	FRANCHISEE:
MARSH AND MUNAR TEAM, LLC	_____
By: _____	By: _____
Name: _____	Name: _____
Title: _____	Title: _____
Date: _____	Date: _____

MARYLAND RIDER TO FRANCHISE AGREEMENT

This Rider amends the Franchise Agreement dated _____ (the "Agreement"), between Marsh and Munar Team, LLC, a Pennsylvania Limited Liability Company ("Co/LAB Franchising") and _____, a _____ _____ ("Franchisee").

1. Definitions. Capitalized terms used but not defined in this Rider have the meanings given in the Agreement. The "Maryland Franchise Law" means the Maryland Franchise Registration and Disclosure Law, Business Regulation Article, §14-206, Annotated Code of Maryland.

2. Releases, Estoppels and Waivers of Liability. 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 Law.

3. Statute of Limitations. Any provision of the Agreement which provides for a period of limitations for causes of action shall not apply to causes of action under the Maryland Franchise Law, Business Regulation Article, §14-227, Annotated Code of Maryland. Franchisee must bring an action under such law within three years after the grant of the franchise.

4. Jurisdiction. Franchisee does not waive its right to file a lawsuit alleging a cause of action arising under the Maryland Franchise Law in any court of competent jurisdiction in the State of Maryland.

5. Effective Date. This Rider is effective as of the Effective Date.

Agreed to by:

FRANCHISOR:	FRANCHISEE:
MARSH AND MUNAR TEAM, LLC	_____
By: _____	By: _____
Name: _____	Name: _____
Title: _____	Title: _____
Date: _____	Date: _____

MINNESOTA RIDER TO FRANCHISE AGREEMENT

This Rider amends the Franchise Agreement dated _____ (the "Agreement"), between Marsh and Munar Team, LLC, a Pennsylvania Limited Liability Company ("Co/LAB Franchising") and _____, a _____ _____ ("Franchisee").

1. Definitions. Capitalized terms used but not defined in this Rider have the meanings given in the Agreement. The "Minnesota Act" means Minnesota Statutes, Sections 80C.01 to 80C.22.

2. Amendments. The Agreement is amended to comply with the following:

Minnesota Statutes, Section 80C.21 and Minnesota Rules 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 agreement(s) 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 Minnesota Statutes, Section 80C.14, Subd. 3-5, which require (except in certain specified cases) (1) 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 (2) 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 Statues, Section 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, and therefore the applicable provision of the Agreement is amended to state "No action may be commenced pursuant to Minnesota Statutes, Section 80C.17 more than three years after the cause of action accrues."

3. Effective Date. This Rider is effective as of the Effective Date.

Agreed to by:

FRANCHISOR:	FRANCHISEE:
MARSH AND MUNAR TEAM, LLC	_____
By: _____	By: _____
Name: _____	Name: _____
Title: _____	Title: _____
Date: _____	Date: _____

NEW YORK RIDER TO FRANCHISE AGREEMENT

This Rider amends the Franchise Agreement dated _____ (the "Agreement"), between Marsh and Munar Team, LLC, a Pennsylvania Limited Liability Company ("Co/LAB Franchising") and _____, a _____ _____ ("Franchisee").

1. Definitions. Capitalized terms used but not defined in this Rider have the meanings given in the Agreement.

2. Waivers Not Required. Notwithstanding any provision of the Agreement to the contrary, Franchisee is not required to assent to a release, assignment, novation, waiver or estoppel which would relieve Co/LAB Franchising or any other person from any duty or liability imposed by New York General Business Law, Article 33.

3. Waivers of New York Law Deleted. Any condition, stipulation, or provision in the Agreement purporting to bind Franchisee to waive compliance by Co/LAB Franchising with any provision of New York General Business Law, or any rule promulgated thereunder, is hereby deleted.

4. Governing Law. Notwithstanding any provision of the Agreement to the contrary, the New York Franchises Law shall govern any claim arising under that law.

5. Effective Date. This Rider is effective as of the Effective Date.

Agreed to by:

FRANCHISOR:	FRANCHISEE:
MARSH AND MUNAR TEAM, LLC	_____
By: _____	By: _____
Name: _____	Name: _____
Title: _____	Title: _____
Date: _____	Date: _____

NORTH DAKOTA RIDER TO FRANCHISE AGREEMENT

This Rider amends the Franchise Agreement dated _____ (the "Agreement"), between Marsh and Munar Team, LLC, a Pennsylvania Limited Liability Company ("Co/LAB Franchising") and _____, a _____ _____ ("Franchisee").

1. Definitions. Capitalized terms used but not defined in this Rider have the meanings given in the Agreement.

2. Amendments. The Agreement (and any Guaranty Agreement) is amended to comply with the following:

(1) Restrictive Covenants: Every contract by which Franchisee, any Guarantor, or any other person is restrained from exercising a lawful profession, trade, or business of any kind is subject to NDCC Section 9-08-06.

(2) Situs of Arbitration Proceedings: Franchisee and any Guarantor are not required to agree to the arbitration of disputes at a location that is remote from the site of Franchisee's business.

(3) Restrictions on Forum: Franchisee and any Guarantor are not required to consent to the jurisdiction of courts outside of North Dakota.

(4) Liquidated Damages and Termination Penalties: Franchisee is not required to consent to liquidated damages or termination penalties.

(5) Applicable Laws: The Agreement (and any Guaranty Agreement) is governed by the laws of the State of North Dakota.

(6) Waiver of Trial by Jury: Franchisee and any Guarantor do not waive a trial by jury.

(7) Waiver of Exemplary and Punitive Damages: The parties do not waive exemplary and punitive damages.

(8) General Release: Franchisee and any Guarantor are not required to sign a general release upon renewal of the Agreement.

(9) Limitation of Claims: Franchisee is not required to consent to a limitation of claims. The statute of limitations under North Dakota law applies.

(10) Enforcement of Agreement: The prevailing party in any enforcement action is entitled to recover all costs and expenses including attorney's fees.

3. Effective Date. This Rider is effective as of the Effective Date.

Agreed to by:

FRANCHISOR:	FRANCHISEE:
MARSH AND MUNAR TEAM, LLC	_____
By: _____	By: _____
Name: _____	Name: _____
Title: _____	Title: _____
Date: _____	Date: _____

RHODE ISLAND RIDER TO FRANCHISE AGREEMENT

This Rider amends the Franchise Agreement dated _____ (the "Agreement"), between Marsh and Munar Team, LLC, a Pennsylvania Limited Liability Company ("Co/LAB Franchising") and _____, a _____ _____ ("Franchisee").

1. Definitions. Capitalized terms used but not defined in this Rider have the meanings given in the Agreement.

2. Jurisdiction and Venue. Any provision of the Agreement restricting jurisdiction or venue to a forum outside the State of Rhode Island or requiring the application of the laws of another state is void with respect to a claim otherwise enforceable under Rhode Island Franchise Investment Act.

3. Effective Date. This Rider is effective as of the Effective Date.

Agreed to by:

FRANCHISOR:	FRANCHISEE:
MARSH AND MUNAR TEAM, LLC	_____
By: _____	By: _____
Name: _____	Name: _____
Title: _____	Title: _____
Date: _____	Date: _____

WASHINGTON ADDENDUM TO DISCLOSURE DOCUMENT
AND
RIDER TO FRANCHISE AGREEMENT

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

1. Conflict of Laws. In the event of a conflict of laws, the provisions of the Washington Franchise Investment Protection Act, chapter 19.100 RCW will prevail.

2. Franchisee Bill of Rights. RCW 19.100.180 may supersede provisions in the franchise agreement or related agreements concerning your relationship with the franchisor, including in the areas of termination and renewal of your franchise. There may also be court decisions that supersede the franchise agreement or related agreements concerning your relationship with the franchisor. Franchise agreement provisions, including those summarized in Item 17 of the Franchise Disclosure Document, are subject to state law.

3. Site of Arbitration, Mediation, and/or Litigation. In any arbitration or mediation involving a franchise purchased in Washington, the arbitration or mediation site will be either in the state of Washington, or in a place mutually agreed upon at the time of the arbitration or mediation, or as determined by the arbitrator or mediator at the time of arbitration or mediation. In addition, if litigation is not precluded by the franchise agreement, a franchisee may bring an action or proceeding arising out of or in connection with the sale of franchises, or a violation of the Washington Franchise Investment Protection Act, in Washington.

4. General Release. A release or waiver of rights in the franchise agreement or related agreements purporting to bind the franchisee to waive compliance with any provision under the Washington Franchise Investment Protection Act or any rules or orders thereunder is void except when executed pursuant to a negotiated settlement after the agreement is in effect and where the parties are represented by independent counsel, in accordance with RCW 19.100.220(2). In addition, any such release or waiver executed in connection with a renewal or transfer of a franchise is likewise void except as provided for in RCW 19.100.220(2). Statute of Limitations and Waiver of Jury Trial. Provisions contained in the franchise agreement or related agreements that unreasonably restrict or limit the statute of limitations period for claims under the Washington Franchise Investment Protection Act, or rights or remedies under the Act such as a right to a jury trial, may not be enforceable.

5. Statute of Limitations and Waiver of Jury Trial. Provisions contained in the franchise agreement or related agreements that unreasonably restrict or limit the statute of limitations period for claims under the Washington Franchise Investment Protection Act, or rights or remedies under the Act such as a right to a jury trial, may not be enforceable.

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

7. Termination by Franchisee. The franchisee may terminate the franchise agreement under any grounds permitted under state law.

8. Certain Buy-Back Provisions. Provisions in franchise agreements or related agreements that permit the franchisor to repurchase the franchisee's business for any reason during the term of the franchise agreement without the franchisee's consent are unlawful pursuant to RCW 19.100.180(2)(j), unless the franchise is terminated for good cause.

9. Fair and Reasonable Pricing. Any provision in the franchise agreement or related agreements that requires the franchisee to purchase or rent any product or service for more than a fair and reasonable price is unlawful under RCW 19.100.180(2)(d).

10. Waiver of Exemplary & Punitive Damages. RCW 19.100.190 permits franchisees to seek treble damages under certain circumstances. Accordingly, provisions contained in the franchise agreement or elsewhere requiring franchisees to waive exemplary, punitive, or similar damages are void, except when executed pursuant to a negotiated settlement after the agreement is in effect and where the parties are represented by independent counsel, in accordance with RCW 19.100.220(2).

11. Franchisor's Business Judgement. Provisions in the franchise agreement or related agreements stating that the franchisor may exercise its discretion on the basis of its reasonable business judgment may be limited or superseded by RCW 19.100.180(1), which requires the parties to deal with each other in good faith.

12. Indemnification. Any provision in the franchise agreement or related agreements requiring the franchisee to indemnify, reimburse, defend, or hold harmless the franchisor or other parties is hereby modified such that the franchisee has no obligation to indemnify, reimburse, defend, or hold harmless the franchisor or any other indemnified party for losses or liabilities to the extent that they are caused by the indemnified party's negligence, willful misconduct, strict liability, or fraud.

13. Attorneys' Fees. If the franchise agreement or related agreements require a franchisee to reimburse the franchisor for court costs or expenses, including attorneys' fees, such provision applies only if the franchisor is the prevailing party in any judicial or arbitration proceeding.

14. Noncompetition Covenants. Pursuant to RCW 49.62.020, a noncompetition covenant is void and unenforceable against an employee, including an employee of a franchisee, unless the employee's earnings from the party seeking enforcement, when annualized, exceed $100,000 per year (an amount that will be adjusted annually for inflation). In addition, a noncompetition covenant is void and unenforceable against an independent contractor of a franchisee under RCW 49.62.030 unless the independent contractor's earnings from the party seeking enforcement, when annualized, exceed $250,000 per year (an amount that will be adjusted annually for inflation). As a result, any provision contained in the franchise agreement or elsewhere that conflicts with these limitations is void and unenforceable in Washington.

15. Nonsolicitation Agreements. RCW 49.62.060 prohibits a franchisor from restricting, restraining, or prohibiting a franchisee from (i) soliciting or hiring any employee of a franchisee of the same franchisor or (ii) soliciting or hiring any employee of the franchisor. As a result, any such provisions contained in the franchise agreement or elsewhere are void and unenforceable in Washington.

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

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

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

Agreed to by:

FRANCHISOR:	FRANCHISEE:
MARSH AND MUNAR TEAM, LLC	_____
By: _____	By: _____
Name: _____	Name: _____
Title: _____	Title: _____
Date: _____	Date: _____

Attachment 2 to Franchise Agreement

GUARANTY AND NON-COMPETE AGREEMENT

This Guaranty and Non-Compete Agreement (this "Guaranty") is executed by the undersigned person(s) (each, a "Guarantor") in favor of Marsh and Munar Team, LLC, a Pennsylvania Limited Liability Company ("Co/LAB Franchising").

Background Statement: _____ ("Franchisee") desires to enter into a Franchise Agreement with Co/LAB Franchising for the franchise of a Co/LAB business (the "Franchise Agreement"; capitalized terms used but not defined in this Guaranty have the meanings given in the Franchise Agreement). Guarantor owns an equity interest in Franchisee. Guarantor is executing this Guaranty in order to induce Co/LAB Franchising to enter into the Franchise Agreement.

Guarantor agrees as follows:

1. Guaranty. Guarantor hereby unconditionally guarantees to Co/LAB Franchising and its successors and assigns that Franchisee shall pay and perform every undertaking, agreement and covenant set forth in the Franchise Agreement and further guarantees every other liability and obligation of Franchisee to Co/LAB Franchising, whether or not contained in the Franchise Agreement. Guarantor shall render any payment or performance required under the Franchise Agreement or any other agreement between Franchisee and Co/LAB Franchising upon demand from Co/LAB Franchising. Guarantor waives (a) acceptance and notice of acceptance by Co/LAB Franchising of this Guaranty; (b) notice of demand for payment of any indebtedness or nonperformance of any obligations of Franchisee; (c) protest and notice of default to any party with respect to the indebtedness or nonperformance of any obligations hereby guaranteed; (d) any right Guarantor may have to require that an action be brought against Franchisee or any other person or entity as a condition of liability hereunder; (e) all rights to payments and claims for reimbursement or subrogation which any of the undersigned may have against Franchisee arising as a result of the execution of and performance under this Guaranty by the undersigned; (f) any law which requires that Co/LAB Franchising make demand upon, assert claims against or collect from Franchisee or any other person or entity (including any other guarantor), foreclose any security interest, sell collateral, exhaust any remedies or take any other action against Franchisee or any other person or entity (including any other guarantor) prior to making any demand upon, collecting from or taking any action against the undersigned with respect to this Guaranty; and (g) any and all other notices and legal or equitable defenses to which Guarantor may be entitled.

2. Confidential Information. With respect to all Confidential Information Guarantor shall (a) adhere to all security procedures prescribed by Co/LAB Franchising for maintaining confidentiality, (b) disclose such information to its employees only to the extent necessary for the operation of the Business; (c) not use any such information in any other business or in any manner not specifically authorized or approved in writing by Co/LAB Franchising, (d) exercise the highest degree of diligence and make every effort to maintain the confidentiality of all such information during and after the term of the Franchise Agreement, (e) not copy or otherwise reproduce any Confidential Information, and (f) promptly report any unauthorized disclosure or use of Confidential Information. Guarantor acknowledges that all Confidential Information is owned by

Co/LAB Franchising or its affiliates (except for Confidential Information which Co/LAB Franchising licenses from another person or entity). Guarantor acknowledges that all customer data generated or obtained by Guarantor is Confidential Information belonging to Co/LAB Franchising. This Section will survive the termination or expiration of the Franchise Agreement indefinitely.

3. Covenants Not to Compete.

(a) Restriction - In Term. During the term of the Franchise Agreement, Guarantor shall not directly or indirectly have any ownership interest in, lend money or provide financial assistance to, provide any services to, or be employed by, any Competitor.

(b) No Restriction – Post Term. After the Franchise Agreement expires or is terminated for any reason (including Buyout under the Franchise Agreement), Guarantor may directly or indirectly have any ownership interest in, lend money or provide financial assistance to, provide any services to, or be employed by, any Competitor

(c) Interpretation. Guarantor agrees that each of the foregoing covenants is independent of any other covenant or provision of this Guaranty or the Franchise Agreement. If all or any portion of the covenants in this Section is held to be unenforceable or unreasonable by any court or arbitrator, then the parties intend that the court or arbitrator modify such restriction to the extent reasonably necessary to protect the legitimate business interests of Co/LAB Franchising. Guarantor agrees that the existence of any claim it or Franchisee may have against Co/LAB Franchising shall not constitute a defense to the enforcement by Co/LAB Franchising of the covenants of this Section. If Guarantor fails to comply with the obligations under this Section during the restrictive period, then the restrictive period will be extended an additional day for each day of noncompliance.

4. Modification. Guarantor agrees that Guarantor's liability hereunder shall not be diminished, relieved or otherwise affected by (a) any amendment of the Franchise Agreement, (b) any extension of time, credit or other indulgence which Co/LAB Franchising may from time-to-time grant to Franchisee or to any other person or entity, or (c) the acceptance of any partial payment or performance or the compromise or release of any claims.

5. Governing Law; Dispute Resolution. This Guaranty shall be governed by and construed in accordance with the laws of the state of Pennsylvania (without giving effect to its principles of conflicts of law). The parties agree that any Pennsylvania law for the protection of franchisees or business opportunity purchasers will not apply unless its jurisdictional requirements are met independently without reference to this Section 6. The provisions of Article 17 (Dispute Resolution) of the Franchise Agreement apply to and are incorporated into this Guaranty as if fully set forth herein. Guarantor shall pay to Co/LAB Franchising all costs incurred by Co/LAB Franchising (including reasonable attorney fees) in enforcing this Guaranty. If multiple Guarantors sign this Guaranty, each will have joint and several liability.

Agreed to by:

_____

Name: _____

Address: _____

_____

_____

Date: _____

_____

Name: _____

Address: _____

_____

_____

Date: _____

_____

Name: _____

Address: _____

_____

_____

Date: _____

Attachment 3 to Franchise Agreement

FORM OF GENERAL RELEASE

[This is our current standard form of General Release. This document is not signed when you purchase a franchise. In circumstances such as a renewal of your franchise or as a condition of our approval of a sale of your franchise, we may require you to sign a general release.]

This General Release ("Release") is executed by the undersigned ("Releasor") in favor of Marsh and Munar Team, LLC, a Pennsylvania Limited Liability Company ("Co/LAB Franchising").

Background Statement: [describe circumstances of Release]

Releasor agrees as follows:

1. Release. Releasor (on behalf of itself and its parents, subsidiaries and affiliates and their respective past and present officers, directors, shareholders, managers, members, partners, agents, and employees (collectively, the "Releasing Parties")) hereby releases Franchisor, its affiliates, and their respective directors, officers, shareholders, employees, and agents (collectively, the "Released Parties") from any and all claims, causes of action, suits, debts, agreements, promises, demands, liabilities, contractual rights and/or obligations, of whatever nature, known or unknown, which any Releasing Party now has or ever had against any Released Party based upon and/or arising out of events that occurred through the date hereof, including without limitation, anything arising out of the Franchise Agreement (collectively, "Claims").

2. Covenant Not to Sue. Releasor (on behalf of all Releasing Parties) covenants not to initiate, prosecute, encourage, assist, or (except as required by law) participate in any civil, criminal, or administrative proceeding or investigation in any court, agency, or other forum, either affirmatively or by way of cross-claim, defense, or counterclaim, against any Released Party with respect to any Claim.

3. Representations and Acknowledgments. Releasor represents and warrants that: (i) Releasor is the sole owner of all Claims, and that no Releasing Party has assigned or transferred, or purported to assign or transfer, to any person or entity, any Claim; (ii) Releasor has full power and authority to sign this Release; and (iii) this Release has been voluntarily and knowingly signed after Releasor has had the opportunity to consult with counsel of Releasor's choice. Releasor acknowledges that the release in Section 1 is a complete defense to any Claim.

4. Miscellaneous. If any of the provisions of this Release are held invalid for any reason, the remainder of this Release will not be affected and will remain in full force and effect. In the event of any dispute concerning this Release, the dispute resolution, governing law, and venue provisions of the Franchise Agreement shall apply. Releasor agrees to take any actions and sign any documents that Franchisor reasonably requests to effectuate the purposes of this Release. This Release contains the entire agreement of the parties concerning the subject matter hereof.

5. State Addenda.

[Maryland Residents]: This Release shall not apply to any liability under the Maryland Franchise Registration and Disclosure Law.

[Washington Residents]: A release or waiver of rights executed by a franchisee shall not include rights under the Washington Franchise Investment Protection Act except when executed pursuant to a negotiated settlement after the franchise agreement is in effect and where the parties are represented by independent counsel.

Agreed to by:

_____
Name: _____
Date: _____

EXHIBIT C

BRANCH OFFICE AMENDMENT TO FRANCHISE AGREEMENT

BRANCH OFFICE AMENDMENT TO FRANCHISE AGREEMENT
THIS AMENDMENT is entered into effective _____ 20_____, as an amendment to the Franchise Agreement dated the _____ day of 20____, (the "Agreement" or "Franchise Agreement") by and between Marsh and Munar Team, LLC, (referred to as "we," "us," "Co/Lab" or "Marsh and Munar Team, LLC") and

_____
(referred to as "you," "Franchise Owner," or "Franchisee").

RECITALS:

WHEREAS, the Franchise Agreement granted to Franchisee the right to operate a single Co/Lab mortgage services office to be operated only at the following location:
_____.

WHEREAS, the Franchise Agreement granted to Franchisee a Limited License to engage in the Limited Use of the CO/LAB Marks in connection with the Services provided out of the Office located at the address specified in the Franchise Agreement;

WHEREAS, an office that complies with the specifications set forth in this Amendment (a "Branch Office") may be either (A) a virtual office ("Virtual Branch Office") in an additional state (one in which franchisee does not currently operate); or (B) a physical office ("Physical Branch Office") in a state in which Franchisee currently operates or in an additional state (one in which franchisee does not currently operate); and

WHEREAS, Franchisee has requested that Co/Lab, in its sole discretion, allow Franchisee to open, and

MARSH AND MUNAR TEAM, LLC has agreed to permit the establishment of, a Branch Office of the type and at the location or state specified below, consistent with and subject to the terms and conditions set forth below;

NOW, THEREFORE, in consideration of the mutual promises set forth herein, the parties do hereby agree as follows:

1. Franchisee is hereby granted the right to establish a single Virtual or Physical Branch Office only using the name of the Office and only at the following location or state:

No additional virtual or physical Branch Office locations are authorized pursuant to this Amendment. A Physical Branch Office is an "address-only" location and therefore has no protected area or territorial exclusivity whatsoever. Any proposed new location for a Physical Branch Office must be approved in writing by Co/Lab at least 30 days prior to opening at the new location.

Franchisee shall not operate or establish any other branch or extension except as permitted by the Franchise Agreement and this Amendment.

2. Franchisee shall pay to MARSH AND MUNAR TEAM, LLC, upon execution of this Amendment, a non-refundable Branch Office Initial Fee of $5,000.

3. All loan originators operating out of, or assigned in the Nationwide Mortgage Licensing System to, a Branch Office (a "Branch Office Loan Originator" or "Branch LO") shall be subject to all of the same limitations and requirements specified for loan originators under the Franchise Agreement and must comply with all applicable state law requirements.

4. In addition to all other fees set forth in the Franchise Agreement, Franchisee agrees to pay fees as follows:

A. Branch Office Royalty:
You must pay Branch Office Royalty and Branch Office Loan Originator Fees as follows:
(a) 6% of Gross Sales monthly Branch Office Royalty Fee; and

B. Branch Office Advertising Fund Fees:
In addition to the Branch Office Royalty Fees stated above, you must pay a 6% of Gross Sales monthly Branch Office Advertising Fund Fee.
The monthly ongoing Branch Royalty Fee and Branch Office Marketing Fund Fees will be due and will be considered late if not received by MARSH AND MUNAR TEAM, LLC at the same time as Royalties for the primary franchise location as defined in the Franchise Agreement.

5. The Branch Office shall be an independently licensed or registered location and must comply with all applicable law and be staffed and equipped as required by your local market. of the Franchise Agreement. The Branch Office's location must be approved by Co/Lab in advance.

6. Conversion of a Branch office to a full franchise requires executing the then current Co/Lab Franchise Agreement ("new franchise agreement"). No additional Initial Franchise Fee shall be due at the time of conversion, but the converted office will operate pursuant to the new franchise agreement as of the date such agreement is executed and fees as set forth in the new franchise agreement will apply with the Contract Month for purposes of the Royalty Schedule being the month this Branch Office Amendment was signed. The term of the new franchise agreement shall be for the remaining term of the Branch Office Amendment.

7. The Branch Office shall operate as a part of the Office described in the Franchise Agreement (i.e., as a branch of the Office operating under and as a part of the same ownership as the Office) and, except as modified by this Amendment, shall comply with and be subject to all of the terms, conditions, provisions and restrictions of the Franchise Agreement as are applicable to the Office, including without limitation, the Limited License governing the authorized Limited Use of the Co/Lab Marks as well as the same outside business and activities prohibitions specified in the Franchise Agreement.

Branch Office locations shall also comply with and operate strictly in accordance with all applicable mortgage licensing rules and regulations. The Branch Office may have its own telephone number if permitted by applicable law, but all business cards, forms, stationery, advertisements and other promotional or marketing materials used by the Branch Office must clearly identify the name of the Office (i.e., the Co/Lab name authorized under the Franchise Agreement). In addition, Co/Lab may require that all materials state that the Branch Office is a "branch office" of the Office. Each Branch Office must have an interior office name plaque displayed in accordance with the Brand Standards Manual. If located in commercial space, the Branch Office must also have an exterior office sign that comports with the office signage requirements set forth in the Brand Standards. If located in residential space, the Branch Office may have an exterior office sign that comports with the office signage requirements set forth in the Brand Standards and the Branch Office and any signage must comply with local law regarding signage and zoning. All branch offices must also comply in all respects with all applicable provisions of the Brand Standards, including any supplements or special addenda to the Brand Standards that may be issued from time to time that cover branch offices or their operation. Other than space, staff and equipment shared with a co-located business in compliance with RESPA, no other businesses of any kind may operate from or utilize the same office space, staff or equipment as that of the Branch Office.

Franchisee understands and acknowledges that MARSH AND MUNAR TEAM, LLC is not under any obligation to separately provide the Branch Office any of the services and benefits made available to the Office although MARSH AND MUNAR TEAM, LLC may, in its sole and absolute discretion, provide some services and benefits to the Branch Office. Specifically, Franchisee understands and acknowledges that:

A. Co/Lab will not provide Branch Offices (i) any credit toward purchase of marketing materials; (ii) an opening kit, branded promotional items, standard interior office plaque or standard/recommended opening items or (iii) any amount toward expenses of a licensing consultant; and

B. The Branch Office concept may be modified, amended or discontinued at any time; if the program is discontinued no renewals will be granted for any branch office.

8. Franchisee agrees to separately identify and report to Co/Lab all information applicable to the Branch Office as part of its monthly reporting obligations set forth in Franchise Agreement; provided, Co/Lab shall have no obligation to any party to aggregate or separate any data that relates to the Office and/or Branch Office or to provide such data in any format other than the format selected by Co/Lab in its sole discretion.

9. The term of this Amendment shall begin on the effective date of the Amendment and shall end at the date of expiration of the Franchise Agreement. This Amendment and all rights granted hereunder to operate the Branch Office shall terminate upon the transfer, termination or expiration of the Franchise Agreement. In addition, MARSH AND MUNAR TEAM, LLC has the right to terminate this Amendment if:

A. Franchisee fails to pay any monies when due and fails to cure such breach within 10 days

of receipt of written notice; or

B. Franchisee breaches any non-monetary provision set forth herein and fails to cure such default within 30 days of receipt of written notice.

This notice will advise Franchisee, and Franchisee hereby understands and agrees, that if the default is not cured within the specified time period, the Amendment will automatically terminate without further notice from us. In the event this Amendment is terminated prior to the date set forth in Subsection 9(i) of this Amendment, all fees, including all or any portion of the Branch Office Initial Fee shall be considered to have been fully earned and no portion shall be refunded. In addition, Subsection 6.G. (or, for Franchise Agreements entered into prior to April 2018, Subsection 6.I.) of the Franchise Agreement, Surviving Financial Obligations, shall apply and you shall immediately become obligated to pay us for Lost Future Revenue applicable to the Branch Office (which Lost Future Revenue shall be in addition to any Lost Future Revenue which may be due as a result of termination of the Franchise Agreement).

10. MARSH AND MUNAR TEAM, LLC may, in its sole and absolute discretion, permit Franchisee to renew and continue operation of the Branch Office provided, at least 90 days prior to the expiration of the term of this Amendment executes the form of amendment MARSH AND MUNAR TEAM, LLC is then using for the grant of rights to a Branch Office which amendment shall supersede this Amendment and may have terms materially different than this Amendment. If Franchisee continues to operate the Branch Office as a Co/Lab mortgage Branch Office after the end of the term of the Branch Office without proper renewal.

11. The rights granted by this Amendment may be transferred only in connection with a transfer of the Office and pursuant to all requirements in the Franchise Agreement for transfer, including paying all fees required and signing the then current franchise agreement and applicable addenda or amendments (including the Branch Office Amendment), all of which may have different terms that may be materially different and less favorable.

12. Capitalized terms used herein shall have the meaning ascribed to them in the Franchise Agreement unless otherwise defined herein.

13. As consideration for Co/Lab entering into this Amendment Franchisee agrees to release and forever discharge Co/Lab and each of its affiliated entities, shareholders, directors, officers, partners, managers, employees, lawyers, agents, affiliates and assignees from all claims, disputes, damages or liabilities, and causes of action of any kind or nature, arising out of or in connection with the Franchise Agreement and the franchise.

14. This Amendment contains terms and conditions in addition to those contained in the Franchise Agreement to which it pertains. This Amendment is intended to be, and is hereby, incorporated in its entirety as a part of the Franchise Agreement and to be read as a material part thereof. It is expressly understood that to the extent, if any, the terms and conditions of this Amendment are different from, or conflict with, those set forth in the Franchise Agreement, this Amendment shall control. This Amendment may not be amended, changed, revised or altered, except by instrument in writing signed by the parties.

[*Signatures on Next Page*]

Agreed to by:

FRANCHISOR:

MARSH AND MUNAR TEAM, LLC

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

FRANCHISEE:

_____

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

EXHIBIT D

FINANCIAL STATEMENTS

MARSH & MUNAR TEAM LLC

FINANCIAL STATEMENTS

DECEMBER 31, 2025 AND 2024

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V|H VELEZ • HARDY
CPAs and Advisors

Independent Auditor's Report

To the Members
Marsh & Munar Team LLC

Opinion
We have audited the accompanying financial statements of Marsh & Munar Team LLC, which comprise the balance sheets as of December 31, 2025 and 2024, and the related statements of income and members' deficit, and cash flows for the years then ended, and the related notes to the financial statements.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Marsh & Munar Team LLC as of December 31, 2025 and 2024, and the results of its operations and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion
We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of Marsh & Munar Team 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.

Prior Period Financial Statements
The financial statements of Marsh & Munar Team LLC as of December 31, 2024 were audited by other auditors whose report dated March 31, 2025 expressed an unmodified opinion on those statements.

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

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about Marsh & Munar Team 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 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 Marsh & Munar Team 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 Marsh & Munar Team 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.

Velez & Hardy

April 21, 2026
Las Vegas, NV

MARSH & MUNAR TEAM LLC
BALANCE SHEETS
DECEMBER 31, 2025 AND 2024

	2025	2024
ASSETS		
Current Assets:		
Cash	$ 32,081	$ 4,298
Total Assets	$ 32,081	$ 4,298
LIABILITIES AND MEMBERS' DEFICIT		
Current Liabilities:		
Accounts payable	$ 15,977	$ 9,368
Deferred franchise fees, current	6,120	600
Total current liabilities	22,097	9,968
Long-Term Liabilities:		
Long-term debt	50,000	50,000
Due to related party	11,155	23,644
Deferred franchise fees, net of current	18,360	4,750
Total long-term liabilities	79,515	78,394
Total Liabilities	101,612	88,362
Members' Deficit	(69,531)	(84,064)
Total Liabilities and Members' Deficit	$ 32,081	$ 4,298

See accompanying notes to the financial statements.

MARSH & MUNAR TEAM LLC
STATEMENTS OF INCOME AND MEMBERS' DEFICIT
FOR THE YEARS ENDED DECEMBER 31, 2025 AND 2024

	2025	2024
Revenue	$ 215,016	$ 160,940
Operating Expenses:		
Advertising	35,734	24,615
Auto	7,348	-
Bad debt	5,600	-
Commissions and fees	20,420	43,960
Insurance	1,016	-
Office expense and other	6,936	30,512
Payroll and related	41,947	83,520
Professional fees	15,038	16,224
Outside labor	-	36,877
Technology	53,166	-
Travel	4,799	-
Total operating expenses	192,004	235,708
Profit (Loss) from Operations	23,012	(74,768)
Other Income (Expense):		
Interest expense	(8,479)	(3,207)
Total other income (expense)	(8,479)	(3,207)
Net Income (Loss)	14,533	(77,975)
Members' Deficit, Beginning of Year	(84,064)	(6,089)
Members' Deficit, End of Year	$ (69,531)	$ (84,064)

See accompanying notes to the financial statements.

MARSH & MUNAR TEAM LLC
STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED DECEMBER 31, 2025 AND 2024

	2025	2024
Cash Flows From Operating Activities:		
Net income (loss)	$ 14,533	$ (77,975)
Adjustments to reconcile net income (loss) to net cash provided by (used in) operating activities:		
Bad debt	5,600	-
Changes in:		
(Increase) decrease in accounts receivable	(5,600)	-
Increase (decrease) in accounts payable	6,609	9,368
Increase (decrease) in deferred revenues	19,130	5,350
Increase (decrease) in due to from related parties	(12,489)	11,795
Net cash provided by (used in) operating activities	27,783	(51,462)
Cash Flows From Financing Activities:		
Proceeds from long-term debt	-	50,000
Net Change in Cash	27,783	(1,462)
Cash, Beginning of Year	4,298	5,760
Cash, End of Year	$ 32,081	$ 4,298
Supplemental disclosure of cash flow information:		
Cash paid for interest	$ 8,479	$ 3,207

See accompanying notes to the financial statements.

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

This summary of significant accounting policies of Marsh & Munar Team LLC (the "Company") is presented to assist in understanding the Company's financial statements. The financial statements and notes are representations of the Company's management, which is responsible for the integrity and objectivity of the financial statements. These accounting policies conform to accounting principles generally accepted in the United States of America and have been consistently applied in the preparation of the financial statements.

Nature of the Business

The Company was organized on August 26, 2019 as a domestic limited liability company under the laws of the State of Pennsylvania. The principal activity of the Company is to sell franchises which provide loan officers and broker owners a back-office platform to launch, run, and scale compliant mortgage brokerages through systems, training, and operational infrastructure. The franchisees operate under the business name "Co/Lab Lending".

Basis of Presentation

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

Use of Estimates in Preparation of Financial Statements

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America ("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. Actual results could differ from those estimates.

Cash and Cash Equivalents

The Company considers all highly liquid investments available for current use with original maturity of three months or less to be cash equivalents.

Accounts Receivable

Accounts receivable is stated at the amount the Company expects to collect from outstanding balances. Management provides for probable uncollectible amounts through a charge to earnings and a credit to a valuation allowance based on its assessment of the current status of individual accounts. Balances still outstanding after management has used reasonable collection efforts are written off through a charge to the valuation allowance and a credit to accounts receivable.

As of the years ended December 31, 2025 and 2024, there were no accounts receivable outstanding.

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Advertising

Advertising costs are expensed when incurred or the first time such advertisement appears. For the periods ended December 31, 2025 and 2024, total advertising costs were $35,734 and $24,615, respectively.

Revenue Recognition

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

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

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

	2025	2024
Deferred franchise fees	$ 24,480	$ 5,350
Less: current maturities	(6,120)	(600)
	$ 18,360	$ 4,750

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

2026	$ 6,120
2027	6,120
2028	6,120
2029	6,120
	$ 24,480

Continuing fees were recognized monthly, as they are earned.

Income Taxes

The Company does not incur income taxes; instead, its earnings are included in the member's personal tax return and taxed depending on personal tax situations. The financial statements, therefore, do not include a provision for income taxes.

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Income Taxes (Continued)

As defined by Financial Accounting Standards Board Accounting Standards Codification (ASC) Topic 740, Income Taxes, no provision or liability for materially uncertain tax positions was deemed necessary by management. Therefore, no provision or liability for uncertain tax positions has been included in these financial statements.

The Company is no longer subject to potential income tax examinations by tax authorities for years before 2022.

Reclassification

Certain amounts in the prior financial statements may have been reclassified for comparative purposes to conform to the presentations in the current period financial statements.

NOTE 2 – LONG-TERM DEBT

As of December 31, long-term debt consisted of the following:

	2025	2024
In June 2024, the Company received an loan in the amount of $50,000 from an individual. The loan requires monthly interest payments at a rate of 8.8%. The loan matures in April 2029 at which point the full principal balance is due.	$ 50,000	$ 50,000
Less: current maturities	-	-
	$ 50,000	$ 50,000

NOTE 3 – REVENUE RECOGNITION

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

	2025	2024
Services transferred at a point in time	$ 208,896	$ 160,940
Services transferred over time	6,120	-
	$ 215,016	$ 160,940

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

NOTE 4 – RELATED PARTIES

From time to time, the Company engages in transactions with entities related through common control. These transactions are primarily loans. All balances due from and due to related parties are due on demand and bear no interest. As of December 31, the Company had the following balance due from and due to them from various related party entities:

	2025	2024
Co/Lab Concierge Services	$ 17,000	$ -
Total due from related parties	17,000	-
Marsh & Munar PR	9,902	13,382
Munar Mortgage	18,253	10,262
Total due to related parties	28,155	23,644
Total due from (to) related parties, net	$ (11,155)	$ (23,644)

NOTE 5 – COMMITMENTS AND CONTINGENCIES

The Company is involved, from time to time, in claims incidental to the conduct of its business. Based on consultation with legal counsel, the Company does not have claims, either individually or in the aggregate, that would have a material adverse effect on the Company's financial condition or results of operations.

NOTE 6 – MANAGEMENT'S REVIEW OF SUBSEQUENT EVENTS

Management has evaluated subsequent events through April 21, 2026, the date on which the financial statements were available to be issued. No other events were identified that required adjustment or disclosure in the financial statements.

EXHIBIT E

STATE ADMINISTRATORS AND AGENTS FOR SERVICE OF PROCESS

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

State	State Administrator	Agent for Service of Process (if different from State Administrator)
California	Department of Financial Protection and Innovation 2101 Arena Blvd. Sacramento, CA 95834 866-275-2677 Ask.DFPI@dfpi.ca.gov www.dfpi.ca.gov	Commissioner of Financial Protection and Innovation 2101 Arena Blvd. Sacramento, CA 95834 866-275-2677 Ask.DFPI@dfpi.ca.gov www.dfpi.ca.gov
Hawaii	Department of Commerce and Consumer Affairs Business Registration Division Commissioner of Securities P.O. Box 40 Honolulu, HI 96810 (808) 586-2722	Commissioner of Securities Department of Commerce and Consumer Affairs Business Registration Division Securities Compliance Branch 335 Merchant Street, Room 203 Honolulu, HI 96813
Illinois	Franchise Bureau Office of Attorney General 500 South Second Street Springfield, IL 62706 (217) 782-4465	
Indiana	Franchise Section Indiana Securities Division Secretary of State Room E-111 302 W. Washington Street Indianapolis, IN 46204 (317) 232-6681	
Maryland	Office of the Attorney General Division of Securities 200 St. Paul Place Baltimore, MD 21202-2020 (410) 576-6360	Maryland Commissioner of Securities 200 St. Paul Place Baltimore, MD 21202-2020
Michigan	Michigan Attorney General's Office Consumer Protection Division Attn: Franchise Section 525 W. Ottawa Street Williams Building, 1st Floor Lansing, MI 48933 (517) 373-7117	

State	State Administrator	Agent for Service of Process (if different from State Administrator)
Minnesota	Minnesota Department of Commerce Securities-Franchise Registration 85 7th Place East, Suite 280 St. Paul, MN 55101-2198 (651) 539-1500	Commissioner of Commerce Minnesota Department of Commerce 85 7th Place East, Suite 280 St. Paul, MN 55101-2198 (651) 539-1500
New York	New York State Department of Law Investor Protection Bureau 28 Liberty St. 21st Floor New York, NY 10005 212-416-8222	Secretary of State 99 Washington Avenue Albany, NY 12231
North Dakota	North Dakota Securities Department 600 East Boulevard Ave., State Capital Fifth Floor, Dept. 414 Bismarck, ND 58505-0510 (701) 328-4712	
Oregon	Department of Consumer & Business Services Division of Finance and Corporate Securities Labor and Industries Building Salem, Oregon 97310 (503) 378-4140	
Rhode Island	Department of Business Regulation Securities Division 1511 Pontiac Avenue Building 68-2 Cranston, RI 02920-4407 (401) 462-9527	
South Dakota	Division of Insurance Securities Regulation 124 South Euclid Suite 104 Pierre, SD 57501-3185 (605) 773-3563	
Virginia	State Corporation Commission 1300 East Main Street 9th Floor Richmond, VA 23219 (804) 371-9051	Clerk of the State Corporation Commission 1300 East Main Street, 1st Floor Richmond, VA 23219
Washington	Department of Financial Institutions Securities Division P.O. Box 41200 Olympia, WA 98504-1200 (360) 902-8760	Department of Financial Institutions Securities Division 150 Israel Rd SW Tumwater, WA 98501 (360) 902-8760
Wisconsin	Division of Securities Department of Financial Institutions 4822 Madison Yards Way Madison, WI 53705 (608) 266-0448	Division of Securities Department of Financial Institutions 4822 Madison Yards Way Madison, WI 53705 (608) 261-7577

STATE EFFECTIVE DATES

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

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	Pending
Hawaii	
Illinois	
Indiana	
Maryland	
Michigan	
Minnesota	
New York	
North Dakota	
Rhode Island	
South Dakota	
Virginia	
Washington	
Wisconsin	

Other states may require registration, filing, or exemption of a franchise under other laws, such as those that regulate the offer and sale of business opportunities or seller-assisted marketing plans.

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 Marsh and Munar Team, 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. New York requires that you be given this disclosure document at the earlier of the first personal meeting or 10 business days before the execution of any franchise or other agreement, or payment of any consideration that relates to the franchise relationship.

If Marsh and Munar Team, 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 law and state law may have occurred and should be reported to the Federal Trade Commission, Washington, D.C. 20580 and any applicable state agency (which are listed in Exhibit A).

The name, principal business address, and telephone number of each franchise seller offering the franchise is:

Name	Principal Business Address	Telephone Number
Megan Marsh Andres Munar	8795 Peach Street, Erie, PA 16509	814-315-2822

Issuance Date: April 22, 2026

I received a disclosure document that included the following Exhibits:

A. State Addenda to Disclosure Document
B. Franchise Agreement (with State Addenda to Agreements, Guaranty and Non-Compete Agreement, and Form of General Release)
C. Branch Office Amendment to the Franchise Agreement
D. Item 21 Financial Statements
E. State Administrators and Agents for Service of Process

Signature: _____
Print Name: _____
Date Received: _____

Keep This Copy For Your Records

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Return This Copy To Us
Marsh and Munar Team, LLC