2023 - 2024

FRANCHISE

DISCLOSURE DOCUMENT

FOR

FRANCHISE DISCLOSURE DOCUMENT

CORTZ BY FSP, INC.
a California Corporation
2945 Bell Road
Auburn, CA 95603
Phone: (925) 290-8252
Email: info@cortz.com
Website: https://cortz.com

CORTZ BY FSP, Inc. ("CFSP") offers franchises to operate a business that constructs or resurfaces (coats, repairs, paints, stripes, and installs new netting, poles, or anything that is required to make a court comply with standard regulations) a court for sports, including, but not limited to, basketball, pickleball, or tennis designed by CFSP under the trade name Cortz.

The total investment necessary to begin operation of a Cortz Outlet is between $100,122 and $199,842. This includes $50,000 that must be paid to the franchisor or its affiliate(s).

If you want to obtain Development rights to open and operate multiple Cortz Outlets, you will pay an Initial Franchise Fee of $50,000 for your first outlet plus a discounted Franchise Fee of $40,000 for each additional outlet that you agree to open (minimum of 1 and a maximum of 4 additional outlet is required). You will pay these fees (the MUD Fee) at the same time you sign the Initial Franchise Agreement and the MUD Agreement. The total estimated initial investment under a Multi-Unit Development Agreement for two (2) or five (5) units, including the costs to equip the first Outlet is between $140,122 to $359,842. This includes between $90,000 and $210,000 that must be paid to the franchisor and/or its affiliates.

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

You may wish to receive your disclosure document in another format that is more convenient for you. To discuss the availability of disclosures in different formats, contact David Klembith, CEO, at CORTZ by FSP, Inc. 2945 Bell Road, Auburn, CA 95603; and (925) 290-8252.

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: August 21, 2024

How to Use This Franchise Disclosure Document

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

QUESTION	WHERE TO FIND INFORMATION
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 A 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 Cortz 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 CORTZ BY FSP?	Item 20 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 D.

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

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

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

4. 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.

5. You must make minimum advertising, and other payments, regardless of your sales levels. Your inability to make the payments may result in termination of your franchise and loss of your investment.

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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NOTICE REQUIRED BY THE STATE OF MICHIGAN

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

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

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

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

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

(d) A provision that permits a franchisor to refuse to renew a franchise without fairly compensating the franchisee by repurchase or other means for the fair market value at the time of expiration of the franchisee's inventory, supplies, equipment, fixtures, and furnishings. personalized materials which have no value to the franchisor and inventory, supplies, equipment, fixtures, and furnishings not reasonably required in the conduct of the franchise business are not subject to compensation. This subsection applies only if: (i) The term of the franchise is less than 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 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 subfranchisor. (iii) The unwillingness of the proposed transferee to agree in writing to comply with all lawful obligations. (*iv*) The failure of the franchisee or proposed transferee to

pay any sums owing to the franchisor or to cure any default in the franchise agreement existing at the time of the proposed transfer.

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

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

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

IF THE FRANCHISOR'S MOST RECENT FINANCIAL STATEMENTS ARE UNAUDITED AND SHOW A NET WORTH OF LESS THAN $100,000.00, THE FRANCHISOR MUST, AT THE REQUEST OF THE FRANCHISEE, ARRANGE FOR THE ESCROW OF INITIAL INVESTMENT AND OTHER FUNDS PAID BY THE FRANCHISEE UNTIL THE OBLIGATIONS 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.

Any questions regarding this notice should be directed to:

State of Michigan
Department of Attorney General
Consumer Protection Division
Attn: Franchise Unit
G. Mennen Williams Building
525 W. Ottawa Street
P.O. Box 30212
Lansing, Michigan 48909
Telephone Number: (517) 335-7622

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

TABLE OF CONTENTS

ITEM **PAGE**

ITEM 1 THE FRANCHISOR, AND ANY PARENTS, PREDECESSORS AND AFFILIATES 9
ITEM 2 BUSINESS EXPERIENCE 12
ITEM 3 LITIGATION 12
ITEM 4 BANKRUPTCY 12
ITEM 5 INITIAL FEES 12
ITEM 6 OTHER FEES 13
ITEM 7 ESTIMATED INITIAL INVESTMENT 17
ITEM 8 RESTRICTIONS ON SOURCES OF PRODUCTS AND SERVICES 20
ITEM 9 FRANCHISEE'S OBLIGATIONS 23
ITEM 10 FINANCING 24
ITEM 11 FRANCHISOR'S ASSISTANCE, ADVERTISING, COMPUTER SYSTEMS AND TRAINING 24
ITEM 12 TERRITORY 31
ITEM 13 TRADEMARKS 34
ITEM 14 PATENTS, COPYRIGHTS AND PROPRIETARY INFORMATION 36
ITEM 15 OBLIGATION TO PARTICIPATE IN THE ACTUAL OPERATION OF THE FRANCHISE BUSINESS 37
ITEM 16 RESTRICTIONS ON WHAT THE FRANCHISEE MAY SELL 37
ITEM 17 RENEWAL, TERMINATION, TRANSFER AND DISPUTE RESOLUTION 38
ITEM 18 PUBLIC FIGURES 41
ITEM 19 FINANCIAL PERFORMANCE REPRESENTATIONS 41
ITEM 20 OUTLETS AND FRANCHISEE INFORMATION 42
ITEM 21 FINANCIAL STATEMENTS 44
ITEM 22 CONTRACTS 44
ITEM 23 RECEIPT 44

EXHIBITS:

A Financial Statements
B Franchise Agreement
C Multi-Unit Development Agreement
D State Administrators and Agents for Service of Process
E Multi State Addendum to the Franchise Disclosure Document, Franchise Agreement
F Operations Manual Table of Contents
G State Effective Dates
Last Page - Receipt

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

To simplify the language in this Franchise Disclosure Document, “we”, “us”, “our”, “Cortz”, or “CFSP” means CORTZ BY FSP, Inc., the Franchisor. “You” or “Your” means the person who buys the franchise, the franchisee. If the initial franchisee is an individual(s) that subsequently assigns his, her or their interest to a corporation, limited liability Company, partnership or other entity, then "You" and “Your” will include the entity’s owners by virtue of our requirement that all of the entity owners must personally guarantee, and be personally bound by, your obligations under the Franchise Agreement and the other agreements described in this Disclosure Document. To fully understand all of your and our respective rights and obligations, you must still carefully review the actual agreements you must execute. These agreements will control if there is any dispute between us.

The Franchisor, any Parents, Predecessors and Affiliates:

CORTZ BY FSP, Inc. was incorporated under the laws of California in September 2023. CFSP does not do business under any other name. Our principal business address is 2945 Bell Road, Auburn, CA 95603. CFSP agent for service of process is disclosed in Exhibit D to this Franchise Disclosure Document. CFSP has never sold any other franchise and has no business other than offering franchises and assisting franchisees. We do not currently operate any Outlets. We have been offering franchises since March 31, 2024.

CORTZ BY FSP, Inc. has no parent or predecessors. However, we do have one affiliate, First Serve Productions, Inc., a California corporation, formed on October 3, 2003, and which operates a business which is the model upon which our franchise system is based. This affiliate was originally a sole proprietorship owned by our CEO, David Klembith, since 1997. This affiliate operates from 1550 Ridgemore Drive, Meadow Vista, CA, 95722.

Description of the Franchise

We offer, and award, to qualified applicants, the right to operate one or more of our franchise Operating Units (OU’s) within a Designated Territory (DT); a franchise OU is defined as one Truck and Team of 1 to 4 people as a service platform that resurfaces (coats, paints, repairs, stripes, and installs new netting, poles, or anything that is required to make a court comply with standard regulations) or originates a court for sports, including, but not limited to typically basketball, pickleball, or tennis using the System under the CORTZ trademarks, licensed trademarks, trade names, service marks, and logos (“Marks”). One franchisee doing business in a DT, while not required, may have one or more franchise OUs within the DT.

In the 26 years since conceived by our founder and our affiliate FSP, we have developed methods of marketing and the operational protocols and procedures of each Unit using certain trademarks, trade secrets, trade dress, copyrightable works, sources and specifications, designs for certain equipment, training, marketing concepts, manuals, distinctive color schemes, specialized products, service and confidential information, all of the Manuals, and all of the research and development (collectively referred to as the "System"). You must have the prior approval of Cortz or comply

with the Operations and Training Manual and must only use the branding, artwork, and trade dress that is approved and certified by Cortz.

We, Cortz, are designed to support you in your ongoing business efforts. Cortz reserves the right to change, and/or otherwise modify the System by adding, modifying, adjusting, and/or deleting any of our designs, processes, procedures, protocols, and/or services at any time in our sole discretion.

You will be required to participate in Cortz local and national marketing programs in which we may promote the brand.

Single Unit Franchise Program. If we approve you as a franchisee, you will sign a Franchise Agreement, in the form attached as Exhibit B to operate one or more Operating Units (OU's) only within a Designated Territory (DT), also referred to as Outlets. You must operate any and all the OUs within your Designated Territory in agreement with our standard business operating practices and sign our standard franchise agreement ("Franchise Agreement") which is attached to this Disclosure Document as Exhibit B, as well as pay our Initial Franchise Fee of $50,000.

Multi-Unit Development Program. Under the Multi-Unit Development Program ("MUD"), we will offer you the option to acquire additional Units at a discounted Franchise Fee. Additional Units are defined as separate Designated Territories in which you must operate at least one OU but may operate as many OUs as you deem appropriate. The discounted Franchise Fee for these additional Units purchased under our MUD program will be offered at a 20% discount per Unit for an Initial Franchise Fee of $40,000 per Unit. The MUD Fee for all Units is due upon signing the Multi-Unit Development Agreement ("MUDA"). You must agree to open and operate a minimum of at least two (2) MUD Units within a specified period of time ("Development Schedule"). The specific number of MUD Units awarded will be mutually agreed upon between you and us. If you elect to participate in and are approved for this MUD Program, you will execute a Multi-Unit Development Agreement ("MUDA"), in the form attached as Exhibit C, at the same time you sign the Initial Franchise Agreement. The MUD Schedule, included as Attachment A to the MUDA, will describe the general area within which you will locate each additional Unit you agree to purchase, and the Initial and discounted Franchise Fee for each Unit. For each MUD Unit you must sign a separate Franchise Agreement, specific to that Unit, according to the MUD Schedule, which may differ materially from the current Franchise Agreement included with this FDD. In no event will you sign a Franchise Agreement for any MUD Unit until we have complied with any applicable waiting periods prescribed by law, and in no event will you be a franchisee entitled to operate any OUs within the DT until we sign the Franchise Agreement for that particular Unit. You will pay your discounted Franchise Fees for all Units you agree to open upon signing the MUD Agreement. You must operate each Unit in agreement with our standard business operating practices, protocols, and procedures, and sign our current standard franchise agreement for that Unit. If you open and operate multiple Units under a MUDA, and the Designated Territory we grant you under each Franchise Agreement governing those Units are contiguous to one another or as we might otherwise agree in writing in the MUDA, then we may authorize you the right to operate such Unit from the same location as indicated in the Initial Franchise Agreement. (and we will memorialize your right to do so in an addendum to the applicable Franchise Agreements at issue).

The Market and Competition

Cortz targets its services to residential, commercial and public venues. Our System allows you to serve, using the branded service truck, OU, Outlet, a much broader area than from a typical brick and mortar location. The market for sports court construction, repair, resurfacing, and maintenance is well established and highly competitive in the United States. Factors such as location, price, service, time of year, and product quality may affect your ability to compete in your market. You will experience competition from similar businesses offered at, or near, the locations where your Franchise is located. You will compete with local and national brands, operating under well-known and recognizable service marks. You will also face other normal business risks that could have an adverse effect on your Unit. These may include industry developments, such as pricing policies of competitors, state regulations, and supply and demand. Business today is highly impacted by online or social media reputations; you must be mindful of what you and others are saying online or through social media as it may impact your business.

Regulations

As a franchisee, you may be required to obtain a specific license, registration or permits in certain states to operate Cortz Outlet. There are also federal, state, and in some cases, local laws and regulations pertaining specifically to the painting industry, the building and construction industry, and your franchise, which vary and can change over time. These include laws and regulations pertaining to contractor licensing or registration, lead paint removal and disposal, asbestos handling and removal, and hazardous waste handling and disposal including paint and solvents. Among the federal regulations that are applicable to your franchise are regulations promulgated by the Environmental Protection Agency ("EPA") that imposes certain requirements related to how the relevant renovation, repair, and painting activities are carried out, which include the distribution of a mandatory informational pamphlet to the customer, paint testing, cleaning verification, waste disposal, recordkeeping, and other requirements. There may be other EPA regulations that will apply to your Outlet.

The Occupational Safety and Health Administration ("OSHA") has issued regulations pertaining to worker safety and health in the workplace. OSHA has also issued regulations pertaining to exposure to airborne concentrations of lead above certain levels. Many states and municipalities also have laws regulating the handling and disposal of hazardous materials, including paint and solvents, as well as laws and regulations pertaining to worker safety and health in the workplace.

There are federal, state and possibly local laws covering how to classify workers, for example, whether as independent contractors or employees, or as exempt or non-exempt, for different purposes, such as tax, wage and hour laws, unemployment compensation and workers' compensation. These laws and regulations can vary from state to state, city to city and at the federal level, and could affect, in some instances materially, the operation of your Cortz Business.

You should investigate whether there are any state or local laws, regulations or requirements that may apply in the geographic area in which you intend to conduct business. You are responsible for obtaining licenses required in your locality. You should consider both the effect of any such laws and regulations on your Cortz Outlet and the cost of compliance.

In California, you will need to obtain an "A" General Engineering Contractor License from the California Contractors State License Board. In addition, California has laws governing the types of paints and solvents you may use as well as a recycling program for disposal of these products on the CalRecycle website.

You are responsible for obtaining any licenses, registrations or permits required to operate an Cortz Outlet in your Territory. As a franchisee, you may be subject to general business, employment, other laws, and regulations. In most jurisdictions, at a minimum you may be required to have a paint contractor license and you may be required to be licensed as a general contractor. You should consult with your attorney and local, state, and federal government agencies before buying your CORTZ BY FSP to determine all legal requirements and consider their effects on you and your cost of compliance. It is your sole responsibility to investigate, satisfy and remain in compliance with all local, state, and federal laws and licenses, since they vary from place to place and can change over time.

Many states and local jurisdictions have enacted laws, rules, regulations, and ordinances that may apply to the operation of your Unit. You must also comply with laws that apply generally to all businesses. You should investigate these laws.

ITEM 2
BUSINESS EXPERIENCE

Chief Executive Officer: David Klembith

Mr. Klembith is currently serving as our Chief Executive Officer since our inception in September 2023. Mr. Klembith is also President of First Serve Productions, Inc, since its inception in 1997.

ITEM 3
LITIGATION

No litigation is required to be disclosed in this Item.

ITEM 4
BANKRUPTCY

No bankruptcy is required to be disclosed in this Item.

ITEM 5
INITIAL FEES

Single Unit Franchise Agreement:

You must pay us an initial franchisee fee (the "Initial Franchise Fee") in a lump sum when you sign the Franchise Agreement. Our initial franchise fee under the Single Unit Franchise Program is $50,000. In no event is the Initial Franchise Fee refundable.

Multi-Unit Development Agreement:

If you desire to be a part of our Multi-Unit Development program (MUD), you must sign a Franchise Agreement to open your first Cortz Unit and pay us the full Initial Franchise Fee of $50,000 for the first Unit and agree to open a minimum of one (1) and maximum of four (4) additional units under the Multi-Unit Development Agreement according to the Multi-Unit Development Schedule. The Initial Franchise Fee for subsequent Units purchased under our Multi-Unit Development program will be discounted by 20% to $40,000 per unit, which is due at the same time that you sign the Multi-Unit Development Agreement. In no event are these Fees refundable.

For example, if you agree to open only two (2) Cortz Units (also herein called Outlets or DTs) under the MUD program, at the time of signing your Franchise Agreement for your first Unit, you will pay us, a Multi-Unit Development ("MUD") Fee, comprised of the Initial Franchise Fee of $50,000 for the first Unit and the Discounted Franchise Fee of $40,000 for the second unit you agree to develop under the MUDA for a total MUD Fee of $90,000. If you agree to open five (5) Units, the MUD Fee will be comprised of $50,000 for the Initial Franchise Fee, and $40,000 for each additional DT multiplied by 4 or $160,000 for a total MUD Fee of $210,000 You will pay the MUD Fees at the time you sign the Initial Franchise Agreement in conjunction with the MUDA. You must sign a new Franchise Agreement for each subsequent Unit, the terms of which may vary from the Franchise Agreement attached to this disclosure document, in accordance with your MUD Schedule.

You pay us or our affiliates no other fees or payments for services or goods before your Outlet opens.

ITEM 6
OTHER FEES

Type of Fee	Amount	Due Date	Remarks
Royalty Fee (Note 2)	Six (6) % of Gross Revenue per month. on the first $1,000,000 in annual Gross Revenue, then the Royalty drops to 4% on annual Gross Revenue over $1,000,001	Due on the 5th of each month. Deducted from your Business bank account via EFT or paid by any other means as determined by Us.	Required of all Franchisees. Royalty is to be paid monthly and may be collected electronically. The Gross Revenue for the Royalty Fee resets each year on January 1.
Media and Tech Support Fee	$249 per month.	Due on the 5th of each month. Deducted from your Business bank account via EFT or paid by any other means as determined by Us.	Payable to Us. This fee is imposed on each Unit you may purchase in a MUDA or individually. We reserve the right to change this fee up or down as the need for support may change. It will be imposed uniformly.

Type of Fee	Amount	Due Date	Remarks
Advertising Materials	$100 - $500	As incurred	Payable to Us. We provide most advertising samples at no charge. Additional copies or materials are supplied at our cost, plus 10%.
National Marketing Fund (Note 2)	1% of Gross Revenue per month	Due on the 5th of each month. Deducted from your Business bank account via EFT or paid by any other means as determined by Us.	Once implemented, All franchised Outlets will be required to pay to us a contribution to the National Marketing Fund ("Fund") or a Multi-Area Marketing Program(s) (MAM Programs) not to exceed 1% of Gross Revenues per month. Any Outlets under the control of our principals or affiliates are not required to participate in the NMF. We expect to collect this NMF fee after 10 Outlets are sold.
Initial Training for Additional Persons or new or replacement employees (Note 3)	$2,500 per person. We must pre-approve any additional trainees under your Franchise Agreement.	As incurred	The cost to train two people is included in the initial franchise fee. If you request that we provide our initial training program to any additional employees, or to new or replacement employees during the term of your Franchise Agreement, you must pay our training fee as well as the additional trainees' expenses, including travel, lodging, meals and wages. Additional Team members may be trained by the use of our Manuals and by direct supervision by the Team lead as on-the-job (OJT) training.
Additional Assistance at Your Franchise (Note 4).	$500 per day (two day minimum) plus travel and living expenses.	As incurred	If you request that we provide additional training at your Outlets location beyond Initial Training, or if as the result of an inspection or quality assurance audit we believe that remedial training is necessary, you must pay our daily fee for each trainer we send to your Outlet, and you must reimburse each trainer's expenses, including travel, lodging, meals and wages.
Conference Fees	Estimated at $250 per person attending live, or $100 for per person for attending virtually.	As incurred	Currently, we do not hold any mandatory periodic regional or national conferences but reserve the right to do so in the future or after 10 franchise Units are sold.
Transfer Fee Single Unit (Note 5)	$0 - $5,000 per Unit plus new owner must pay for the then Training Fee for each person trained.	Prior to acceptance of transfer	Payable at closing of the sale of your franchise.

Type of Fee	Amount	Due Date	Remarks
Audit	Cost of audit plus 1.5% interest per month on understatement or the maximum interest rate allowed by applicable law, whichever is greater.	On Demand	We pay all audit costs unless the audit shows an understatement of at least 1% of Gross Revenue/Sales for any month. or you have understated any amount you owe to us. You must also pay the understated amount plus interest. Also payable for failure to submit required reports. We expect you to provide a Balance Sheet and Income Statement for each year ending December 31. We use this data for audit and to access our future training requirements.
Fees for Lost Manual	Up to $250	Upon ordering	You must replace any Manual that is lost, stolen or destroyed. The Manual remains our property.
Bank Charges and Administrative Costs	Actual Fees incurred by us plus a 10% administration fee	Payable on demand	We will charge fees to cover bank charges and administration costs if an electronic funds transfer attempt is unsuccessful or you close your operating account, or any check or other payment is returned not paid. If you incur three insufficient funds fees in any 12-month period, we have the right to terminate your Franchise Agreement. Unpaid amounts will also accrue interest.
Interest	1.5% per month	30 days after due date	Franchisees must pay interest on late payments in the amount of 1.5% per month, or the maximum interest rate allowed by applicable law, whichever is greater. Interest accrues from the original due date until paid in full.
Franchise Renewal Fee Single Outlet & MUDA	Currently $5,000 per Unit	120 days prior to renewal	Initial franchise term is 5 years. The renewal term is 5 years. The MUDA is not renewable and is concluded upon “the stated execution date of the Franchise Agreement for the Franchisee’s last Unit shown above..
Liquidated Damages	Will vary under circumstances	Within 45 days of termination	If we terminate your Franchise Agreement for cause, you must pay us within 45 days after the effective date of termination liquidated damages equal to the average monthly Royalty Fees you paid or owed to us during the 12 months of operation preceding the effective date of termination multiplied the number of months remaining in the Agreement had it not been terminated.

Type of Fee	Amount	Due Date	Remarks
Collection Costs, Attorneys' Fees and Interest	Interest on overdue amounts from the due date until paid at the lesser of 18% interest per year or the highest lawful interest rate, plus costs of collection, attorneys' fees and court costs, if any.	Payable on demand.	If we engage an attorney to collect any unpaid amounts (whether or not formal judicial proceedings are initiated), you must pay all reasonable attorneys' fees, court costs, and collection expenses incurred by us. If you are in breach or default of any non-monetary material obligation and we engage an attorney to enforce our rights (whether or not formal judicial proceedings are initiated), you must pay all reasonable attorneys' fees, court costs, and litigation expenses. If you institute any legal action to interpret or enforce the terms of the Franchise Agreement, and your claim in the action is denied or the action is dismissed, we may recover from you our reasonable attorneys' fees, all other reasonable costs, and expenses incurred in defending against the same.
Indemnification	Amount of loss or damages plus costs	As incurred	You must defend, indemnify and hold us and our related parties harmless from all fines, suits, proceedings, claims, demands, obligations or actions of any kind (Including costs and reasonable attorneys' fees) arising from your ownership, operation or occupation of your Unit(s), performance or breach of your obligations, breach of any representation or acts or omissions of you or your employees.
Computer and Communications Equipment Upgrades and Maintenance	Varies, but usually no more than $1,000 per year.	As incurred or as agreed	You must purchase upgrades and pay for maintenance for your computer and communications equipment, including upgrades for any required proprietary software, when we require you to do so.

Notes:

(1) We or our affiliates impose all the fees in this table, you pay them to us or our affiliate, and we (or our affiliate) do not refund them. The fees and costs in this Item 6 are uniformly imposed.

(2) "Gross Revenues" means the total of all receipts derived from gross the compiled Invoice Amounts, to each residential, commercial, or public customer as is earned at the completion of a Job per the Terms of the Invoice, whether the receipts are evidenced by cash, credit, checks, services, property, or other means of exchange. Gross Revenue excludes only sales tax receipts that you must by law collect from customers and that you actually pay to the government, promotional or discount coupons to the extent that Franchisee realizes no revenue, and employee receipt of services, if free, or any portion not paid for by an employee.

(3) Training for you and your Manager is included in the Initial Franchise Fee. Additional charges are only applied if you choose to train more than two people. Training fees can be increased or decreased by us at any time in our discretion. We must approve additional persons trained.
(4) Ongoing assistance by telephone is included. We will charge you the Additional Assistance fee only if you require additional assistance at your franchise. Fees for additional assistance can be increased or decreased by us at any time in our discretion.
5) Transfer Fees:

a) Single Outlet No Transfer Fee is required if you transfer your Outlet to an entity in which you are the majority stockholder, or if you transfer the Outlet to your child, parent, sibling, or spouse subject to any such individual being approved as a franchisee by us. You must pay a Transfer Fee of $2,500 if you transfer the Outlet to another franchisee of ours. In all other cases, you must pay a Transfer Fee of $5,000. Transferee must pay the then current training fee for each person to be trained.

b) MUDA No fee charged for a one-time transfer from individual(s) to a corporate entity formed for convenience of ownership of the franchise. In all other cases, the transfer fee will be $5,000 per unopened store according to the MUDA.

ITEM 7
ESTIMATED INITIAL INVESTMENT

YOUR ESTIMATED INITIAL INVESTMENT – SINGLE UNIT FRANCHISE

Type of Expenditure	Amount (Low)	Amount (High)	Method of payment	When due	To whom payment is to be made
Initial Franchise Fee (Note 1)	$50,000	$50,000	Lump sum	Upon signing of a Franchise Agreement	Us
Training Fee (Note 2)	$0	$5,000	Lump sum	As incurred	Us
Travel and Living Expenses (Note 2)	$3,000	$6,000	As incurred	During training	Airlines, Hotels, Restaurants, etc.
Rent or Real Estate (Note 3)	$0	$1,500	As determined by Lessor	Prior to opening	Lessor
Equipment For Service Vehicle (OU) (Note 4)	$6,000	$10,000	As incurred	Prior to opening	Suppliers
Service Vehicle (Pickup Truck) (OU) (Note 5)	$3,000	$60,000	As arranged with supplier	Prior to opening	Suppliers
Interior and Exterior Signage (Note 6)	$250	$1,000	As incurred	Prior to opening	Supplier
Miscellaneous Opening Costs (Note 7)	$500	$1,000	As incurred	Prior to opening and during first three months	Suppliers, Utilities, etc.
Business Licensing, Permits and Legal Fees (Note 8)	$500	$2,000	As determined by Insurance Company	Prior to opening or as arranged with Insurance Company/Agent	Attorneys Accountants, local and state jurisdictions
Required Initial Product Purchase (Note 9)	$10,000	$20,000	As incurred	Prior to opening	Vendors and Suppliers
General Operating Supplies (Note 10)	$0	$1,000	As incurred	Prior to opening and during first three months	Office Suppliers, business suppliers and vendors

Type of Expenditure	Amount (Low)	Amount (High)	Method of payment	When due	To whom payment is to be made
Advertising/Marketing (3 months) (Note 11)	$1,500	$3,000	As incurred	During first three months	Cortz
Media and Tech Support (Note 12)	$747	$747	As incurred	Due monthly on the 5th	Cortz
Insurance (3 months) (Note 12)	$625	$875	As determined by Insurance Company	Prior to opening or as arranged with Insurance Company/Agent	Insurance Company/Agent
Computer Equipment and Proprietary Software (Note 13)	$0	$1,720	As determined by Vendors	Prior to opening or as arranged with Vendors	Vendors, Approved Suppliers
Additional Funds for Initial three (3) Months (Note 14)	$24,000	$36,000	As incurred	As incurred	Suppliers, Utilities
TOTALS	**$100,122**	**$199,842**			

Notes: The figures in this chart assume that you will begin operation of your franchise with only one (1) OU. Additional OU's will incur additional expenses.

(1) CFSP will approve or decline your application within 45 days of our receipt of your completed application. Your Franchise Fee will be due upon signing the Franchise Agreement and is fully earned upon payment. We will not refund the Initial Franchise Fee under any circumstances. Neither CFSP nor any agent or affiliate finances any part of the initial investment.

(2) Additional Training Fee and Travel Costs: Initial Training for 2 persons is included with the Franchise Fee. If you would like to have additional persons attend the Initial Training, we must pre-approve those persons and you must pay a Training Fee of $2,500 per additional person. You must also pay the out-of-pocket costs affiliated with attending our initial training program, including travel, lodging, meals and applicable wages for two trainees. Your costs may vary depending on your selection of lodging and dining facilities and mode and distance of transportation. Our training program lasts for approximately two (2) weeks.

(3) Rent/Real Estate (Optional): You may be required in some Outlet configurations to have an office or parking space; however, this franchise is designed to be home-based/mobile. You should investigate the rental rates in the area where you propose to locate your Business. If you purchase property or a building, or both, for the Business, your additional costs will depend on the location and size of the land and building. Franchisees do not typically invest in the land and buildings or rent office space. These estimates are based on operating from your home as the low estimate and operating from a small storage or business space as the high estimate. The terms and conditions of all agreements relating to the purchase, lease, and alteration of the property will be negotiated solely by you; however. The purchase of real estate may have additional legal expenses.

(4) Equipment for One Service Vehicle. Standard tools of the trade are required. If you do not have tools that are acceptable to Us. You are required to purchase the equipment we specify in our Manual. This estimate only includes enough equipment for one (1) OU. Additional OU's will incur current costs for the required equipment, which may be different than this estimate.

(5) Service Vehicle OU: We require a standard or crew cab "white" pick-up truck similar to a Ford F150 or F250 series; however, the vehicle brand is your choice. Our estimate on the "Low" assumes you already own a suitable truck or are leasing or financing this equipment and payments for 90 days and on the "High" is direct purchase of a new or used truck. We will allow the purchase of a "used" white pick-up truck provided it is clean, not damaged, and in good working condition. Trucks must be wrapped per Cortz specifications. This estimate only includes the cost of one service vehicle (OU) within your DT. You will incur additional costs for any additional OUs you operate within your DT, which may be different than this estimate.

(6) Signage: Each OU will require a vehicle wrap made to our specifications. We do not require any external business signage unless there are requirements from any landlord if you rent a space.

(7) Miscellaneous Opening Costs: Includes other deposits, utility costs, telephone, Internet and communications costs and incorporation fees.
(8) Business Licensing Permits and Professional Fees: These are estimates of the costs for obtaining local business licenses which typically remain in effect for one year. These figures do not include occupancy and construction permits as they are not generally necessary for a home-based business. The cost of these permits and licenses will vary substantially depending on the location of the Outlet. We strongly recommend that you verify the cost for all licenses and permits required in your jurisdiction before signing the Franchise Agreement. This estimate also includes the cost for legal / professional / accounting fees as well as any required enrollments.
(9) Required Initial Inventory Purchase: You must purchase an initial inventory of at least one pallet of various colors of paint. The cost for these items, exclusive of shipping costs, ranges from $10,000 to $20,000. These items must comply with our specifications as indicated in The Manual.
(10) General Operating Supplies: We assume, at a minimum, you have what you need. In the maximum this item includes the estimated costs to purchase a desk, telephone, and basic office supplies for an in-home office. You may also need general office supplies such as paper, pens, etc. In addition, you and any employee are required to wear uniforms. This estimate includes the cost to supply a home office as well as provide uniforms for up to 4 persons. There are currently no requirements for these items other than our Uniforms must be approved by Us.
(11) Advertising Requirements for local and NMF: Franchisees will be required to spend a minimum amount on Local Marketing per month in addition to the contribution to the NMF. This estimate includes the fees for the first 3 months of operation.
(12) Media and Tech Fee: You must pay Us a fee of $249 per month for this service. We will provide franchise management software, basic CRM, LMS, listing on the Cortz website, lead referral, Social Media Ad Design, and systems/resources for bidding jobs. We reserve the right to uniformly change this fee and the products/services offered.
(13) Insurance: You must maintain insurance policies in amounts as specified by us periodically in the Manual. Insurance is required and specified in our Franchise Agreement. You must maintain insurance policies in amounts as specified by us periodically in the Manual. Insurance coverage must include general liability, combined single limit, bodily injury and property damage insurance for operations, and all other occurrences against claims of any person, employee, customer, agent, or otherwise. You must provide us with a copy of your insurance and professional liability certificate of Insurance showing Cortz Franchising, Inc. listed as an "additional loss payee." You should shop for this required coverage for the lowest price. We do not sell insurance to our Franchisees. Typically, an Insurance Broker can shop multiple carriers for your best pricing. An umbrella policy with your homeowner's policy that meets these requirements is acceptable to us.
(14) Computer and POS Software and Equipment: We assume, in the minimum, you have your own computer and/or cell phone. We do not require that you use any specific vendors for your computer, Internet, and communications equipment. We do require that you meet certain minimum standards established periodically in the Manual. Many of your payments will be by check or ACH or wire. If you accept credit cards, depending on the equipment you select or rent, we estimate the costs to be approximately $0 to $600 depending on the equipment you select or rent. Additional equipment may incur additional expenses. Processing fees are estimated to be approximately 3% plus a possible ticket charge of around $0.10 to $0.25) per transaction. Flat fees may be an option as well. We require that you buy and/or license Quick-Books Online to use in the operation of your Franchise. The cost of this software is estimated to be approximately $30 per month but is subject to change according to the vendor's pricing policy. You will also need a laptop or tablet or desktop computer in which to operate the accounting software. If you do not already have these, we estimate the costs to be $250 to $1,000 depending on the equipment you select.
(15) This estimates your initial startup expenses for an initial three-month period, not including payroll costs, and does not include any revenue generated by the operation of your Outlet. These figures are estimates, and we cannot guarantee that you will not have additional expenses starting your Outlet. Your expenses will depend on factors such as: how much you follow our methods and procedures, your management skill, experience and business acumen, local economic conditions (e.g., the local market for sports court construction,

repair, resurfacing and maintenance business), the prevailing wage rate, competition and the sales level reached during the initial period.

We relied on 27 years of experience in the sports court construction, repair, resurfacing, and maintenance business to compile these estimates. You should review these figures carefully with a business advisor before making any decision to purchase the franchise. We do not provide financing arrangements for you. If you obtain financing from others to pay for some of the expenditures necessary to establish and operate the franchise, the cost of financing will depend on your creditworthiness, collateral, lending policies, financial condition of the lender, regulatory environment, and other factors.

EXAMPLE OF YOUR ESTIMATED INITIAL INVESTMENT
MULTI-UNIT DEVELOPMENT PROGRAM OF 2 or 5 UNITS

Type of Expenditure	2 Units Amount (Low – High)	5 Units Amount (Low – High)	Method of payment	When due	To whom payment is to be made
Multi-Unit Development Fee (Note 1)	$90,000	$210,000	Lump sum	Upon signing First Franchise Agreement and MUDA	Us
Initial Investment for 1st Unit (Note 2)	$50,122	$149,842	As indicated in Item 7 chart above	As indicated in Item 7 chart above	As indicated in Item 7 chart above
TOTALS (Note 3)	$140,122.00	$359,842.00			

Notes:

(1) This Chart is based on the estimated costs to purchase two (2) or five (5) units under the Multi-Unit Development Agreement ("MUDA"). You must sign our MUDA at the same time you sign the Initial Franchise Agreement for the first Unit and will pay the Initial Franchise Fee of $50,000 for that Unit plus a franchise fee discounted by 20% for a fee of $40,000 (MUD Fee) for each subsequent Unit that you agree to open according to the Development Schedule included as Exhibit A to the MUDA.

(2). Multi-Unit Developers will incur the expenses listed in the preceding Item 7. However, the Initial Investment for the First Unit does not include the Initial Franchise Fee as that is included in the MUD Fee in the row above

(3) The Total Estimated Initial Investment for the MUDA includes the Discount Fee you must pay at the time you enter into the MUDA which includes the Initial Franchise Fee for the first Unit and the discounted Franchise Fees for each subsequent Unit you agree to develop and the estimated range of fees you will incur to open and operate your first Unit for a period of three (3) months.

ITEM 8
RESTRICTIONS ON SOURCES OF PRODUCTS AND SERVICES

We require that you establish and operate your Franchise in compliance with your Franchise Agreement. You must strictly follow our specifications as described in the operations manual we provide to you or other written materials from us (collectively, the "Manual"), which we may modify from time to time, and which may be in print or electronic format. We reserve the right to require you to use an electronic version of the Manual and to require you to access the document using the Internet or an intranet created and supported by us. Our standards and specifications

have been prescribed in order to maintain a uniform standard of high quality, value, advertising support and availability to be furnished to the public in connection with our Marks. In operating the Franchise, all equipment, supplies and Outlet designs must conform to our standards and specifications, which have been established through years of experience. In the future, we may modify our Outlet equipment, supplies, and Outlet design specifications.

Designated Suppliers Per Outlet:

Computer Software: Quickbooks, https://quickbooks.intuit.com/

You must pay the Media and Tech Fee to us and may not use any other provider. The current fee is $249 per month. In the fiscal year ended December 31, 2023, we did not sell any franchises and therefore, no revenue was collected for this service.

Approved Suppliers:

You must purchase all required inventory items, vehicle wrap, equipment and the service vehicle from approved and recommended suppliers, or suppliers that meet our specifications and use our required branding as provided in The Manual and which may change from time to time to meet our expectations. We must approve any supplier proposed by you. At the present time, CFSP is not an approved or designated supplier of any of these items. We may derive income or other material benefit from these required purchases from approved vendors/suppliers. In the fiscal year ended December 31, 2023, we did not sell any franchises and therefore we did not receive any revenue for these required purchases.

CFSP estimates that the cost of the required purchases that must be purchased from designated or approved suppliers or in accordance with CFSP's specifications will represent approximately between 22% and 41% of your total purchases in connection with the establishment of your Outlet and will represent from 5.3% to 6.5% of your ongoing expenses.

There are no approved suppliers in which any of our officers owns an interest.

We expect to derive some income from Franchisees' required purchases from designated and approved suppliers in the next and following fiscal years through a program of rebates from some of our designated or approved suppliers. These rebates serve to partially reimburse us for our costs in the initial sourcing, approval and ongoing monitoring of compliance with our quality standards by our suppliers, but we may receive rebates in excess of our cost to source, approve and monitor suppliers. In the fiscal year ended December 31, 2023, neither we nor our affiliates derived revenue from purchases or leases made by our Franchisees.

If you would like to purchase these items from another supplier, you may request our "Supplier Approval Criteria and Request Form." Based on the information and samples you supply to us, we will test the items supplied and review the proposed supplier's business reputation, delivery performance, credit rating and other information. There is no cost to you for this review. We expect to complete our review and advise you of our decision within 30 days after you submit the required information. The specifications and standards for these required purchases are in the Manual. We reserve the right to disapprove any previously approved vendor whose performance

falls below our standards. We will make any approvals of new vendors or revoke approval of vendors in writing based on the vendor's credit worthiness, delivery standards, and cost and will incorporate our decision in the Manual. The specifications and standards for these required purchases are in the Manual.

We do not have any purchasing or distribution cooperatives as of the date of this Disclosure Document. We may negotiate purchase arrangements with other suppliers and distributors for the benefit of our Franchisees in the future and we may receive rebates or volume discounts from our purchase of equipment and supplies that we resell to you. We do not provide material benefits, such as renewing or granting additional franchises, to Franchisees based on their use of designated or approved suppliers.

Leases

If you should decide to rent a small space for the storage of your supplies and/or an office, CFSP requires you to include certain provisions in your lease (See Attachment VIII to the FA).

Insurance

Before you open a Business for operation, you must obtain the insurance coverage for the Business as specified below, provided that the types, amounts, and terms of coverage are subject to adjustment from time to time by us, in our sole discretion. The insurance coverage must be maintained during the term of the Franchise Agreement and provide evidence of insurance to us that insurance has been obtained from a responsible carrier or carriers acceptable to us.

All insurance coverage shall be taken out in your name and shall name Cortz by FSP, Inc. as an additional insured and be placed with insurers designated by us or acceptable by us. You must furnish us with certified copies of each of the insurance policies described above on the earlier of your opening of the business or thirty (30) days following the date that the Franchise Agreement is executed. You must purchase "A" rating insurance policies. Each such policy shall provide that it cannot be canceled without thirty (30) days prior written notice to us and that we shall receive at least thirty (30) days prior written notice of its expiration. You shall promptly refer all claims or potential claims against you or against us to your insurer and to us. You must, at all times, maintain insurance as follows:

A. If you have employees, workers' compensation insurance in amounts prescribed by law in your territory;

B. Fire and lightening, extended coverage, theft, vandalism and malicious mischief, flood (if the Franchise is in a Designated Flood Hazard Area), and sprinkler leakage insurance on the Franchise and all fixtures, equipment, supplies and other property used in the operation of the Franchise, for not less than 100% of the replacement value of the same, except that an appropriate deductible clause will be permitted;

C. Comprehensive general liability insurance and product liability insurance coverage in such amounts and upon such terms as may from time to time be customary for a sports court construction, resurfacing, and repair business located in your Territory, but not less than $1,000,000, insuring both you and CFSP against all claims, suits, obligations, liabilities and

damage, including attorneys' fees, based upon or arising out of actual or alleged personal injuries or property damage relating to the use or condition of the Franchise; and

D. Such additional insurance as may be required by the terms of any lease or mortgage for the Franchise.

Computer Requirements

We do not currently require you to purchase any particular computer hardware brand to establish or operate the Outlet, but we do specify the standards for computer and communication equipment and Internet access. You may be required to purchase software to use in the operation of your Franchise. We reserve the right to require you to specify computer hardware or software, and other communications equipment, and to specify other computer-related and communications standards in the future.

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(s)	ITEM in Disclosure Document
A	Site selection and acquisition/lease if any	Sections 8.02, 10.01, 10.02 and Attachment VI of the Franchise Agreement	ITEM 11
B	Pre-opening purchases/leases	Sections 10.01, 10.02 & 12 of the Franchise Agreement	ITEM 11
C	Site development and other pre-opening requirements	Sections 8, 10 & 12	ITEM 11
D	Initial and ongoing training	Sections 8.04, through 8.06 of the Franchise Agreement	ITEM 11
E	Opening	Section 4.03 of the Franchise Agreement Section IV and Attachment A in the MUD Agreement	Attachment A
F	Fees	Sections 5, 8, 9, 11, 13 and Attachment I of the Franchise Agreement	ITEM 5, 6, & 7
G	Compliance with standards and policies/Manual	Section 7.04, 12.02, 12.03	ITEM 11
H	Trademarks and proprietary information	Section 6 & 7 and Attachment IV of the Franchise Agreement	ITEM 13 & 14
I	Restrictions on products and services offered	Sections 8.03, 12.06	ITEM 8 & 16
J	Warranty and customer service requirements	Section 12.10 of the Franchise Agreement	Not Applicable

	Obligation	Section in Agreement(s)	ITEM in Disclosure Document
K	Territorial development and sales quotas	Section 4 and Attachment 1 of the Franchise Agreement Attachment A of the MUD Agreement	ITEM 11 & 12
L	Ongoing Product and service purchases	Section 12	ITEM 8 & 16
M	Maintenance, appearance and remodeling requirements	Sections 10.03, 12.02, 12.03 and 12.10 of the Franchise Agreement	Not Applicable
N	Insurance	Section 12.09 of the Franchise Agreement	ITEM 8
O	Advertising	Section 9 of the Franchise Agreement	ITEM 11
P	Indemnification	Sections 12.14 of the Franchise Agreement	Not Applicable
Q	Owner's participation/management staffing	Section 12.04 of the Franchise Agreement	ITEM 15
R	Records and reports	Section 11 of the Franchise Agreement	Not Applicable
S	Inspection and audits	Section 11.03 of the Franchise Agreement	Not Applicable
T	Transfer	Section 14 of the Franchise Agreement	ITEM 17
U	Renewal	Section 3 of the Franchise Agreement	ITEM 17
V	Post-termination obligations	Sections 7 and, 15 & Attachment IV of the Franchise Agreement	ITEM 17
W	Non-competition covenants	Section 7 & 16 of the Franchise Agreement and Attachment IV	ITEM 17
X	Dispute resolution	Section 16 of the Franchise Agreement Section IX of the MUD	ITEM 17
Y	Other	Not Applicable	Not Applicable

ITEM 10
FINANCING

Neither Cortz nor any agent or affiliate(s) of ours offers direct or indirect financing. We do not guarantee your note, lease, or obligation.

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

Except as listed below, CORTZ BY FSP, Inc. is not required to provide you with any assistance.

Pre-Opening Obligations

Before you begin your franchised business, we will:

1. Loan you a copy of our confidential operating Manual, which contains mandatory and suggested specifications, standards, operating procedures, and rules. The Manual is confidential and remains our property. We may modify the Manual from time to time, but the modification will not alter your status and rights under the Franchise Agreement. (See Section 7.04 of the Franchise Agreement). We have included a copy of the Table of Contents of our Manual as Exhibit F to this Franchise Disclosure Document. The Operating Manual consists of 64 pages.
2. This is a mobile business and as such, you will operate the Outlet from a business address, home office or storage unit located within your Designated Territory. We do not assist with your site selection, nor do we approve the location. You must open your Outlet within a specified period of time. The typical length of time between the: (i) earlier of the (a) signing of the franchise agreement or (b) first payment of consideration for the franchise; and (ii) opening of the business is estimated to be about 60 to 90 days. . Factors affecting this length of time include financing arrangements, ordering of service vehicle with branded wrap, and scheduling and completion of the training program. This length of time must be no later than 180 days. Without providing us with a reasonable explanation, which we will solely determine, your failure to begin operations of your CFSP franchise within 180 days of signing the Franchise Agreement may result in termination of the Franchise Agreement and we will retain all monies received. (See Section 4.03 of the FA).
3. Provide assistance with equipment, signs, fixtures, opening inventory and supplies. We will provide you with a list of the names of approved suppliers. Upon request, we will provide written specifications for these items. We do not deliver or install any of the items. (See Section 8.03 of the Franchise Agreement).
4. We will provide You with initial training. For further details, please see the disclosure under the subheading, "Training," below.

During the operation of the franchised business, CFSP will:

1. Research new equipment, supplies, services and methods of doing business and provide you with information concerning developments of this research. (See Section 8.09 of the Franchise Agreement).
2. Offer to you continuing advisory services by telephone, email or other types of communication during normal business hours not to exceed 10 hours in a 30-day period. Any additional advisory services you request may incur a fee. We may also provide to you visits by our field representative, but any on-site consultation you request may incur a fee. (See Sections 8.04 and 8.06 of the Franchise Agreement).
3. We will include information about your Franchise on our Web site. (See Section 8.11 of the Franchise Agreement).
4. We may provide to you a support line. While we currently do not charge a fee, we reserve the right to charge an additional fee for this service. (See Section 8.06 of the Franchise Agreement).
5. We may implement a purchasing system for you and negotiate prices and terms with suppliers. We may receive rebates from the suppliers for these purchases. We reserve the right to use these funds in our sole discretion. (See Section 8.10 of the Franchise Agreement).
6. We may hold periodic regional or national conferences to discuss on-going changes in the industry, operational techniques, developments, personnel training, bookkeeping, accounting, advertising programs and new service procedures. You are required to attend these conferences. you will be required to pay an estimated fee of $250 per person attending and must pay all of the

travel and living expenses for you and any other employees who attend. These conferences will be held at our corporate headquarters or at another location chosen by us. We estimate the cost of the travel and living expenses to attend the conferences to be between $500 and $1,000. We may provide other conferences from time to time, and you may be required to pay a conference fee for these additional conferences based upon the direct costs to us of retaining speakers and other direct expenses affiliated with the conference, but we estimate this cost to be no more than $250 per person. You must pay all of the travel and living expenses for you and any other employees who attend. We will not receive any net income from these conferences. (See Section 8.05 of the Franchise Agreement).

7. Provide marketing, promotional materials, and services to you. Materials provided may include video and audiotapes, copy-ready print marketing materials, posters, banners and miscellaneous items. You will receive one sample of each at no charge. If you need additional copies, you will be charged the cost of production plus a 10% administrative fee. We may use both outside advertising and marketing agencies and internal staff to create advertising. You may develop and produce marketing materials for your own use, at your own cost, but we will either approve or disapprove the marketing materials within fifteen days of our receipt. We reserve the right to utilize marketing developed by you for the use of all Franchisees without any payment or other compensation to you. (See Section 9.03 of the Franchise Agreement).

8. There are no restrictions on your marketing; except that you may not advertise independently on the World Wide Web or outside your territory and that your advertising must be approved by us. (See Section 9 of the Franchise Agreement).

Initial Training Programs

Within four (4) to six (6) weeks from signing the Franchise Agreement, or any other time as may be mutually agreed upon, we will begin training you and your designated Manager as follows:

TRAINING PROGRAM

Subject	Hours of Classroom Training	Hours of On-the-Job Training	Location
Company Orientation	Minimum of 1 Hour	None	Meadow Vista, CA
Franchise Agreement	Minimum of 1 Hour	None	Meadow Vista, CA
Legal and Compliance	Minimum of 1 Hour	None	Meadow Vista, CA
Pre-Opening Planner	Minimum of 3 Hours	None	Meadow Vista, CA
Budgets and Expenses	Minimum of 2 Hours	None	Meadow Vista, CA
Procedures	Minimum of 1 Hour	None	Meadow Vista, CA
Processes	Minimum of 1 Hour	None	Meadow Vista, CA
Equipment	Minimum of 2 Hours	None	Meadow Vista, CA
Owner Manager KSAs	Minimum of 4 Hours	None	Meadow Vista, CA
Marketing (includes creating Marketing Plan)	Minimum of 4 Hours	None	Meadow Vista, CA
Sales Protocols	Minimum of 2 Hours	None	Meadow Vista, CA
Website portal training	Minimum of 3 Hours	None	Meadow Vista, CA
Preparation for worksite	Minimum of 3 Hours	None	Meadow Vista, CA

Subject	Hours of Classroom Training	Hours of On-the-Job Training	Location
Visit to jobsite to observe	Minimum of 2 Hours	None	Meadow Vista, CA
Preparing a worksite	None	Minimum of 8 Hours	Meadow Vista, CA
Laying the surface of the court	None	Minimum of 8 Hours	Meadow Vista, CA
Paint applications	None	Minimum of 8 Hours	Meadow Vista, CA
Striping and net installation	None	Minimum of 8 Hours	Meadow Vista, CA
Final landscaping and Invoicing	None	Minimum of 8 Hours	Meadow Vista, CA
TOTALS	**Minimum of 30 Hours**	**Minimum of 40 Hours**	

Training will be headed by our founder, David Klembith, who has more than 24 years' experience in various operational capacities relating to the operation of a building and resurfacing sport courts through our affiliate First Serve Productions, and less than 1 year with Cortz by FSP. Additional trainers will have at least 1 year experience in the operation of a building a resurfacing sport court company. Training materials will consist of manuals, slides, videos, the Franchise Agreement and the Operations Manual. The training program will be conducted as often as necessary to enable each franchisee to complete training prior to opening for business. (See Section 8.04 of the Franchise Agreement).

You or your designated Manager must attend training, but we do not charge an additional fee for this training or service unless more than two persons are attending. You will, however, be required to pay the travel and living expenses for you, your designated Manager, and your employee(s). All training, except any on-site training, will be held at our corporate headquarters in Meadow Vista, CA, or at another location designated by Us. You must complete this training to our satisfaction, or repeat this training, at no cost prior to commencing operation of your franchise. After you complete this initial training to our satisfaction, there are no additional required training or refresher courses. (See Section 8.05 of the Franchise Agreement). We may also provide to you in addition to your on-site initial training, assistance with opening activities during the first four weeks of the operation of your Franchise. You will incur our current Additional Assistance fee. (See Section 8.06 of the Franchise Agreement).

Marketing Programs

Local

Local Advertising: At the present time, you are required to market on a local basis as an individual Franchise or by local marketing agencies hired by you. You are required to spend a minimum of $500 or 1% of Gross Revenue, whichever is greater, per month on marketing and promotion in your Designated Territory (See Section 9.02 of the Franchise Agreement). This fee is in addition to any National, Multi-Area or Regional requirements.

Media and Tech Fee: You must pay Us a fee of $249 per month for this service. We will provide franchise management software, basic CRM, LMS, listing on the Cortz website, lead referral, Social Media Ad Design, and systems/resources for bidding jobs. We reserve the right to uniformly change this fee and the products/services offered.

National Marketing Fund / Multi Area Marketing Programs

In the future, once we have sold ten (10) franchise outlets, you will be required to participate in national advertising and/or multi-area marketing programs. All Franchisees will be required to pay to us a contribution to the National Marketing Fund ("Fund") or a Multi-Area Marketing Program(s) (MAM Programs) in a combined amount not to exceed 1% of your Gross Revenue at the same time and manner as the Royalty Fee. We will hold contributions to the Fund or MAM Program(s)in any bank account of our choosing, including the Corporate account. The Fund and/or MAM Programs will be administered by CFSP's marketing and accounting staff, We may use both outside advertising and marketing agencies and internal staff to create advertising, which may include local, regional or national marketing agencies at our discretion.. Any Company-owned and/or affiliate-owned Cortz Outlets will not be required to contribute to the Fund and MAM Programs. We will use the Fund or MAM Programs for local, regional, national, or international advertising or marketing, development, and maintenance of any Internet or e-commerce programs, related expenses, and any media or agency costs. CFSP will not derive income from the funds, but we may reimburse our administrative expenses incurred in administering the Fund or MAM Programs. We may also use the funds to offset or partially rebate the franchisee local media and printing expenses. Advertising expenditures may or may not be proportionate to your contributions or provide direct benefit to you or any other Franchisee. We are not required to spend any amount on advertising in your particular territory. We will spend the contributions to the Fund or MAM Programs in our discretion, and we have no fiduciary duty to you regarding the contributions. We may accumulate these funds, and the balance may be carried over to subsequent years. If the Fund or MAM Program(s) operate(s) at a deficit or require additional funds at any time, we reserve the right to loan such funds to the Fund or MAM Program(s) on any terms we determine. An unaudited annual financial statement of the Fund and MAM Programs will be prepared within 120 days of the close of our fiscal year and will be available to any Franchisee upon written request. (See Section 9.05 of the Franchise Agreement).

Any advertising funds not spent in the fiscal year in which they accrue will be carried over to the next year. The fund will not be used to solicit the sale of franchises. We do not expend any part of the advertising fund to solicit new franchise sales.

In the last fiscal year ending December 31, 2023, the Advertising Fund was not in effect; therefore, no funds have been spent on production, media placement, administrative expenses or other uses.

Regional Advertising Cooperative

Although we have not done so, we have the power to require advertising cooperatives to be formed, changed, dissolved or merged. We can establish one or more associations and/or sub-associations of CFSP franchisees to conduct various marketing related activities on a cooperative basis. The Cooperative will be made up of franchisees who are located in or near Designated Marketing Areas, as determined by Us, and will be managed by franchisees elected by the group. The Cooperative, if established, may adopt its own written governing regulations, which you must follow but these regulations are subject to consent by us. These regulations will be made available to the Franchisee upon written request.

We will notify you in writing of the Regional Advertising Cooperative for your area that you must join and the amount of your advertising cooperative contributions. When implemented, your contributions will be at 1% of Gross Revenues unless the Cooperative changes the maximum contribution. Company and/or Affiliate owned CFSP locations, if any, within the boundaries of the Cooperative will not be required to contribute to the Cooperative. Expenditures by the Regional Advertising Cooperative need not be in proportion to the contributions you make, or any other franchisee makes. An unaudited annual financial statement of the Regional Advertising Cooperative will be prepared within 120 days of the close of our fiscal year and will be available to any Franchisee upon written request. (See Section 9.02 of the Franchise Agreement).

Other Advertising Information

Although we have not done so, we have the power to require a Franchisee Advisory Council to be formed, changed, dissolved or merged. If formed, we will periodically meet with a council(s) of CFSP franchisees ("Franchisee Advisory Council") to provide us input. Members of the Franchisee Advisory Council will be selected by us from existing Franchisee's. We will give due consideration to all input from the council(s) but we retain the ultimate decision-making authority and responsibility for all of these matters. If we submit a matter for approval by the Franchisee Advisory Council, if one is formed, and that matter is approved by a majority vote of the Franchisee Advisory Council, that approval will be fully binding on you.

Website / Intranet:

We alone may establish, maintain, modify or discontinue all internet, world wide web and electronic commerce activities pertaining to the System. We have established one or more websites accessible through one or more uniform resource locators ("URLs"). We will provide your Outlet with a listing on our website, and we may, but are not required to, design and provide for the benefit of your Outlet a "click through" subpage at our website for the promotion of your Outlet. If we establish one or more websites or other modes of electronic commerce and if we provide a "click through" subpage at the website(s) for the promotion of your Outlet, you must routinely provide us with updated copy, photographs, and news stories about your Outlet suitable for posting on your "click through" subpage. We have the right to specify the content, frequency and procedure you must follow for updating your "click through" subpage.

Any websites or other modes of electronic commerce that we establish or maintain may – in addition to advertising and promoting the products, programs or services available at Cortz – also be devoted in part to offering CORTZ BY FSPs for sale and be used by us to exploit the electronic commerce rights which we alone have.

In addition to these activities, we may also establish an intranet through which downloads of operations and marketing materials, exchanges of franchisee email, System discussion forums and System-wide communications (among other activities) can be done. You may not maintain your own website; otherwise maintain a presence or advertise on the internet or any other mode of electronic commerce in connection with your Outlet; establish a link to any website we establish at or from any other website or page; or at any time establish any other website, electronic commerce presence or URL which in whole or in part incorporates the "Cortz" name or any names confusingly similar to the Proprietary Marks.

You are not permitted to promote your Outlet or use any of the Proprietary Marks in any manner on any social or networking websites, which includes but is not limited to Facebook, Instagram, LinkedIn, YouTube, TikToK or Twitter, without our prior written consent. We will control all social media initiatives. You must comply with our System standards regarding the use of social media in your Outlet' operation, including prohibitions on your and the Outlet' employees posting or blogging comments about the Outlet or the System, other than on a website established or authorized by us ("social media" includes but is not limited to personal blogs, common social networks like Facebook, and Instagram, professional networks like LinkedIn, live-blogging tools like Twitter and video networks like YouTube and TikTok, virtual worlds, file, audio and video-sharing sites, and other similar social networking or media sites or tools). We will provide access to branded social media pages/handles/assets, and you must update these regularly. We have the right to conduct collective/national campaigns via local social media on your behalf.

We alone will be, and at all times will remain, the sole owner of the copyrights to all material which appears on any website we establish and maintain, including any and all material you may furnish to us for your "click through" subpage. (See Section 9.06 of the Franchise Agreement).

Schedule for Opening

It is estimated that the length of time between the signing of the Franchise Agreement and the opening of your Outlet will usually be about 60 days or less. Factors affecting this length of time include financing arrangements, acquiring the required equipment, and scheduling and completion of the training program. Without providing us with a reasonable explanation, which we will solely determine, your failure to begin operations of your CFSP franchise within 180 days of signing the Franchise Agreement may result in termination of the Franchise Agreement and we will retain all monies received. (See Sections 8.02 and 10 of the Franchise Agreement).

Computer Systems, Proprietary Software, and Internet Access

You must have access to the Internet, have an electronic mail address provided by us, and periodically check your electronic mailbox and the portion of our Web site devoted to franchise owners. We reserve the right to market and sell, over the Internet (See Section 12.14 of the Franchise Agreement).

We assume, in the minimum, you have your own computer and/or cell phone. We do not require that you use any specific vendors for your computer, Internet, and communications equipment. We do require that you meet certain minimum standards established periodically in the Manual. Most of your payments will be by check, ACH or wire. We require that you buy and/or license Quick-Books Online to use in the operation of your Franchise. The cost of this software is estimated to be approximately $30 per month but is subject to change according to the vendor's pricing policy. You will also need a laptop or tablet or desktop computer in which to operate the accounting software. If you do not already have these, we estimate the costs to be $250 to $1,000 depending on the equipment you select.

The required Accounting Software will generate information and CFSP will use this information to collect revenue and other operating data. Currently, you must provide monthly gross revenue with a print out of a Balance Sheet and P&L from your accounting software (Quickbooks), which

will be used to determine your monthly royalty, NMF and any other fees that may be due to us. You may be required to provide copies of your invoices. We will have access to this information over the internet. However, we will be restricted to the information relating to your Outlet. CFSP has the contractual right to poll the necessary data from your computer, but as a practical matter would be unable to do so without your cooperation. CFSP will not have the right to access other types of data on your computer and does not have the ability to access it independently. (See Section 12.14 of the Franchise Agreement).

You may be required to upgrade your hardware and/or software in order to utilize the computerized system as technological advances require. You will be responsible for the cost of such upgrades. You will not be required to upgrade your hardware or software more often than once a year, at a maximum cost of $1,000. (See Section 12.14 of the Franchise Agreement).

You are solely responsible for protecting yourself from viruses, computer hackers, and other communications and computer-related problems, and you may not sue us for any harm caused by such computer-related problems. You must also take reasonable steps to verify that any person or entity upon whom you rely on is reasonably protected. This may include establishing firewalls, access code protection, anti-virus systems, and use of backup systems. (See Section 12.15 of the Franchise Agreement).

ITEM 12
TERRITORY

Franchise Agreement:

Subject to our reservations set forth below, 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 we control. You will, however, receive a protected territory ("Designated Territory") based on Zip Codes, streets and other appropriate boundaries containing a population of approximately 1,000,000 persons or 50-mile radius or as we may mutually agree in writing before signing your franchise agreement. From within that Designated Territory (DT), you will operate at least one (1) Service Vehicle (OU), however, you may operate as many OU's within your DT as you deem necessary. You will have an unrestricted option to service residential locations. You may not service commercial or government locations unless we provide prior written approval for you to service such locations. Bidding of commercial and government locations requires specific field experience and potentially different licensing, bonds, etc. as well as our support.

Provided you are in compliance with your Franchise Agreement, we will not operate or license, through our current trademarks or different trademarks, any CFSP franchises to operate from a permanent or mobile location from within the boundaries of your Designated Territory, but we have the right to do so anywhere outside your Designated Territory. Once established and unless otherwise agreed to in writing, the boundaries of your Designated Territory will not be adjusted regardless of whether the population of your Designated Territory increases or decreases over time.

Your Designated Territory does not extend to, and you may not advertise independently on, the Internet or the World Wide Web. We will maintain Cortz Web pages which will include information regarding your Franchise.

We do not have a minimum sales quota; however, we do have a Royalty Fee of 6% for up to $1,000,000 in annual Gross Revenue and 4% for any Gross Revenue over $1,000,001 annually, which you must pay each month and which will be collected via EFT, or as we might agree, on the 5th of the following month The Royalty Fee amount will reset each year on January 1. Failure to pay the royalty fee is considered to be a material breach of the Franchise Agreement and may result in termination.

You do not receive the right to acquire additional franchises within your local marketing area or any contiguous area by this Agreement alone. Each Franchise Agreement is a separate and distinct transaction between you and us. We intend to develop a strong system of multi-unit owners. You are encouraged to purchase franchise rights to operate additional franchises outside your local trade area. You do not receive any rights to use any other channel of distribution for our products or services without our written consent.

Nothing in the Franchise Agreement will prevent us from:

1. operating, licensing and/or franchising others to operate outlets or offer our products and/or services in commercial locations.
2. awarding national, regional or local licenses to third parties to sell products under our Proprietary Marks in facilities primarily identified by the third party's trademark
3. selling products through other channels of distribution, including the internet, wholesale, mail order and catalogue;
4. developing and/or owning other franchise systems using trade names and trademarks other than our Proprietary Marks; and
5. purchasing, being purchased by, merging or combining with, businesses that we deem to offer direct competition to Cortz Units.

Neither we nor our affiliates are prohibited from:

1. operating, licensing and/or franchising others to operate, Cortz Units at any location outside of your Designated Territory;
2. operating, licensing and/or franchising others to operate, after this Agreement terminates or expires, Cortz Units at any location, including locations inside your Designated Territory; and
3. operating, licensing and/or franchising others to operate at any location, during or after the Initial Term or any renewal of the initial Term, any type of non-competing business to a Cortz Unit.

The restrictions contained in this section do not apply to Cortz Units in operation, or commitment to open in the Designated Territory as of the Effective Date.

Except as expressly limited, we and our affiliates have the right to conduct any non-competing business activities, under any name, in any geographic area and at any location, regardless of the proximity to the Outlet or the economic effect on your Outlet or activities under this Agreement.

Limits on Where You May Sell. You may offer and sell Services only: (a) from the Service Vehicle(s) operating within the designated territory; (b) in accordance with the requirements of

this Agreement and the procedures set forth in the Operations Manual; and (c) to residential and limited commercial/government (requires our permission) customers. You agree not to offer or sell services through any means other than as provided above; and therefore, for example, you agree not to offer or sell services through any digital format or print media unless specifically approved by us in writing.

You may not engage in any promotional activities or sell products or services, whether directly or indirectly, through or on the internet, the world wide web, or any other similar proprietary or common carrier electronic delivery system; While you may place advertisements in printed media and on television and radio that are targeted to customers and prospective customers located primarily within your Designated Territory, you will not be deemed to be in violation of the Franchise Agreement if those advertisements, because of the natural circulation of the printed media or reach of television and radio, are viewed by prospective customers outside of your Designated Territory. You have no options, rights of first refusal, or similar rights to acquire additional franchises. You may not directly market or solicit customers outside of your Designated Territory. However, with our prior written consent, you may solicit residential, corporate and/or governmental customers located outside of your Designated Territory, but only if we have not granted that area to another Cortz franchisee and only if the products and services that you intend to provide in the outlying area can be provided substantially in accordance with our minimum standards and specifications. We have the unrestricted right to revoke such consent, at any time for any reason, including but not limited to:

a) if you are not in compliance with the Franchise Agreement or, if appropriate, a Multi-Unit Development Agreement, as we determine, in our sole discretion; or,:
b) if we establish and grant rights to establish a Cortz franchise having as its Designated Territory the outlying area that you may have previously serviced.

You may not use alternative distribution channels to make sales inside or outside your Designated Territory and you will not receive any compensation for our sales through alternative distribution channels.

We or our affiliate will fulfill all orders placed through the retail portion of our website and you will not be entitled to any portion of the profits received from this, even if the customer's order is generated from or delivered to an address in your Designated Territory.

Neither we nor any parent or affiliate has established, or presently intends to establish, other franchised or company owned Cortz Outlets which sell our proprietary products or services under a different trade name or trademark, but we have the right to do so in the future, without first obtaining your consent.

Multi-Unit Development Agreement

Under the Multi-Unit Development Agreement, we grant you the right to develop and operate under separate Franchise Agreements (which may differ materially from the Franchise Agreement included with this FDD) the number of Cortz Units negotiated by you and us and defined in the Development Schedule as Attachment A to the MUD Agreement. If you signed a Multi-Unit Development Agreement, we will determine and approve the general location of future Units, and our then-current standards for will apply.

We have the right to terminate our agreement to offer to you the option to acquire subsequent Units at reduced Franchise Fees if you are not in full compliance with all of the terms and conditions of the Multi-Unit Development Agreement and all of the Franchise Agreements signed under it.

You may face competition from other franchisees, from outlets that we own, or from other channels of distribution or competitive brands that we control.

We and our affiliates retain all rights with respect to Cortz Units, the Marks, and any products and services anywhere in the world including the right: (a) to produce, offer and sell and to grant others the right to produce, offer and sell the products offered at Cortz Units and any other goods displaying the Marks or other trade and service marks through alternative distribution channels, as described above, both within and outside your Development Area, and under any terms and conditions we deem appropriate and (b) to operate and to grant others the right to operate Cortz Units located outside the Designated Territory referenced in your Multi-Unit Development Agreement under any terms and conditions we deem appropriate, except that we will honor the Designated Territory as stated in the Franchise Agreements for your particular Units.

To maintain your discounted Franchise Fees under the Multi-Unit Development Agreement you must have open and in operation the cumulative number of Franchised Units stated on the Development Schedule by the dates agreed upon in the Development Schedule. Failure to do so will be grounds for termination of the Multi-Unit Development Agreement, however, any Units opened prior to default will not be terminated unless there is cause.

In addition, when you and we sign the Franchise Agreement for the last Franchised Unit to be developed within the Development Area, your rights under the Multi-Unit Development Agreement with respect to the discounted Franchise Fees will have expired. The Development Area may not be altered unless we and you mutually agree to do so. It will not be affected by your sales volume. You are not granted any other option, right of first refusal or similar right to acquire additional Franchised Units in your Development Area under the Multi-Unit Development Agreement.

ITEM 13
TRADEMARKS

We grant you the right to operate an Outlet under our Marks described below, including the name "Cortz." You may also use our other current or future Marks as we may designate to operate your Outlet. The marks described below and any other current or future are defined as our "Proprietary Marks". You must indicate, as required in the Franchise Agreement and specified in the Operations Manual, that you are an independent operator of the Franchise and shall use the appropriate trademark and copyright marks as indicated by us.

The following is a description of the principal Trademarks which we will license to you:

Description of Mark	Registration Date	Registration Number	Principal or Supplemental Register of the United States Patent and Trademark Office
Cortz (logo/word mark)	12/17/2024	7610225	Principal

You must follow our rules when you use any of the Marks. You may not use any of the Marks alone or with modifying words, designs or symbols as part of a corporate name or in any form on the Internet, including, but not limited to URLs, domain names, email addresses, locators, links, metatags or search techniques except as we license to you. You may not use any of the Marks in connection with the sale of an unauthorized product or service or in a manner not authorized by us in writing. Guidelines regarding proper trademark use and notices are set forth in the Manual and will be updated from time to time in our discretion.

There is no currently effective determination of the United States Patent and Trademark Office, the Trademark Trial and Appeal Board, the trademark administrator of this state or any court, or any pending interference, opposition or cancellation proceeding, or any pending material litigation involving the Marks which are relevant to your use of these Marks.

No currently effective litigation affects our use or ownership rights in a trademark. There are no currently effective agreements that significantly limit our rights to use or license the use of the Trademarks listed in this section in a manner material to the franchise. All required affidavits have been filed.

We have the right to control any administrative proceedings or litigation involving a trademark licensed by us to you. You must notify us within three days of when you learn about an infringement of or challenge to your use of our Marks. We will take the action necessary, in our sole and absolute discretion, to protect the unauthorized use of our Marks, which may include payment of reasonable costs affiliated with the action. We will indemnify you for any claims of infringement or challenges from use of Marks and will be solely for the defense and the cost thereof.

You must modify or discontinue the use of a Mark if we modify or discontinue use. The use of a new or modified trademark may be required, and you may be required to remove existing signs. If this happens, we will reimburse you for your tangible cost of compliance (for example, changing signs). You must not directly or indirectly contest our right to our Marks, trade secrets or business techniques that are part of our business.

We do not know of any infringing uses that could materially affect your use of our Marks. You should understand that there could be other local businesses using trademarks, trade names, or

other commercial symbols similar to our Marks. These businesses may have a superior rights to use the marks, names or symbols in your local area. Before starting your Franchise, you should research this possibility, using telephone directories, trade directories, Internet directories, or otherwise in order to avoid the possibility of having to change the use of our Marks and your Franchise name.

ITEM 14
PATENTS, COPYRIGHTS AND PROPRIETARY INFORMATION

Patents and Copyrights:

There are no pending patent applications that are material to the franchise. We hold no patents. We have registered no copyright with the United States Copyright Office. However, we claim copyrights on certain forms, advertisements, promotional materials and other written materials. We also claim copyrights and other proprietary rights in the CFSP's Confidential Operating Manual.

There are no agreements currently in effect which significantly limit your right to use any of our copyrights. Also, there are no currently effective determinations of the USPTO, the U.S. Copyright Office (Library of Congress) or any court pertaining to or affecting any of our copyrights discussed above. As of the date of this disclosure document, we are unaware of any infringing uses of or superior previous rights to any of our copyrights which could materially affect your use of them in any state.

Your and our obligations to protect your rights to use our copyrights are the same as the obligations for Trademarks described in Item 13 of this disclosure document.

Proprietary Information:

We claim proprietary rights to any and all information, knowledge, know-how and techniques related to the System that we communicate to you, including but not limited to, in and through the Manual, plans and specifications, marketing information and strategies techniques, and the terms of your agreement with us, all of which are considered confidential. You and each of your controlling Principals are prohibited, during and after the term of your Agreement, from communicating, or using for the benefit of any other person or entity, and, after the term of your Agreement, from using for your or their own benefit, any confidential information, knowledge or know-how concerning the methods of operation of the Outlet that may be communicated to you or any of your Controlling Principals or that you may learn about. You and each of your Controlling Principals may divulge this confidential information only to your employees who must have access to it to operate the Outlet. Neither you nor your Controlling Principals are permitted at any time, without first obtaining our written consent, to copy, record or otherwise reproduce the materials or information nor make them available to any unauthorized person.

If we ask, you must have your General Manager and any of your personnel who have received or will have access to confidential information sign similar confidentiality covenants. Your Principals also must sign these covenants. We will be a third-party beneficiary of these covenants with the independent right to enforce them.

If you, your Controlling Principals, General Manager or employees develop any new concept, process or improvement in the operation or promotion of the Outlet, you must promptly notify us and give us all necessary information, free of charge. You, your Controlling Principals, General Manager and employees must acknowledge that any of these concepts, processes or improvements will become our property and we may give the information to other franchisees.

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

You or a fully trained and qualified manager ("Manager"), both of whom have completed our training program, must directly supervise and participate in the actual day-to-day operation the Franchise on a full-time basis. Neither you nor your Manager may have an interest or business relationship with any of our business competitors. If you are an entity, we do not require that your designated Manager own an equity interest in such entity. However, your designated Manager and each of your officers, directors, partners, shareholders or members, as applicable, must execute our standard Confidentiality and Covenant Not To Compete Agreement, a copy of which is attached to the Franchise Agreement as Attachment IV. Other than the above, we make no other recommendations and have no other requirements regarding employment or other written agreements between you and your employees.

If your interest is subsequently assigned to a business entity, each of the entity's officers, directors, shareholders, partners, and members, plus any individual who owns, directly or indirectly, a 5% or greater interest in the entity must also assume and agree to discharge all of your obligations and comply with all restrictions under the Franchise Agreement.

ITEM 16
RESTRICTIONS ON WHAT THE FRANCHISEE MAY SELL

You must sell or offer for sale all items, products, merchandise, and other products and services we require, in the manner and style we require, as expressly authorized by us in writing. You must sell and offer for sale only the items, products and services that we have expressly approved in writing. You must not deviate from our standards and specifications without first obtaining our written consent. You must discontinue selling and offering for sale any items, products or services that we may disapprove in writing at any time. We have the right to change the types of items, products and services offered by you at the Outlet at any time, and there are no limits on our right to make those changes.

You must maintain in sufficient supply and use and sell only the items, proprietary products, merchandise, other products, materials and supplies, that conform to our standards and specifications. You must not deviate from our standards and specifications by the use or offer of nonconforming items or differing amounts of any items, without first obtaining our written consent.

We have the right to vary the items or services offered at certain Cortz Outlets based on regional or local attributes. If we allow a Cortz Outlet to modify its offerings to accommodate regional or local attributes, we are not required to grant to you a similar variance or modification.

You must keep your Outlet, any OU's operated within the DT, as well as any storage or public office locations (if any) very clean and maintained in good repair and condition. You must make any additions, alterations, repairs and replacements, including repainting or replacement of obsolete signs, any new or damaged equipment, or any other items necessary for the operation of your Outlet as we may reasonably direct. You are responsible for all costs associated with maintenance, upgrades, and the purchase of any new or existing inventory, and all supplies related to the operation of your Outlet.

ITEM 17
RENEWAL, TERMINATION, TRANSFER AND DISPUTE RESOLUTION

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

THE FRANCHISE RELATIONSHIP

	Provision	Section in Agreement(s)	Summary for Franchise Agreement
A	Length of the franchise term	Section 3 of the Franchise Agreement Section III of the MUD Agreement	5 years from signing the Franchise Agreement. Your multi-unit Development rights begin on the date you sign the MUD Agreement and pay the MUD Fee and expires on the earlier of the day you sign the Franchise Agreement for the last MUD Unit listed in the MUD Schedule or the expiration date.
B	Renewal or extension of term	Section 3 of the Franchise Agreement Section III of the MUD Agreement	If you are in good standing, you can renew for one (1) additional term of five (5) years. There is no Renewal Provision in the MUD Agreement
C	Requirements for Franchisee to renew or extend	Section 3 of the Franchise Agreement. Section III of the MUD Agreement	Sign new agreement, be current in payments, and pay the Renewal Fee. You may be asked to sign a new Franchise Agreement with materially different terms and conditions than your original contract, but the boundaries of the territory will remain the same, and the Continuing Royalty on renewal will be no greater than Royalties that we impose on similarly situated renewing franchisees. There is no Renewal Provision in the MUD Agreement

	Provision	Section in Agreement(s)	Summary for Franchise Agreement
D	Termination by Franchisee	Section 13.01	Franchisee may terminate this Agreement only if Franchisor violates a material provision of this Agreement and fails to remedy or fails to make substantial progress toward curing the violation within ninety (90) days after receiving an initial written notice from Franchisee detailing the alleged default. Termination by Franchisee shall be effective ten (10) days after Franchisor receives a subsequent written notice of termination following the referenced ninety (90) days only if Franchisor has not cured the violation or made substantial progress toward curing the violation. If Franchisee terminates this Agreement under this provision, Franchisee must follow the termination procedures as set forth in Section 13.03
E	Termination by Franchisor without cause	Not Applicable	Not Applicable
F	Termination by Franchisor with cause	Section 13.02 of the Franchise Agreement Section VIII of the MUD Agreement	We can terminate if you commit any one of several violations with a written 90-day notice. Under the MUDA, Termination is provided in writing with no ability to cure.
G	"Cause" defined - curable defaults	Section 13.01(a) of the Franchise Agreement. Section VIII of the MUD Agreement	You have 30 days to cure, including failure to comply with the System, non-payment of fees and other obligations, failure to comply with federal, state or local laws or regulations. None
H	"Cause" defined - non-curable defaults	Section 13.01(b) of the Franchise Agreement. Section VIII of the MUD Agreement	Non-curable defaults include misrepresentation by you, failure to complete initial training, bankruptcy, insolvency, or appointment of receiver, abandonment, trademark misuses and unapproved transfers. (Termination upon bankruptcy may not be enforceable under U.S. Bankruptcy Law.) Under the MUD Agreement, there is no opportunity to cure a material breach which includes: Any attempt to sell, assign or transfer any agreement in violation of the contract, Failure to execute a franchise agreement according to the schedule, If you materially breach any Franchise Agreement and do not cure that breach within the cure period provided for in that Franchise Agreement; If you or any officers, directors or controlling owners commit or are convicted of a felony or crime of moral turpitude or fraud which Franchisor believes may adversely affect the System or goodwill affiliated with the Mark.

	Provision	Section in Agreement(s)	Summary for Franchise Agreement
I	Franchisee's obligations on termination/nonrenewal	Sections 13.03, 13.04 of the Franchise Agreement. Section VII(B) of the MUD Agreement	Obligations include complete de-identification, non-competition and payment of amounts due. No rights to open additional MUD Units; you must continue to operate the MUD Units according to any existing Franchise Agreements that are not terminated.
J	Assignment of contract by *F*ranchisor	Section 14 of the Franchise Agreement. Section VI(B) of the MUD Agreement	No restriction on our right to assign.
K	"Transfer" by franchisee - definition	Section 14 of the Franchise Agreement. Section VI(A) of the MUD Agreement	Includes transfer of contract or assets or ownership change
L	Franchisor approval of transfer by Franchisee	Section 14 of the Franchise Agreement. Section VI(A) of the MUD Agreement	We have the right to approve all transfers but will not unreasonably withhold approval.
M	Conditions of approval of transfer	Section 14.04 of the Franchise Agreement. Section VI(A) of the MUD Agreement	New Franchisee qualifies, Transfer Fee paid, purchase agreement approved, training arranged, release signed by you, and current agreement signed by new Franchisee. Transferee qualifies, you pay all amounts owed to us or our affiliates, transfer fee paid, release signed, training of transferee, economically reasonable sale terms. We may require you to transfer all of the undeveloped MUD Units under the MUD
N	Franchisor's right of first refusal to acquire Franchisee's Outlet.	Section 14.07 of the Franchise Agreement	We can match any offer for your Outlet.
O	Franchisor's option to purchase franchisee's Outlet	Section 14.07 of the Franchise Agreement	We may purchase Outlet if Franchise is terminated for any reason by Right of First Refusal.
P	Death or disability of Franchisee	Section 14.06 of the Franchise Agreement	Franchise must be assigned by estate to approved transferee within 120 days.
Q	Non-competition covenants during the term of franchise	Section 15.01 & Attachment IV of the Franchise Agreement	No involvement in competing business anywhere in U.S.
R	Non-competition covenants after the franchise is terminated or expires	Section 15.01 & Attachment IV of the Franchise Agreement	No competing business for 2 years within 50 miles from the boundary of your Designated Territory or from another CORTZ BY FSP, company-owned Franchise, or on the Internet (including after assignment).
S	Modification of agreement	Sections 7.04, 8.09 and 18.02	No modifications generally but Manual subject to change.

	Provision	Section in Agreement(s)	Summary for Franchise Agreement
T	Integration/merger clause	Section 18.01 of the Franchise Agreement. Section IX of the MUD Agreement	Only the terms of the Franchise Agreement are binding (subject to state law). All representations and promises made outside the disclosure document and franchise agreement may not be enforceable. Nothing in this agreement or in any related agreement is intended to disclaim any of the representations made in the disclosure document.
U	Dispute resolution by arbitration or mediation	Section 16 of the Franchise Agreement	Except for certain claims, all disputes must be arbitrated.
V	Choice of forum	Section 16.06 of the Franchise Agreement. Section IX of the MUD Agreement	Arbitration and actions for injunctive relief, claims based on the Marks, or on covenants not to compete must be in the State of California, subject to Applicable State Law.
W	Choice of law	Section 16.06 of the Franchise Agreement. Section IX of the MUD Agreement	California law applies, subject to Applicable State Law

See the state addenda attached as Exhibit E to the Franchise Agreement and franchise disclosure document for special state disclosures.

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 franchisee 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 David Klembith, CEO, at 2945 Bell Road, Auburn, CA 95603; and (925) 290-8252 and the Federal Trade Commission, and the appropriate state regulatory agencies.

ITEM 20
OUTLETS AND FRANCHISEE INFORMATION

Table No. 1
System Wide Outlet Summary
For years 2021 to 2023 (As of December 31 of each year)

OUTLET TYPE	YEAR	OUTLETS AT THE START OF THE YEAR	OUTLETS AT THE END OF THE YEAR	NET CHANGE
Franchised	2021	0	0	0
	2022	0	0	0
	2023	0	0	0
Company- Owned	2021	1	1	0
	2022	1	1	0
	2023	1	1	0
Total Outlets	2021	1	1	0
	2022	1	1	0
	2023	1	1	0

Table No. 2
Transfers of outlets from Franchisees to New Owners (other than the Franchisor)
For years 2021 to 2023 (As of December 31 of each year)

STATE	YEAR	NUMBER OF TRANSFERS
Total Outlets	2021	0
	2022	0
	2023	0

Table No. 3
Status of Franchised Outlets
For years 2021 to 2023 (As of December 31 of each year)

STATE	YEAR	OUTLETS AT START OF YEAR	OUTLETS OPENED	TERMINATIONS	NON-RENEWALS	REACQUIRED BY FRANCHISOR	CEASED OPERATIONS-OTHER REASONS	OUTLETS AT END OF THE YEAR
Total Outlets	2021	0	0	0	0	0	0	0
	2022	0	0	0	0	0	0	0
	2023	0	0	0	0	0	0	0

Table No. 4
Status of Company-Owned Outlets
For years 2021 to 2023 (As of December 31 of each year)

STATE	YEAR	OUTLETS AT START OF YEAR	OUTLETS OPENED	OUTLETS REACQUIRED FROM FRANCHISEES	OUTLETS CLOSED	OUTLETS SOLD TO FRANCHISEES	OUTLETS AT END OF THE YEAR
California	2021	1	0	0	0	0	1
	2022	1	0	0	0	0	1
	2023	1	0	0	0	0	1
Total Outlets	2021	1	0	0	0	0	1
	2022	1	0	0	0	0	1
	2023	1	0	0	0	0	1

TABLE NO. 5
PROJECTED OPENINGS AS OF DECEMBER 31, 2023

State	Franchise Agreements Signed But Outlet Not Open	Projected New Franchised Outlets In the Next Fiscal Year	Projected New Company-Owned Outlets in the current Fiscal Year
Arizona	0	1	0
California	0	3	0
Texas	0	2	0
Nevada	0	1	0
Florida	0	3	0
Michigan	0	1	0
TOTALS	**0**	**11**	**0**

Lists of Current and Former Franchises:

Below lists the names of all current franchises and the addresses and telephone numbers of their outlets as of December 31, 2023, None

Below lists the names of all company and affiliate owned businesses and the addresses and telephone numbers of their outlets as of December 31, 2023.

Name	Address	City	State	Zip	Phone
First Serve Productions, Inc.	1550 Ridgemore Drive	Meadow Vista	CA	95722	(925) 812-3159

Below lists the name, city and state, and the current business telephone number (or, if unknown, the last known home telephone number) of every franchisee who had an outlet terminated, canceled or not renewed, or otherwise voluntarily or involuntarily ceased to do business under the franchise agreement during our most recently completed fiscal year or who has not communicated with us within 10 weeks of the issuance date of this Disclosure Document. If you buy this franchise, your contact information may be disclosed to other buyers when you leave the franchise system. None

Confidentiality Agreements:

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

Associations and/or Organizations:

There are no trademark-specific franchisee organizations affiliated with the franchise system being offered which we have created, sponsored or endorsed.

There are no independent franchisee organizations that have asked to be included in this disclosure document.

ITEM 21
FINANCIAL STATEMENTS

Attached to the Disclosure Document as Exhibit A are our audited financial statements as of December 31, 2023.

Attached to the Disclosure Document as Exhibit A-1 are our unaudited financial statements as of August 21, 2024.

The Franchisor has not been in business for three (3) years or more and cannot include all financial statements in this Item 21 as required by the Rule.

Our Fiscal Year End is December 31.

ITEM 22
CONTRACTS

Attached to this Disclosure Document are the following contracts:

Exhibit B	Franchise Agreement	
	Attachment I	Fee, Premises and Territory Addendum
	Attachment II	Electronic Payment Authorization
	Attachment III	Proposed Trade Name and Delegation of Authority
	Attachment IV	Confidentiality And Covenant Not To Compete Agreement
	Attachment V	Full and Final Mutual Release
	Attachment VI	Collateral Assignment of Telephone Numbers
	Attachment VII	Internet Web Sites and Listings Agreement
	Attachment VIII	Collateral Assignment of Lease
	Attachment IX	Americans with Disabilities Act
	Attachment X	Assignment of Agreement to an Entity
Exhibit C	Multi-Unit Development Agreement	
	Attachment A	Mud Locations, Mud Fee, Mud Schedule, Expiration Date

ITEM 23
RECEIPT

Included as the last document of this Disclosure Document is a detachable Receipt to be signed by you.

EXHIBIT A

CORTZ BY FSP, Inc.

FINANCIAL STATEMENTS

EXHIBIT A

CORTZ BY FSP, Inc.

AUDITED FINANCIAL REPORT

December 31, 2023

CORTZ By FSP, Inc.
Development Stage Company
Audited Financial Statements
For the years ended

December 31, 2023

TABLE of CONTENTS

Independent Auditor's Report	1
Financial Statements:	
Balance Sheet	2
Statement of Income and Retained Earnings	3
Statement of Cash Flows	4
Notes to Financial Statements	5

Kevin Norton, P.A.
Certified Public Accounting
1451 W. Cypress Creek Road, Suite 300
Ft. Lauderdale, Florida 33309
(954) 822-1223

March 5, 2024

CORTZ By FSP, Inc.

Independent Auditor's Report

Report on the Financial Statements
We have audited the accompanying financial statements of CORTZ By FSP, Inc. which comprise the consolidated balance sheet as of December 31, 2023, and the related consolidated statements of income, comprehensive income, changes in members' equity and cash flows for the year then ended, and the related notes to the financial statements.

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

Auditor's Responsibility
Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements 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 the entity's internal control . Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion
In our opinion, the financial statements referred to above, present fairly, in all material respects, the consolidated financial position of CORTZ By FSP, Inc. as of December 31, 2023 and the results of its operations and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Respectfully submitted,

Kevin J Norton

Kevin Norton, C.P.A.

CORTZ by FSP, Inc.
CONSOLIDATED BALANCE SHEET
At December 31,

	2023
ASSETS	
CURRENT ASSETS:	
Cash	$ 49,989
	-
Total Current Assets	49,989
FIXED ASSETS	
Fixed Assets - Net	4,500
	4,500
OTHER ASSETS	
Intellectual Properties	10,371
Organization Cost	49,061
Trademark	6,950
	66,382
Total Assets	$ 120,871
LIABILITIES AND MEMBERS EQUITY	
LIABILITIES:	
Accrued Expenses	$ -
Loans Payable - First Serve Products	22,371
Total Liabilities	22,371
MEMBERS' EQUITY:	
Capital	98,500
Retained Earnings	-
	-
Members Equity	98,500
Total Liabilities and Members Equity	$ 120,871

See accompanying Auditor's Report
The Notes are an integral part of these financial statements.

CORTZ by FSP, Inc.
CONSOLIDATED STATEMENT OF INCOME AND STATEMENT OF EQUITY
For the period ended December 31,

	2023
REVENUE:	
Revenues	*$* -
Total Revenues	$ -
Cost of Sales	*$* -
Gross Profit	$ -
EXPENSES:	
Expenses	*$* -
	$ -
Net Income from Operations	*$* -
Interest / Finance Expense	*$* -
Net Income	*$* -
EQUITY:	
Members Equity - Beginning	*$* -
Net Income from Operations	*$* -
Capital	*98,500*
Members Equity - Ending	*$ 98,500*

See accompanying Auditor's Report
The Notes are an integral part of these financial statements.

CORTZ by FSP, Inc.
CONSOLIDATED STATEMENT OF CASH FLOWS
For the period ended December 31,

	2023
CASH FLOWS FROM OPERATING ACTIVITIES	
Net Income	$ -
Depreciation and amortization	-
(Increase) Decrease in Current Assets	-
Increase (Decrease) in Current Liabilities	22,371
Cash Received from Operating Activities	22,371
CASH FLOWS FROM INVESTING ACTIVITIES	
Fixed Assets	(4,500)
Intellectual Property	(10,371)
Organizational Costs	(49,061)
Trademark	(6,950)
	(70,882)
CASH FLOWS FROM FINANCING ACTIVITIES	
Capital Contributed	98,500
Distributions	-
	98,500
INCREASE IN CASH	49,989
CASH - Beginning	0
CASH - Ending	$ 49,989

See accompanying Auditor's Report
The Notes are an integral part of these financial statements.

CORTZ By FSP, Inc.
Notes to The Consolidated Financial Statements December 31, 2023

Note 1 – Summary of Significant Accounting Policies

Nature of Business…

CORTZ By FSP, Inc. (The Company) is a California based company engaged in the business of selling franchises to the general public. The main headquarters is located in California and organized in 2023.

Basis of Presentation…
The financial statements have been presented on the accrual basis of accounting and in accordance with United States generally accepted accounting principles.

Use of Estimates…

The preparation of the Company's financial statements are made in conformity with generally accepted accounting principles that require estimates and assumptions that affect revenues and expenses, assets and liabilities. Actual results could differ from those estimates, and such estimates could be material.

Revenue Recognition…

The Company recognizes revenue from various sources of revenue including service fees, contracts, advertising, franchise fees and royalties. Revenues from such sources are recognized as earned upon the completion of work performed. Initial franchise fees are recognized upon the completion of all contractual requirements (or Deferred Revenue until completed), with subsequent other revenues being predominantly classified as royalty fees. ASC 606 was considered and determined, in coordination with management, to have no material effect on revenues in 2023.

Customer Deposits…

The Company will be maintaining an account called Customer Deposits for the collection of funds from pending franchisees that are in the process of completing all pertinent requirements prior to the finalization of franchise acceptance by the Company. These funds are ultimately transferred to Revenue upon satisfactory completion of the franchise process. ASC 606 has been considered regarding revenue recognition that there is no material impact. Management has determined all responsibilities have been contractually satisfied, with no pending additional requirements.

Inventory…

The company maintains no physical inventory.

Cash…

The company maintains its cash balances at banks that participate with the Federal Deposit Insurance Corporation with guarantees insuring accounts with balances up to $250,000.

Fixed Assets…

The Company will be maintaining property, plant and equipment, and depreciates them using the straight line basis over their useful lives of 5 to 28 years.

Note 2 – Provision for Federal Income Tax:

The company has elected under the Internal Revenue Service Code to be taxed as a "pass through" entity. In lieu of this election, all shareholders will pay tax on their proportionate share of profits / losses via a K1. Therefore, no provision for income tax has been included in these financial statements.

Note 3 – Commitments and Contingencies:

The Company has no material commitments or legal or financial contingencies to note in 2023.

Note 4 - Concentration:

The Company had no significant concentrations during 2023 that represented any material impact on its revenues.

Note 5 - Related Party Transactions:

The Company has no material related party transactions to report in 2023 other than short term loan to First Products.

Note 6 - Financial Instruments:

Cash, money market investments, current loans payable, accounts receivable, accounts payable and accrued liabilities are all short term in nature and as such, their carrying values approximate fair values.

EXHIBIT A-1

CORTZ BY FSP, Inc.

UNAUDITED FINANCIAL REPORT
For the period January 1, 2024, to August 21, 2024

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

Cortz by FSP
Balance Sheet
As of August 21, 2024

	Aug 21, 24
ASSETS	
Current Assets	
Checking/Savings	
River Valley Community Bank	52,088.06
Total Checking/Savings	52,088.06
Total Current Assets	52,088.06
Fixed Assets	
Office Furniture	4,500.00
Total Fixed Assets	4,500.00
Other Assets	
Intellectual Property	10,371.17
Organization Cost	51,560.57
Trademark	6,950.00
Total Other Assets	68,881.74
TOTAL ASSETS	125,469.80
LIABILITIES & EQUITY	
Liabilities	
Current Liabilities	
Credit Cards	
American Express	105.42
Total Credit Cards	105.42
Other Current Liabilities	
Loan From First Serve Productio	30,660.36
loan from Klembith Trust	1,500.00
Total Other Current Liabilities	32,160.36
Total Current Liabilities	32,265.78
Total Liabilities	32,265.78
Equity	
Owners Equity	98,500.00
32000 • Retained Earnings	-225.00
Net Income	-5,070.98
Total Equity	93,204.02
TOTAL LIABILITIES & EQUITY	125,469.80

Cortz by FSP
Profit & Loss
January through August 21, 2024

		Jan - Aug 21 24
Ordinary Income/Expense		
Income		
47900 • Sales		50,000.00
Total Income		50,000.00
Expense		
Brokers Fee		25,000.00
Business licensing		25.00
charitable contribution		100.00
Franchisee Training		1,500.00
Notary		25.00
P.O. Box Rental		87.00
postal expense		117.73
software system		1,859.26
State Franchise Registration		875.00
State Tax		800.00
Website Design		16,484.77
Website Domain		56.51
60000 • Advertising and Promotion		339.48
60400 • Bank Service Charges		-120.80
64300 • Meals and Entertainment		359.58
64900 • Office Supplies		
printing	62.45	
Total 64900 • Office Supplies		62.45
66700 • Professional Fees		
Franchise Auditing	1,500.00	
66700 • Professional Fees - Other	6,000.00	
Total 66700 • Professional Fees		7,500.00
Total Expense		55,070.98
Net Ordinary Income		-5,070.98
Net Income		-5,070.98

EXHIBIT B

FRANCHISE AGREEMENT

CORTZ BY FSP, Inc.

Franchisee: _____
Date: _____
Territory: _____

TABLE OF CONTENTS

Section		Page
1.	DEFINITIONS	2
2.	GRANT OF FRANCHISE	4
3.	TERM AND RENEWALS	4
4.	TERRITORY	5
5.	FEES AND ROYALTIES	7
6.	MARKS	8
7.	MANUAL AND CONFIDENTIAL INFORMATION	10
8.	FRANCHISOR'S DUTIES	11
9.	SOLICITATION AND ADVERTISING	13
10.	CONSTRUCTION AND MAINTENANCE OF FRANCHISE	15
11.	RECORDS AND REPORTS	16
12.	FRANCHISEE'S DUTIES	17
13.	DEFAULT AND TERMINATION	21
14.	TRANSFER	24
15.	GENERAL PROVISIONS	26
16.	DISPUTE RESOLUTION	26
17.	RELATIONSHIP OF THE PARTIES	28
18.	MISCELLANEOUS	28
19.	ACKNOWLEDGEMENT	30

ATTACHMENTS

Attachment I	Fee, Premises and Territory Addendum	I-1
Attachment II	Electronic Payment Authorization	II-1
Attachment III	Proposed Trade Name and Delegation of Authority	III-1
Attachment IV	Confidentiality And Covenant Not To Compete Agreement	IV-1
Attachment V	Full and Final Mutual Release	V-1
Attachment VI	Collateral Assignment of Phone Numbers	VI-1
Attachment VII	Internet Web Sites and Listings Agreement	VII-1
Attachment VIII	Collateral Assignment of Lease	VIII-1
Attachment IX	Americans with Disabilities Act	IX-1
Attachment X	Assignment of Agreement to an Entity	X-1

FRANCHISE AGREEMENT

This Franchise Agreement (the "Agreement") is entered into and effective this day of _____, between CORTZ BY FSP, Inc., a California Corporation, located at 2945 Bell Road, Auburn, CA 95603 ("Franchisor"), and _____ _____, ("Franchisee"), residing at _____ _____

In consideration of the mutual promises in this Agreement, the parties agree as follows:

1. DEFINITIONS

1.01 "Assets" means the Outlet, including all inventories, supplies, furnishings, equipment, fixtures, land, buildings and improvements, and other tangible items.

1.02 "Business" means the right which is granted to Franchisee to operate a Cortz Outlet as set forth in this Agreement.

1.03 "Business Records" means evidence of each business transaction, and all financial, marketing, and other operating aspects of the Outlet, and all evidence and records with respect to customers, clients, employees, and other service professionals relating the Outlet including, without limitation, all databases in print, electronic or other form, including all names, addresses, phone numbers, e-mail addresses, customer/client records, and all other records contained in the database, and all other records created and maintained by Franchisee in operation of the Outlet.

1.04 "Confidential Information" means all methods for establishing, operating and promoting the Outlet pursuant to the Franchisor's distinctive business format, plans, methods, data, processes, supply systems, marketing systems, formulas, techniques, designs, layouts, operating procedures, Marks and information and know-how of the Franchisor and such other information as may be further developed periodically by the Franchisor.

1.05 "Designated Marketing Area" means that area included in a Regional Marketing Co-Operative.

1.06 "Designated Territory" means the territory described in Attachment I to this Agreement, subject to any reservations or exceptions contained in this Agreement. Also referred to as Outlet or Franchise.

1.07 "Franchise" means the Cortz Designated Territory which Franchisee is granted the right to operate in conformity with the requirements of this Agreement.

1.08 "Gross Revenue" means the total of all receipts derived from gross revenue receipts, whether the receipts are evidenced by invoice, cash, credit, checks, services, property, or other means of exchange. Gross Revenue shall exclude only sales tax receipts that Franchisee must by law collect from customers and that Franchisee pays to the government, promotional or discount

coupons to the extent that Franchisee realizes no revenue, and employee receipt of services, if free, or any portion not paid for by an employee.

1.09 "Manual" means Franchisor's Operations Manual and other written materials, including information posted on Franchisor's Web site and information sent to or accessed by Franchisee in print or electronic form, manuals, written procedures, memoranda and their supplements loaned to Franchisee by Franchisor.

1.10 "Marks" means Franchisor's trade names, trademarks, service marks, logos, decor, trade dress, lay out, and commercial symbols, and similar and related words or symbols, now or in the future affiliated with Franchisor, the System or the Outlet, whether or not they are registered, including, but not limited to, "Cortz."

1.11 "Multi-Area Marketing Program" (MAM Programs) means a regional, national, or international program designed to increase business, such as marketing to multi-area customers, Internet, shows, events, yellow pages, directories, affinity marketing, vendor programs, and co-branding programs. Such programs may require Franchisee's cooperation and participation, including refraining from certain channels of marketing and distribution, and payment of commissions or referral fees. Franchisee must also adhere to maximum pricing to the extent permitted by law. All such programs are Trade Secrets of Franchisor.

1.12 "National Marketing Fund" means the bank account used by Franchisor for the purposes specified in this Franchise Agreement. The Marketing Fund is not a trust or escrow account and is managed by Franchisor in its sole discretion.

1.13 "Operating Unit" (also know herein as an OU) means the properly equipped Service Truck or Trucks that the Franchisee is required to operate within the Designated Territory. There is no limit to the number of OU's the Franchisee may operate within the Designated Territory.

1.14 "Outlet" means the Designated Territory in which Franchisee is granted the right to operate a minimum of one (1) Service Truck, also referred to as an OU. in conformity with the requirements of this Agreement.

1.15 "Regional Advertising Cooperative" means an advertising cooperative made up of franchisees who are located in or near Designated Marketing Areas, as determined by Franchisor, and managed by franchisees elected by the group. The cooperative, if established, may adopt its own written governing regulations, which you must follow but these regulations are subject to consent by us. These regulations will be made available to the Franchisee upon written request.

1.16 "System" means, collectively, Franchisor's valuable know how, information, trade secrets, methods, Manuals, standards, designs, methods of trademark usage, copyrightable works, sources and specifications, software, confidential electronic and other communications, methods of Internet usage, marketing programs, and research and development connected with the operation and promotion of the Outlet, as modified by Franchisor at any time.

1.17 "Trade Secret" is the whole or any portion of know-how, knowledge, methods, specifications, processes, procedures, and improvements regarding the System that is valuable and secret in the sense that it is not generally known to competitors of Franchisor.

1.18 "Transfer" means to voluntarily or involuntarily transfer, assign, sell, or encumber any interest in or ownership or control of, the Outlet, substantial assets of the Outlet, or of this Agreement.

2. GRANT OF FRANCHISE

2.01 Grant of License. Subject to the terms and conditions of this Agreement, Franchisor grants to Franchisee an exclusive license to operate at least one OU, but may operate any number of OU's only within the Designated Territory as designated in Attachment I to this Agreement and described in Section 4, using the System and the Marks for the term of this Agreement. Franchisee may use the Marks and System only in accordance with the terms and conditions of this Agreement.

2.02 Modification of System. Franchisor reserves the right to periodically change, improve, or further develop the System, or any part of the System. Franchisee must promptly accept and comply with any change to the System and make any reasonable expenditure as necessary to comply. Franchisor will not alter these basic rights and obligations of the parties arising under this Agreement through changes in the Manual.

2.03 Assignment to Business: If Franchisee assigns this Agreement to a business entity, each of the officers, directors, and/or members of the entity, plus any individual who owns, directly or indirectly, a 5% or greater interest in the entity must also sign the Confidentiality and Covenant Not to Compete Agreement (Attachment IV). Franchisee shall also provide to Franchisor a resolution signed by all members, directors or partners, as appropriate, designating the principal contact for the Business. This principal contact must be a managing member, general partner or controlling shareholder. Such representative shall have the sole authority to speak for and bind Franchisee in all matters pertaining to this Agreement, and all matters relating to the Outlet.

3. TERM AND RENEWALS

3.01 Term of Agreement. This Agreement begins on the date executed by both parties and will continue for a period of five (5) years, unless earlier terminated as provided under this Agreement.

3.02 Rights Upon Expiration. At the end of the term of this Agreement, Franchisee may renew its license for one successive period of five (5) years, provided Franchisor does not exercise its rights of refusal as set forth below.

3.03 Right of Refusal to Renew. Franchisor may refuse, in Franchisor's sole discretion, to renew Franchisee's license if Franchisee:

(a) fails to remedy, in the time frame set forth in this Agreement, any breach of this Agreement specified by Franchisor in a written notice;

(b) has committed two (2) or more material breaches of this Agreement in the preceding twenty-four (24) months prior to expiration;
(c) fails to give notice of Franchisee's intent to renew at least six (6) months, but no more than twelve (12) months, prior to the expiration of this Agreement. Failure to give timely notice will be considered an election not to renew this Agreement; or
(d) is not current in payment obligations to Franchisor or its subsidiaries and affiliates and to trade creditors, landlords, or mortgage holders at the time Franchisee delivers its notice of renewal or on the date this Agreement is scheduled to expire.

If Franchisor intends not to renew Franchisee's license, Franchisor shall give Franchisee at least one-hundred fifty (150) days' notice of non-renewal prior to expiration of the term.

3.04 Renewal Agreement. Franchisee must execute a renewal franchise agreement and all other legal agreements in Franchisor's then-current form for new franchisees. These agreements may vary in material aspects from this Agreement, including, but not limited to, higher royalty and advertising fees. Franchisee must also make capital expenditures that are reasonably required for the renovation and modernization of the Franchise, signs, or any other required equipment to reflect the then-current image of Franchisor.

3.05 Renewal Fee. Upon signing a renewal franchise agreement, Franchisee will not be required to pay another Initial Franchise Fee but will be required to pay the then-current renewal fee.

4. TERRITORY

4.01 Franchise. Franchisee may operate at least one (1) OU (but may operate more) within the boundaries of the DT (Outlet) as designated in Attachment I to this Agreement. There is currently no limit to the number of OUs you may operate within the DT. The business address, home office or storage unit of the Franchisee accepted by us as the Outlet location shall be set forth in Attachment I when such location is determined. This Agreement does not grant you the right or license to operate the Outlet or to offer or sell any products or services described under this Agreement at or from any location other than within the Designated Territory.

4.02 Designated Territory. During the term of this Agreement and any extensions, and subject to other provisions contained in this Agreement, Franchisor will not own, operate, or license another franchisee to operate a Cortz franchise or a similar or competitive business within the Designated Territory as assigned in Attachment I to this Agreement, but it has the right to do so anywhere outside the Territory. Franchisee will not be granted any rights to distribute Cortz products through any wholesale means. Once established, and unless otherwise agreed in writing, the boundaries of Franchisee's Designated Territory will not be adjusted without Franchisor's written consent regardless of whether the population of Franchisee's Designated Territory increases or decreases over time.

4.03 Schedule for Opening.

The typical length of time between the: (i) earlier of the (a) signing of the franchise agreement or (b) first payment of consideration for the franchise; and (ii) opening of the business is estimated to be about 60 to 90 days

Factors affecting this length of time include financing arrangements, ordering of service vehicle with branded wrap, and scheduling and completion of the training program. This length of time must be no later than 180 days. Without providing us with a reasonable explanation, which we will solely determine, your failure to begin operations of your CFSP franchise within 180 days of signing the Franchise Agreement may result in termination of the Franchise Agreement and we will retain all monies received.

4.04 Limits on Where You May Sell. Subject to the requirements of Sections 9, Franchisee may not directly market or solicit customers outside of the Designated Territory. However, with Franchisor's prior written consent, Franchisee may solicit residential, corporate and/or governmental customers located outside of the Designated Territory, but only if Franchisor has not granted that area to another Cortz franchisee and only if the products and services that Franchisee intends to provide in the outlying area can be provided substantially in accordance with our minimum standards and specifications. Franchisor has the unrestricted right to revoke such consent, at any time for any reason, including but not limited to:

a) if Franchisee is not in compliance with the Franchise Agreement or, if appropriate, a Multi-Unit Development Agreement, as Franchisor determines, in its sole discretion; or,:
b) if Franchisor establishes and grant rights to establish a Cortz franchise having as its Designated Territory the outlying area that the Franchisee may have previously serviced.

4.05 Reservation of Rights. Franchisor reserves the rights, among others:

a) to own, franchise, and/or operate franchises at any location outside of your Territory, regardless of the proximity to your franchise.
b) to use the Marks and the System to sell any products or services, or supplies similar to those which you will sell, through any alternative channels of distribution outside of your Territory. This includes, but is not limited to, other channels of distribution such as television, mail order, catalog sales, wholesale sales to unrelated franchises, or over the Internet. We exclusively reserve the Internet as a channel of distribution for us, and you may not independently market on the Internet or conduct e-commerce;
c) to purchase or be purchased by, or merge or combine with, any business, including a business that competes directly with your Franchise, wherever located;
d) to implement multi-area marketing programs which may allow us or others to solicit or sell to customers anywhere; Franchisee will still have the option of servicing any customer within its Designated Territory. Franchisor also reserves the right to issue mandatory policies and pricing to coordinate such multi-area marketing programs.
e) to own, franchise, license, or otherwise operate retail locations at any location inside or outside of your Territory, which may offer products similar to those which you will sell

4.06 Except as expressly limited, we and our affiliates have the right to conduct any non-competing business activities, under any name, in any geographic area and at any location, regardless of the proximity to the Territory or the economic effect on your Outlet or activities under this Agreement.

4.07 Forms of Agreement. You acknowledge that, over time, we have entered, and will continue to enter, into agreements with other franchisees that may contain provisions, conditions and obligations that differ from those contained in this Agreement. The existence of different

forms of agreement and the fact that we and other franchisees may have different rights and obligations does not affect our or your duties to comply with the terms of this Agreement.

5. FEES AND ROYALTIES

5.01 Payment of Fees and Royalties. All payments required under this Section are imposed by and payable to Franchisor and are non-refundable except as expressly provided below. All payments must be made by any method Franchisor reasonably specifies, including check, cash, certified check, money order, credit or debit card, automatic pre-authorized payment plan, electronic funds transfer, or payment in advance. Franchisee must sign an Authorization for Electronic Withdrawal, set forth as Attachment II, and Franchisor may require Franchisee to submit any payments electronically. All payments to Franchisor and dollar amounts stated in this Agreement are in U.S. dollars unless otherwise expressed. Franchisor will not require Franchisee to deposit all Franchisee's revenue into an account that Franchisor controls, or from which withdrawals may be made only with Franchisor's consent, except to secure a loan or financing arrangement by Franchisor.

5.02 Initial Franchise Fee. Franchisee must pay an initial franchise fee ("Initial Franchise Fee") upon the signing of this Agreement as set forth in Attachment I. The Initial Franchise Fee is $50,000. The Initial Franchise Fee is fully earned upon payment and is non-refundable under any circumstances.

5.03 Royalties. Franchise must pay to Franchisor a monthly royalty in the amount of 6% of up to $1,000,000 in Gross Revenue or 4% of more than $1,000,001 of Gross Revenues for the preceding calendar month. ("Royalty Fee"). The Royalty percentage will reset each calendar year on January 1. The Royalty Fee is due to Franchisor, without notice from Franchisor, on the 5th day of each month. Royalties must be reported in a form specified by Franchisor.

5.04 National Marketing Fund Fee. Once implemented and in addition to the Royalty Fee described in Section 5.03 above, you agree to pay to us a National Marketing Fee (NMF) in an amount equal to one percent (1%) of the Outlets' Monthly Gross Sales. Such amount shall be contributed to an NMF maintained by us, as described in Section 9 below. The National Marketing Fund Fee is payable to us at the same time and in the same manner as the Royalty Fee.

5.05 Media and Tech Support: Franchisee will pay to us a monthly Media and Tech Support fee in the amount of $249. Franchisor will provide franchise management software, basic CRM, LMS, listing on the Cortz website, lead referral, Social Media Ad Design, and systems/resources for bidding jobs. Franchisor reserve the right to uniformly change this fee and the products/services offered.

5.06 Advertising Materials. If we print or prepare any advertising materials for distribution at your Outlet, you will be responsible for paying actual costs plus 10%.

5.07 Initial Training/Additional Persons/Replacement Personnel. Training for Franchisee and one additional person is included with the Initial Franchise Fee. Additional persons may be trained

at Franchisor's discretion for a fee of $2,500 per person. Franchisee is responsible for all travel related expenses and payroll for every person who attends.

5.08 Annual Conferences. We may hold annual conferences either regionally or nationally. The cost for attendance is $250 per person. Franchisee is responsible for additional expenses including travel, lodging, meals and wages for those who attend.

5.09 On-Site Training beyond Initial Training. Should Franchisee request or Franchisor determine necessity, or if as the result of an inspection or quality assurance audit Franchisor believes that remedial training is necessary Franchisor will send a representative to Franchisee's Outlet for additional assistance. Franchisee shall pay Franchisor $500 per day, 2 days minimum for each representative sent for the On-Site assistance plus reimburse each trainer's expenses, including travel, lodging and meals.

5.10 Additional Training/Refresher Courses, From time to time, Franchisor may require Franchisee's attendance at additional training and/or refresher training courses. The cost to attend in person is $250 per person. If we hold virtual conferences, the cost is $100 per person. Franchisee is responsible for additional expenses including travel, lodging, meals and wages for those who attend.

5.11 Bank Charges and Administrative Costs. We will charge fees to cover bank charges and administration costs if an electronic funds transfer attempt is unsuccessful or you close your operating account, or any check or other payment is returned not paid. If you incur three insufficient funds fees in any 12-month period, we have the right to terminate your Franchise Agreement. Unpaid amounts will also accrue interest.

5.12 Interest. Unless otherwise stated, Franchisee must pay interest at the rate of one and one-half percent (1.5%) per month for any late payments due under this Agreement, or the maximum interest rate allowed by applicable law, whichever is greater. Franchisee must pay any damages, expenses through appeal, collection costs, and reasonable attorneys' fees Franchisor incurs in connection with Franchisee's failure to make any required payments.

5.13 Taxes and Debts. Franchisee will promptly pay when due all taxes, fees, debts, expenses, and assessments of the Outlet, including payroll taxes. Franchisee will not permit a tax sale, seizure, levy, execution, bankruptcy, assignment of assets for or by creditors, or similar action to occur.

6. MARKS

6.01 Marks. Franchisee must only use the Marks in the conduct of the Outlet's business as specified in this Agreement. Any unauthorized use of the Marks by Franchisee will constitute a breach of this Agreement and an infringement on Franchisor's rights in and to the Marks. As between Franchisor and Franchisee, Franchisor has a prior and superior claim to the Marks, and Franchisee has no rights in the Marks other than the right to use them in the operation of the Outlet in compliance with this Agreement.

6.02 Authorized Marks. Franchisee shall use no trademarks other than "Cortz" or any other Marks that Franchisor may specify for use in the identification, marketing, promotion, or operation of the Outlet. If Franchisee cannot lawfully use the Marks in the Designated Territory, Franchisee must obtain Franchisor's written approval to use other marks. Franchisee must also follow the copyright guidelines as specified by Franchisor in the Manual and which approval may not be unreasonably withheld, conditioned or delayed. Franchisor will indemnify Franchisee for any claims against misuse or infringement of Marks.

6.03 Change of Marks. Franchisor may add, modify, or discontinue any Marks to be used under the System. Within a reasonable time of receiving written notification of any change, Franchisee must comply with the change, at Franchisee's sole expense unless Franchisor does not control the Marks in which case Franchisor shall bear cost of the Franchisee changing of the Marks.

6.04 Limitations on Franchisee's Use of the Marks. Franchisee must use the Marks as the sole identification of the Outlet, but must also identify itself as the independent owner of the Outlet in the manner prescribed by Franchisor. All Marks must be displayed in the manner prescribed by the Franchisor. Franchisee may not use the Marks, or any words or symbols similar to the Marks, alone or with any prefix, suffix, modifying words, terms, designs, or symbols:

a) as part of any entity or business name;
b) in conjunction with any documents, contracts, licenses, permits and other official documents. Any reference to the Marks in any document must state that Franchisee's use of the Marks is limited by this Agreement;
c) in any form on the Internet, including, but not limited to, addresses, domain names, links, metatags, locators, and search techniques;
d) in connection with the performance or sale of any unauthorized services or products; or
e) in any other manner not expressly authorized by Franchisor.

6.05 Marks on the Internet. Franchisor retains the sole right to use the Marks and market on the Internet, including all use of Web sites, domain names; URL's, linking, advertising, and co-branding arrangements. Franchisee may not establish a presence on the Internet except as we may specify, and only with our prior written consent. Franchisee will provide Franchisor with content for Franchisor's Internet marketing, and Franchisee must sign the Internet and intranet usage agreements when developed by Franchisor. Franchisor retains the right to approve any linking to or other use of CFSP's Web site.

6.06 Marks in Advertising. Subject to Section 9.03, Franchisee must obtain Franchisor's prior written approval for any use of any item of printed, audio, visual, Internet, electronic media, or multimedia material of any kind bearing any of the Marks, unless supplied by Franchisor. Franchisee must indicate that it is "independently owned and operated."

6.07 Goodwill. All usage of the Marks by Franchisee and any goodwill affiliated with the Marks, including any goodwill that might be deemed to have arisen through Franchisee's operation of the Outlet or other activities will inure to the exclusive benefit of Franchisor.

6.08 Infringement. Franchisee must notify Franchisor in writing within three (3) days of4 obtaining knowledge of any possible infringement or illegal use by others of a trademark which is the same as or confusingly similar to the Marks. Franchisor may, in its sole discretion, commence or join any claim against the infringing party, and bear the reasonable costs affiliated with the action.

6.09 Signage. As specified by Franchisor, Franchisee must display signage bearing the Marks and identifying the Premises as a Franchise, and signage indicating that the Outlet is independently owned and operated as a Outlet. All signage must remain current with the System's standards as Franchisor may modify periodically.

7. MANUAL AND CONFIDENTIAL INFORMATION

7.01 Confidential Information. The System, the Manual, and other Confidential Information are proprietary, involve Trade Secrets of Franchisor, and are disclosed to Franchisee solely on the express condition that Franchisee agrees, and Franchisee does hereby agree to:

a) fully and strictly adhere to all security procedures prescribed by Franchisor, in its sole discretion, for maintaining the Confidential Information as confidential;
b) disclose such information to its employees only to the extent necessary to market and for the operation of the Outlet in accordance with this Agreement;
c) not use any such information in any other business or in any manner not specifically authorized or approved in writing by Franchisor; and
d) exercise the highest degree of diligence and make every effort to maintain the absolute confidentiality of all such information during and after the term of this Agreement, and follow Franchisor's security procedures, which include the execution of approved nondisclosure agreements, and intranet, extranet and Internet usage agreements when developed by Franchisor, by Franchisee and any employee or agent who is allowed access.

7.02 Standards and Authorized Use. Franchisee must maintain strict compliance with the Manual as presently set forth and as subsequently amended and revised.

7.03 Unauthorized Use. Franchisee must not copy or otherwise reproduce any Confidential Information and must establish procedures to prevent unauthorized use by any other person. Unauthorized use of the Manual or the System will constitute a breach of this Agreement and an infringement of our proprietary rights, including trade secrets and copyrights. You must promptly report any unauthorized use of the Manual or other Confidential Information.

7.04 Manual. Franchisor will loan to Franchisee during the term of the franchise one (1) copy of Franchisor's confidential operating Manual, which may be in print, on an access code-protected company intranet or extranet, or through other media. Franchisor reserves the right to require Franchisee to use the Manual in only an electronic format. The Manual will at all times remain the property of Franchisor, and Franchisee must immediately return the Manual to Franchisor upon expiration, termination, or Transfer of this Agreement. Franchisor may periodically update and revise the Manual. Franchisee acknowledges that its entire knowledge of the operation of the System is and shall be derived from information disclosed to Franchisee by Franchisor and that

certain of such information is Confidential Information of Franchisor. Franchisee shall maintain the absolute confidentiality of all such Trade Secrets during and after the term of this Agreement and shall not use any such information in any other business or in any manner not specifically authorized or approved in writing by Franchisor. Franchisee is bound by the standards for maintaining the privacy of the Manual in the same manner as all other Confidential Information as provided in this Agreement.

7.05 Confidentiality and Covenant Not to Compete Agreement. Franchisee and, in the event of a subsequent transfer to an entity, the entity, its owners, members, managers, partners or shareholders, officers, directors, agents, beneficial owners, and principal employees, as applicable shall execute Franchisor's standard Confidentiality and Covenant Not to Compete Agreement (Attachment IV) before performing any work at the Outlet or otherwise having access to Franchisor's Confidential Information. A copy of all such signed agreements shall be delivered to Franchisor within one week of their execution.

7.06 Ownership of Business Records. Franchisee acknowledges and agrees that the Franchisor has access to all Business Records with respect to the Outlet, including, but not limited to, customers, clients, employees, and other service professionals of, and related to, the franchised Franchise including, without limitation, all databases (whether in print, electronic or other form), including all names, addresses, phone numbers, e-mail addresses, customer records, and all other records contained in the database, and all other Business Records created and maintained by Franchisee for evaluation and research purposes only. Franchisee further acknowledges and agrees that, at all times during and after the termination, expiration or cancellation of this Agreement, Franchisor may access such Business Records, and may utilize, transfer, or analyze such Business Records as Franchisor determines to be in the best interest of the System, in Franchisor's sole discretion. This will in no way cause harm to Franchisee's business.

8. FRANCHISOR'S DUTIES

8.01 Services Provided by Franchisor. Franchisor will provide initial and continuing services as it deems necessary or advisable in furthering Franchisee's Outlet and the business of the System as a whole and in connection with protecting the Marks and goodwill of Franchisor. Provision of services by Franchisor, either initial or continuing, is independent from the payment the Initial Franchise Fee or the continuing Royalty Fees, NMF Fees or Media and Tech Support Fees. Notwithstanding the foregoing, Franchisor will provide the services listed below on a continuing basis.

8.02 Site Selection. This is a mobile business and as such, you will operate the Outlet from a business address, home office or storage unit located within your DT. We do not assist site selection. You must open your Outlet within a specified period of time. It is estimated that the length of time between the signing of the Franchise Agreement and the opening of your Outlet will usually be about 60 days. Factors affecting this length of time include financing arrangements, ordering of service vehicle with branded wrap, and scheduling and completion of the training program. "Without providing us with a reasonable explanation, which we will solely determine, your failure to begin operations of your CFSP franchise within 180 days of signing the Franchise

Agreement may result in termination of the Franchise Agreement and we will retain all monies received.

8.03 Equipment, Inventory, Advertising and Services. Franchisor will specify or approve certain equipment and supplies used in the Outlet, as provided elsewhere in this Agreement. Franchisor may negotiate marketing programs with suppliers and obtain advertising allowances or rebates for doing so and may utilize such allowances or rebates in any manner in which Franchisor elects, in its sole discretion.

8.04 Initial Training. Franchisor will provide initial and ongoing training and assistance, as Franchisor may reasonably determine to be appropriate, within four (4) to six (6) weeks before signing this Agreement. Franchisor will provide the initial classroom training program at its corporate headquarters, or at another location designated by Franchisor, to Franchisee and one designated Manager or other employee. Franchisee and a designated manager must attend and satisfactorily complete the initial training program. The classroom training program lasts for approximately 1 week, and consists of a discussion of the System, techniques, procedures, and methods of operation, ordering, accounting, support procedures and instructions on quality standards and practical experience in the operation of the Franchise. Franchisee will also receive on-the-job training at either the Franchisor's location or at the Franchisee's location. This training consists of hands-on applications of preparing, painting, netting and landscaping, among other items. Franchisee is responsible for personal travel, accommodation, and other costs of its employees while attending training. Franchisee will be charged Franchisor's current training fee for any additional persons attending training.

8.05 Conferences. Franchisor reserves the right to hold and require Franchisee to attend annual conferences to discuss on-going changes in the industry, sales techniques, personnel training, bookkeeping, accounting, inventory control, performance standards, and advertising programs. Franchisee will be required to pay a conference fee for either in person attendance or virtual attendance and must pay all personal travel and living expenses for all of its employees attending the conference. Conferences will be held at Franchisor's corporate headquarters or at an alternate location chosen by Franchisor or may be conducted virtually.

8.06 Opening and Continuing Assistance. Franchisor does not provide on-site assistance in connection with initial training during the opening of the Franchise unless Franchisee pays the current Additional Training Fee as described in Section 5.09. Franchisor will provide reasonable ongoing assistance by telephone, email, or other form of communication to Franchisee during normal business hours. If Franchisee requires additional on-site assistance, Franchisee will be charged Franchisor's then-current additional assistance fee per day, plus travel and living expenses for Franchisor's representative.

8.07 Advertising and Promotional Programs. Franchisor will provide advertising and promotional programs as set forth in Section 9.

8.08 Development of Programs. Franchisor may develop new designs and service methods, as Franchisor deems beneficial to the System. Franchisor will offer such new design and service methods to Franchisee on terms reasonably determined by Franchisor.

8.09 Modification of System. Franchisor will periodically continue to improve, modify, and revise the Manual and the specifications, standards, and operating procedures and rules of the System, as set forth in Sections 2.02 and 7.04.

8.10 Central Purchasing. Franchisor reserves the right to implement a purchasing system for franchisees and negotiate prices and terms with suppliers and to receive rebates from such purchases by Franchisees. Franchisor may utilize such rebated funds in any manner it chooses in Franchisor's sole discretion.

8.11 Web Site. Franchisor will provide information regarding Franchisee's Outlet on its Web site, as set forth in Section 9.02.

9. SOLICITATION AND ADVERTISING

9.01 Except as stated in this paragraph, Franchisee may not directly market to or solicit customers who reside outside the Designated Territory. However, Franchisee will have the exclusive right to service customers within the Designated Territory except through the Internet generated by Multi-Area Marketing Programs.

9.02 Franchisee Advertising.

a) Local Advertising: At the present time, you are required to market on a local basis as an individual Franchise or by local marketing agencies hired by you. You are required to spend a minimum of $500 or 1% of Gross Revenue, whichever is greater, per month on marketing and promotion in your Designated Territory. This fee is in addition to any National, Multi-Area or Regional requirements.
b) Media and Tech Fee: You must pay Us a fee of $249 per month for this service. We will provide franchise management software, basic CRM, LMS, listing on the Cortz website, lead referral, Social Media Ad Design, and systems/resources for bidding jobs. We reserve the right to uniformly change this fee and the products/services offered.

Franchisee may, also be required to participate, at Franchisee's expense, in any National Advertising Fund (Fund), Multi-Area Marketing Programs (MAM Programs) or Regional Advertising Cooperative (Co-Op), as determined by Franchisor. Franchisee's requirement to contribute to such Fund or Programs (combined) will not exceed 1% per month of Franchisee's Gross Revenues. Contributions to a Co-Op will be determined by the Franchisees within the Designated Marketing Area. All expenditures will be reported to Franchisor at such times and in such manner as Franchisor specifies, including by electronic means. Subject to this Section, Franchisee may not advertise in any media with a primary circulation outside Franchisee's Designated Territory, except with Franchisor's written consent and with the reasonable consent of any franchisee whose territory is reached by the media. However, Franchisee may advertise in media whose circulation is primarily inside Franchisee's Designated Territory, even if it also reaches outside Franchisee's Designated Territory. All Internet marketing is a part of Multi-Area Marketing Programs and must be coordinated through and approved by Franchisor. You may not market independently on the Internet or acquire an independent Internet domain name or Web site, but Franchisor will include Franchisee's Franchise on its Web site.

9.03 Advertising and Marketing Materials. Franchisor will provide Franchisee with reasonable amounts of advertising and marketing materials which may include, but are not limited to, video and audiotapes, multimedia, print-ready advertising materials, posters, banners, and other items. Franchisee must purchase any additional copies of advertising and marketing materials. (See Section 5.06). Franchisee may develop and produce additional advertising and marketing materials, at Franchisee's own expense, but any advertising and marketing materials must be approved in writing by Franchisor in advance of Franchisee's use of such materials. Franchisor will approve or disapprove of marketing materials submitted by Franchisee within fifteen (15) days of receipt. Franchisor also reserves the option of utilizing the advertising, without cost, developed by Franchisee and providing the advertising to other franchisees.

9.04 National Marketing Fund / Multi-Area Marketing Programs / Regional Advertising Co-Op. In the future, Franchisee may be required to pay 1% of Gross Revenue per month into the National Marketing Fund (Fund) or to a Multi-Area Marketing Program (MAM Program) or Regional Advertising Co-Op to advertise the System on a regional, national, or international level. Contributions shall be made at the same time and in the same manner as the Royalty Fee. Franchisor will hold contributions to the Fund or Program in a separate bank account or in the Corporate Account. Franchisor will use the contributions to the Fund or Program for local, regional, national, Internet, or international advertising or marketing, development and maintenance of any Internet or e-commerce programs, related expenses, and any media or agency costs or to attend franchise trade shows and other events. Franchisor may also use contributions to the Fund or MAM Program to offset or partially rebate the franchisee's local media and printing expenses. Franchisee acknowledges and agrees that expenditures from the Fund or MAM Program may or may not be proportionate to contributions made by Franchisee or provide a direct or any benefit to Franchisee. The National Marketing Fund will be spent for the purposes set forth above at Franchisor's sole discretion, and Franchisor has no fiduciary duty with regard to the Fund or MAM Program(s). Franchisor may accumulate these contributions, and the balance may be carried over to subsequent years and used for the purposes stated in this Agreement. If the National Marketing Fund operates at a deficit or requires additional funds at any time, Franchisor reserves the right to loan such funds to the National Marketing Fund on any terms Franchisor determines. Franchisor may also utilize the National Marketing Fund to reimburse itself for administrative expenses incurred in administering the National Marketing Fund. An unaudited annual financial statement of the National Marketing Fund will be prepared within one hundred twenty (120) days of the close of Franchisor's fiscal year and will be available to Franchisee upon request.

9.05 Websites. We alone may establish, maintain, modify or discontinue all internet, world wide web and electronic commerce activities pertaining to the System. We have established one or more websites accessible through one or more uniform resource locators ("URLs"). We will provide your Outlet with a listing on our website and we may, but are not required to, design and provide for the benefit of your Outlet a "click through" subpage at our website for the promotion of your Outlet. If we establish one or more websites or other modes of electronic commerce and if we provide a "click through" subpage at the website(s) for the promotion of your Outlet, you must routinely provide us with updated copy, photographs and news stories about your Outlet suitable for posting on your "click through" subpage. We reserve the right to specify the content, frequency and procedure you must follow for updating your "click through" subpage.

a) Any websites or other modes of electronic commerce that we establish or maintain, including but not limited to any mobile applications ("apps") that we may introduce, may – in addition to advertising and promoting the products, programs or services available at Cortz Outlets – also be devoted in part to offering CORTZ BY FSPs for sale and be used by us to exploit the electronic commerce rights which we alone reserve.
b) In addition to these activities, we may also establish an intranet through which downloads of operations and marketing materials, exchanges of franchisee email, System discussion forums and System-wide communications (among other activities) can be done. You may not maintain your own website; otherwise maintain a presence or advertise on the internet or any other mode of electronic commerce in connection with your Outlet; establish a link to any website we establish at or from any other website or page; or at any time establish any other website, electronic commerce presence or URL which in whole or in part incorporates the "Cortz" name or any names confusingly similar to the Proprietary Marks.
c) You are not permitted to promote your Outlet or use any of the Proprietary Marks in any manner on any social or networking websites, which includes but is not limited to Facebook, Instagram, LinkedIn, YouTube, TikToK or Twitter, without our prior written consent. We will control all social media initiatives. You must comply with our System standards regarding the use of social media in your Outlet' operation, including prohibitions on your and the Outlet' employees posting or blogging comments about the Outlet or the System, other than on a website established or authorized by us ("social media" includes but is not limited to personal blogs, common social networks like Facebook, and Instagram, professional networks like LinkedIn, live-blogging tools like Twitter and video networks like YouTube and TikTok, virtual worlds, file, audio and video-sharing sites, and other similar social networking or media sites or tools). We will provide access to branded social media pages/handles/assets, and you must update these regularly. We have the right to conduct collective/national campaigns via local social media on your behalf.
d) We alone will be, and at all times will remain, the sole owner of the copyrights to all material which appears on any website we establish and maintain, including any and all material you may furnish to us for your "click through" subpage.

10. CONSTRUCTION AND MAINTENANCE OF FRANCHISE

10.01 Property. Franchisee may but is not required to purchase or lease a small storage or office space for the operation of the Franchise. Generally, Franchises may be operated from a home-based location. We do not have any requirements for a location at this time but reserve the right to have them in the future.

10.02 Lease Riders. If Franchisee leases the Premises, the lease must contain the following provisions:

a) on termination of this Agreement for any reason, Franchisor or its designee will have the option for thirty (30) days to assume Franchisee's remaining lease obligations without accruing any liability regarding the lease prior to the effective date of any assignment; or Franchisor will have the right to execute a new lease for the remaining term on the same terms and conditions;

b) all notices of default to Franchisee under the lease must be sent contemporaneously to Franchisor;
c) in the event Franchisee defaults under the lease, Franchisor or its designee will have an opportunity, but not the obligation, to cure such default and to assume Franchisee's remaining obligations under the lease, but will not have any obligation to do so; and
d) a provision reserving to Franchisor the right, at Franchisor's sole and absolute election, to receive an assignment of the leasehold interest from Franchisee upon termination or expiration of the initial term or any renewal term, or any termination of Franchisee, and the right to reassign the lease without becoming liable on the lease and without further approval from the landlord or additional charge.

10.03 Maintenance and Upgrades. Subject to the terms of this Section, Franchisee must at all times comply with Franchisor's standards, specifications, processes, procedures, requirements and instructions regarding the Franchise's Outlet and OU's, including the signage and equipment that must be utilized with the OU. Franchisee must maintain the OU and any parking areas in good and safe condition, as specified in the Manual. Franchisee must make changes or upgrade the Outlet at its own cost in accordance with Franchisor's reasonable standards and requests.

11. RECORDS AND REPORTS

11.01 Records. Franchisee must keep and transmit complete and accurate Business Records on a current basis relating to the Outlet in the form, time, and manner that Franchisor prescribes. Franchisee must provide Franchisor with all hard copies, and access to electronic reports, as reasonably prescribed. Franchisee must maintain an accounting system, which accurately reflects all operational aspects of the Franchise including uniform reports as may be required by Franchisor. Franchisee must submit to Franchisor current financial statements and other reports as Franchisor may reasonably request to evaluate or compile research data on any operational aspect of the Franchise. Currently Franchisor requires that you provide Balance Sheet and Profit and Loss Statement monthly to determine the Royalty and NMF Fees. Franchisor reserves the right to require that Franchisee make available its sales records and files by way of an Internet connection. Business Records will specifically also include:

a) tax returns;
b) daily reports;
c) statements of Gross Revenues and expenses, to be prepared each month for the preceding month;
d) profit and loss statements, to be prepared monthly and by an independent Certified Public Accountant annually; and
e) balance sheets, to be prepared at least monthly by an independent Certified Public Accountant annually.

Franchisee must keep accurate records relating to the Outlet for a period of six (6) years after the termination or expiration of this Agreement.

11.02 Records Standards. Franchisee must prepare all financial reports in accordance with generally accepted accounting principles, consistently applied, in a form approved by Franchisor. Franchisee must periodically deliver to Franchisor copies of accounting, tax and other documents

and information, within ten (10) business days of Franchisor's requests. Franchisee must provide Franchisor with a copy of its annual financial statements including a profit and loss statement and a balance sheet containing complete notes and disclosures. Such statements must be compiled by an independent Certified Public Accountant and be delivered to Franchisor within ninety (90) days after Franchisee's fiscal year end.

11.03 Audits. Franchisee must provide Franchisor, or its agents access to Franchisee's Outlet and computer systems to examine or audit Franchisee's Outlet, at any reasonable time without notice. Franchisor will bear the cost of the audit, unless Franchisee fails to report as required or understates Gross Revenue by one percent (1%) or more for any reported time period, in which case Franchisee will pay the audit cost plus interest on understated costs of one- and one-half percent (1.5%) per month or the maximum interest rate allowed by applicable law, whichever is greater. Interest accrues from the original due date until paid in full. Franchisee must immediately pay to Franchisor all sums owed in addition to any other remedies provided in this Agreement or by law.

12. FRANCHISEE'S DUTIES

12.01 Compliance with Applicable Laws. Franchisee agrees to (i) comply with all applicable laws, ordinances and regulations or rulings, or licensing requirements, of every nature whatsoever which in any way regulate or affect the operation of its Outlet, (ii) pay promptly all taxes and business expenses, and (iii) comply with all laws covering occupational hazards, accommodations for the disabled, including without limitation, the Americans with Disabilities Act, if applicable, health, workers' compensation insurance and unemployment insurance. Franchisee agrees, at its expense, to modify its Franchise, if necessary, to comply with any such applicable laws or regulations. Franchisee shall not engage in any activity or practice that result, or may reasonably be anticipated to result, in any public criticism of the System or any part thereof.

12.02 System Compliance. Franchisee must comply with the System, the Manual, and all systems, procedures and forms, as in effect from time to time. All mandatory specifications, standards, and operating procedures prescribed by Franchisor in the Manual, or otherwise communicated to Franchisee in writing, shall constitute provisions of this Agreement as if fully set forth herein. Accordingly, all references in this Agreement to Franchisee's obligations under this Agreement, including to the Franchise, equipment, procedures shall include such mandatory specifications, standards, and operating procedures. Franchisor may require Franchisee to add additional concepts to the Outlet in the future; however, these concepts will be complimentary.

12.03 Uniformity and Image. In order to maintain uniform standards of quality, appearance, and marketing, it is essential that Franchisee conform to Franchisor's standards and specifications set forth in the Manual and the System. While Franchisee will manage its own operations and employees, Franchisee must agree and conform to all the requirements of this Section.

12.04 Operations. Franchisee must operate the Outlet in accordance with the System and Manual, as amended by us in our discretion. Franchisee or a fully trained and qualified manager ("Manager") approved by Franchisor must participate personally and full-time in the Outlet.

12.05 Right of Entry and Inspection. Franchisee must permit Franchisor or its authorized agent or representative to inspect any OUs during normal business hours and to reasonably inspect the operations of the Outlet. Without any liability to Franchisee, Franchisor may confiscate any materials which Franchisor, in its reasonable judgment, determines to be either illegal or in violation of this Agreement. Franchisor shall have the right to observe Franchisee and its customers/clients rendering services, to confer with Franchisee's employees and customers/clients and to generally review the Outlet operations for compliance with the standards and procedures set forth in the Manual.

12.06 Restrictions on Services and Products. Franchisee is prohibited from offering for sale any products and services not authorized by Franchisor as being a part of the System. Franchisee shall purchase certain items, including but not limited to, the service vehicle, vehicle wrap and equipment, collectively the OU, as well as uniforms, paint, equipment and other operating supplies, required for the operation of the Outlet from suppliers designated or approved by Franchisor or from suppliers who meet our specifications. However, if Franchisee proposes to offer, conduct or utilize any services, products, materials, forms, items, supplies or services for use in connection with the Outlet which are not previously approved by Franchisor as meeting its specifications, Franchisee shall first request approval in writing from Franchisor. Franchisor may, in its sole discretion, for any reason whatsoever, elect to withhold such approval; however, in order to make such determination, Franchisor may require submission of outlet design specifications, information of such equipment and supplies. Franchisor will advise Franchisee within a reasonable time whether such equipment and supplies meet its specifications. Approved equipment descriptions and supplier contact information are prescribed in the Manual. If there is no designated or approved supplier for particular items, Franchisee may purchase from suppliers approved in advance by Franchisor who meet all of Franchisor's specifications and standards as to quality, composition, finish, appearance and service, and who shall adequately demonstrate their capacity and facilities to supply Franchisee's needs in the quantities, at the times, and with the reliability requisite to an efficient operation of the Outlet.

12.07 Nothing in this Agreement shall be construed to be a promise or guarantee by Franchisor as to the continued existence of a particular product, nor shall any provision herein imply or establish an obligation on the part of Franchisor to sell equipment and supplies to Franchisee if Franchisee is in arrears on any payment to Franchisor or otherwise in default under this Agreement. If Franchisee fails to pay in advance in full for each shipment of equipment and supplies purchased, Franchisor shall not be obligated to sell equipment and supplies to Franchisee. In addition, Franchisor may impose interest on any late payments on the terms described in Section 5.

12.08 Sales Restrictions

a) Commercial/Government Accounts. You may not sell to any commercial or governmental entity without our prior written approval.
b) You may not engage in any promotional activities or sell products or services, whether directly or indirectly, through or on the internet, the world wide web, or any other similar proprietary or common carrier electronic delivery system; While you may place advertisements in printed media and on television and radio that are targeted to customers and prospective customers located primarily within your Designated Territory, you will

not be deemed to be in violation of the Franchise Agreement if those advertisements, because of the natural circulation of the printed media or reach of television and radio, are viewed by prospective customers outside of your Designated Territory. You may not directly solicit customers outside of your Designated Territory without our specific approval. You have no options, rights of first refusal, or similar rights to acquire additional franchises.

c) We and our affiliates may sell products under our Proprietary Marks within and outside your Designated Territory through any method of distribution other than at a CORTZ Unit. You may not use alternative distribution channels to make sales outside or inside your Designated Territory and you will not receive any compensation for our sales through alternative distribution channels.

c) We or our affiliate will fulfill all orders placed through the retail portion of our website and you will not be entitled to any portion of the profits received from this, even if the customer's order is generated from or delivered to an address in your Designated Territory.

d) Neither we nor any parent or affiliate has established, or presently intends to establish, other franchised or company owned CORTZ outlets which sell our proprietary products or services under a different trade name or trademark, but we have the right to do so in the future, without first obtaining your consent.

e) Subject to the requirements of Sections 9, Franchisee may not directly market or solicit customers outside of the Designated Territory. However, with Franchisor's prior written consent, Franchisee may solicit residential, corporate and/or governmental customers located outside of the Designated Territory, but only if Franchisor has not granted that area to another Cortz franchisee and only if the products and services that Franchisee intends to provide in the outlying area can be provided substantially in accordance with our minimum standards and specifications. Franchisor has the unrestricted right to revoke such consent, at any time for any reason, including but not limited to:

   i) if Franchisee is not in compliance with the Franchise Agreement or, if appropriate, a Multi-Unit Development Agreement, as Franchisor determines, in its sole discretion; or,:

   ii) if Franchisor establishes and grant rights to establish a Cortz franchise having as its Designated Territory the outlying area that the Franchisee may have previously serviced:

12.09 Insurance. Franchisee must keep in force insurance policies as prescribed by Franchisor in the Manual by an insurance company acceptable to Franchisor at all times during the term of this Agreement and any renewals. Insurance coverage must include general liability, combined single limit, bodily injury and property damage insurance for premises operations, products liability and all other occurrences against claims of any person, employee, customer, and agent or otherwise in an amount per occurrence of not less than such amount set forth in the Manual and adjusted by Franchisor from time to time. Insurance policies must insure both Franchisee and Franchisor, its officers and directors, as additional named insured against any liability which may accrue against them by reason of the ownership, maintenance or operation by Franchisee of the Outlet. The policies must also stipulate that Franchisor shall receive a thirty (30) day prior written notice of cancellation. Original or duplicate copies of all insurance policies, certificates of insurance or other proof of insurance acceptable to Franchisor shall be furnished to Franchisor together with proof of payment within thirty (30) days of issuance thereof. In the event Franchisee

fails to obtain the required insurance and keep the same in full force and effect, Franchisee shall pay Franchisor upon demand the premium cost thereof, which Franchisor shall then forward to the insurance carrier. Notwithstanding the foregoing, failure of Franchisee to obtain insurance constitutes a material breach of this Agreement entitling Franchisor to terminate this Agreement pursuant to the provisions of this Agreement. Franchisee will also procure and pay for all other insurance required by state or federal law, including, without limitation, workers' compensation and unemployment insurance.

12.10 Appearance and Customer Service. Franchisee and its employees shall (i) maintain a clean and attractive appearance, (ii) give prompt, courteous and efficient service to the public, and (iii) otherwise operate the Outlet in strict compliance with the policies, practices and procedures contained in the Manual so as to preserve, maintain and enhance the reputation and goodwill of the System. Franchisee may not alter, change, or modify the System, including the Franchise, in any way without the prior written consent and approval of Franchisor.

12.11 Signs. All signs to be used on or in connection with the Outlet must be approved in writing by Franchisor prior to their use by Franchisee.

12.12 Training. Franchisee or its designated Manager must complete Franchisor's initial training program described in Section 8.04 above. Franchisee shall train its employees according to standards and procedures established by Franchisor.

12.13 Correction of Defects. Should Franchisor notify Franchisee at any time of defects, deficiencies or unsatisfactory conditions in the appearance or conduct of the Outlet, Franchisee shall correct within a reasonable time, any such items. Franchisee shall establish and maintain an image and reputation for the Outlet consistent with the standards set forth in this Agreement, the Manual, or as otherwise specified by Franchisor. Franchisee shall keep its Outlet clean, in good order and repair at all times.

12.14 Indemnification. Franchisee agrees to indemnify, defend and hold harmless Franchisor, its parent corporation, its subsidiaries and affiliates, and their respective shareholders, directors, officers, employees, agents, successors and assignees against all claims and liabilities directly or indirectly arising out of the operation of the Outlet or arising out of the use of the Marks and System in any manner not in accordance with this Agreement. For purposes of this indemnification, claims shall mean and include all obligations, actual and consequential damages and costs reasonably incurred in the defense of any claim, including, without limitation, reasonable accountants', attorneys' and expert witness fees, costs of investigation and proof of facts, court costs, other litigation expenses and travel and living expenses. Franchisor shall have the right to defend any such claim against it. This indemnity shall continue in full force and effect subsequent to and notwithstanding the expiration or termination of this Agreement. Franchisee shall not however, be liable for claims arising as a result of Franchisor's intentional or fraudulent acts, omissions or negligence.

12.14 Computer Systems. Franchisee must acquire, maintain, and upgrade computer, information processing and communication systems, including all applicable hardware, software, and Internet and other network access providers, and Web site vendors, as prescribed in the

Manual. Franchisee must comply with any separate software or other license agreement that Franchisor or its designee uses in connection with providing these services.

12.15 Computer Problems, Viruses, and Attacks. Franchisee acknowledges and understands that computer systems are vulnerable to computer viruses, bugs, power disruptions, communication line disruptions, Internet access failures, Internet content failures, date-related problems, and attacks by hackers and other unauthorized intruders. Franchisor has taken reasonable steps so that these problems will not materially affect the System. Franchisor does not guarantee that information or communication systems supplied by Franchisor or its suppliers will not be vulnerable to these problems. Franchisee acknowledges and agrees that Franchisee is solely responsible for protecting itself from these problems. Franchisee must also take reasonable steps to verify that Franchisee's suppliers, lenders, landlords, customers, and governmental agencies on which Franchisee relies, are reasonably protected. This may include taking reasonable steps to secure Franchisee's systems, including, but not limited to, firewalls, access code protection, anti-virus systems, and use of backup systems.

12.15 Hazardous Materials. Franchisee must not cause or permit any toxic or hazardous waste, substances, or materials, as defined under applicable government laws and regulations to be used, generated, stored or disposed of near, on, under, about or transported to or from the Premises or any of Franchisee's vehicles except as necessary for Franchisee's operation of the Outlet and in accordance with the Manual. Franchisee shall conduct such permissible hazardous materials activities in strict compliance, and at Franchisee's expense, with all applicable federal, state, and local laws, rules and regulations now or hereafter in effect and using all necessary and appropriate precautions. Franchisor will not be liable for any of these activities. Franchisee must provide Franchisor with a copy of all hazardous materials inventory statements and updates filed by any governmental agency or regulation and must immediately notify Franchisor both by telephone and in writing of any spill or unauthorized discharge of hazardous materials or of any conditions constituting an imminent hazard.

13. DEFAULT AND TERMINATION

13.01 Termination by Franchisee. Franchisee may terminate this Agreement only if Franchisor violates a material provision of this Agreement and fails to remedy or fails to make substantial progress toward curing the violation within ninety (90) days after receiving an initial written notice from Franchisee detailing the alleged default. Termination by Franchisee shall be effective ten (10) days after Franchisor receives a subsequent written notice of termination following the referenced ninety (90) days only if Franchisor has not cured the violation or made substantial progress toward curing the violation. If Franchisee terminates this Agreement under this provision, Franchisee must follow the termination procedures as set forth in Section 13.03.

13.02 Termination by Franchisor. Subject to applicable law to the contrary, Franchisor may, at its option, terminate this Agreement before its expiration as set forth below:

a) With Notice of 30 Days. This Agreement will terminate thirty (30) days after Franchisor gives written notice to Franchisee and Franchisee fails to cure the defect within the 30-day period, in the event that:

i) Franchisee fails or refuses to maintain and operate the Outlet in compliance with this Agreement, the System, or the Manual;
ii) Franchisee fails to pay Franchisor or suppliers for obligations under this Agreement;
iii) Franchisee fails to comply with any material federal, state, or local law or regulation applicable to the operation of the Outlet; or
iv) Franchisee is in breach of any other term, condition, provision or Attachment of this Agreement. or any other Agreement or Attachment executed by Franchisee and relevant to the nature of this transaction.

a) Without Notice. This Agreement and license will immediately terminate without notice in the event that:
i) Franchisee misrepresented or omitted material facts which induced Franchisor to enter into this Agreement;
ii) Franchisee fails to complete the required initial training or has failed to designate an acceptable site pursuant to Section 10;
iii) Franchisee incurs three (3) insufficient funds fees within any twelve (12) month period
iv) A permanent or temporary receiver or trustee for the Franchise or all or substantially all of Franchisee's property is appointed by any court, or any such appointment is consented to or not opposed through legal action by Franchisee, or Franchisee makes a general assignment for the benefit of Franchisee's creditors or Franchisee makes a written statement to the effect that Franchisee is unable to pay its debts as they become due, or a levy or execution is made on the license, or an attachment or lien remains on the Franchise for thirty (30) days unless the attachment or lien is being duly contested in good faith by Franchisee and Franchisor is advised in writing;
v) Franchisee loses possession or the right of possession of all or a significant part of the Franchise through condemnation, casualty, lease termination or mortgage default/foreclosure and the Franchise is not relocated or reopened;
vi) Franchisee contests the validity of, or Franchisor's ownership of, any of the Marks in any court or proceeding;
vii) Franchisee makes an unauthorized Transfer;
viii) Franchisee is a business entity and any action is taken which purports to merge, consolidate, dissolve or liquidate the entity without Franchisor's prior written consent.
ix) Franchisee voluntarily abandons or ceases operation of the Outlet for more than five (5) consecutive days; or
x) The Franchisee or any owner of greater than five percent (5%) of an assigned Franchisee entity or operator is charged or convicted of a felony, a crime involving moral turpitude, or any crime or offense that is reasonably likely, in the sole opinion of the Franchisor, to materially and unfavorably affect the CFSP System, Marks, goodwill or reputation.

13.03 Effect of Termination. Upon any 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, and indemnity, will remain in effect, and Franchisee must immediately:

a) pay us within 45 days after the effective date of termination liquidated damages equal to the average monthly Royalty Fees you paid or owed to us during the 12 months of operation preceding the effective date of termination multiplied by the number of months remaining in the Agreement had it not been terminated;
b) return to Franchisor all copies of the Manual, customer lists, records, files, instructions, brochures, advertising materials, agreements, Confidential Information and any and all other materials provided by Franchisor to Franchisee or created by a third party for Franchisee relating to the operation of the Outlet, and all items containing any Marks, copyrights, and other proprietary items;
c) cancel or assign within five (5) days all registrations relating to its use of any of the Marks, in Franchisor's sole and absolute discretion. Franchisee must notify the telephone, Internet, email, electronic network, directory, and listing entities of the termination or expiration of the Franchisee's right to use any numbers, addresses, domain names, locators, directories and listings affiliated with any of the Marks, and must authorize their transfer to the Franchisor or any new franchisee as may be directed by the Franchisor. The Franchisee acknowledges as between the Franchisor and the Franchisee, the Franchisor has the sole rights to, and interest in, all numbers, addresses, domain names, locators, directories and listings used by Franchisee to promote the System. The Franchisee hereby irrevocably appoints the Franchisor, 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 prudent to accomplish the foregoing;
d) cease doing business under any of the Marks, cancel any assumed name registration that includes any of the Marks, assign all domain names and Internet directory listings that contain the Marks to Franchisor, and refrain from identifying itself as a CFSP franchisee;
e) allow Franchisor or representatives access to the Outlet and the computer systems to verify and secure Franchisee's compliance with the obligations under this Agreement;
f) allow Franchisor to make a final inspection and audit of your computer system, books, records and accounts; and
g) abide by the terms of the required noncompetition covenant.
h) In the event that Franchisee terminates this Agreement for cause as set forth in Section 13.01, Franchisee is not required to abide by the noncompetition covenants.

13.04 Failure to Cease or Remove Identification. If, within thirty (30) days after termination of this Agreement by Franchisor, Franchisee fails to remove all displays of the Marks from the Franchise which are identified or affiliated with the System, Franchisor may enter the Franchise to effect removal. In this event, Franchisor will not be charged with trespass nor be accountable or required to pay for any displays or materials. If, within thirty (30) days after termination Franchisee has not taken all steps necessary to amend or terminate any registration or filing of any fictitious name or any other registration or filing containing the Marks, Franchisee hereby irrevocably appoints Franchisor as Franchisee's true and lawful attorney for Franchisee, for the purpose of amending or terminating all registrations and filings, this appointment being coupled with an interest to enable Franchisor to protect the System.

13.05 Other Claims. Termination of this Agreement will not affect, modify or discharge any claims, rights, causes of action or remedies, which Franchisor may have against Franchisee, whether such claims or rights arise before or after termination.

14. TRANSFER

14.01 Prohibited Acts. Any unauthorized Transfer or other conveyance, by operation of law or otherwise, or any attempt to do so, shall be deemed void, a breach of this Agreement, and grounds for termination of this Agreement by Franchisor.

14.02 Transfer by Franchisor. Franchisor's obligations under this Agreement are not personal, and Franchisor can unconditionally assign and transfer, in its sole and absolute discretion, this Agreement to another person or business entity at any time. Franchisor does not need permission of Franchisee for the transfer and may transfer free of any responsibility or liability whatsoever to the Franchisee, provided the transferee assumes the Franchisor's material obligations. Franchisor may also:

a) sell or issue its stock, other ownership interests, or assets, whether privately or publicly;
b) merge with, acquire, or be acquired by another entity, including an entity that competes directly with Franchisee; or
c) undertake a refinancing, recapitalization, leveraged buyout, or other economic or financial restructuring.

14.02 Transfer by Franchisee. Franchisee's obligations under this Agreement are personal and may not be voluntarily or involuntarily sold, pledged, assigned, transferred, shared, subdivided, sub franchised, encumbered or transferred in any way without the prior express written approval of Franchisor. Franchisor will not unreasonably withhold, delay or condition its consent to any proposed transfer or assignment by Franchisee which requires Franchisor's consent under Section 14.03 of the Franchise Agreement.

14.03 Conditions for Transfer or Assignment. No Transfer of this Agreement will be approved by Franchisor or be effective unless and until:

a) Franchisee is under no default in the performance or observance of any of its obligations under this Agreement or any other agreement with Franchisor at the time Franchisee requests permission to assign this Agreement or at the time of the assignment;
b) Franchisee has settled all outstanding accounts with Franchisor, and Franchisee, and every principal of Franchisee's entity, have executed a general release of Franchisor and all principals of Franchisor from all claims that may be brought by you or any principal;
c) the proposed transferee pays Franchisor a fee to transfer the Outlet (the "Transfer Fee") in the amount of $5,000.00 unless the transferee is:
    i) a corporation of which Franchisee is the majority stockholder, or a child, parent, sibling or spouse of Franchisee, in which case no Transfer Fee will be required, or
    ii) another franchisee of CFSP, in which case the Transfer Fee will be $2,500.00;
d) the proposed transferee executes a separate franchise agreement with Franchisor, using the then-current form of franchise agreement;
e) the proposed transferee pays for, attends, and satisfactorily completes the training program for new franchisees unless:
    i) the transferee is a current franchisee in good standing in the System, or
    ii) the transferee is and has been a Manager for a period of one year or more of a Franchise in good standing;

f) the individual proposed transferee, or the stockholders, partners, members, or trustees and beneficiaries of a proposed entity transferee, each execute a personal guarantee, jointly and severally guaranteeing the performance of the proposed transferee's obligations;
g) the proposed transferee demonstrates to Franchisor's satisfaction that it, in all respects, meets Franchisor's standards applicable to new franchisees regarding experience, personal and financial reputation and stability, willingness and ability to devote his or her full time and best efforts to the operation of the Outlet, and any other conditions as Franchisor may reasonably apply in evaluating new franchisees. Franchisor must be provided all information about the proposed transferee as it may reasonably require. Because of the confidential information available to a franchisee, no assignment to a competitor of the System will be permitted;

14.04 Transfer to an Entity. Notwithstanding the preceding sub-section, if the initial Franchisee(s) is comprised of one or more individuals and after obtaining Franchisor's written consent, the franchise granted hereunder may be assigned by the initial franchisee(s) without charge, once only, to a newly formed corporate entity (such as a corporation, limited partnership or limited liability company) which shall conduct no business other than the franchise granted hereunder, which is actively managed by the initial franchisee(s) and in which all of the principal individuals shall own and control the same percentage ownership interests as they held as individual franchisees. Franchisor shall be provided with a copy of the entity's organizational documents, and the initial franchise(s) and the entity shall execute an "Assignment of Agreement to an Entity" in our standard form, wherein each of the principals shall execute guarantees in our favor.

In the event of such an assignment by you of the franchise granted hereunder to a corporate entity which you control, you agree, as a condition of being permitted to make such assignment, forthwith to cause the entity and its directors/managers and owners to acknowledge this Agreement and to agree in writing to be bound by the provisions hereof, cause the entity in its articles of organization to provide in effect that its object or business is confined exclusively to the operation of CFSP Outlet as provided in this Agreement, and cause the entity to restrict the issue of, and its directors/managers and owners to restrict the transfer of, ownership interests of the entity.

14.05 Death of Franchisee. Upon the death of an individual Franchisee, the rights granted by this Agreement may pass (without payment of any Transfer Fee) to the next of kin or legatees, provided that Franchisee's legal representatives will within one hundred twenty (120) calendar days of Franchisee's death apply in writing to Franchisor for the right to transfer to the next of kin or legatee Franchisee's rights under this Agreement. Franchisor will not unreasonably withhold permission so long as the proposed transferees meet each of the then-current requirements of franchisees.

14.06 Right of First Refusal. Franchisee grants Franchisor the right to purchase the Outlet on the same terms and conditions specified in a bona fide written offer from a qualified third party. Within seven (7) days after receipt of the bona fide offer acceptable to Franchisee to transfer all or part of the Outlet, Franchisee must forward a signed copy of the written offer to Franchisor. Franchisor will then have access to all Franchisee's Business Records in order to evaluate the offer

and may purchase the Outlet upon notification to Franchisee within thirty (30) days and 60 additional days to close the transaction.

14.07 Election of Right / Set Offs. If Franchisor elects to exercise its option to purchase under this Agreement, Franchisor will have the right to set off against any payment all amounts due from Franchisee under this Agreement and the cost of the appraisal, if any.

14.08 Rights After Refusal. If Franchisor does not exercise its right to purchase within the required timeframe, Franchisee may transfer the Outlet to the third party, but not at a lower price or on more favorable terms than disclosed to Franchisor in writing. Such transfer remains subject to Franchisor's prior written approval and other conditions specified in this Agreement. If Franchisor does not transfer the Outlet to the transferee on the same terms offered to Franchisor, then Franchisee must again extend the right of first refusal to Franchisor in the manner described above, before another desired transfer.

15. GENERAL PROVISIONS

15.01 Covenants Not to Compete. During the term of this Agreement and for two (2) years after termination, transfer, or expiration of this Agreement for any reason, neither Franchisee, nor persons affiliated with Franchisee, including owners, managers, employees or agents, may participate directly or indirectly or serve in any capacity in any business engaged in the sports court construction, repair, resurfacing, and maintenance business the same as, similar to, or competitive with the System. This covenant not to compete applies: (i) during the term of the Agreement, within any state in which Franchisor, or franchisees do business; and after termination within a fifty (50) mile radius from the boundary of Franchisee's Designated Territory, and from any franchised, Franchisor-owned or affiliated company-owned premises; (ii) on the Internet; and (iii) on any other Multi-Area Marketing channels used by Franchisor.

This covenant not to compete is given in part in consideration for training and access to Franchisor's Trade Secrets, and which, if used in a competitive business without paying royalties and other payments, would give Franchisee an unfair advantage over Franchisor and Franchisor's franchisees. The unenforceability of all or part of this covenant not to compete in any jurisdiction will not affect the enforceability of this covenant not to compete in other jurisdictions, or the enforceability of the remainder of this Agreement.

15.02 Stock Ownership. Nothing in this Section will prevent the Franchisee, a member of Franchisee's family or a principal in an assigned entity either individually or collectively, from owning not more than a total of five percent (5%) of the stock of any company, which is subject to the reporting requirements of Sections 11 or Subsection 14(d) of the Securities and Exchange Act of 1934.

16. DISPUTE RESOLUTION

For purposes of this Section 16, "you" includes all of your owners, Affiliates and their respective employees, and "we" includes all of the "Franchisor-Related Persons/Entities."

16.01 Negotiation. The parties will first attempt to resolve any dispute relating to or arising out of this Agreement by negotiation. Franchisor will provide a procedure for internal dispute resolution as set forth in the Manual, and this procedure may be revised periodically in Franchisor's discretion.

16.02 Right to Relief. To protect from violations that would cause immediate loss and damages, Franchisor and Franchisee each have the right to seek from a court of competent jurisdiction:

a) injunctive relief and any related incidental damages;
b) an action for disputes or claims related to or based on the Marks; and
c) enforcement of a covenant not to compete.

16.03 Arbitration. Except as specifically provided under this Agreement, any dispute or claim relating to or arising out of this Agreement must be resolved exclusively by mandatory arbitration by and in accordance with the Commercial Arbitration Rules of the American Arbitration Association ("AAA") or another arbitration service agreed to by the parties. Arbitration will be conducted solely on an individual, not a class-wide, basis, unless all parties so agree. No award in arbitration involving Franchisor will have any effect of preclusion or collateral estoppel in any other adjudication or arbitration. A single arbitrator shall be selected in accordance with standard AAA procedure, and the proceedings will be conducted at its office nearest to Meadow Vista, California office. Each party shall bear all of its own costs and attorneys' fees and one-half of the arbitrator's expenses. The decision of the arbitrator shall be final and binding.

16.04 Applicability. This dispute resolution section applies to claims by and against all parties and their successors, owners, managers, officers, directors, employees, agents, and representatives, as to claims arising out of or relating to this Agreement, except as stated above. This dispute resolution clause shall survive the termination or expiration of this Agreement.

16.05 Governing Arbitration Law. Notwithstanding any choice of law provision of this Agreement, all issues relating to arbitration or the enforcement of the agreement to arbitrate contained in this Agreement are governed by the U.S. Federal Arbitration Act (9 U.S.C. § 1 et seq.) and the U.S. federal common law of arbitration. This federal act preempts any state rules on arbitration, including those relating to the site of arbitration. Judgment on an arbitration award, or on any award for interim relief, may be entered in any court having jurisdiction, and will be binding.

16.06 Governing Law/Consent to Venue and Jurisdiction. Except to the extent governed by the Federal Arbitration Act, the United States Trademark Act of 1946 (Lanham Act, 15 U.S.C. Sections 1051 *et seq*.) or other federal law, this Agreement shall be interpreted under the laws of the state of California and any dispute between the parties shall be governed by and determined in accordance with the substantive laws of the state of California, which laws shall prevail in the event of any conflict of law. Franchisee and Franchisor have negotiated regarding a forum in which to resolve any disputes which may arise between them and have agreed to select a forum in order to promote stability in their relationship. Therefore, if a claim is asserted in any legal proceeding involving Franchisee, its officers, directors, managers or partners (collectively, "Franchisee Affiliates") and Franchisor, its parent, subsidiaries or affiliates and their respective officers, directors and sales employees (collectively, "Franchisor Affiliates") the parties agree that the exclusive venue for disputes between them shall be in the state and federal courts of California

or the Meadow Vista, California office of the AAA and each party waives any objection they may have to the personal jurisdiction of or venue in the state and federal courts of California or the Meadow Vista, California office of the AAA. Franchisor, Franchisor Affiliates, Franchisee and Franchisee Affiliates each waive their rights to a trial by jury.

16.07 Limitations on Actions. Except for payments owed by one party to the other, and unless prohibited by applicable law, any legal action or arbitration proceeding brought or instituted with respect to any dispute arising from or related to this Agreement or with respect to any breach of the terms of this Agreement must be brought or instituted within a period of two (2) years from the date of discovery of the conduct or event that forms the basis of the legal action or proceeding.

17. RELATIONSHIP OF THE PARTIES

17.01 Independent Contractor. Franchisee is an independent contractor and is not an agent, partner, joint venturer, or beneficiary of Franchisor, nor is Franchisor a fiduciary of Franchisee. Neither party will be bound or obligated by the other, except as set forth in this Agreement. Franchisee may not act as an agent in the Franchisor's name or on behalf of the Franchisor for any purpose whatsoever.

17.02 Operations and Identification. Franchisee must conspicuously identify itself in all dealings with the public as "independently owned and operated" separate from Franchisor. Franchisee's employees are employees of the Franchisee alone and are not, for any purpose, considered employees under the control of Franchisor. Franchisor and Franchisee must file separate tax, regulatory, and payroll reports for each party's own operations, and must indemnify the other for any liability arising from the other's reports.

18. MISCELLANEOUS

18.01 Entire Agreement. This Agreement, together with all written related agreements, exhibits and attachments, constitutes the entire understanding of the parties and supersedes all prior negotiations, commitments, and representations. Nothing in the Agreement or in any related agreement is intended to disclaim the representations we made in the franchise disclosure document.

18.02 Modification. No modifications of the terms of this Agreement shall be valid unless made in writing and executed by both Franchisor and Franchisee. However, the Manual may be periodically modified by Franchisor and shall be fully enforceable against Franchisee.

18.03 Waiver. Franchisor's waiver of any particular right by Franchisee will not affect or impair Franchisor's rights as to any subsequent exercise of that right of the same or a different kind; nor will any delay, forbearance or omission by Franchisor to execute any rights affect or impair Franchisor's rights as to any future exercise of those rights.

18.04 Severability. If any part of this Agreement, for any reason, is declared invalid by an arbitrator or court, the declaration will not affect the validity of any remaining portion. The remaining portion will remain in force and effect as if this Agreement were executed with the

invalid portion eliminated or curtailed. All partially valid and enforceable provisions shall be enforced to the extent that they are valid and enforceable.

18.05 Conflict with Local Law. If any provision of this Agreement is inconsistent with a valid applicable law, the provision will be deemed amended to conform to the minimum standards required. The parties may execute an Addendum setting forth certain of these amendments applicable in certain jurisdictions, which will apply only so long as and to the extent that then applicable laws referred to in the addendum remain validly in effect.

18.06 Section Headings. Titles of articles and sections are used for convenience of reference only and are not part of the text, nor are they to be construed as limiting or affecting the construction of the provisions.

18.07 Legal Costs. If either party institutes a legal proceeding, including court proceeding and arbitration, and prevails entirely or in part in any action at law or in equity against the other party based entirely or in part on the terms of this Agreement, the prevailing party shall be entitled to recover from the losing party, in addition to any judgment, reasonable attorneys' fees, court costs and all of the prevailing party's expenses in connection with any action at law.

18.08 Obligations. Franchisor has no liability for Franchisee's obligations to any third party whatsoever.

18.09 Continuation of Agreement. The provisions of this Agreement, which by their terms or by reasonable implication require performance by Franchisee after assignment, expiration or termination, remain enforceable notwithstanding the assignment, expiration or termination of this Agreement, including those pertaining to non-competition, intellectual property protection, confidentiality and indemnity. This Agreement inures to the benefit of and is binding on the respective heirs, legal representatives, successors, and permitted assigns of the parties.

18.10 Delivery. All notices and other communications required by this Agreement must be in writing and must be delivered in person, sent by Federal Express or U.S. Mail overnight delivery, or by registered or certified mail, return receipt requested, or in any other manner Franchisor may designate. Communications sent to Franchisor must be sent to the attention of the Chief Executive Officer at Franchisor's address or at any other address Franchisor designates in writing. Communications to Franchisee will be sent to Franchisee at Franchisee's last known business address, or at any other address Franchisee designates in writing. Any notice is considered given and received, when delivered in person, or on the third business day following the mailing, if mailed.

18.11 Joint and Several Liability. If two or more persons or entities or any combination sign this Agreement, each will have joint and several liability. All owners and controllers of an entity or association which comprise the Franchisee are jointly and severally liable for the obligations of the Franchisee under this Agreement.

18.12 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.

18.13 Set Off. Franchisee may not set off any amounts owed to Franchisor under this Agreement nor may Franchisee withhold any amounts owed to Franchisor due to any alleged non-performance by Franchisor under this Agreement. Franchisee waives any right to set off.

18.14 Completion of Agreement. The parties agree to acknowledge, execute and deliver all further documents, instruments or assurances and to perform all further acts or deeds as may be reasonably required to carry out this Agreement.

19. ACKNOWLEDGEMENT

BY SIGNING THIS AGREEMENT, FRANCHISEE ACKNOWLEDGES THAT:

19.01 FRANCHISEE HAS RECEIVED THE FRANCHISE DISCLOSURE DOCUMENT DISCLOSURE DOCUMENT REQUIRED BY THE FEDERAL TRADE COMMISSION WITH APPLICABLE EXHIBITS AT LEAST FOURTEEN (14) CALENDAR DAYS BEFORE THE DATE ON WHICH THIS AGREEMENT WAS EXECUTED AND HAS RECEIVED A COPY OF THE COMPLETE CFSP FRANCHISE AGREEMENT AT LEAST SEVEN (7) CALENDAR DAYS BEFORE THE DATE ON WHICH THIS AGREEMENT WAS EXECUTED, AND:

19.02 UNDER APPLICABLE U.S. LAW, INCLUDING WITHOUT LIMITATION EXECUTIVE ORDER 1224, SIGNED ON SEPTEMBER 23, 2001 (THE "ORDER"), FRANCHISOR IS PROHIBITED FROM ENGAGING IN ANY TRANSACTION WITH ANY PERSON ENGAGED IN, OR WITH A PERSON AIDING ANY PERSON ENGAGED IN ACTS OF TERRORISM AS DEFINED IN THE ORDER. ACCORDINGLY, FRANCHISEE DOES NOT AND HEREAFTER WILL NOT, ENGAGE IN ANY TERRORIST ACTIVITY. IN ADDITION, FRANCHISEE IS NOT AFFILIATED WITH AND DOES NOT SUPPORT ANY INDIVIDUAL OR ENTITY ENGAGED IN, CONTEMPLATING, OR SUPPORTING TERRORIST ACTIVITY

IN WITNESS WHEREOF, the parties hereto have executed, sealed and delivered this Agreement in two (2) or more counterparts on the day and year first above written.

FRANCHISOR:
CORTZ BY FSP, Inc.
By:

_____
David Klembith, CEO,
Date signed: _____

FRANCHISEE:

_____
Signature

_____
[Printed name]
Date signed: _____

_____
Signature

_____
[Printed Name]
Date signed: _____

ATTACHMENT I to the FRANCHISE AGREEMENT

FEE, PREMISES AND TERRITORY ADDENDUM

THIS ADDENDUM to that one certain CORTZ BY FSP, Inc. Franchise Agreement ("Agreement"), is entered into by and between CORTZ BY FSP, Inc. ("Franchisor") and _____ ("Franchisee") and is made effective as of the date of the Franchise Agreement.

1. Initial Fee Due. Upon signing, the Franchisee shall pay $_____ as the Initial Fee due for this Unit, pursuant to (i) Section 5.02 of the Franchise Agreement

2. Principal Office Address. Franchisee's principal office address is:

   _____

3. Approved Location. Franchisee's Outlet location (the Premises) is:

   _____

4. Designated Territory. Your Designated Territory for this Outlet shall be described as the following:

   _____
   _____

FRANCHISOR:
CORTZ BY FSP, Inc.
By:

_____
David Klembith, CEO
Date signed: _____

FRANCHISEE:

_____
Signature

_____
[Printed name]
Date signed: _____

_____
Signature

_____
[Printed Name]
Date signed: _____

ATTACHMENT II to the FRANCHISE AGREEMENT

ELECTRONIC PAYMENT AUTHORIZATION

Franchisee(s), whether the original Franchisee or the assigned Entity Franchisee, the present owner of the financial account referenced below, hereby authorizes and requests CORTZ BY FSP, Inc, (the "Franchisor") to obtain payment for all royalty amounts, National Marketing Fund amounts and any other amounts agreed to in the Franchise Agreement, or any other payment authorized by franchisee, that Franchisee owes to the Franchisor pursuant to the Franchise Agreement between Franchisor and the Original Franchisee, as those amounts become due by initiating a payment entry to Franchisee's financial account. The account number, name of financial institution, payment amount and date (if known) on or immediately after which payment should be deducted from the account are identified below or will be provided to the named Financial Institution.

In addition, Franchisee authorizes and requests Financial Institution to accept the payment entries, presented to the Financial Institution by Franchisor, and to deduct said payments from Assignee Franchisee's account without responsibility for the correctness of these payments.

Franchisee also agrees to maintain the designated account as "open" to prevent rejected or returned entries. Assignee Franchisee understands that items returned or rejected by the Financial Institution will be subject to additional fees as stated in the Franchise Agreement,

ORIGINAL FRANCHISEE: _____

ENTITY FRANCHISEE (if so assigned)_____

BUSINESS ACCOUNT

Bank, Financial Institution: _____

Account Number:_____ Routing Number:_____

Please attach a check marked 'void' if this is a business checking account.

CREDIT CARD OPTION: If Assignee Franchisee prefers to use a credit card to pay the funds please complete the following and please update the card information as applicable (Expiration Date, etc.).

Name on Card: _____ Card Number: _____

Expires:_____ Sec Code: ____ Billing Address: _____

A 3% (or amount as determined by current rates) charge will apply to all payments made by credit card.

Approved and Authorized:

Your Name(s): _____ _____
(please print)

Signature(s): _____ _____

Date Signed: _____ _____

Title: _____ Title: _____

Note: This Authorization Form must be properly signed and submitted to Franchisor prior to the commencement of business

ATTACHMENT III to the FRANCHISE AGREEMENT

PROPOSED TRADE NAME and DESEGATION OF AUTHORITY

1. Franchisee shall not commence operation of the franchise, unless and until the Franchisor approves (a) the name of franchisee's operating entity and (b) the assumed name under which Franchisee will operate the business. The name of Franchisee's operating entity shall not include the word(s): "*Cortz by FSP*".

The assumed name (DBA) under which Franchisee will present itself to the public shall include the word(s): "Cortz". For example: *"Cortz of SW Atlanta"*

Franchisee's proposed name of its operating entity: _____

Franchisee's proposed assumed (DBA) name: _____

The proposed name of Franchisee's entity and the proposed assumed name (DBA) under which Franchisee will present itself to the public are approved by the Franchisor.

CORTZ BY FSP, Inc.
By: David Klembith, CEO,

_____
Signature

_____
Date Approved

2. If the franchisee is comprised of two or more individuals, (for example: husband and wife; a partnership, limited liability company or corporation), Franchisor requests that the individuals identify the name of the primary individual that has final and ultimate authority to represent and make binding decisions on behalf of the other individual(s) to/with the Franchisor.

In compliance with the above sentence, we hereby designate _____ as the sole individual who has authority to act on our behalf.

_____	_____
Signature	Signature
_____	_____
Printed Name	Printed Name
Date signed: _____	Date signed: _____

ATTACHMENT IV to the FRANCHISE AGREEMENT

CONFIDENTIALITY and COVENANT NOT TO COMPETE AGREEMENT

Instructions: This "Confidentiality and Covenant Not to Compete Agreement" must be completed and signed by the spouse of the Franchisee, every manager of the Franchisee, each Guarantor of the Franchisee, and each key employee having access to the Franchisor's confidential information. This is an ongoing requirement that continues beyond the execution of the Franchise Agreement. The signed original(s) of this Agreement must be delivered to the Franchisor by the Franchise no later than 10 days following execution of the Franchise Agreement or no later than 10 days following the commencement of the relationship with the Affiliate.

This Agreement is made and entered into between _____ ("Franchisee"), and _____ ("Franchisee Affiliate") and is intended to benefit both the Franchisee and CORTZ BY FSP, Inc. ("Franchisor"),

Recitals

Whereas, Franchisor has developed a unique system (the "System") and is engaged in the business of offering, selling or granting franchises or licenses for the operation of an Outlet to provide sports court construction, repair, resurfacing, and maintenance business, known as "Cortz, and,

Whereas, Franchisor has granted to Franchisee the limited right to develop an CFSP Outlet using the System, the Licensed Marks and the Trade Secrets, pursuant to a Franchise Agreement ("Franchise Agreement"), by and between Franchisor and Franchisee; and,

Whereas, the System includes, but is not limited to, certain trade names, service marks, trademarks, logos, emblems and indicia of origin ("Licensed Marks"), including, but not limited to, the Marks and other trade names, service marks, trademarks, logos, insignia, slogans, emblems, designs and commercial symbols as Franchisor may develop in the future to identify for the public the source of services and products marketed under such marks and under the System and representing the System's high standards of quality, appearance and service and distinctive marketing, uniform standards, specifications and procedures for performing services, merchandising, management and financial control; operations; quality and uniformity of services offered; training and assistance; and advertising, marketing and promotional programs; all of which may be changed, improved and further developed by Franchisor from time to time and are used by Franchisor in connection with the operation of the System ("Trade Secrets"); and,

Whereas, the Licensed Marks and Trade Secrets provide economic advantages to Franchisor and are not generally known to, and are not readily ascertainable by proper means by, Franchisor's competitors who could obtain economic value from knowledge and use of the Trade Secrets; and,

Whereas, Franchisor has taken and intends to take all reasonable steps to maintain the confidentiality and secrecy of the Trade Secrets; and,

Whereas, Franchisor and Franchisee have agreed in the Franchise Agreement on the importance to Franchisor and to Franchisee and other licensed users of the System of restricting the use, access and dissemination of the Trade Secrets; and,

Whereas, It will be necessary for employees, agents and independent contractors of Franchisee, or any entity having an interest in Franchisee ("Franchisee Affiliates") to have access to and to use

some or all of the Trade Secrets in the management and operation of Franchisee's CFSP Outlet using the System; and,

Whereas, Franchisee has agreed to obtain from those Franchisee Affiliates written agreements protecting the Trade Secrets and the System against unfair competition; and,

Whereas, Franchisee Affiliate desires or will become affiliated with or be employed by Franchisee; to remain in such employment, or is or will become involved with the Company in the capacity of an officer, partner, director, agent, employee, principal, or as a beneficial owner of the person or entity that has acquired the right to operate a Outlet of the Company ("Franchisee"), or as an immediate family member of the Franchisee and will become privileged as to certain Confidential Information; and,

Whereas, Franchisee Affiliate desires and needs to receive and use the Trade Secrets in the course of his employment or association in order to effectively perform the services for Franchisee; and,

Whereas, Franchisee Affiliate acknowledges that receipt of and the right to use the Trade Secrets constitutes independent valuable consideration for the representations, promises and covenants made by Franchisee Affiliate herein;

Now Therefore, in consideration of the mutual covenant and obligations contained herein, the receipt and sufficiency of which are acknowledged, the parties agree as follows:

CONFIDENTIALITY AGREEMENT

1. Franchisor and/or Franchisee may disclose to Franchisee Affiliate some or all of the Trade Secrets relating to the System. All information and materials, including, without limitation, manuals, drawings, marketing techniques, specifications, techniques and compilations of data that Franchisor provides to Franchisee and/or Franchisee Affiliate shall be deemed confidential Trade Secrets for the purposes of this Agreement.

2. Franchisee Affiliate shall receive the Trade Secrets in confidence and shall, at all times, maintain them in confidence, and use them only in the course of his employment or association with a Franchisee and then only in connection with the development and/or operation by Franchisee of an CFSP Outlet for so long as Franchisee is licensed by Franchisor to use the System.

3. Franchisee Affiliate shall not at any time make copies of any documents or compilations containing some or all of the Trade Secrets without Franchisor's express written permission.

4. Franchisee Affiliate shall not at any time disclose or permit the disclosure of the Trade Secrets except to other employees of Franchisee and only to the limited extent necessary to train or assist other employees of Franchisee in the development or operation of an CFSP Outlet.

5. Franchisee Affiliate shall surrender any material containing some or all of the Trade Secrets to Franchisee or Franchisor, upon request, or upon termination of employment by Franchisee, or upon conclusion of the use for which such information or material may have been furnished to Franchisee Affiliate.

6. Franchisee Affiliate shall not at any time, directly or indirectly, do any act that would or would likely be injurious or prejudicial to the goodwill affiliated with the Licensed Marks, the Trade Secrets or the System.

7. All manuals are loaned by Franchisor to Franchisee for limited purposes only and remain the property of Franchisor and may not be reproduced, in whole or in part, without Franchisor's written consent.

COVENANTS NOT TO COMPETE

1. In order to protect the goodwill and unique qualities of the System and the confidentiality and value of the Trade Secrets, and in consideration for the disclosure to Franchisee Affiliate of the Trade Secrets, Franchisee Affiliate further agrees and covenants that Franchisee Affiliate will not without the prior written consent of Franchisor:

a) have any direct or indirect interest as a disclosed or beneficial owner in a Competitive Outlet, except with Franchisor's approval;
b) perform services as a director, officer, manager, employee, consultant, representative, agent or otherwise for a Competitive Business wherever operating except with Franchisor's approval;
c) employ, or seek to employ, any person who is at the time or was within the preceding 180 days employed by Franchisor, any of its affiliates or any of its franchisees, or otherwise directly or indirectly induce such person to leave that person's employment; or
d) divert or attempt to divert, directly or indirectly, any business, business opportunity or customer of the Cortz Outlet to any competitor;
e) make any disparaging remarks, or otherwise take any action or do anything that could reasonably be anticipated to cause loss or damage to the business or business opportunities, affairs, reputation and goodwill of, or otherwise negatively reflect upon, Franchisor, the System or the Licensed Marks; and
f) The term "Competitive Business" as used in this Agreement means any business (other than an Cortz operated under a franchise agreement with Franchisor) the primary activity of which is providing sports court construction, repair, resurfacing, and maintenance under the Cortz trademarks, trade names, service marks, and logos (“Marks”) or the offering of any product or service offered by Franchisor or by Franchisor's approved vendors.

2. This Covenant Not to Compete shall apply:

a) during the term of Franchisee Affiliate’s relationship, association with or employment by Franchisee anywhere within the United States; and,
b) for the two years following the termination of Franchisee Affiliate’s association with or employment by Franchisee:
   (i) within Franchisee’s Designated Territory or any area serviced by Franchisee;
   (ii) within counties adjacent to Franchisee’s Designated Territory or within a Territory then operated by or under development by Franchisor or another franchisee of Franchisor;
   (iii) within a fifty-mile radius from the boundary of Franchisees Designated Territory or from any other franchised or company-owned CORTZ BY FSP, Inc., or
   (iv) on the Internet or on any other Multi-Area Marketing channels used by Franchisor.

The restrictions of this Section will not be applicable to the ownership of shares of a class of securities listed on a stock exchange or traded on the over-the-counter market that represent five percent (5%) or less of the number of shares of that class of securities issued and outstanding. Franchisee Affiliate, Franchisee, and its officers, directors, shareholders, managers, members and partners expressly acknowledge that they possess skills and abilities of a general nature and have other opportunities for exploiting such skills. Consequently, enforcement of the covenants made in this Section will not deprive them of their personal goodwill or ability to earn a living.

MISCELLANEOUS

1. Franchisee shall make all commercially reasonable efforts to ensure that Franchisee Affiliate acts as required by this Agreement.
2. Franchisee and Franchisee Affiliate agree that in the event of a breach of this Agreement, Franchisor would be irreparably injured and be without an adequate remedy at law. Therefore, in the event of such a breach, or threatened or attempted breach of any of the provisions hereof, Franchisor shall be entitled to enforce the provisions of this Agreement and shall be entitled, in addition to any other remedies that are made available to it at law or in equity, including the right to terminate the Franchise Agreement, to a temporary and/or permanent injunction and/or a decree for the specific performance of the terms of this Agreement, without the necessity of showing actual or threatened harm and without being required to furnish a bond or other security. Franchisee and Franchisee Affiliate agree that Franchisee's and/or Franchisee Affiliate's sole remedy in the event of the entry of such injunctive relief shall be dissolution of such injunctive relief, if warranted, upon hearing duly had; provided, however, that all claims for damages by reason of the wrongful issuance of any such injunction are hereby expressly waived by Franchisee and by Franchisee Affiliate.
3. Franchisee Affiliate agrees to pay all expenses (including court costs and reasonable attorneys' fees) incurred by Franchisor and Franchisee in enforcing this Agreement.
4. Any failure by Franchisor to object to or take action with respect to any breach of this Agreement by Franchisee Affiliate shall not operate or be construed as a waiver of or consent to that breach or any subsequent breach by Franchisee Affiliate.
5. THIS AGREEMENT SHALL BE GOVERNED BY, CONSTRUED AND ENFORCED IN ACCORDANCE WITH THE LAWS OF THE STATE OF CALIFORNIA. FRANCHISEE AFFILIATE HEREBY IRREVOCABLY SUBMITS HIMSELF TO THE JURISDICTION OF THE STATE COURTS OF PLACER COUNTY, CALIFORNIA OR THE U. S. DISTRICT COURT FOR THE DISTRICT OF CALIFORNIA. FRANCHISEE AFFILIATE HEREBY WAIVES ALL QUESTIONS OF PERSONAL JURISDICTION OR VENUE FOR THE PURPOSE OF CARRYING OUT THIS PROVISION. FRANCHISEE AFFILIATE HEREBY AGREES THAT SERVICE OF PROCESS MAY BE MADE UPON HIM IN ANY PROCEEDING RELATING TO OR ARISING UNDER THIS AGREEMENT OR THE RELATIONSHIP CREATED BY THIS AGREEMENT BY ANY MEANS ALLOWED BY CALIFORNIA OR FEDERAL LAW. FRANCHISEE AFFILIATE FURTHER AGREES THAT VENUE FOR ANY PROCEEDING RELATING TO OR ARISING OUT OF THIS AGREEMENT SHALL BE IN PLACER COUNTY, CALIFORNIA; PROVIDED, HOWEVER, WITH RESPECT TO ANY ACTION THAT INCLUDES INJUNCTIVE RELIEF OR OTHER EXTRAORDINARY RELIEF, FRANCHISOR OR FRANCHISEE MAY BRING SUCH ACTION IN ANY COURT IN ANY STATE THAT HAS JURISDICTION.
6. The parties acknowledge and agree that each of the covenants contained herein are reasonable limitations as to time, geographical area, and scope of activity to be restrained and do not impose a greater restraint than is necessary to protect the goodwill or other business interests of Franchisor. The parties agree that each of the foregoing covenants shall be construed as independent of any other covenant or provision of this Agreement. If all or any portion of a covenant in this Agreement is held unreasonable or unenforceable by a court or agency having valid jurisdiction in any unappealed final decision to which Franchisor is a part, Franchisee Affiliate expressly agrees to be bound by any lesser covenant embraced within the terms of such covenant that imposes the maximum duty permitted by law as if the resulting covenant were separately stated in and made a part of this Agreement. If any

provision of this Agreement shall be held, declared or pronounced void, voidable, invalid, unenforceable or inoperative for any reason, by any court of competent jurisdiction, government authority or otherwise, such holding, declaration or pronouncement shall not affect adversely any other provisions of this Agreement which shall otherwise remain in full force and effect.

7. This Agreement contains the entire agreement of the parties regarding the subject matter hereof. This Agreement may be modified only by a duly authorized writing executed by all parties.

8. The rights and remedies of Franchisor under this Agreement are fully assignable and transferable and shall inure to the benefit of its respective affiliates, successor and assigns. The respective obligations of Franchisee and Franchisee Affiliate hereunder may not be assigned by Franchisee or Franchisee Affiliate without the prior written consent of Franchisor.

9. The waiver by Franchisor of any breach of any provision of this Agreement by Franchisee or Franchisee Affiliate shall not operate or be construed as a waiver of any subsequent breach thereof.

10. In any action at law or in equity to enforce any of the provisions or rights under this Agreement, the unsuccessful party in such litigation, as determined by the court in a final judgment or decree, shall pay the successful party or parties all costs, expenses and reasonable attorneys' fees incurred therein by such party or parties (including without limitation such costs, expenses and fees on any appeals), and if such successful party shall recover judgment in any such action or proceeding, such costs, expenses and attorneys' fees shall be included as part of such judgment.

11. All notices and demands required to be given hereunder shall be in writing and shall be sent by personal delivery, expedited delivery service, certified or registered mail, return receipt requested, first-class postage prepaid, facsimile, telegram or telex (provided that the sender confirms the facsimile, telegram or telex by sending an original confirmation copy by certified or registered mail or expedited delivery service within three business days after transmission), to the respective parties at the following addresses unless and until a different address has been designated by written notice to the other parties.

If directed to Franchisor, the notice shall be addressed to:

CORTZ BY FSP, Inc.
2945 Bell Road, Auburn, CA 95603
Attention: David Klembith, CEO
Email: info@cortz.com

If directed to Franchisee, the notice shall be addressed to:

_____
_____
_____
Attention: _____
Email: _____

If directed to Franchisee Affiliate, the notice shall be addressed to:

_____
_____
_____
Attention: _____
Email: _____

Any notices sent by personal delivery shall be deemed given upon receipt. Any notices given by facsimile shall be deemed given upon transmission, provided confirmation is made as provided above. Any notice sent by expedited delivery service or registered or certified mail shall be deemed given three business days after the time of mailing. Any change in the foregoing addresses shall be effected by giving 15 days' written notice of such change to the other parties. A "business day" for the purpose of this Agreement excludes Saturday, Sunday and national holidays.

The effective date of Agreement shall be _____.

FRANCHISEE: _____
Signature

_____
Printed Name

FRANCHISEE AFFILIATE: _____
Signature

_____
Printed Name

Relationship of Franchisee Affiliate to the Franchisee: _____

ATTACHMENT V to the FRANCHISE AGREEMENT

(To be used at time of Transfer of Franchise and for other Designated Purposes)
(Should not be signed at time of award of Initial Franchise)

FULL AND FINAL MUTUAL RELEASE

FOR AND IN CONSIDERATION of the mutual covenants contained herein, and other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged by all parties, the parties agree and covenant as follows:

1. CORTZ BY FSP, Inc. ("the Franchisor"), does hereby release and forever discharge _____ ("the Franchisee"), its officers, directors, successors, shareholders, agents, assigns, employees, representatives, and any and all other persons, firms and corporations whatsoever, from any and all claims, demands, damages, actions, causes of action, or suits of any kind or nature whatsoever, both known and unknown, arising out of, related to or in any way connected with the Franchise Agreement dated _____and specifically including but not limited to, any and all claims or demands which may have been alleged or any other future claims related to the above Franchise Agreement.

2. The undersigned _____ (the "Franchisee") and its shareholders, officers, and directors does hereby release and forever discharge CORTZ BY FSP, Inc. ("the Franchisor"), its, successors, agents, assigns, officers, directors, shareholders, employees, representatives, and any and all other persons, firms and corporations whatsoever, from any and all claims, demands, damages, actions, causes of action, or suits of any kind or nature whatsoever, both known and unknown, breach of contract, defamation, and any claims whatsoever. This Full, Final and Absolute Mutual Release (the "Release") shall apply to all agreements or contracts existing or entered into by and between _____ ("the Franchisee") and CORTZ BY FSP, Inc..

3. It is understood and agreed that the settlement evidenced by this Release is a compromise of all claims herein specified, whether past, present or future, that such claims are doubtful and disputed, and that execution of this Release is not to be construed as an admission of liability on the part of any party. Rather, liability is expressly denied.

4. The consideration expressly mentioned herein is the only consideration paid or to be paid by said parties hereby released. No representations as to damages or liability have been made. The parties acknowledge that no other party, or agent, or attorney of any other party, has made any promise, or representation or warranty to induce this Release, not herein expressly set forth, and no such promises, representations or warranties are relied upon as a consideration for this Release, or otherwise, but any and all of the parties' respective claims, of whatever nature are hereby fully and forever released, compromised and settled. Full and complete compromise, settlement, and accord and satisfaction are hereby acknowledged, and it is expressly agreed by the undersigned parties never to sue any of the other parties hereby released on any alleged promise, representation or warranty for this Release not herein expressly set forth.

5. This Agreement contains the entire agreement and understanding between the parties as to the matters specified herein and supersedes and replaces all prior negotiations or proposed agreements on this subject matter, whether written or oral. The terms contained herein may not be modified or amended except in writing signed by the parties. The terms of this Release

are contractual and not a mere recital. Since the purpose of this Release is to end this matter forever, should it develop that there are any errors, mistakes or any omissions in this instrument, whether legal or factual and whether mutual or unilateral, which would cause the release of the parties herein released to be defective or less than complete, then the undersigned will sign any and all documents and do any and all things necessary to effectuate a full, final and absolute release of said party.

6. The undersigned further state that they have carefully read the foregoing instrument; that they know the contents thereof; that they understand and agree to each and every term and condition contained herein; that they signed the same as their own free act and deed; and that they have not assigned any rights released hereunder to any person or organization, private or governmental.

7. The terms of this Release arose from negotiations and discussions between the parties. Accordingly, no claimed ambiguity in this Release shall be construed against any party claimed to have drafted or proposed the language in question.

8. This Release shall be governed by and construed pursuant to the laws of the State of California.

9. This Release may be executed in two copies, each of which shall be deemed an original.

WITNESS OUR SIGNATURES

FRANCHISOR:
CORTZ BY FSP, Inc.
By:

_____
David Klembith, CEO,
Date signed: _____

FRANCHISEE:

_____
Signature

_____
[Printed name]
Date signed: _____

_____
Signature

_____
[Printed Name]
Date signed: _____

ATTACHMENT VI to the FRANCHISE AGREEMENT

COLLATERAL ASSIGNMENT OF TELEPHONE NUMBERS

Franchisee/Assignor, in consideration of Franchisor, CORTZ BY FSP, Inc., granting a CORTZ BY FSP contemporaneously herewith to Franchisee, and other valuable consideration, the receipt and sufficiency of which is hereby acknowledged, hereby appoints CORTZ BY FSP, Inc., Assignee, as Franchisee's agent to transfer and /or cancel, at the discretion of CORTZ BY FSP, Inc., all telephone and/or fax numbers and/or listings utilized and/or to be utilized by Franchisee in the operation of Franchisee's CFSP Outlet. This Assignment is valid on the effective date and shall remain irrevocable. It applies equally to any numbers in use on or after the effective date. Any telephone / fax number provider is authorized to rely upon this Appointment at any time that a copy of this Appointment is delivered to the provider by Franchisor. Assignee and Assignor each agree to hold harmless and indemnify the telephone / fax number provider from any and all claims based upon the telephone / fax number provider's reliance upon this Appointment / Assignment. Assignee and Assignor each agree to sign any other documents necessary in the opinion of the telephone / fax number provider to give full effect to this Assignment.

Dated: _____

ASSIGNEE (Franchisor):
FRANCHISOR:
CORTZ BY FSP, Inc.
By:

_____
David Klembith, CEO,
Date signed: _____

ASSIGNOR (Franchisee):
FRANCHISEE:

_____
Signature

_____
[Printed name]
Date signed: _____

_____
Signature

_____
[Printed Name]

Date signed: _____

Subject Telephone / Fax number(s) (as of date of this document):

_____ _____

_____ _____

ATTACHMENT VII to the FRANCHISE AGREEMENT

INTERNET WEB SITES AND LISTINGS AGREEMENT

THIS INTERNET WEB SITES AND LISTINGS AGREEMENT (the "Internet Listing Agreement") is an attachment to that one certain CORTZ BY FSP, Inc. Franchise Agreement ("Agreement"), between CORTZ BY FSP, Inc. ("Franchisor") and the Franchisee named below and is made effective as of the date of the Franchise Agreement.

W I T N E S S E T H:

WHEREAS, Franchisee desires to enter into a Franchise Agreement with Franchisor for a Cortz Outlet (the "Franchise Agreement"); and

WHEREAS, Franchisor would not enter into the Franchise Agreement without Franchisee's agreement to enter into, comply with, and be bound by all the terms and provisions of this Internet Listing Agreement;

NOW, THEREFORE, for and in consideration of the foregoing and the mutual promises and covenants contained herein, and in further consideration of the Franchise Agreement and the mutual promises and covenants contained therein, and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereto agree as follows:

1. **DEFINITIONS**

All terms used but not otherwise defined in this Internet Listing Agreement shall have the meanings set forth in the Franchise Agreement. "Termination" of the Franchise Agreement shall include, but shall not be limited to, the voluntary termination, involuntary termination, or natural expiration thereof.

2. **TRANSFER; APPOINTMENT**

2.01 Interest in Internet Web Sites and Listings. Franchisee may acquire (whether in accordance with or in violation of the Franchise Agreement) during the term of the Franchise Agreement, certain right, title, and interest in and to certain domain names, hypertext markup language, uniform resource locator addresses, and access to corresponding internet web sites, and the right to hyperlink to certain web sites and listings on various internet search engines (collectively, the "Internet Web Sites and Listings") related to the Outlet or the Marks (all of which right, title, and interest is referred to herein as "Franchisee's Interest").

2.02 Transfer. On Termination of the Franchise Agreement, or on periodic request of Franchisor, Franchisee will immediately direct all internet service providers, domain name registries, internet search engines, and other listing agencies (collectively, the "Internet Companies") with which Franchisee has Internet Web Sites and Listings: (i) to transfer all of Franchisee's Interest in such Internet Web Sites and Listings to Franchisor; and (ii) to execute such documents and take such actions as may be necessary to effectuate such transfer. In the event Franchisor does not desire to accept any or all such Internet Web Sites and Listings, Franchisee

will immediately direct the Internet Companies to terminate such Internet Web Sites and Listings or will take such other actions with respect to the Internet Web Sites and Listings as Franchisor directs.

2.03 Appointment; Power of Attorney. Franchisee hereby constitutes and appoints Franchisor and any officer or agent of Franchisor, for Franchisor's benefit under the Franchise Agreement and this Internet Listing Agreement or otherwise, with full power of substitution, as Franchisee's true and lawful attorney-in-fact with full power and authority in Franchisee's place and stead, and in Franchisee's name or the name of any affiliated person or affiliated company of Franchisee, to take any and all appropriate action and to execute and deliver any and all documents that may be necessary or desirable to accomplish the purposes of this Internet Listing Agreement. Franchisee further agrees that this appointment constitutes a power coupled with an interest and is irrevocable until Franchisee has satisfied all of its obligations under the Franchise Agreement and any and all other agreements to which Franchisee and any of its affiliates on the one hand, and Franchisor and any of its affiliates on the other, are parties, including without limitation this Internet Listing Agreement. Without limiting the generality of the foregoing, Franchisee hereby grants to Franchisor the power and right to do the following:

a) Direct the Internet Companies to transfer all Franchisee's Interest in and to the Internet Web Sites and Listings to Franchisor;
b) Direct the Internet Companies to terminate any or all of the Internet Web Sites and Listings; and
c) Execute the Internet Companies' standard assignment forms or other documents in order to affect such transfer or termination of Franchisee's Interest.

2.04 Certification of Termination. Franchisee hereby directs the Internet Companies to accept, as conclusive proof of Termination of the Franchise Agreement, Franchisor's written statement, signed by an officer or agent of Franchisor, that the Franchise Agreement has terminated.

2.05 Cessation of Obligations. After the Internet Companies have duly transferred all Franchisee's Interest in such Internet Web Sites and Listings to Franchisor, as between Franchisee and Franchisor, Franchisee will have no further interest in, or obligations under, such Internet Web Sites and Listings. Notwithstanding the foregoing, Franchisee will remain liable to each and all of the Internet Companies for the sums Franchisee is obligated to pay such Internet Companies for obligations Franchisee incurred before the date Franchisor duly accepted the transfer of such Interest, or for any other obligations not subject to the Franchise Agreement or this Internet Listing Agreement.

3. MISCELLANEOUS

3.01 Release. Franchisee hereby releases, remises, acquits, and forever discharges each and all of the Internet Companies and each and all of their parent corporations, subsidiaries, affiliates, directors, officers, stockholders, employees, and agents, and the successors and assigns of any of them, from any and all rights, demands, claims, damage, losses, costs, expenses, actions, and causes of action whatsoever, whether in tort or in contract, at law or in equity, known or unknown, contingent or fixed, suspected or unsuspected, arising out of, asserted in, assertable in, or in any way related to this Internet Listing Agreement.

3.02 Indemnification. Franchisee is solely responsible for all costs and expenses related to its performance, its nonperformance, and Franchisor's enforcement of this Agreement, which costs and expenses Franchisee will pay Franchisor in full, without defense or setoff, on demand.

Franchisee agrees that it will indemnify, defend, and hold harmless Franchisor and its affiliates, and its and their directors, officers, shareholders, partners, members, employees, agents, and attorneys, and the successors and assigns of any and all of them, from and against, and will reimburse Franchisor and any and all of them for, any and all loss, losses, damage, damages, claims, debts, demands, or obligations that are related to or are based on this Internet Listing Agreement.

3.03 No Duty. The powers conferred on Franchisor hereunder are solely to protect Franchisor's interests and shall not impose any duty on Franchisor to exercise any such powers. Franchisee expressly agrees that in no event shall Franchisor be obligated to accept the transfer of any or all of Franchisee's Interest in any or all such Internet Web Sites and Listings.

3.04 Further Assurances. Franchisee agrees that at any time after the date of this Internet Listing Agreement, Franchisee will perform such acts and execute and deliver such documents as may be necessary to assist in or accomplish the purposes of this Internet Listing Agreement.

3.05 Successors, Assigns, and Affiliates. All Franchisor's rights and powers, and all Franchisee's obligations, under this Internet Listing Agreement shall be binding on Franchisee's successors, assigns, and affiliated persons or entities as if they had duly executed this Internet Listing Agreement.

3.06 Effect on Other Agreements. Except as otherwise provided in this Internet Listing Agreement, all provisions of the Franchise Agreement and exhibits and schedules thereto shall remain in effect as set forth therein.

3.07 Survival. This Internet Listing Agreement shall survive the Termination of the Franchise Agreement.

3.08 Joint and Several Obligations. All Franchisee's obligations under this Internet Listing Agreement shall be joint and several.

3.09 Governing Law. This Internet Listing Agreement shall be governed by and construed under the laws of the State of California, without regard to the application of California conflict of law rules.

IN WITNESS WHEREOF, the undersigned have executed or caused their duly authorized representatives to execute this Agreement as of the Effective Date.

FRANCHISOR:
CORTZ BY FSP, Inc.
By:

_____
David Klembith, CEO
Date signed: _____

FRANCHISEE:

_____
Signature

_____
[Printed name]
Date signed: _____

_____
Signature

_____
[Printed Name]
Date signed: _____

ATTACHMENT VIII to the FRANCHISE AGREEMENT

COLLATERAL ASSIGNMENT OF LEASE

FOR VALUE RECEIVED, the undersigned Franchisee/Tenant ("Assignor") assigns, transfers and sets over to Cortz, a California Corporation ("Assignee"), all of Assignor's right and title to and interest in that certain "Lease" a copy of which is attached as Exhibit A, respecting premises commonly known as _____. This assignment is for collateral purposes only and except as specified in this document Assignee will have no liability or obligation of any kind whatsoever arising from or in connection with this assignment or the Lease unless and until Assignee takes possession of the premises the Lease demises according to the terms of this document and assumes Assignor's obligations under the Lease.

Assignor represents and warrants to Assignee that it has full power and authority to assign the Lease and that Assignor has not previously assigned or transferred and is not otherwise obligated to assign or transfer any of its interest in the Lease or the premises it demises.

Upon Assignor's default under the Lease or under the "Franchise Agreement" for a Buena Papa Fry Bar Outlet between Assignee and Assignor or in the event Assignor defaults under any document or instrument securing the Franchise Agreement Assignee has the right to take possession of the premises the Lease demises and expel Assignor from the premises. In that event Assignor will have no further right and title to or interest in the Lease but will remain liable to Assignee for any past due rental payments or other charges Assignee is required to pay Lessor to effectuate the assignment this document contemplates.

Assignor agrees that it will not suffer or permit any surrender, termination, amendment, or modification of the Lease without Assignee's prior written consent. Throughout the term of the Franchise Agreement Assignor agrees that it will elect and exercise all options to extend the term of or renew the Lease not less than thirty (30) days before the last day upon which the option must be exercised unless Assignee agrees otherwise in writing. Upon Assignee's failure to agree otherwise in writing and upon Assignor's failure to elect to extend or renew the Lease as required Assignor appoints Assignee as its true and lawful attorney-in-fact with the authority to exercise the extension or renewal options in the name, place and stead of Assignor for the sole purpose of effecting the extension or renewal.

ASSIGNEE (Franchisor):
CORTZ BY FSP, Inc.
By:

_____
David Klembith, CEO
Date signed: _____

ASSIGNOR (Franchisee):

_____
Signature

_____
[Printed name]
Date signed: _____

_____
Signature

_____
[Printed Name]

Date signed: _____

Note: Attach a copy of Lease and mark as "Exhibit A"

CONSENT TO COLLATERAL ASSIGNMENT AND AGREEMENT OF LESSOR

The undersigned Lessor (Landlord) under the Lease:

(a) Agrees to notify Assignee in writing of and upon Assignor's failure to cure any default by Assignor under the Lease. Assignee's contact information for purpose of notice is: David Klembith, CEO at 2945 Bell Road, Auburn, CA 95603: and phone (925) 290-8252 and email info@cortz.com.

(b) Agrees that Assignee will have the right, but not the obligation, to cure any default by Assignor under the Lease within thirty (30) days after Lessor's delivery of notice of the default under section (a) above;

(c) Consents to the Collateral Assignment and agrees that if Assignee takes possession of the premises the Lease demises and confirms to Lessor that it has assumed the Lease as tenant, Lessor will recognize Assignee as tenant under the Lease, provided that Assignee cures within the thirty (30) day period noted in section (b) above Assignor's defaults under the Lease; and

(d) Agrees that Assignee may further assign the Lease to or enter into a sublease with a person, firm or corporation who agrees to assume the tenant's obligations under the Lease and is reasonably acceptable to Lessor and that upon that assignment Assignee will have no further liability or obligation under the Lease as assignee, tenant or otherwise, other than to certify that the additional assignee or sublessee operates the premises the Lease demises as a Buena Papa Fry Bar Outlet.

Dated:_____

Lessor:

_____

_____

ASSIGNEE (Franchisor):
CORTZ BY FSP, Inc.
By:

_____
David Klembith, CEO
Date signed: _____

ASSIGNOR (Franchisee):

_____
Signature

_____
[Printed name]
Date signed: _____

_____
Signature

_____
[Printed Name]

Date signed: _____

ATTACHMENT IX to the FRANCHISE AGREEMENT

AMERICANS WITH DISABILITIES ACT CERTIFICATION

This Acknowledgement is an Attachment to that one certain CORTZ BY FSP, Inc.. Franchise Agreement ("Agreement") between CORTZ BY FSP, Inc.. ("Franchisor") and the Franchisee, named below regarding the operation of a Cortz Outlet.

NOW THEREFORE, Franchisee stipulates that:

In accordance with Section 10.05 of the Franchise Agreement, Franchisee certifies to Franchisor that, to the best of Franchisee's knowledge, the Approved Location and its adjacent areas comply with all applicable federal, state and local accessibility laws, statutes, codes, rules, regulations and standards, including but not limited to the Americans with Disabilities Act.

Franchisee acknowledges that it is an independent contractor and the requirement of this certification by Franchisee does not constitute ownership, control, leasing or operation of the Outlet.

Franchisee acknowledges that Franchisor has relied on the information contained in this certification.

Furthermore, Franchisee acknowledges its obligation under this Franchise Agreement to indemnify Franchisor and the officers, directors, and employees of Franchisor in connection with any and all claims, losses, costs, expenses, liabilities, compliance costs, and damages incurred by the indemnified part(ies) as a result of any matters affiliated with Franchisee's compliance with the Americans with Disabilities Act, as well as the costs, including attorneys' fees, related to the same.

FRANCHISEE:

_____
Signature

_____
Printed Name

Date Signed: _____

_____
Signature

_____
Printed Name

Date Signed: _____

ATTACHMENT X to the FRANCHISE AGREEMENT

ASSIGNMENT OF AGREEMENT TO AN ENTITY

The initial Franchisee(s), named below, as Assignor, hereby assign(s) that one certain Franchise Agreement dated _____, and if executed, that one certain Multi-Unit Development Agreement, between CORTZ BY FSP, Inc. ("Franchisor") to Assignee: _____ an entity (LLC or INC) duly organized in the state of California This assignment shall be effective as of the date executed by the Franchisor, below.

WHEREAS, the Franchise Agreement was executed by Franchisee (whether comprised of one or more individuals); and,

WHEREAS, Franchisee desires to assign all of Franchisee's rights under the Agreement(s) to a corporation or limited liability company, wholly owned and/or controlled by said Franchisee;

NOW THEREFORE, Franchisee (Assignor) and the Officer(s), Director(s) or the Managers(s), of the referenced entity (Assignee), who together with the initial Franchisee(s) constitute all of the partners, Shareholders of corporation, or the Members of the limited liability company, who in order to induce Franchisor to consent to the assignment of the Franchise Agreement to the entity in accordance with the provisions of Article 14.03 of the Franchise Agreement, jointly and severally hereby agree as follows:

1. The undersigned Franchisee shall remain personally liable in all respects under the Franchise Agreement, Multi-Unit Development Agreement and related Attachments. All of the undersigned Officers, Directors and Shareholders of the corporation, or the Manager(s) and Member(s) of the limited liability company, intending to be fully legally bound hereby agree, jointly and severally, to be personally bound by the provisions of the Franchise Agreement, Multi-Unit Development Agreement and related Attachments, including the restrictive covenants contained in Article 15 of the Franchise Agreement thereof, to the same extent as if each of them were the Franchisee set forth in the Franchise Agreement and they hereby jointly and severally personally guarantee all of the Franchisee's obligations set forth in said Franchise Agreement.

2. The undersigned Officer(s), Director(s) and Owner(s) of a majority of the issued and outstanding voting stock of the corporation hereby agree not to transfer any stock in the corporation or, as appropriate, the Manager(s) and Member(s) of the limited liability company hereby agree not to transfer any interest in the company without the prior written approval of the Franchisor.

3.a. The initial Franchisee(s), whether one or more, signing in his or her individual capacity hereby consent to the assignment:

_____	_____
Signature	Signature
_____	_____
[Printed name]	[Printed name]
Date Signed: _____	Date signed: _____

3.b. The Assignee Entity hereby consents to the Assignment as approved by the entity's authorized representative(S).

Signature	Title
[Printed name]	Date Signed
Signature	Title
[Printed name]	Date Signed

3.c. The following individuals, being all of the officers, directors and shareholders of the corporation or, as appropriate, the members of the limited liability company, hereby execute this Assignment, to be effective as of the dated signed by the Franchisor, below:

Signed Date	Signed Date
Printed Name	Printed Name

In consideration of the execution of the above Agreement by the named individuals and named entity, PCF Franchise LLC hereby consents to the above assignment.

CORTZ BY FSP, Inc.:
By:

David Klembith, CEO
Date Signed

EXHIBIT C

CORTZ BY FSP, Inc.

MULTI-UNIT DEVELOPMENT AGREEMENT

TABLE OF CONTENTS

I. DEVELOPMENT AREA FOR UNITS 1
II. DEVELOPMENT OBLIGATIONS 2
IV. MUD FEE 3
V. FRANCHISE AGREEMENT 3
VI. ASSIGNABILITY 4
VII. NO SUBFRANCHISING 5
VIII. DEFAULT AND TERMINATION 5
IX. MISCELLANEOUS 6
X. INDEPENDENT CONTRACTOR / INDEMNIFICATION 9
XI. REPRESENTATIONS AND ACKNOWLEDGMENTS / CAVEATS 9

EXHIBITS

Attachment A: Mud Locations, Mud Fee, Mud Schedule And Expiration Date F-A-1

EXHIBIT C
CORTZ BY FSP, Inc.
MULTI-UNIT DEVELOPMENT AGREEMENT

This MULTI-UNIT DEVELOPMENT AGREEMENT (the "Agreement" " or this "MUD Agreement) is made and entered into as of _____, (the "Effective Date"), by and between CORTZ BY FSP, Inc.., an California Corporation, having its principal office at 2945 Bell Road, Auburn, CA 95603, US (the "Company") and _____ ("Franchisee"), a _____ [residence of individual *or* state of organization and type of entity] with its principal office at _____ _____ ("Franchisee").

WITNESSETH:

WHEREAS, Franchisor is engaged in the business of franchising ("Outlets") under the Marks and Systems as more fully described in CORTZ BY FSP, Inc.. Franchise Agreement, the current form of which is signed contemporaneously with this MUD Agreement and which may be amended from time to time ("Franchise Agreement"); and

WHEREAS, Franchisee is aware of the benefit derived from being identified with and franchised by Franchisor in order to use the Marks and System as more fully described in the Franchise Agreement; -and

WHEREAS, Franchisee has simultaneously executed a Franchise Agreement pertaining to the first CORTZ BY FSP, Inc.. Franchised Outlet, which Franchisee agrees to open or have opened within the time specified in the Franchise Agreement; and

WHEREAS, Franchisee desires to obtain additional Outlets at a reduced Franchise Fee and agrees to establish and operate additional CORTZ BY FSP, Inc.. Franchised Outlets ("subsequent Units") according to a specific time schedule; and

NOW, THEREFORE, in consideration of the premises, the covenants contained in this Agreement and other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, it is hereby mutually agreed as follows:

I. DEVELOPMENT AREA FOR UNITS

A. MUD Locations. In accordance with the terms and conditions in this Agreement, Franchisor grants to Franchisee and Franchisee accepts the option during the term of this Agreement, and within the general Development Area described on Attachment A to establish and operate Cortz Outlets (each referred to as a "Unit" meaning a Designated Territory (DT) "and collectively referred to as the "Units"), at the Initial Franchise Fee or reduced Franchise Fee amount as described in Attachment A. So long as Franchisee is not in default under this Agreement or any other agreement with Franchisor or Franchisor's Affiliates, Franchisor will honor the reduced amount for Units purchased after the Initial Unit. Franchisee does not receive any exclusive rights to the Development Area other than as specified herein

If Franchisee fails to meet any of its obligations under this Agreement or if Franchisee breaches any other Agreement executed by Franchisee pursuant to this Agreement, Franchisor may

terminate the term of this Agreement along with Franchisee's right to develop, open and operate new Units at the reduced amount, but the termination of the term of this Agreement will not terminate any rights granted under the Franchise Agreements then in effect between Franchisee and Franchisor in which Franchisee is in compliance. 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.

B. The Rights Franchisor Retains Except as limited by Section I.A. above, Franchisor and its Affiliates retain all rights with respect to the System, Franchised Outlets, the Marks, the sale of similar or dissimilar products and services and any other activities Franchisor deems appropriate whenever and wherever Franchisor desires, including (1) the right to own or operate, or license others to own or operate Cortz outlets anywhere within or outside of Franchisee's General Area; (2) the right to operate or license others to operate similar businesses or any other businesses and services under trademarks or service marks other than the Marks in any location; both inside or outside of Franchisee's General Area; (3) the right to operate or license others to operate businesses that are not similar to Cortz outlets under the Marks in any location, both inside or outside of Franchisee's General Area; and (4) the right to offer any products or services (including the products and services Franchisee offers at Franchisee's Units) through other channels of distribution (including the Internet and other outlets) both inside or outside of Franchisee's General Area. Franchisor is not required to pay Franchisee any compensation or consideration if Franchisor exercises any of the rights specified in this Subsection (B).

II. DEVELOPMENT OBLIGATIONS

A. MUD Schedule. Franchisee will equip, open and operate the number of Units within each of the time periods described in Attachment A attached to this Agreement ("MUD Schedule"). Except as modified in Section V below, Franchisee must execute a then current form of the Franchise Agreement that Franchisor uses in the State in which the applicable Unit will be located within the time periods described in the MUD Schedule, and which may be materially different than the from the form of franchise agreement contained in the Franchise Disclosure Document used to offer this agreement Further, Franchisee must open each Unit within the time period described in the Franchise Agreement applicable to that Unit and in the MUD Schedule.

B. Force Majeure / Time of Essence. It is of material importance to Franchisor that Franchisee timely perform all obligations under this Agreement and the Franchise Agreement for each Unit subject to any cure rights herein or in any such Franchise Agreement. Should Franchisee be unable to meet the MUD Schedule solely as the result force majeure which includes strikes, material shortages, fires, floods, earthquakes, and other acts of God, or by force of law (including Franchisor's inability to deliver a Franchise Disclosure Document), and which Franchisee could not have avoided by the exercise of due diligence, the MUD Schedule will be extended by the amount of time during which such force majeure existed.

III. TERM.

The term of this Agreement will start on the date this Agreement is signed by both parties and Franchisee has paid Franchisor the MUD Fee (As defined in Attachment A). Unless terminated

earlier according to the terms of this Agreement, the term of this Agreement and all multi-unit development rights granted in this Agreement will expire at the earlier of the date Franchisee signs the Franchise Agreement for the last Unit listed in the MUD Schedule or the expiration date listed on Attachment A. There is no right to renew this Agreement.

IV. MUD FEE

In exchange for the rights granted under this Agreement, Franchisee will pay to Franchisor the MUD Fee and the Initial Franchise Fees listed on and in accordance with Attachment A of this Agreement. The portion of the MUD Fee attributable to each individual Unit will be credited against the Initial Franchise Fee due for each Unit under the Franchise Agreement applicable to such Unit.

Franchisee recognizes that Franchisor has incurred administrative and other expenses in relation to this Agreement, and that development opportunities have been lost or curtailed as a result of the considerations granted in this Agreement. For this reason, no part of the MUD Fees are refundable, even if Franchisee fails to proceed with the development of Units under this Agreement.

V. FRANCHISE AGREEMENT

A: Signing the Franchise Agreement. Franchisee will sign a Franchise Agreement for its first Unit and pay the applicable Initial Franchise Fee under that Franchise Agreement at the same time Franchisee signs this Agreement and pays the MUD Fee. Within the times specified in the MUD Schedule, Franchisee must execute a separate Franchise Agreement for each subsequent Unit and pay the balance of the appropriate Initial Franchise Fee shown on Attachment A. The Royalty Fee, and all other fees Franchisee owes under the Franchise Agreement Franchisee signs for each Unit will be the same as in Franchisor's standard form franchise agreement being offered as of the date of this Agreement in the State in which Franchisee's MUD Locations are located. In no event will Franchisee be required to sign a Franchise Agreement until such time as Franchisor has complied with any applicable waiting periods according to law.

B. Complying with the Franchise Agreement. After Franchisee signs a Franchise Agreement, it shall fully comply with all of the terms contained in the franchise agreement including paying all of the fees required by that franchise agreement in a timely manner. However, franchisee does not obtain any rights as a franchisee for a particular location until a franchise agreement is signed by franchisor and franchisee and franchisee has paid franchisor the balance of the initial franchise fee, if any. Franchisee must submit all proposals for sites to Franchisor for Franchisor's consent, if any. Franchisor has the right; in its absolute discretion, to withhold its consent to any site Franchisee proposes. Franchisor's consent to the site is no assurance of success.

C. Franchisor's Discretion. Franchisee acknowledges that all Units must be developed and operated according to Franchisor's standards. Franchisee agrees and recognizes that Franchisor may refuse to grant a Franchise Agreement for a subsequent Unit if Franchisor believes, in its reasonable judgment, that Franchisee does not have sufficient financial resources and other ability (including, but not limited to, experience, character, skill, aptitude, attitude, and business acumen

sufficient to operate multiple locations) to properly develop and operate the proposed subsequent Unit. Franchisor may take into account, among other things, Franchisee's past performance and financial success of Franchisee's existing Units. In order to assist Franchisor in making such a determination, Franchisee must provide Franchisor, upon Franchisor's request, the financial and other information regarding Franchisee's existing Unit(s) and the proposed subsequent unit. Franchisor's approval, however, is not deemed to be a warranty of Franchisee's financial or other ability to develop and operate the proposed subsequent Unit(s).

D. Marks. Franchisee acknowledges that Franchisor is not granting Franchisee any right to use the Marks under this Agreement. Any rights Franchisee receives regarding the use of the Marks arises from the Franchise Agreement Franchisee signed or will sign and Franchisee may only use the Marks pursuant to the terms of that Franchise Agreement.

VI. ASSIGNABILITY

A. By Franchisee. Franchisor has granted these development rights in reliance upon its perception of the individual and collective character, skill, attitude, and business and marketing abilities of Franchisee, and/or Franchisee's owners. Therefore, there can be no transfer of any interest or benefit in this Agreement or in the transfer of a controlling interest of an entity Franchisee ("Transfer"), without Franchisor's prior written consent. Any consent by Franchisor will not operate as a consent to any future such Transfer, and no future such Transfer will be valid without Franchisor's prior written consent to that specific Transfer. Any attempted Transfer in violation of this paragraph is voidable at Franchisor's option. Franchisor will not unreasonably withhold its consent to such a Transfer, provided that the following conditions are satisfied:

(i) Franchisee has substantially performed the obligations and duties under this Agreement and any other agreements between Franchisee and Franchisor;

(ii) Franchisee must pay Franchisor all amounts Franchisee owes to Franchisor and Franchisor's Affiliates under this Agreement and all other agreements between Franchisee and Franchisor;

(iii) Franchisee pays a non-refundable transfer fee to Franchisor in the amount of $5,000 for each unopened Store;

(iv) Franchisee and, if Franchisee is an entity, all of its officers, directors, shareholders, members and managers (as well as guarantors under this Agreement) will execute a general release (in the form approved by Franchisor) of any and all claims which Franchisee has or may have against Franchisor and Franchisor's Affiliates and Franchisor's respective officers, directors, employees and agents arising out of the franchise relationship, to the extent permitted by applicable law;

(v) The proposed transferee meets Franchisor's established standards (including experience, character, skill, aptitude, business ability and financial capability), is of good moral character, has a good credit rating and sufficient financial resources to operate the business;

(vi) The proposed transferee and/or the transferee's managers will successfully complete and pass the training course then in effect for Franchisor's franchisees, or otherwise demonstrate to Franchisor's satisfaction, sufficient ability to operate and manage the Units and perform the obligations of this Agreement;

(vii) The proposed transferee assumes all of Franchisee's obligations and liabilities (however, such assumption will not relieve Franchisee of any such obligations and liabilities); and,

(viii) The purchase price or terms of the sale are, in Franchisor's judgment, economically feasible to the proposed transferee. Franchisor's approval is no assurance that the sale is on economically reasonable terms).

B. By Franchisor. This Agreement is fully assignable, in whole or in part, by Franchisor, without Franchisee's consent. Upon Franchisor's assignment, Franchisor is relieved of all liability under this Agreement and all rights and obligations will accrue to Franchisor's successor or assignee.

VII. NO SUBFRANCHISING

No Subfranchising. Franchisee will not offer, sell, or negotiate the sale of CORTZ BY FSP, Inc.. Franchised Outlets to any third party, either in Franchisee's name or on Franchisor's behalf or otherwise subfranchise, share, divide or partition this Agreement, and nothing in this Agreement will be construed as granting Franchisee the right to do so.

VIII. DEFAULT AND TERMINATION

A. Default by Franchisee. Upon written notice to Franchisee, Franchisor may terminate the term of this Agreement for cause, but without providing Franchisee an opportunity to cure, in the event of any material breach of this Agreement by Franchisee. "Material Breach", as used in this Section VII, will include, among other things, the following:

(i) Any attempt by Franchisee to sell, assign or Transfer in violation of the terms of this Agreement;

(ii) Franchisee's failure to execute a Franchise Agreement for any of the Units on the date set forth within the Unit Schedule set forth in Attachment A;

(iii) Franchisee's bankruptcy, insolvency or general assignment for the benefit of creditors;

(iv) Any material breach by Franchisee or Franchisee's Affiliate of any Franchise Agreement or other agreement between Franchisee or Franchisee's Affiliates and Franchisor or Franchisor's Affiliates which is not cured within the applicable cure period in that agreement; or

(v) Franchisee or Franchisee's officers, directors or controlling owners commit or are convicted of a felony or crime of moral turpitude or fraud which Franchisor believes may adversely affect the System or goodwill affiliated with the Marks.

B. Rights on Termination, Expiration or Assignment. Upon expiration, assignment or termination, for any reason, of the term of this Agreement, all of Franchisee's rights hereunder will cease and any remaining rights Franchisee may have to open any subsequent Unit will cease. Franchisee or Franchisee's Affiliates will continue to operate Cortz Outlets according to the signed Franchise Agreements between Franchisee or Franchisee's Affiliates and Franchisor, if such Franchise Agreements have not been terminated. A default and termination under this Agreement

does not constitute a default and termination under any Franchise Agreement between Franchisee or Franchisee Affiliates and Franchisor.

IX. MISCELLANEOUS

A. Notices. All written notices and reports permitted or required to be delivered by the provisions of this Agreement will be deemed so delivered (i) at the time delivered by hand; (ii) one (1) business day after being placed in the hands of a commercial courier service for next business day delivery, provided there is evidence of receipt; (iii) three (3) business days after placement in the United States Mail by Registered or Certified Mail, Return Receipt Requested, postage prepaid; or (iv) if sent by a facsimile transmission or electronic mail transmission on the day of receipt if delivered (as indicated by delivery confirmation of the sender) by 5:00 p.m. recipient's local time, or on the next following business day if delivered after 5:00 p.m. recipient's local time, in each case addressed to the party to be notified at the address, facsimile number or electronic mail address set forth herein unless and until a different address, facsimile number or electronic mail address has been designated by written notice to the other party.

B. Severability. If any provision of this Agreement is considered to be invalid or inoperative for any reason, that part will be deemed modified to the extent necessary to make it valid and operative, or if it cannot be modified, then severed, and the remainder of the Agreement will continue in effect as if the Agreement had been signed with the invalid portion modified or eliminated.

C. Non-Waiver. Neither party's waiver of a breach or default by the other, nor delay or failure to exercise any right upon breach or default, nor acceptance of any payment, will be deemed a waiver, nor will it impair rights for other breaches or defaults of the same or a different kind. The description of any breach or default in any notice will not prevent the assertion of other defaults or breaches. Franchisor may waive any one or more of the requirements imposed under this Agreement for the benefit of any particular franchisee or any particular Unit, but the waiver in favor of any other franchisee or Unit will not prevent Franchisor from enforcing the requirements against Franchisee, all other franchisees and all other Units.

D. Remedies. The remedies available to Franchisor are non-exclusive and nothing stated in this Agreement will act to prevent Franchisor's pursuit of any other rights or remedies arising due to termination of this Agreement which may otherwise become available to Franchisor in law or equity.

E. Attorney's Fees. If Franchisor incurs attorneys' fees or other expenses in seeking enforcement of this Agreement, Franchisee will be required to reimburse Franchisor for Franchisor reasonable costs and expenses (including attorneys' fees

F. Approval and Guarantees of Shareholders, Partners or Members. If Franchisee is a corporation, partnership or limited liability company, all shareholders, partners or members (and their shareholders, partners or members, if they are an entity and all of their spouses) will guarantee each Franchise Agreement for a Unit.

G. Arbitration. Except as specifically provided under this Multi-Unit Development Agreement, any dispute or claim relating to or arising out of this Agreement must be resolved exclusively in accordance with the arbitration provisions set forth in the Franchise Agreement signed contemporaneously by the parties.

H. Governing Law. Franchisee acknowledges that this Agreement was accepted in the State of California. Franchisee acknowledges that it has and will continue to develop a substantial and continuing relationship with Franchisor at Franchisor's principal offices in the County of PLACER, California, where Franchisor's decision-making authority is vested and franchise operations are conducted and supervised. Except to the extent that this Agreement or any particular dispute is governed by the U.S. Trademark Act of 1946 (Lanham Act, 115 U.S.C. 1051), this Agreement will be governed, to the extent permissible, by the laws of the State of California without regard to principles of conflicts of law. If, however, any provision of this Agreement would not be enforceable under the laws of California, and if the MUD Locations is located outside of California and the provision would be enforceable under the laws of the State(s) in which the MUD Locations are located, then the provision in question (and only that provision) will be interpreted and construed under the laws of the State(s) where the MUD Locations are is located. If applicable law provides Franchisee with additional rights as to notices, opportunities to cure or otherwise than as are provided by this Agreement as to termination, renewal, transfers or otherwise, Franchisor shall comply with the requirements of such laws to the extent they exceed Franchisor's obligations under this Agreement.

I. Venue. Franchisor may institute any action arising out of or relating to this Agreement in any state or federal court of general jurisdiction County of PLACER in the State of California, and Franchisee and each guarantor of this Agreement irrevocably submits to the jurisdiction of these courts and waive any objection to the application of California law or to the jurisdiction or venue in these California courts. If Franchisee institutes any action arising out of or relating to this Agreement, that action must be brought in the state or federal courts having jurisdiction over PLACER County, State of California, and Franchisee irrevocably submits to the jurisdiction of such courts and waives any objection Franchisee may have to either the jurisdiction or venue of such court. If a state regulator requires an amendment to this Agreement, the amendment will be attached to this Agreement. Franchisor will not, however, be precluded from contesting the validity, enforceability, or applicability or such regulator's required amendment in any action relating to this Agreement or to its rescission or termination. The parties hereto recognize, and any arbitrator or judge is affirmatively advised, that certain provisions of this Agreement describe Franchisor's right to take (or refrain from taking) certain actions in the exercise of Franchisor's business judgment based on Franchisor's assessment of the overall best interests of the System and/or franchise network. Where such discretion has been exercised, and is supported by Franchisor's business judgment, neither an arbitrator nor a judge shall substitute his or her judgment for the judgment so exercised by Franchisor.

J. Non-Liability of Franchisor's Affiliates. Franchisor is the only entity obligated to Franchisee under this Agreement. Franchisee may not look to any of Franchisor's officers, directors, stockholders, members, Affiliates or related companies, other business entities or individuals for performance of this Agreement.

K. Limitation of Legal Actions.

(i). IN NO EVENT WILL FRANCHISOR BE LIABLE TO FRANCHISEE FOR PROSPECTIVE PROFITS OR FOR SPECIAL, PUNITIVE, INDIRECT OR CONSEQUENTIAL DAMAGES FOR ANY CONDUCT ARISING OUT OF THIS AGREEMENT OR FRANCHISOR'S RELATIONSHIP WITH FRANCHISEE.

(ii). THE PARTIES WAIVE TRIAL BY JURY IN ANY ACTION, PROCEEDING OR COUNTERCLAIM BROUGHT BY EITHER OF THEM RELATING TO OR ARISING OUT OF THIS AGREEMENT OR THE RELATIONSHIP OF THE PARTIES.

(iii). ANY DISAGREEMENT BETWEEN FRANCHISEE (AND FRANCHISEE'S GUARANTORS AND OWNERS) AND FRANCHISOR (AND FRANCHISOR'S AFFILIATES AND OWNERS) WILL BE CONSIDERED UNIQUE AS TO ITS FACTS AND MUST NOT BE BROUGHT AS A CLASS ACTION AND FRANCHISEE (AND FRANCHISEE'S GUARANTORS AND OWNERS) WAIVE ANY RIGHT TO PROCEED AGAINST FRANCHISOR (AND FRANCHISOR'S AFFILIATES, OWNERS, MANAGERS, OFFICERS, EMPLOYEES, AGENTS, SUCCESSORS AND ASSIGNS) BY WAY OF CLASS ACTION, OR BY WAY OF A MULTI-PLAINTIFF, CONSOLIDATED OR COLLECTIVE ACTION.

(iv). FRANCHISEE WILL BE BARRED FROM BRINGING ANY AND ALL CLAIMS ARISING OUT OF OR RELATING TO THIS AGREEMENT OR FRANCHISOR'S RELATIONSHIP WITH FRANCHISEE, UNLESS A JUDICIAL PROCEEDING IS COMMENCED WITHIN ONE (1) YEAR FROM THE DATE ON WHICH FRANCHISEE KNEW OR SHOULD HAVE KNOWN OF THE FACTS GIVING RISE TO THAT CLAIM.

L. Receipt of the FDD. Franchisee acknowledges receipt of Franchisor's franchise disclosure document along with this Agreement, at least 14 days before Franchisee's execution of this Agreement or any payment by Franchisee to Franchisor. If any unilateral modifications have been made to this Agreement, Franchisee acknowledges that Franchisee has had at least 7 days to review all such modifications.

M. Construction of Language. The language of this Agreement will be construed according to its fair meaning, and not strictly for or against either party. All words in this Agreement refer to whatever number or gender the context requires; if more than one patty or person is referred to as you, their obligations and liabilities will be joint and several. Headings are for reference purposes and do not control interpretation.

N. Entire Agreement. This Agreement, including all Attachments attached, constitutes the entire, full, and complete agreement between the parties concerning the subject matter hereof, and supersedes any and all prior agreements; provided, however, that nothing in this or any related agreement is intended to disclaim the representations Franchisor made in the franchise disclosure document that was furnished to Franchisee in connection with Franchisor offer to grant Franchisee a franchise to develop the Units. No amendment or modification to this Agreement will be binding on either party unless written and fully executed. All capitalized terms not defined herein shall have the meaning ascribed to such terms in the Franchise Agreement attached hereto.

X. INDEPENDENT CONTRACTOR / INDEMNIFICATION

A. Independent Contractor. Franchisor and Franchisee are independent contractors, and no partnership, fiduciary, joint venture, or employment relationship exists between Franchisor and Franchisee. Franchisee will conspicuously identify itself in all dealings with the public as an independently owned business. Neither Franchisor nor Franchisee will make any agreements or representations in the name of or on behalf of the other party that their relationship is other than franchisor and franchisee.

B. Indemnification. Under no circumstances will Franchisor be liable for any act, omission, debt, or other obligation of Franchisee. To the fullest extent permitted by law, Franchisee (for itself and its employees, agents, subcontractors, successors and assigns) agrees, at Franchisee's sole cost and expense, to indemnify, defend and hold harmless, and to reimburse on demand Franchisor, and all entities related to Franchisor and Franchisor's respective directors, officers, members, employees agents, managers, partners, attorneys, licensees, affiliates successors and assigns ("Indemnified Parties") for and against any and all damages, losses, liabilities, bodily injury, property damage, obligations, penalties, tines, claims, litigation, demands, defenses, judgments, suit, proceedings, administrative orders, consent agreements, costs, disbursements or expenses of any kind or any nature whatsoever, including without limitation, reasonable attorneys' and expert fees and disbursements arising out of or related to or in any way arising out of the acts or omissions of Franchisee or Franchisee's employees, agents, officers, directors, parents, subsidiaries,' affiliates, successors and assigns ("lndemnitors") arising out of or related to (i) any act or omission, negligent or otherwise, of the lndemnitors or anyone directly or indirectly employed by them or anyone whose acts they may be liable relative to the business contemplated by this Agreement; (ii) any breach by the lndemnitors or any term or provision of this Agreement; and (iii) the cost, including, but not limited to reasonable attorney's fees, of enforcing this indemnification provision. The obligations of Indemnitors are joint and several.

This indemnification will not be construed to indemnify an Indemnified Party to the extent such indemnification is prohibited by law, including, an indemnification of any Indemnified Party from its own negligence, if prohibited by law. To the extent indemnification of any party hereunder would be prohibited by law, this provision will not apply to such party, but will continue to be effective as to all other parties with respect to whom indemnification is not prohibited by applicable law.

XI. REPRESENTATIONS AND ACKNOWLEDGMENTS / CAVEATS

A. FRANCHISEE REPRESENTS TO FRANCHISOR THAT FRANCHISEE'S SIGNATURE ON AND PERFORMANCE OF THIS AGREEMENT DOES NOT VIOLATE OR CONSTITUTE A BREACH OF THE TERMS OF ANY OTHER AGREEMENT OR COMMITMENT TO WHICH FRANCHISEE, FRANCHISEE'S GUARANTORS OR ANY OF FRANCHISEE 'S OR THEIR AFFILIATES ARE A PARTY.

B. FRANCHISEE HAS RECEIVED THE FRANCHISE DISCLOSURE DOCUMENT REQUIRED BY THE FEDERAL TRADE COMMISSION WITH APPLICABLE EXHIBITS AT

LEAST FOURTEEN (14) CALENDAR DAYS BEFORE THE DATE ON WHICH THIS AGREEMENT WAS EXECUTED AND HAS RECEIVED A COPY OF THE COMPLETE PCF FRANCHISE AGREEMENT AT LEAST SEVEN (7) CALENDAR DAYS BEFORE THE DATE ON WHICH THIS AGREEMENT WAS EXECUTED.

C. UNDER APPLICABLE U.S. LAW, INCLUDING WITHOUT LIMITATION EXECUTIVE ORDER 1224, SIGNED ON SEPTEMBER 23, 2001 (THE "ORDER"), FRANCHISOR IS PROHIBITED FROM ENGAGING IN ANY TRANSACTION WITH ANY PERSON ENGAGED IN, OR WITH A PERSON AIDING ANY PERSON ENGAGED IN, ACTS OF TERRORISM AS DEFINED IN THE ORDER. ACCORDINGLY, FRANCHISEE DOES NOT AND HEREAFTER WILL NOT, ENGAGE IN ANY TERRORIST ACTIVITY. IN ADDITION, FRANCHISEE IS NOT AFFILIATED WITH AND DOES NOT SUPPORT ANY INDIVIDUAL OR ENTITY ENGAGED IN, CONTEMPLATING, OR SUPPORTING TERRORIST ACTIVITY.

D. FRANCHISEE REPRESENTS TO FRANCHISOR THAT ALL INFORMATION SET FORTH IN ANY AND ALL APPLICATIONS, FINANCIAL STATEMENTS AND SUBMISSIONS TO FRANCHISOR ARE AND WILL BE TRUE, COMPLETE AND ACCURATE IN ALL RESPECTS, AND FRANCHISEE ACKNOWLEDGES THAT FRANCHISOR IS RELYING UPON THE TRUTHFULNESS, COMPLETENESS AND ACCURACY OF SUCH INFORMATION IN BOTH AWARDING AND CONTINUING THE RIGHTS GRANTED TO FRANCHISEE BY THIS AGREEMENT.

FRANCHISOR:
CORTZ BY FSP, Inc.

By: _____

David Klembith, CEO,
Date signed: _____

FRANCHISEE:

_____
Signature

_____
[Printed name]
Date signed: _____

_____
Signature

_____
[Printed Name]
Date signed: _____

ATTACHMENT A To The MUDA

MUD LOCATIONS, MUD FEE, MUD SCHEDULE AND EXPIRATION DATE

Unit Locations: The Designated Territory for each respective Unit will be addressed in accordance with each individual Franchise Agreement and may not be similar to the criteria (size of population, zip codes or radius) utilized to determine the Designated Territory for your first Unit. Please indicate your desired, non-binding, general location for each Unit and the order in which you contemplate opening the Units.

Unit#		Unit #	
1		3	
2		4	
5		N/A	

Unit Schedule and Fees:

Unit #	Date by which Franchise Agreement Must Be Executed	Date by which Unit Must Be Opened	Initial Franchise Fee for this Unit	The portion of the Initial Franchise Fee to be paid upon signing the MUD Agreement	The remaining portion of the Initial Franchise Fee to be paid upon signing each individual Franchise Agreement
1			$50,000	$50,000	$0
2		12 months from signing the Initial Franchise Agreement	$40,000	$40,000	$0
3		24 months from signing the Initial Franchise Agreement	$40,000	$40,000	$0
4		36 months from signing the Initial Franchise Agreement	$40,000	$40,000	$0
5		48 months from signing the Initial Franchise Agreement	$40,000	$40,000	$0
The Multi-Unit Development Fee, which is comprised of the Initial Franchise Fee for Unit #1 plus the total of the discounted Franchise Fees for all of the subsequent Units, and which is due upon signing the MUD Agreement is:					**$**

Expiration Date: The expiration date of this Agreement shall be the stated execution date of the Franchise Agreement for Franchisee's last Unit shown above.

FRANCHISOR:
CORTZ BY FSP, Inc.
By:

_____
David Klembith, CEO
Date signed: _____

FRANCHISEE:

_____
Signature

_____
[Printed name]
Date signed: _____

_____
Signature

_____
[Printed Name]
Date signed: _____

EXHIBIT D
CORTZ BY FSP, Inc.

LIST OF STATE ADMINISTRATORS AND AGENTS FOR SERVICE OF PROCESS

STATE	STATE ADMINISTRATOR	AGENT FOR SERVICE OF PROCESS
CALIFORNIA	Department of Financial Protection and Innovation (DFPI) Sacramento: 2101 Arena Boulevard Sacramento, CA 95834 San Francisco: One Sansome Street, Suite 600 San Francisco, CA 94105 Los Angeles: 320 West 4th Street, Suite 750 Los Angeles, CA 90013-2344 (866)-275-2677 www.dfpi.ca.gov	Commissioner of Financial Protection and Innovation 2101 Arena Blvd Sacramento, CA 95834 1-866-275-2677 www.dfpi.ca.gov
CONNECTICUT	Securities and Business Investment Division Connecticut Department of Banking 260 Constitution Plaza Hartford, CT 06106 (203) 240-8299	Connecticut Banking Commissioner Same Address
FLORIDA	Department of Agriculture & Consumer Services P.O. Box 6700 Tallahassee, FL 32399-6700 (800) 435-7352	Same
GEORGIA	Office of Consumer Affairs 2 Martin Luther King Drive, S.E. Plaza Level, East Tower Atlanta, GA 30334 (404) 656-3790	Same
HAWAII	Department of Commerce and Consumer Affairs Business Registration Division Commissioner of Securities P. O. Box 40 Honolulu, Hawaii 96810 (808) 586-2722	Commissioner of Securities of the State of Hawaii Department of Commerce and Consumer Affairs Securities Compliance Branch 335 Merchant St., Room 205 Honolulu, HI 96810
ILLINOIS	Franchise Division Office of the Attorney General 500 South Second Street Springfield, IL 62706 (217) 782-4465	Illinois Attorney General Same Address

STATE	STATE ADMINISTRATOR	AGENT FOR SERVICE OF PROCESS
INDIANA	Securities Commissioner Indiana Securities Division Room E 111 302 West Washington Street Indianapolis, IN 46204 (317) 232-6681	Indiana Secretary of State 201 State House 200 West Washington Street Indianapolis, IN 46204
IOWA	Iowa Securities Bureau Second Floor Lucas State Office Building Des Moines, IA 50319 (515) 281-5705	Same
KENTUCKY	Kentucky Attorney General's Office Consumer Protection Division 1024 Capitol Center Drive Frankfort, KY 40602 (502) 696-5300	Same
LOUISIANA	Department of Urban & Community Affairs Consumer Protection Office 301 Main Street, 6th Floor One America Place Baton Rouge, LA 70801 (504) 342-7013 (gen. info.) (504) 342-7900	Same
MAINE	Department of Business Regulations State House - Station 35 Augusta, ME 04333 (207) 298-3671	Same
MARYLAND	Office of the Attorney General Securities Division 200 St. Paul Place Baltimore, MD 21202 (410) 576-7044	Maryland Securities Commissioner 200 St. Paul Place Baltimore, Maryland 21202-2020
MICHIGAN	Michigan Department of Attorney General Consumer Protection Division Antitrust and Franchise Unit 670 Law Building Lansing, MI 48913 (517) 373-7117	Michigan Department of Commerce Corporations and Securities Bureau Same Address
MINNESOTA	Minnesota Department of Commerce 85 7th Place East, Suite 500 St. Paul, MN 55101 (651) 296-4026	Minnesota Commissioner of Commerce Same Address
NEBRASKA	Department of Banking and Finance 1230 “O” Street, Suite 400 P.O. Box 95006	Director of the Department of Banking and Finance Same

STATE	STATE ADMINISTRATOR	AGENT FOR SERVICE OF PROCESS
	Lincoln, NE 68509-5006 (402) 471-3445	
NEW HAMPSHIRE	Attorney General Consumer Protection and Antitrust Bureau State House Annex Concord, NH 03301 (603) 271-3641	Same
NEW YORK	NYS Department of Law Investor Protection Bureau 28 Liberty Street, 21st Floor New York, NY 10005 (212) 416-8222	Secretary of State of New York 99 Washington Avenue Albany, New York 12231
NORTH CAROLINA	Secretary of State's Office Securities Division Legislative Annex Building 300 Salisbury Street Raleigh, NC 27602 (919) 733-3924	Secretary of State Secretary of State's Office 300 Salisbury Street Raleigh, NC 27602
NORTH DAKOTA	North Dakota Securities Department 600 East Boulevard Avenue State Capital, 5th Floor, Dept 414 Bismarck, ND 58505-0510 (701) 328-4712	North Dakota Securities Commissioner Same Address
OHIO	Attorney General Consumer Fraud & Crime Section State Office Tower 15th Floor 30 East Broad Street Columbus, OH 43215 (614) 466-8831 or (800) 282-0515	Same
OKLAHOMA	Oklahoma Securities Commission 2915 Lincoln Blvd. Oklahoma City, OK 73105 (405) 521-2451	Same
OREGON	Department of Insurance and Finance Corporate Securities Section Labor and Industries Building Salem, OR 96310 (503) 378-4387	Director Department of Insurance and Finance Same Address
RHODE ISLAND	Department of Business Regulation Securities Division John O. Pastore Complex 1511 Pontiac Ave., Building 69-1 Cranston, RI 02910 (401) 462-9588	Department of Business Regulation Securities Division John O. Pastore Complex 1511 Pontiac Ave., Building 69-1 Cranston, RI 02910 (401) 462-9588

STATE	STATE ADMINISTRATOR	AGENT FOR SERVICE OF PROCESS
SOUTH CAROLINA	Secretary of State P.O. Box 11350 Columbia, SC 29211 (803) 734-2166	Same
SOUTH DAKOTA	Department of Labor and Regulation Securities Regulation 124 S. Euclid Suite 104 Pierre, SD 57501 (605) 773-4823	Director of South Dakota Division of Securities Same Address
TEXAS	Attorney General's Office Consumer Protection Division P.O. Box 12548 Austin, TX 78711 (512) 463-2070	Same
UTAH	Utah Department of Commerce Consumer Protection Division 160 East 300 South P.O. Box 45804 Salt Lake City, UT 84145-0804 (801) 530-6001	Same
VIRGINIA	State Corporation Commission Division of Securities and Retail Franchising 1300 E. Main Street, Ninth Floor Richmond, VA 23219 (804)-371-9051	Clerk of the State Corporation Commission 1300 E. Main Street, 1st Floor Richmond, VA 23219 (804) 371-9733
WASHINGTON	Department of Financial Institutions Securities Division P.O. Box 9033 Olympia, WA 98507-9033 (360) 902-8760	State of Washington Securities Administrator Washington State Department of Financial Institutions 150 Israel Rd. SW Tumwater, WA 98501
WISCONSIN	Commission of Securities P.O. Box 1768 Madison, WI 53701-1768 (608) 266-1365	Wisconsin Commissioner of Securities Same Address

EXHIBIT E
CORTZ BY FSP, Inc.

MULTI-STATE LAW ADDENDA TO FRANCHISE DISCLOSURE DOCUMENT, FRANCHISE AGREEMENT and MULTI-UNIT DEVELOPMENT AGREEMENT

The following modifications are to the CORTZ BY FSP, Inc. Franchise Disclosure Document, Franchise Agreement and Multi-Unit Developer Agreement, and may supersede, to the extent then required by valid applicable state law, certain portions of the Franchise Agreement dated August 21, 2024.

CALIFORNIA

1. The California Franchise Investment Law requires a copy of all proposed agreements relating to the sale of the franchise be delivered together with the Disclosure Document.

2. Neither the franchisor, nor any person or franchise broker in Item 2 of the FDD 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 such association or exchange.

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

4. The franchise agreement and the multi-unit development 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.)

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

6. The franchise agreement and the multi-unit development agreement contains a liquidated damages clause. Under California Civil Code Section 1671, certain liquidated damages clauses are unenforceable.

7. Under Current California Law, the highest interest rate allowed is 10% per annum. Item 6 of the Franchise Disclosure Document and Section 5.4 of the Franchise Agreement are amended accordingly.

8. The franchise agreement and the multi-unit development agreement requires binding arbitration. The arbitration will occur in California with the costs being borne by both parties.

9. 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 Procedure Section 1281, and the Federal Arbitration Act) to any provisions of a franchise agreement restricting venue to a forum outside the State of California.

10. The franchise agreement and the multi-unit development agreement requires application of the laws of California. This provision may not be enforceable under California law.

11. Section 31125 of the California Corporations Code requires us to give you a disclosure document, in a form containing the information that the commissioner may by rule or order require, before a solicitation of a proposed material modification of an existing franchise.

12. You must sign a general release if you renew or transfer your franchise. California Corporations Code §31512 voids a waiver of your rights under the Franchise Investment Law

(California Corporations Code §§31000 through 31516). Business and Professions Code §20010 voids a waiver of your rights under the Franchise Relations Act (Business and Professions Code §§20000 through 20043).

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

14. No statement, questionnaire, or acknowledgement signed or agreed to by you 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 us, any franchise seller, or any other person acting on our behalf. This provision supersedes any other term of any document executed in connection with the franchise.

15. **Registration of this franchise does not constitute approval, recommendation, or endorsement by the Commissioner of the Department of Financial Protection and Innovation.**

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

IN WITNESS WHEREOF, each of the undersigned hereby acknowledges having read this Addendum and understands and consents to be bound by all of its terms.

FRANCHISOR:
CORTZ BY FSP, Inc.

By: David Klembith, CEO,

_____
Signature

FRANCHISEE:

_____
[Printed Name]

_____
Signature

_____
[Printed Name]

_____
Signature

ILLINOIS

Item 17(v) of the Franchise Disclosure Document, Section 16.06 of the Franchise Agreement and Section VIII of the Multi-Unit Development Agreement are amended to state that any provision that designates jurisdiction or venue in a forum outside the State of Illinois will not be enforceable and is amended to the extent required by Illinois law.

The governing law or choice of law clause that allows for jurisdiction or venue other than Illinois will not be enforceable under Illinois law. This governing law clause shall not be construed to negate the application of the Illinois Franchise Disclosure Act in all situations to which it is applicable. Therefore, Item 17(v)(w) of the Franchise Disclosure Document, Section 16.06 of the Franchise Agreement and Section VIII of the Multi-Unit Discount Agreement are amended accordingly.

Section 705(41) of the Illinois Franchise Disclosure Act states any condition, stipulation, or provision purporting to bind any person acquiring any franchise to waive compliance with any provision of this Act or any other law of this State is void. This Section shall not prevent any person 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.

No action for liability under the Illinois Franchise Disclosure Act shall be maintained unless brought before the expiration of 3 years after the act or transaction constituting the violation upon which it is based, the expiration of 1 year after the franchisee becomes aware of facts or circumstances reasonably indicating that he may have a claim for relief in respect to conduct governed by the Act, or 90 days after delivery to the franchisee of a written notice disclosing the violation, whichever shall first expire. Item 17(b) of the Franchise Disclosure Document, Section 3 of the Franchise Agreement is amended accordingly.

The conditions under which a franchise can be terminated and your rights upon nonrenewal, as well as the application by which you must bring any claims, may be affected by Sections 705/19 and 20 of the Illinois Franchise Disclosure Act of 1987, 815 ILCS 705/19 and 705/20.

Section 5(2) of the Illinois Franchise Disclosure Act requires 14 calendar days' disclosure prior to the signing of a binding agreement or the payment of any fees to us. Item 23 of the Disclosure Document is amended accordingly, to the extent required by Illinois law.

No statement, questionnaire, or acknowledgement signed or agreed to by you 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 us, any franchise seller, or any other person acting on our behalf. This provision supersedes any other term of any document executed in connection with the franchise.

SIGNATURE PAGE FOLLOWS

IN WITNESS WHEREOF, each of the undersigned hereby acknowledges having read this Addendum and understands and consents to be bound by all of its terms.

FRANCHISOR:
CORTZ BY FSP, Inc.

By: David Klembith, CEO,

_____
Signature

FRANCHISEE:

_____
[Printed Name]

_____
Signature

_____
[Printed Name]

_____
Signature

INDIANA

It is unlawful for any franchise agreement between any franchisor and a franchisee who is a resident of Indiana or a non-resident who is to operate the franchise in Indiana to contain a provision that requires a franchisee not to compete with the franchisor in an area greater than the exclusive territory granted in the franchise agreement or, if no exclusive territory is granted, in an area of more than reasonable size, upon Termination of a franchise agreement. (Ind. Code § 23-2-2.7-1(9)). Accordingly, both the Franchise Agreement and Item 17 of the Disclosure Document are amended to apply to the area within a 50-mile radius of the Cortz.

The Franchise Agreement requires binding arbitration. The arbitration will occur in a state other than Indiana, with costs being borne by the non-prevailing party. The provision concerning the place where arbitration will occur is deleted from the Franchise Agreement.

The Franchise Agreement requires application of the laws of another state. This provision is deleted from the Indiana Franchise Agreement.

Item 17 of the Disclosure Document, Sections (u), (v), and (w), is amended to omit any reference to selection of an out-of-Indiana forum or choice of law.

The franchise agreement requires you to sign a general release of claims as a condition of renewing or reselling the franchise. Under the law of Indiana any provision that purports to bind a person acquiring a franchise to waive compliance with the franchise laws of Indiana is void. The Franchise Agreement and Item 17 of the Disclosure Document, Sections (b) (renewal) and (k) (transfer) are amended to omit the requirement that an Indiana Franchisee sign a general release of claims as a condition of renewal or resale. This will not prevent Franchisor from requiring you to sign a general release of claims as part of a settlement of a dispute.

No statement, questionnaire, or acknowledgement signed or agreed to by you 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 us, any franchise seller, or any other person acting on our behalf. This provision supersedes any other term of any document executed in connection with the franchise.

IN WITNESS WHEREOF, each of the undersigned hereby acknowledges having read this Addendum and understands and consents to be bound by all of its terms.

FRANCHISOR:
CORTZ BY FSP, Inc.

By: David Klembith, CEO,

_____
Signature

FRANCHISEE:

_____
[Printed Name]

_____
Signature

_____
[Printed Name]

_____
Signature

MARYLAND

The following amends the Franchise Disclosure Document, the Franchise Agreement and the Multi-Unit Development Agreement:

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.). Item 17H of the Franchise Disclosure Document and Section 5.05 of the Franchise Agreement are amended to add this provision.

Item 17M of the Franchise Disclosure Document, Section 14.04(b) of the Franchise Agreement is amended to state that The general release required as a condition of sale and/or assignment/transfer shall not apply to any liability under the Maryland Franchise Registration and Disclosure Law.

Item 17 W of the Franchise Disclosure Document is amended to state; A franchisee may bring a lawsuit in Maryland for claims arising under the Maryland Franchise Registration and Disclosure Law.

Item 17 V of the Franchise Disclosure Document is amended to state: Any claims arising under the Maryland Franchise Registration and Disclosure Law must be brought within 3 years after the grant of the franchise.

No statement, questionnaire, or acknowledgement signed or agreed to by you 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 us, any franchise seller, or any other person acting on our behalf. This provision supersedes any other term of any document executed in connection with the franchise.

IN WITNESS WHEREOF, each of the undersigned hereby acknowledges having read this Addendum and understands and consents to be bound by all of its terms.

FRANCHISOR:
CORTZ BY FSP, Inc.

By: David Klembith, CEO,

_____
Signature

FRANCHISEE:

_____
[Printed Name]

_____
Signature

_____
[Printed Name]

_____
Signature

MINNESOTA

We will comply with Minnesota Statute 80C.14 subdivisions 3, 4, and 5, which require except in certain specific cases, that you be given 90 days' notice of termination (with 60 days to cure) and 180 days' notice for non-renewal of the Franchise Agreement.

Minn. Stat. Sec. 80C.21 and Minn. Rule Part 2860.4400J, may prohibit us from requiring litigation to be conducted outside Minnesota. In addition, nothing in the Disclosure Document or Franchise Agreement can abrogate or reduce any of your rights as provided for in Minnesota Statutes, Chapter 80C, or your rights to any procedure, forum, or remedies provided for by the laws of the jurisdiction.

In accordance with Minnesota Rule 2860.4400J, to the extent required by law, the Disclosure Document and Franchise Agreement are modified so that we can not require you to waive your rights to a jury trial or to waive rights to any procedure, forum, or remedies provided for by the laws of the jurisdiction, or to consent to liquidated damages, termination penalties, or judgment notes; provided that this part shall not bar an exclusive arbitration clause.

Minnesota Rule 2860.4400D prohibits us from requiring you to assent to a general release. The Disclosure Document, Franchise Agreement and Multi-Unit Discount Agreement are modified accordingly, to the extent required by Minnesota law.

Pursuant to Minn. Stat. Sec. 80C.12, Subd. 1(g), to the extent required by law, the Franchise Agreement, Multi-Unit Discount Agreement and Item 13 of the Disclosure Document are amended to state that we will protect your right to use the primary trademark, service mark, trade name, logotype or other commercial symbol or indemnify you from any loss, costs or expenses arising out of any claim, suit or demand regarding the use of our primary trade name.

Pursuant to Minn. Stat. Sec. 80C.17, Subd. 5, to the extend required by law, the Franchise Agreement, Multi-Unit Discount Agreement and Item 17of the Disclosure Document are amended to state that no action may be commenced pursuant to this section more than three years after the cause of action accrues.

No statement, questionnaire, or acknowledgement signed or agreed to by you 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 us, any franchise seller, or any other person acting on our behalf. This provision supersedes any other term of any document executed in connection with the franchise.

IN WITNESS WHEREOF, each of the undersigned hereby acknowledges having read this Addendum and understands and consents to be bound by all of its terms.

FRANCHISOR:
CORTZ BY FSP, Inc.

By: David Klembith, CEO,

_____
Signature

FRANCHISEE:

_____
[Printed Name]

_____
Signature

_____
[Printed Name]

_____
Signature

NEW YORK

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

   INFORMATION COMPARING FRANCHISORS IS AVAILABLE. CALL THE STATE ADMINISTRATORS LISTED IN EXHIBIT D OR YOUR PUBLIC LIBRARY FOR RESOURCES OR INFORMATION. REGISTRATION OF THIS FRANCHISE BY NEW YORK STATE DOES NOT MEAN THAT NEW YORK STATE RECOMMENDS IT OR HAS VERIFIED THE INFORMATION IN THIS FRANCHISE DISCLOSURE DOCUMENT. IF YOU LEARN ANYTHING IN THIS FRANCHISE DISCLOSURE DOCUMENT IS UNTRUE, CONTACT THE FEDERAL TRADE COMMISSION AND THE APPROPRIATE STATE OR PROVINCIAL AUTHORITY. THE FRANCHISOR MAY, IF IT CHOOSES, NEGOTIATE WITH YOU ABOUT ITEMS COVERED IN THE FRANCHISE DISCLOSURE DOCUMENT. HOWEVER, THE FRANCHISOR CANNOT USE THE NEGOTIATING PROCESS TO PREVAIL UPON A PROSPECTIVE FRANCHISEE TO ACCEPT TERMS THAT ARE LESS FAVORABLE THAN THOSE SET FORTH IN THIS FRANCHISE DISCLOSURE DOCUMENT.

2. The following is to be added at the end to Item 3.

   Except as provided 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, that is 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 ten years 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; this proviso intends that the non-waiver provisions of General Business Law Sections 687(4) and 687(5) be satisfied.

4. The following language replaces the "Summary" section of Item 17(d), titled "Termination by franchisee": You may terminate the agreement on any grounds available by law.

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

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

6. Franchise Questionnaires and Acknowledgements: No statement, questionnaire, or acknowledgement signed or agreed to by 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 earliest 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.

IN WITNESS WHEREOF, each of the undersigned hereby acknowledges having read this Addendum and understands and consents to be bound by all of its terms.

FRANCHISOR:
CORTZ BY FSP, Inc.

By: David Klembith, CEO,

_____
Signature

FRANCHISEE:

_____
[Printed Name]

_____
Signature

_____
[Printed Name]

_____
Signature

NORTH DAKOTA

Item 17(c) Disclosure Document, Section 1.2 of the Franchise Agreement requiring you to sign a general release upon renewal of the franchise may not be enforceable under Section 51-19-09 of the North Dakota Franchise Investment Law and are amended accordingly to the extent required by law.

Item 17(i) of the Disclosure Document requiring you to consent to termination or liquidated damages may not be enforceable under Section 51-19-09 of the North Dakota Franchise Investment Law and are amended accordingly to the extent required by law.

Item 17(r) of the Disclosure Document restricting competition are generally considered unenforceable under Section 51-19-09 of the North Dakota Franchise Investment Law and are amended accordingly to the extent required by law.

Item 17(u) of the Franchise Disclosure Document requiring resolution of disputes to be outside North Dakota may not be enforceable under Section 51-19-09 of the North Dakota Franchise Investment Law and are amended accordingly to the extent required by law. The site of arbitration or mediation must be agreeable to all parties.

Item 17(w) of the Franchise Disclosure Document and Section 18.06 of the Franchise Agreement and Section VIII of the Multi-Unit Developer Agreement relating to choice of law, may not be enforceable under Section 51-19-09 of the North Dakota Franchise Investment Law, and are amended accordingly to the extent required by law.

Item 17 of the Franchise Disclosure Document, Section 18.16 of the Franchise Agreement and Section VIII of the Multi-Unit Developer Agreement requiring you to consent to a waiver of trial by jury may not be enforceable under Section 51-19-09 of the North Dakota Franchise Investment Law and is amended accordingly to the extent required by law.

Item 17 of the Franchise Disclosure Document requiring the franchisee to consent to a waiver of exemplary and punitive damages may not be enforceable under Section 51-19-09 of the North Dakota Franchise Investment Law and are amended accordingly to the extent required by law.

Item 17 of the Franchise Disclosure Document requiring the franchisee to consent to a limitation of claims within one year may not be enforceable under Section 51-19-09 of the North Dakota Franchise Investment Law and are amended accordingly to the extent required by law.

Section 18.16 of the Franchise Agreement stipulates that the franchisee shall pay all costs and expenses incurred by the franchisor in enforcing the agreement, which may not be enforceable under Section 51-19-09 of the North Dakota Franchise Investment Law and are amended accordingly to the extent required by law. The prevailing party in any enforcement action is entitled to recover costs and expenses including attorney's fees.

No statement, questionnaire, or acknowledgement signed or agreed to by you 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 us, any franchise seller, or any other person acting on our behalf. This provision supersedes any other term of any document executed in connection with the franchise.

SIGNATURE PAGE FOLLOWS:

IN WITNESS WHEREOF, each of the undersigned hereby acknowledges having read this Addendum and understands and consents to be bound by all of its terms.

FRANCHISOR:
CORTZ BY FSP, Inc.

By: David Klembith, CEO,

_____
Signature

FRANCHISEE:

_____
[Printed Name]

_____
Signature

_____
[Printed Name]

_____
Signature

OHIO

Sec. 1334.05-CANCELLATION

In addition to any right otherwise to revoke an offer, a purchaser has the right to cancel an agreement selling or leasing to him a business opportunity plan until midnight of the fifth business day after the day on which the purchaser signs the agreement. Cancellation is evidenced by the purchaser giving written notice of cancellation to the seller at the address stated in the agreement. The purchaser may deliver the notice by mail, telegram, manual delivery or other personal delivery.

Sec. 1334.13. [Compliance with FTC Rule; FDD]

Franchisor claims exemption from the Ohio Business Opportunity Statues as provided by:

Except for Division (H) of Section 133.03 and Section 1334.04 of the Revised Code, Sections 1334.01 to 1334.15 of the Revised Code does not apply to:

(A) Any transaction that complies in all material respects with the trade regulation rule of the federal trade commission, "disclosure requirements and prohibitions concerning franchising," 16 C.F.R. 436.1 et seq., as may be amended from time to time, that is in effect on the date of the transaction

(B) Any transaction that complies in all material respects with the trade regulation rule of the federal trade commission, "disclosure requirements and prohibitions concerning business opportunities," 16 C.F.R. 437.1 et seq., as may be amended from time to time, that is in effect on the date of the transaction.

No statement, questionnaire, or acknowledgement signed or agreed to by you 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 us, any franchise seller, or any other person acting on our behalf. This provision supersedes any other term of any document executed in connection with the franchise.

IN WITNESS WHEREOF, each of the undersigned hereby acknowledges having read this Addendum and understands and consents to be bound by all of its terms.

FRANCHISOR:
CORTZ BY FSP, Inc.

By: David Klembith, CEO,

_____
Signature

FRANCHISEE:

_____
[Printed Name]

_____
Signature

_____
[Printed Name]

_____
Signature

RHODE ISLAND

The Rhode Island Securities Division requires the following specific disclosures to be made to prospective Rhode Island franchisees:

§19-28.1-14 of the Rhode Island Franchise Investment Act provides that "A provision in a franchise agreement and the multi-unit development agreement, restricting jurisdiction or venue to a forum outside this state or requiring the application of the laws of another state is void with respect to a claim otherwise enforceable under the Act."

No statement, questionnaire, or acknowledgement signed or agreed to by you 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 us, any franchise seller, or any other person acting on our behalf. This provision supersedes any other term of any document executed in connection with the franchise.

IN WITNESS WHEREOF, each of the undersigned hereby acknowledges having read this Addendum and understands and consents to be bound by all of its terms.

FRANCHISOR:
CORTZ BY FSP, Inc.

By: David Klembith, CEO,

_____
Signature

FRANCHISEE:

_____
[Printed Name]

_____
Signature

_____
[Printed Name]

_____
Signature

VIRGINIA

In recognition of the restrictions contained in Section 13.1-564 of the Virginia Retail Franchising Act, the Franchise Disclosure Document, Franchise Agreement and Multi-Unit Development Agreement for CORTZ BY FSP, Inc. for use in the Commonwealth of Virginia shall be amended as follows:

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

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

No statement, questionnaire, or acknowledgement signed or agreed to by you 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 us, any franchise seller, or any other person acting on our behalf. This provision supersedes any other term of any document executed in connection with the franchise.

IN WITNESS WHEREOF, each of the undersigned hereby acknowledges having read this Addendum and understands and consents to be bound by all of its terms.

FRANCHISOR:
CORTZ BY FSP, Inc.

By: David Klembith, CEO,

_____
Signature

FRANCHISEE:

_____
[Printed Name]

_____
Signature

_____
[Printed Name]

_____
Signature

WASHINGTON

The state of Washington has a statute, RCW 19.100.180 which may supersede the franchise agreement in your relationship with the franchisor including the areas of termination and renewal of your franchise. There may also be court decisions which may supersede the franchise agreement and/or Multi-Unit Discount Agreement in your relationship with the franchisor including the areas of termination and renewal of your franchise.

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

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

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

Transfer fees are collectible to the extent that they reflect our reasonable estimated or actual costs in effecting a transfer, to the extent required by Washington law.

No statement, questionnaire, or acknowledgement signed or agreed to by you 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 us, any franchise seller, or any other person acting on our behalf. This provision supersedes any other term of any document executed in connection with the franchise.

IN WITNESS WHEREOF, each of the undersigned hereby acknowledges having read this Addendum and understands and consents to be bound by all of its terms.

FRANCHISOR:
CORTZ BY FSP, Inc.

By: David Klembith, CEO,

_____
Signature

FRANCHISEE:

_____
[Printed Name]

_____
Signature

_____
[Printed Name]

_____
Signature

ACKNOWLEDGMENT:

It is agreed that the applicable foregoing state law addendum, if any, supersedes any inconsistent portion of the Franchise Agreement and the Multi-Unit Development Agreement dated August 21, 2024 and of the Franchise Disclosure Document, but only to the extent they are then valid requirements of an applicable and enforceable state law, and for only so long as such state law remains in effect.

DATED _____

FRANCHISOR:

CORTZ BY FSP, Inc.

By: David Klembith, CEO,

_____
Signature

Date Signed: _____

FRANCHISEE:

_____

_____
Signature

Date Signed: _____

_____
Signature

Date Signed: _____

EXHIBIT F

OPERATIONS MANUAL TABLE OF CONTENTS

as of August 21, 2024

TOPICS	PAGE NUMBER	NUMBER OF PAGES
Chapter 1: Introduction	5	5
General Information	5	
Confidential Disclosure Document	5	
Chapter 2: Welcome	6	4
History	7	
Our Management Team	8	
Field Support	8	
Our Support Team	8	
Our Mission, Principles and Promises To You	9	
Key Contacts	10	8
Chapter 3: Pre-Opening Planner	12	
Your Planning Timeline	12	
Details on Weekly Tasks	12	
Review Of Capital Requirements	15	
Pre-Opening Checklists	17	
Summary of Expenses	17	
Chapter 4: Franchisee Training	18	4
Home Office Training	18	
Home Office Training Curriculum	19	
Field Training Curriculum	20	
Licenses or Certifications	20	
Third-Party Training	20	
Website and Back Office	21	
Monthly Meetings	21	
Annual Conferences	21	
Chapter 5: Policies	22	3
Franchisee To Corporate	22	
Corporate To Franchisee	22	
Quality Standards of Service	22	
Benefits of our Products and Services	23	
Handling Complaints and Problems	24	
Chapter 6: Branding	25	3
Introduction	25	
Signage	25	
Vehicle Wraps	26	
Trade Dress/Point of Presence	26	
Employee Appearance (Uniforms and Hygiene)	26	
Chapter 7: Product & Service Inventory Management	28	2
Required Products	28	
Required Services	28	
More Information	28	
Inventory Management Sheets (see Excel Sheets)	29	
Chapter 8: Opening/Closing Procedures	30	1
Opening Procedures	30	
Managers (For Both Open and Close)	30	
Vehicle Configuration/Restock (For Both Open and Close)	30	
Chapter 9: Equipment, Computers, and Software	31	2
Office	31	

Vehicle 32
Suppliers What supplies are needed? 32
Chapter 10: Business General....33 8
Administration....33
Recordkeeping....33
Accounting Services....36
Chapter 11: Reports, Audits, Etc. 41 2
Franchisee Reports 41
Worksheets....41
Chapter 12: Vehicle Management 43 1
Management and Use Of....43
Purchase or Lease....43
Maintenance 43
Required Insurance....43
Accident Reporting 43
Chapter 13: Marketing....44 13
Management and Use Of....44
Our Marketing Requirements (See Franchise Agreement)....44
Developing Your Marketing Plan 46
Creating Your Marketing Plan for Your Franchise 47
Executing Your Marketing Plan....54
Chapter 14: Selling Protocols....57 7
Overview....57
Phone selling 57
Phone scripts 57
Sample script....58
Collecting customer information....58
Up-selling for more profit 58
Bottom line....60
Referrals 60
Trust is key....60
One last tip 62
Group presentations....62
Pricing policies and fee structures....62
Chapter 15: Insurance and Risk Management 64 1
Overview....64

TOTAL PAGES.... 64

EXHIBIT G

STATE EFFECTIVE DATES

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

This document is effective and may be used in the followings states where the document is filed, registered, or exempt from registration, as of the Effective Date stated below.

STATE	EFFECTIVE DATE	AMENDMENT DATE
California	July 10, 2024	
Hawaii		
Illinois		
Indiana		
Maryland		
Michigan		
Minnesota		
New York	Pending	
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 CORTZ BY FSP, Inc. offers you a franchise, it must provide this disclosure document to you 14 calendar days before you sign a binding agreement or make a payment with the franchisor or an affiliate in connection with the proposed franchise sale.

In the States of New York and Rhode Island, the delivery of the Disclosure Document is to be received at the earlier of the first personal meeting or 10 business days before the execution of the franchise or other agreement or the payment of any consideration that relates to the franchise relationship.

Michigan requires the delivery of the Disclosure Document at least 10 business days before the execution of the franchise or other agreement, or the payment of any consideration, whichever comes first.

If CORTZ BY FSP, Inc. does not deliver this disclosure document on time or if it contains a false or misleading statement, or a material omission, a violation of federal law and State law may have occurred and should be reported to the Federal Trade Commissioner, Washington. D.C. 20580 and the state agency listed in Exhibit D for your state.

Date of Issuance: August 21, 2024

The franchise seller for this offering is David Klembith, CEO, at CORTZ BY FSP, Inc., 2945 Bell Road, Auburn, CA 95603; and Phone: (925) 290-8252.

See Exhibit D for our registered agents authorized to receive service of process.

I have received a disclosure document dated August 21, 2024, on _____ that included the following Exhibits:

A Financial Statements
B Franchise Agreement
- Attachment I Fee, Premises and Territory Addendum
- Attachment II Electronic Payment Authorization
- Attachment III Proposed Trade Name and Delegation of Authority
- Attachment IV Confidentiality And Covenant Not To Compete Agreement
- Attachment V Full and Final Mutual Release
- Attachment VI Collateral Assignment of Telephone Numbers
- Attachment VII Internet Web Sites and Listings Agreement
- Attachment VIII Collateral Assignment of Lease
- Attachment IX Americans with Disabilities Certification
- Attachment X Assignment of Agreement to an Entity

C Multi-Unit Development Agreement
D State Administrators and Agents for Service of Process
E Multi State Addendum to the Franchise Disclosure Document, Franchise Agreement and Multi-Unit Development Agreement
F Operations Manual Table of Contents
G State Effective Dates
Last Page - Receipt

Dated: _____

PROSPECTIVE FRANCHISEE:

_____
(Print Name)

By:_____

Please sign this copy of the receipt, date your signature, and retain it for your records.

RECEIPT

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PROSPECTIVE FRANCHISEE:

_____
(Print Name)

By:_____

Please sign this copy of the receipt, date your signature, and return it to CORTZ BY FSP, Inc..