

FRANCHISE DISCLOSURE DOCUMENT



Cyberbacker International, Inc.
a Utah corporation
2447 Kiesel Ave.
Ogden, Utah 84401
(801) 203-0147
jason@cyberbacker.com
<http://www.cyberbacker.com>

As a Cyberbacker® franchisee, you will operate a business that connects business owners with outsourced virtual assistants called “cyberbackers” who provide remote administrative assistance and other types of remote assistance to business owners. Cyberbackers perform various tasks for business owners in areas such as administrative, employee training, marketing, customer service, lead generation, sales, etc. Your clients will vary in size from small to large business owners with various levels of support needs. All cyberbackers are supplied to your clients through Cyberbacker, Inc., and the client contract will be between the client and Cyberbacker, Inc.

The total investment necessary to begin operation of a Cyberbacker® franchised business is \$51,850 to \$84,800. This includes the \$40,000 to \$40,500 that must be paid to the franchisor or its affiliates.

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

You may wish to receive your disclosure document in another format that is more convenient to you. To discuss the availability of disclosures in different formats, contact Jason Stowe at jason@cyberbacker.com and (801) 203-0147.

The terms of your contract will govern your franchise relationship. Don’t rely on this 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 be laws on franchising in your state. Ask your state agencies about them.

Issuance Date: August 3, 2023

How to Use This Franchise Disclosure Document

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

QUESTION	WHERE TO FIND INFORMATION
How much can I earn?	Item 19 may give you information about outlet sales, costs, profits or losses. You should also try to obtain this information from others, like current and former franchisees. You can find their names and contact information in Item 20 or Exhibit “C.”
How much will I need to invest?	Items 5 and 6 list fees that 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 “B” 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 Cyberbacker® 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 Cyberbacker® franchisee?	Item 20 or Exhibit “C” 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 market.

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

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

Some States Require Registration

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

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

Special Risks to Consider About *This* Franchise

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

1. **Out-of-State Dispute Resolution.** The franchise agreement requires you to resolve disputes with the franchisor by mediation, arbitration and/or litigation only in Ogden, Utah. Out-of-state mediation, arbitration, or litigation may force you to accept a less favorable settlement for disputes. It may also cost more to mediate, arbitrate, or litigate with the franchisor in Ogden, Utah than in your own state.
2. **Sales Performance Required.** You must maintain minimum sales performance levels for each of your markets. Your inability to maintain these levels may result in an additional fee payable to the franchisor, the termination of your franchise, and loss of your investment.
3. **Short Operating History.** The franchisor is at an early stage of development and has a limited operating history. This franchise is likely to be a riskier investment than a franchisor in a system with a longer operating history.
4. **Supplier Control.** You must purchase all or nearly all of the inventory or supplies that are necessary to operate your business from the franchisor, its affiliates, or suppliers that the franchisor designates, at prices the franchisor or they set. These prices may be higher than prices you could obtain elsewhere for the same or similar goods. This may reduce the anticipated profit of your franchise business.

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.

**ADDENDUM TO THE FDD
FOR THE STATE OF MICHIGAN**

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

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

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

1. A prohibition on the right of a franchisee to join an association of franchisees.
2. A requirement that a franchisee assent to a release, assignment notation, 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.
3. A provision that permits a franchisor to terminate a franchise before 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 failure after being given written notice thereof and a reasonable opportunity, which in no event need to be more than 30 days, to cure failure.
4. 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 after 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.
5. 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.
6. A provision requiring that arbitration or litigation be conducted outside this state. This shall not preclude the franchisee from entering into an agreement, at the time of arbitration, to conduct arbitration at a location outside this state.
7. 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:
 - a. The failure of the proposed transferee to meet the franchisor's then current reasonable qualifications or standards.

b. The fact that the proposed transferee is a competitor of the franchisor or sub franchisor.

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

d. 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.

8. 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 franchisor 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).

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

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

Any questions regarding this notice may be directed to the following address:

Michigan Attorney General's Office
Consumer Protection Division
525 W. Ottawa Street
Lansing, MI 48909
Telephone: (517) 373-7117

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RECEIPTS

FRANCHISE DISCLOSURE DOCUMENT

ITEM 1

THE FRANCHISOR AND ANY PARENTS, PREDECESSORS, AND AFFILIATES

The Franchisor

The name of the franchisor is Cyberbacker International, Inc. In this disclosure document, Cyberbacker International, Inc. is referred to as “we” or “us” or “our”; “franchisee,” “you” or “yours” means the person or persons, individually and collectively, who buys the franchise from us and includes the current and future owners of a franchisee that is a corporation, partnership or other entity.

Our company was incorporated on September 29, 2020 in the state of Utah under the name Cyberbacker International, Inc. Our principal place of business is 2447 Kiesel Ave., Ogden, Utah 84401. Our agents for service of process in various states are disclosed in Exhibit “D.”

Parents and Affiliates

Our affiliate Cyberbacker, Inc. was incorporated on May 06, 2019 in the state of Utah. Its principal place of business is 2447 Kiesel Ave., Ogden, Utah 84401. Cyberbacker, Inc. services the client contracts that you sell. It has operated this business since 2019, and prior to that, the principals were developing the business and utilizing the system for approximately 3 years. All client contracts of our franchisees will be entered into between the client and Cyberbacker, Inc. Cyberbacker, Inc. will also supply all cyberbackers to your clients and you will enter into a service agreement with Cyberbacker, Inc. for your support team that consists of a dedicated Growthbacker and a Careerbacker. Cyberbacker, Inc. has not offered or sold franchises in this or any other line of business.

Our affiliate Cyber Capital, L.L.C. was organized on September 27, 2021 in the state of Utah. Its principal place of business is 2447 Kiesel Ave., Ogden, Utah 84401. Cyber Capital, L.L.C. provides financing to qualified franchisees. The details of this financing are discussed in Item 10. Cyber Capital, L.L.C. has not offered or sold franchises in this or any other line of business.

Franchisor’s Business Activities

We do not have any other business activities other than franchising the Cyberbacker® brand, we do not (but our affiliate does) operate the type of business that you will operate, and we do not do business under any name other than Cyberbacker International or Cyberbacker®.

We began offering and selling Cyberbacker® franchises in January 2021. As of the date of this disclosure document, we have not offered for sale or sold franchises in any other line of business.

We have no other parents, predecessors or affiliates required to be disclosed in this Item.

Franchise Offered

We license and train others to operate Cyberbacker® businesses. As a Cyberbacker® franchisee, you will operate a business that connects business owners with outsourced assistants called “cyberbackers” who provide remote administrative assistance and other types of remote assistance to business owners. Cyberbackers perform various tasks for business owners in areas such as administrative, employee training, marketing, customer service, lead generation, sales, etc. Your clients will vary in size from small to large

business owners with various levels of support needs. All cyberbackers are supplied to your clients through Cyberbacker, Inc., and the client contract will be between the client and Cyberbacker, Inc.

Mentor

You will be assigned a mentor that will provide you with ongoing support with your operations, business management, lead generation, marketing, etc. This mentor will likely be another Cyberbacker® franchisee, who has purchased a general and non-industry-specific market in your area (we no longer offer that type of franchise), or it will be someone from our corporate team. Your mentor may also be assigned to provide similar ongoing support to other franchisees in your area but who are in a different industry-specific market than yours. You will be required to have a minimum of one 30-minute phone or video conference meeting with your mentor each week. The mentor will receive a small monthly commission from Cyberbacker, Inc. of 1.33% of payments made from client contracts you sell.

Support Team

Your support team consists of a dedicated Growthbacker and a Careerbacker. You will choose and help train your Growthbacker and Careerbacker. The general job duties of your support team are listed in Item 15.

You will be responsible for paying Cyberbacker, Inc. a monthly fee for your Growthbacker and your Careerbacker. You will be able to replace your Growthbacker and/or Careerbacker if either one quits, or you or Cyberbacker, Inc. terminates a support team member.

Commission Structure

You will receive a commission of 7% of client contract payments received by Cyberbacker, Inc. from client contracts that you sell. You will also receive a share of 52% of the net profits earned by Cyberbacker, Inc. on client contracts that you oversee. These amounts are paid to you on the 15th day of each month for the previous month's commissions earned. You and your support team members must complete all required initial trainings to qualify to receive commissions.

Franchisee Commission Summary

The table below provides a 12-month summary of the commissions payable to you on a client contract payment of \$1,500 per month. The total cost to Cyberbacker, Inc. on that client contract increases each month and the net profits diminish each month for the first 12 months primarily because commissions payable to the Cyberbacker assigned to that client increases over the first 12 months. Client contract payments generally range between \$1,500 and \$5,000 per month.

Days of the Contract	1-30	31-60	61-90	91-180	181-270	271-365	365+ Days	Total
Client Contract Payment	\$1,500	\$1,500	\$1,500	\$1,500	\$1,500	\$1,500	\$1,500	\$18,000
Franchisee Mentor Commission (1.33% of Contract Payment)	\$19.95	\$19.95	\$19.95	\$19.95	\$19.95	\$19.95	\$19.95	\$239.40
Total Costs to Cyberbacker, Inc.	\$1,298	\$1,314	\$1,344	\$1,395	\$1,425	\$1,455	\$1,485	\$16,766

Net Income to Cyberbacker, Inc.	\$201.93	\$185.93	\$155.74	\$105.18	\$75.03	\$44.89	\$14.74	\$1,233.64
Share of Net Profits Paid to the Franchisee (52%)	\$196	\$181	\$151	\$102	\$73	\$43	\$14	\$1,202
Commission to the Franchisee (7% of Contract Payment)	\$105	\$105	\$105	\$105	\$105	\$105	\$105	\$1,365
Total Paid to the Franchisee	\$302	\$286	\$256	\$207	\$178	\$149	\$119	\$2,567

Referral Commissions

You have the opportunity to receive a 10% commission of the initial franchise fee paid to us if you refer someone as a potential franchisee, and that person signs a franchise agreement with us. This amount is payable within 30 days of the person signing the franchise agreement and paying the initial franchise fee.

General Description of Market and Competition

The general market for outsourcing is well-developed and competitive. You will typically compete with other established outsourcing businesses. There are many of these competitors from large national chains to small independent operators.

Laws and Regulations

You are required to follow all laws and regulations that apply to business generally.

Additionally, you shall not, and you shall not require your support team to engage in any illegal, unethical, immoral and/or hazardous duties, or perform any act that is in violation of federal, state or local laws regarding privacy or undesired solicitation, including applicable "Do Not Call" phone lists and email "Opt In/Out" statutes. Many states require outbound phone calls soliciting certain transactions to be licensed, and you must be aware of the regulations specific to this industry.

You must at all times comply with the Telemarketing Consumer Protection Act (TCPA), including with your support team. You cannot use your support team in such a way that shall cause a violation of the TCPA including initiating any telephone call to any residential telephone line using an artificial or prerecorded voice without the prior express consent of the called party.

You must also investigate local zoning rules because they may limit where you can locate your office.

The details of state, county and local laws and regulations vary from place to place. You must research these matters. Please be aware that the changes in these laws may increase the cost to operate your business. You are solely responsible to determine what local or state regulations, permits and licenses you will need to comply with and/or obtain to conduct the franchise business in a particular state, city or town.

ITEM 2 BUSINESS EXPERIENCE

Craig Goodliffe – CEO; Director

Craig Goodliffe is our CEO and is a director on our board of directors. He has held these positions since our inception in 2020. From May 2019 to present, he has also been the CEO for Cyberbacker, Inc., an outsourcing business company in Ogden, Utah. From 2009 to present, Craig has also been the CEO for Good Life Real Estate Group in Ogden, Utah that assists buyers and sellers in the purchase and sale of real estate. And from April 2015 to present, he has also been a coach for MAPS Business Coaching, based in Austin, Texas, that provides coaching and consulting for business owners in the real estate industry.

Shiela Mie Empleo – President; Director

Shiela Mie Empleo is our President and is a director on our board of directors. She has held these positions since our inception in 2020. From May 2019 to present, she has also been the President for Cyberbacker, Inc., an outsourcing business in Ogden, Utah, and from November 2017 until May 2019, she was the head assistant at Cyberbacker, Inc.

Jennifer Capero – Secretary

Jennifer Capero is our Secretary, and she has held this position since our inception in 2020. From May 2019 to present, Jennifer has also been the Secretary for Cyberbacker, Inc, based in Ogden, Utah, and from April 2018 until May 2019, she was the principal recruiter for Cyberbacker, Inc.

Jason Stowe – VP of Franchise Development

Jason Stowe is our VP of Franchise Development. He has held this position since January 2021. Since 2015, Jason has also been the president of Caddis Holdings, which is a franchise consulting company based in Kamas, Utah.

Claudio Roberto Jr. Galsim – Franchise Sales Manager

Claudio Glasim has been our Franchise Sales Manager since January 2021. He has also been a Sales Lead for Cyberbacker, Inc. since January 2021. From October 2019 to December 2020, Claudio was a Customer Sales Representative for Alorica based in the Philippines. From January 2018 to January 2020, he was the owner of Computer Gaming Shop in the Philippines.

Robbie Gallegos – Vice President of Launch Division

Robbie Gallegos has been the Vice President of our Launch Division since November 2021. Since April 2020, Robbie has also been the Vice President of Launch for Cyberbacker, Inc. From July 2018 to April 2020, Robbie was a Sales and Distribution Manager for HERA x HERO, a fitness and sports apparel business in Los Angeles, California. And from January 2017 to December 2018, he was a Virtual Assistant for Virtudesk based in Bellevue, Washington.

Gabrielle Salazar – Vice President of Growth

Gabrielle Salazar has been our Vice President of Growth since October 2022. From August 2021 until October 2022, Gabrielle was our Director of Business Strategy. Gabrielle has also been the Director of Business Strategy of Cyberbacker, Inc. since May 2018.

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

Initial Franchise Fee

On the signing of the franchise agreement, all franchisees pay an initial franchise fee of \$30,000. The initial franchise fee is payable in a lump sum and is uniform for all franchisees.

Veteran Discount

If you are an honorably discharged veteran of the United States military, we offer a discount of \$5,000 off the initial franchise fee. Veteran ID cards, a DD-214, and other documentation will be required to provide proof of honorable discharged status.

Deposit Agreement

You may sign a deposit agreement (see Exhibit “G”) to reserve your franchise for up to 90 days. The non-refundable deposit fee is \$3,000 for a standard franchise that is applied to the initial franchise fee if you purchase a franchise. This option is available only after you have had this disclosure document for at least 14 calendar days or 10 business days as applicable.

Additional Franchise Purchases

If you purchase additional franchises before the end of your third year, the initial franchise fee for each additional franchise purchase will be reduced to \$25,000. You must sign the then-current franchise agreement for each additional franchise purchase. The option will only be available to you if there are franchise markets available, you meet our then-current criteria for new franchisees, you are current and not in default of your franchise agreement, and, in our sole discretion, we determine to sell you another franchise.

Initial Training

There is no fee for your first attendee to attend the initial training. We will permit one additional person to attend training for a fee of \$500. This fee is due in a lump sum prior to the additional trainee attending the initial training.

Launch Team Support

You must pay us a launch team support fee of \$10,000. This fee is to help cover the costs of your launch team that will assist you in launching your market for 90 days. The launch team will assist in designing your landing page and marketing materials, they will help you develop your initial email and marketing campaigns, and they will help you advertise and hold at least one web event in your market.

Uniformity and Refunds

These costs and fees are uniform and are non-refundable for all franchisees.

ITEM 6 OTHER FEES

TYPE OF FEE	AMOUNT	DUE DATE	REMARKS
Brand Development Fund Fee ¹	Currently not assessed 3% of each client's contract price, if established	See Note 1.	Currently, no brand development fund has been established. However, if implemented, the brand development fund may be used by us for one or more national or regional marketing and brand development programs, as we choose. We can instruct our affiliate to deduct and pay us this amount from your commissions.
Support Team Fee ¹	\$2,600 per month (subject to an annual 5% increase) The monthly fee is \$1,300 for your Growthbacker and \$1,300 for your Careerbacker.	See Note 1.	This fee is payable to Cyberbacker, Inc. for your dedicated Growthbacker and Careerbacker, and you will need to sign a separate monthly service agreement for each of your support team members. You are allowed to share the support and cost for your Careerbacker with one other franchisee. The split would be 50/50. You may also decide to add additional support team members for which additional costs would apply. Your

			Growthbacker would assist you to hire that additional support team member. However, you may be required to retain your own Careerbacker when the Careerbacker being shared exceeds 8 parings per week, including replacements for existing clients.
Technology Suite Fee ^{1,3}	\$90 per month, per account	See Note 1.	This fee is for use of our designated technology suite and will be updated periodically in our manuals to account for increased costs and new technologies, if applicable.
Market Default Fee ¹	\$800/mo. for each client contract below the number of required minimum client contracts, not to exceed 75% of your monthly commission	See Note 1.	See Note 2.
Late Charges ^{1,3}	\$25 per day	See Note 1.	Charges begin to accrue after the due date of any required payment or report. You will be charged \$25 per day for each late fee or report (up to \$500 per late fee).
Non-Sufficient Fund Fees ^{1,3}	\$50 per insufficient draft or the maximum amount allowed by applicable state law, whichever is less	See Note 1.	
Interest on Late Fees and Reports ¹	18% interest or maximum rate permitted by state law	See Note 1.	Interest begins to accrue on the total amount (fee plus any late charge) after the due date of any required payment or report.
Audit Charge ¹	Cost of audit	On billing	Payable only if an audit shows an understatement of 2% or more of gross sales or records are unavailable or unorganized.
System Non-Compliance Fines and Charges ^{1,3,6}	Currently ranging between \$100 and \$1,000	As incurred	See Note 7.

Replacement Training ^{1,3}	\$750 per person	See Note 1.	Any new operating principal or support team members must complete the initial training program before taking over as operating principal or assuming a position on your support team.
Additional Training or Assistance ^{1,3}	\$100 per hour	See Note 1.	All training and assistance is provided via video conferencing.
Insurance Reimbursement Fee ¹	Reimbursement of premium amount, plus 10%	See Note 1.	You are required to hold and maintain your own insurance, but in the event you fail to do so, we have the right to obtain insurance on your behalf and you are required to reimburse us the premium payments, plus an administration fee of 10% of the premium costs.
Conference or Seminar Fee ^{1,3}	\$500 to \$1,000 per person	At time of registering for the conference or seminar	You will also be required to pay all travel, lodging, food, and other expenses for each of your attendees. Your operating principal must attend annual conferences, if held by us.
Interim Management Fee ¹	50% of the fees payable to you	Time of service	Payable if we elect to operate your business during your unapproved closing, unapproved absence, incapacity, death, or if you have been given a notice of default and failed to cure. You must also pay the travel, lodging, food and other expenses for our representative(s) and other expenses that may be incurred by us to perform such services, plus other applicable fees. The interim management period will not last more than 6 months unless otherwise agreed between us.
Supplier Evaluation Fee ^{1,3}	\$25, plus actual expenses of evaluation, at cost	See Note 1.	Payable if you want to have unapproved suppliers evaluated for our approval.

Customized Marketing Materials ¹	Per project cost or negotiated hourly rate between \$100 and \$150 per hour	Time of ordering or delivery	We will provide you with certain marketing materials. However, there will be additional costs if you would like us or an affiliate to assist you to create customized marketing materials.
Fees on Default ^{1,5}	Our costs associated with your default	On demand, as incurred	Paid in addition to other payments to us
Post-Termination Fees ¹	Actual costs	As incurred	You will be responsible to pay us any post-termination expenses, including, attorney's fees and costs to enforce your post-term obligations.
Franchise Agreement Transfer Fee ¹	\$5,000	At time of approved transfer	Payable when you sell your franchise and prior to our signing any approval or new agreement.
Minority Interest Transfers	Our legal fees and administrative costs related to the transfer	On demand	Applies to transfers of up to 40% of your franchisee entity—cumulative during the term of the franchise agreement
Transfer Training Fee ^{1,3}	\$500, or our then-current fee for additional persons at initial training	At time of approved transfer	The transferee must pay this initial training fee to have us train the transferee.
Indemnification ^{1,5}	Varies	As incurred or on demand	
Non-Compete Violations ^{1,4}	Varies	Upon demand	See Note 4.
Dispute Resolution Fees ¹	Varies	As incurred or on demand	You are required to pay half of the mediation or arbitration fees. Additionally, the prevailing party will be entitled to reimbursement of its legal fees and expenses.

Notes

¹ Fees. Fees payable by you to us will be deducted from commissions and other amounts payable to you on the 15th day of each month. If the amount payable to us exceeds the amount payable to you, the amount owing to us will be payable upon demand. We also have the right to carry over a balance owing to us to be applied to future amounts payable to you. We have the right to require you to establish a bank sweep, draft, or other similar type of electronic funds transfer (“EFT”) account which account we may automatically access for any payment due us. You must pay all service charges and fees charged to you by your bank so that we may electronically debit your bank account. You cannot close or terminate any EFT account without receiving our prior written consent. Cyberbacker, Inc. may withhold payments due to it or us from commissions payable to you.

Except as shown in the remarks column, all fees are uniformly imposed and payable to us. All fees payable to us or an affiliate are non-refundable. You should verify with third-party payees whether such payments, deposits, or fees are refundable or not.

² Failure to Achieve Target Metrics. You must achieve a minimum of 50 client contracts per year in your market, and this fee is due if you fail to achieve and/or maintain your target metrics in your market. For example, if you had only achieved 45 client contracts by the end of your first year, you would be required to pay a monthly fee of \$4,000 (5 x \$800 = \$4,000) or 75% of your monthly commissions, whichever is less. This fee will continue so long as you do not achieve your target metrics, but it will be readjusted for every new contract you sell until you reach the target metrics. This fee is payable because our affiliate maintains a certain number of hired and trained cyberbackers sufficient to support franchisee's customers if a franchisee were to achieve its target metrics, and this fee is meant to help cover those costs.

³ Fee Increases. We may increase these fees by up to 25% per year during the term of the franchise agreement to adjust to increased costs. Costs charged by third parties are subject to change at any time and do not have an annual cap.

⁴ Damages for Breach of Non-Competition. If you continue to operate your franchise business, or any compete with us after the franchise agreement is terminated, transferred, or expires, our damages will include all your profits from the competing business during your period of competition, or all payments we or our affiliate would have received from you if your business was a franchise business, whichever is greater. This is not our only remedy and does not represent a price for the privilege to compete.

⁵ Indemnification. You must indemnify us from damages related to your franchise business generally, including any allegation that you are our employee, or that we are a joint employer or otherwise responsible for the acts or omissions relating to your employees. You are not required to indemnify us for liability caused by our willful misconduct or gross negligence.

⁶ System Non-Compliance Fines & Charges. As an alternative to putting you in default, we have the option to issue you a fine for certain violations of the franchise agreement and or manuals. The amount of the fine and the timetable to correct the violation will be set forth in the manuals. If you do not correct the violation in a timely manner, we have the right to put you in default. All fines are to be paid in accordance with our electronic funds transfer or automatic withdraw program.

ITEM 7 ESTIMATED INITIAL INVESTMENT

YOUR ESTIMATED INITIAL INVESTMENT

TYPE OF EXPENDITURE	AMOUNT	METHOD OF PAYMENT	WHEN DUE	TO WHOM PAYMENT IS TO BE MADE
Initial franchise fee ¹	\$30,000	Lump sum	At signing	Us
Initial training ²	\$0 - \$500	Lump sum	As incurred	Us
Support team costs ³ (first 3 months)	\$5,850 - \$7,800	Lump sum	At signing	Our affiliate
Launch team support fee ⁴	\$10,000	Lump sum	At signing	Us

Computer and smartphone ⁵	\$0 - \$2,500	As incurred	As negotiated	Suppliers and Us
Business Coach ⁶ - first 3 months	\$3,000 - \$4,500	As incurred	As incurred	Business coach
Construction/leasehold improvements ⁷	\$0 - \$10,000	As incurred	As negotiated	Suppliers
Adapting your office to our general specifications ⁸	\$0 - \$2,500	As incurred	As negotiated	Suppliers
Rent (3 months of rent, plus a security deposit) ⁹	\$0 - \$4,000	As incurred	As negotiated	Suppliers
Misc. opening costs ¹⁰	\$1,000 - \$6,000	As negotiated	As negotiated	Suppliers, government departments, accountants, employees, etc.
Additional funds – 3 months ¹¹	\$2,000 - \$7,000	As negotiated	As negotiated	Suppliers, travel costs, etc.
TOTAL¹²	\$51,850 - \$84,800			

Notes

¹ **Initial Franchise Fee.** The initial franchise fee is non-refundable, and we do not finance any portion of the fee.

² **Initial Training.** Training is provided online. We do not anticipate that it will cost you anything to attend the online training. You may choose to have one additional person attend your training. The cost is \$500 for the additional trainee. This fee is non-refundable and paid prior to training. This additional trainee must sign a confidentiality agreement prior to training.

³ **Support Team Costs.** All franchisees must sign separate services agreements for their dedicated Growthbacker and Careerbacker. The cost is \$2,600 per month; \$1,300 per month for your Growthbacker and \$1,300 per month for your Careerbacker. You are allowed to share the cost and support for your Careerbacker with one other franchisee, and the cost would be split 50/50.

⁴ **Launch Team Support Fee.** This fee is to help cover the costs of your launch team that will assist you in launching your market for 90 days. The launch team will assist in designing your landing page and marketing materials, they will help you develop your initial email and marketing campaigns, and they will help you advertise and hold at least one web event in your market.

⁵ **Computer, Internet, and Technology Suite.** You will need a computer that has email and video conferencing capabilities with a high-resolution video camera and speaker system and that is compatible with our computer systems and required software. Your computer and phone must not be more than 3 years old, and you must replace your computer and phone as soon as it is 3 years old. You will also need a high-speed internet and a reliable backup internet connection. This estimate also includes the technology fees for the first 3 months of operations.

⁶ **Business Coach.** All franchisees must hire a business coach approved by us to provide you with weekly business coaching and accountability for at least the first year of operations. We estimate the cost for this service to be approximately \$1,000 to \$1,500 per month. We can require you to continue to hire a business coach after the first 12 months if we reasonably believe you need to maintain a business coach.

⁷ Construction/Leasehold Improvements. We do not anticipate that you will be required to buildout a commercial space for your office. Our franchisees general operate from a home office or an existing office space. However, if you do buildout space, the buildout must conform to our general specifications.

⁸ Adapting Your Office to Our General Specifications. Most of our franchisees utilize our designated virtual backgrounds during video conferencing with clients and do not need to adapt their offices to our general specifications. However, if you choose not to have a virtual background, then your office and décor must meet our general specifications.

⁹ Rent. Many of our franchisees operate from a home office or an existing office, so they do not pay additional rent to operate their franchise business. However, if you do need to rent a commercial space, we anticipate that you will need 200 to 400 square feet, and that your monthly rent would be \$500 to \$1,000 per month. Our estimate includes 3 months of rent and a security deposit.

¹⁰ Miscellaneous Opening Costs. These miscellaneous costs include legal fees, business entity organization expenses, deposits, insurance, and licenses. We strongly recommend that you hire a lawyer, accountant, or other professional to advise you on this franchise offering. Rates for professionals can vary significantly based on locale, area of expertise and experience. These fees are not paid to us, and we do not assist with finding these professionals for you. These fees are paid by you directly to the supplier or professional provider.

¹¹ Additional Funds. This estimates the cost for client acquisition and other expenses you may incur during the first 3 months of operations. We relied upon the experience of our principals to compile these estimates.

¹² Total. These figures are estimates for the development of a single franchise market, and we cannot guarantee that you will not have additional expenses starting your franchise business. You should review these figures in Item 7 carefully with a business advisor before making any decision to purchase the franchise. All purchase agreements or leases must be negotiated with suppliers. For any items purchased from us or an affiliate, we require immediate payment. We do not offer direct or indirect financing for any item. All fees and payments payable to us or an affiliate are non-refundable. You should verify with any third-party payee whether such payments, deposits, or fees are refundable or not.

ITEM 8

RESTRICTIONS ON SOURCES OF PRODUCTS AND SERVICES

Approved Suppliers, Proprietary Products and Required Purchases

You must operate your franchise business according to our system as outlined in the franchise agreement and the manuals, including purchasing, or leasing certain items or services according to our specifications, or from approved suppliers, that could be us or our affiliates. You may not deviate from these specifications without our prior written consent.

You must purchase or lease the following products and services from us, other sources designated or approved by us, or according to our specifications as set forth in the manuals:

Item or Service	Is the franchisor or an affiliate an approved supplier of this Item?	Is the franchisor or an affiliate the only approved supplier of this Item?
Support Team	Yes	Yes

Email, Phone, and Video Conferencing Subscriptions and Software	Yes	Yes
Computer	No	No
Insurance	No	No
Cyber Assistants and Cyberbackers	Yes	Yes
Billing and Client Contract Fulfillment	Yes	Yes
Client Contracts	Yes	Yes
Client Waivers	Yes	Yes

We may also require you to purchase advertising materials from us or approved suppliers. We reserve the right for us or an affiliate to be an approved supplier or the only approved supplier of any of the items listed in the above table. Additionally, we reserve the right to require that all items used in the operation of your business be purchased from us or other sources designated or approved by us.

Insurance

You must purchase and maintain insurance on your franchise business as directed by us from a company rated “A-” or better by A.M. Best & Company, Inc.

Type of Insurance	Minimum Required Amount(s)
Errors & Omissions	\$1,000,000 covering each person in your franchise business
Data Breach & Cyber Security Breach Insurance	\$1,000,000 per occurrence and \$2,000,000 aggregate
Government Required Insurances	You must maintain and keep in force all worker’s compensation and employment insurance on your employees that is required under all federal and state laws.

These policies (excluding worker’s compensation) will insure you, us and our officers, directors and nominees as additional insureds against any liability that may accrue by reason of your ownership, maintenance, or operation of the franchise business. These policies will stipulate that we will receive a 30-day written notice prior to cancellation, renewal, or termination, and we must receive a 30-day notice of any modifications. Original or duplicate copies of all insurance policies, certificates of insurance, or other proof of insurance acceptable to us must be furnished to us together with proof of payment prior to you beginning operations. Our insurance coverage requirements are only minimums. You need to make an independent determination as to whether increased amounts or additional types of insurance are appropriate.

If you fail to obtain or maintain insurance, we may obtain insurance for you, and you will pay us the premium costs, plus an administration fee of 10% of the premium payment for our time. Otherwise, we do not derive revenue as a result of your purchase of insurance. We may periodically modify or adjust the amounts of coverage required and/or require different additional coverage. We recommend you consult with your insurance agent prior to signing the franchise agreement.

Approved Suppliers

We may enter into contracts with suppliers for items or services purchased by our franchisees. Pursuant to these contracts, you must purchase items or services from the approved suppliers.

All currently approved suppliers and specifications are made available to you before the beginning of operations. We consider our approved suppliers and specifications to be of critical importance to the success of the system. You must receive our prior written approval to deviate in any manner from our specifications. At our discretion, we may revoke our approval from an approved supplier upon 30 days' written notice to you.

Ownership in Approved Suppliers

One of our officers has a direct ownership interest in Cyberbacker, Inc., which is one of our designated suppliers.

Revenue to Us and Our Affiliates from Suppliers

We or our affiliates may derive revenue from the sale of goods and supplies sold directly to you, or we may receive a fee or rebate from approved suppliers based off purchases from our franchisees. In the last fiscal year ending December 31, 2022, we did not collect any money or obtain any revenues from the sale of these products and services to franchisees. However, in the last fiscal year ending December 31, 2022, our affiliate Cyberbacker, Inc. collected \$1,085,000 that was paid by franchisees for the support team costs.

Proportion of Required Purchases and Leases

We estimate that the purchase of products from approved sources will represent 80% to 90% of your overall purchases in opening your franchise business and 85% to 95% of your overall purchases in operating your franchise business.

Non-Approved Suppliers

Except for certain trademark and private label items and designated source items described above, if you desire to use a particular supplier and if that supplier meets the specifications and requirements of our system, at our discretion, we may approve that supplier to become an approved supplier.

You may establish suppliers on the approved list by making an appropriate application to us. The following general criteria is used in considering whether a supplier will be designated as an approved source: the ability of the supplier to make the product to our standards and specifications; a willingness by the supplier to cooperate and work with you and other franchisees; the supplier's production and delivery capabilities; price and quality; reputation of the supplier; quality assurances systems; the financial condition of the supplier; the ability and willingness of the supplier to train on the effective and safe use of the product; and the supplier's professional competence and performance abilities. We will use our best judgment in setting and modifying specifications to maintain quality and integrity of the franchise system.

If you desire to purchase any of the items listed in this Item 8 from an unapproved supplier, you will submit to us a written request for this approval or request the supplier itself to do so. We may require you to submit sufficient information and data to permit us to ascertain whether a supplier meets our specifications. Before beginning our evaluation, you must pay a supplier evaluation fee of \$25. You will also be responsible for covering our costs associated with the evaluation. The evaluation fee and other costs are not refundable.

regardless of whether or not we approve of a supplier. We will notify you in writing, within 2 weeks of completing our evaluation as to whether the supplier has been approved or disapproved. We may make changes or alterations in the standards and specifications for approving suppliers. At our discretion, we may revoke our approval of an approved supplier upon 30 days' written notice to you.

Standards and Specifications

We may issue new specifications and standards for any aspect of our brand system, or modify existing specifications and standards, at any time by revising our manuals and/or issuing new written directives (that may be communicated to you by any method we choose).

Other than as stated above, there is no obligation for you, under the terms of the franchise agreement, to purchase or lease any goods or services regarding the establishment or operation of the franchise business from approved sources.

Negotiated Arrangements

Additionally, at this time there are no purchasing or distribution cooperatives. However, we currently negotiate purchase arrangements with suppliers, including price and terms for the benefit of franchisees.

Benefits Provided to You for Purchases

We do not provide material benefits to franchisees based on the franchisee's purchase of particular products or services or use of particular suppliers (e.g., grant renewals or additional franchises to franchisee's based on purchases).

ITEM 9 FRANCHISEE'S OBLIGATIONS

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

	OBLIGATION	SECTION IN AGREEMENT	DISCLOSURE DOCUMENT ITEM
a.	Site selection and acquisition/lease	Section 4.1	Item 11
b.	Pre-opening purchases/leases	Paragraphs 6.1.7, 6.1.9 and 6.1.13	Item 8
c.	Site development and other pre-opening requirements	Section 4.2	Items 7 and 11
d.	Initial and ongoing training	Paragraph 6.1.3 and section 7.4	Item 11
e.	Opening	Section 4.3	Item 11
f.	Fees	Article V	Items 5, 6 and 7
g.	Compliance with standards and policies/operating manual	Section 6.2.2 and article IX	Items 8 and 11
h.	Trademarks and proprietary information	Article III	Items 13 and 14
i.	Restrictions on products/services offered	Article VIII	Item 8 and 16

j.	Warranty and customer service requirements	Paragraph 6.1.2 and section 8.4	Item 11
k.	Territorial development and sales quotas	Paragraphs 1.1.2 and 1.1.3	Item 12
l.	Ongoing product/service purchases	Article VIII	Item 8
m.	Maintenance, appearance and remodeling requirements	Section 4.2 and Paragraphs 6.1.2 and 6.2.2(iv)	Item 11
n.	Insurance	Paragraph 6.1.7	Item 8
o.	Advertising	Article X	Items 6, 7 and 11
p.	Indemnification	Section 15.2	Item 6
q.	Owner's participation/management/staffing	Paragraphs 6.1.5 and 6.1.6	Items 11 and 15
r.	Records and reports	Sections 5.4, 7.7. and Paragraph 6.1.9(i)	Item 6
s.	Inspections and audits	Sections 7.7 and Paragraphs 5.4.2 and 6.2.2(v)	Items 6 and 11
t.	Transfer	Article XIV	Item 17
u.	Renewal	Section 2.2	Item 17
v.	Post-termination obligations	Section 12.1 and 12.3	Item 17
w.	Non-competition covenants	Article XVI	Items 14, 15 and 17
x.	Dispute resolution	Article XVII	Item 17
y.	Compliance with government regulations	Paragraph 6.1.1	Item 12
z.	Guarantee of franchisee obligations	Not applicable	Item 10

ITEM 10 FINANCING

We do not offer direct or indirect financing. We do not guarantee your note, lease or obligation. However, the following table describes the type of potential financing available to franchisees offered through our affiliate Cyber Capital, L.L.C. A copy of the loan documents is included in Exhibit "I" to this disclosure document.

Financing	
Identity of Lender	Cyber Capital, L.L.C.
Relationship of Lender to Cyberbacker International, Inc.	Affiliate
Amount of Financing Offered	Up to \$75,000 and not to exceed 75% of the initial fees for the franchise
What the Financing Covers	Initial franchise fee, support team fees, marketing, initial and ongoing expenses, etc.
Term of Financing	6 to 24 months
Number of Payments	6 to 24 monthly payments
Nature of Security Interest	Promissory note and personal guaranty
Potential Interest Rate Range	Prime rate plus 3.25% on loans up to \$50,000; and Prime rate plus 2.25% on loans over \$50,000

Method for Determining the Payment	Principal amount, plus interest, based on the amortization schedule of 6 to 24 months
Finance Charges	None
Late Fees	\$50 per late payment made
Payment Due Date	10 th of the month
Debt Prepayment Penalty/Fees	None
Security on the Loan	Security interest in commissions earned by the borrower from Cyberbacker International, Inc. and/or Cyberbacker, Inc. and personal guarantees
Loan Guarantor	Each individual owner of the franchise
Liability Upon Default	Accelerated obligation to pay the entire amount due/obligations to pay court costs and attorney's fees incurred in collecting the debt, and foreclosure of security interest.
Does the lender require you to waive defenses or legal rights?	Yes. Borrower must waive presentment for payment, demand, protest, and further notice of dishonor of any kind.
Will the loan be sold or assigned to a different third party?	No
Will Cyberbacker International, Inc. receive any consideration from the lender for loans made to franchisees?	No

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

Except as listed below, Cyberbacker International, Inc. is not required to provide you with any assistance.

Before you open your franchise business, we and/or our affiliate will:

1) Approve your industry-specific market. You must choose a specific market in a specific industry in which to target for client contracts. For example, your industry-specific market could be all accountants and bookkeepers within Orange County, California. We will verify the demographics of the proposed market, and if available and approved, your target metrics would be based on that market [franchise agreement section 1.1].

2) We do not assist in locating a site for your office; that is your responsibility. We allow you to operate from a home office rather than lease a commercial space. However, we must approve of your office. Office location approval or disapproval should be completed by us within 15 days after you have notified us that you have selected a prospective office location. Factors affecting our approval of your office include the professional look and feel to the background for your video conferencing, whether your office is well-organized, free from unnecessary distractions, clutter, and whether it otherwise conforms to our brand image. We do not typically own and lease properties to you. Your office generally will not be open to the

public, but your office location must still comply with local, state, and federal laws, rules, and ordinances for operating a business [franchise agreement sections 4.1 and 4.2].

3) Make available general written specifications for those items listed in Item 8 and provide you with a list of specifications for approved products, equipment, supplies and materials. For purchase, delivery and installation, you are required to work directly with the manufacturer or supplier of these items. We do not offer assistance in delivery or installation of any equipment or software, but we will assist with setting you up with those items purchased or contracted for directly with us or an affiliate [franchise agreement section 7.2, 8.4 and Paragraph 8.1.1].

4) Provide you with the names of approved suppliers [franchise agreement section 7.2].

5) We do not provide you with a preliminary design plans for your office. You must adapt your office to our general specifications at your own expense, in accordance with local, state and federal laws, rules and ordinances. You are responsible for obtaining any required permits, if necessary. We do not provide assistance in the construction, remodeling, or decorating of your office [franchise agreement paragraph 4.1].

6) Provide electronic access to our confidential manuals containing mandatory policies, operating procedures, and other information. This includes our online forum and suite of Google Docs. The manuals are confidential, will remain our property, and may be used by you only in association with the Cyberbacker® franchise business and only during the term of the franchise agreement. You must keep the contents of the manuals confidential. Our operations manual is approximately 32 pages. The table of contents of the operations manual is included as Exhibit “F” to this disclosure document [franchise agreement article IX and section 3.2].

7) Provide you with your support team through our affiliate Cyberbacker, Inc. Your support team will consist of a dedicated Growthbacker and Careerbacker. You are required to select your Growthbacker and Careerbacker within 45 days of signing the franchise agreement [franchise agreement paragraphs 5.3.1, 5.3.2 and section 10.1].

8) Provide you with a mentor that will provide you with ongoing support with your operations, business management, lead generation, marketing, etc. [franchise agreement section 7.5].

Estimated Length of Time Before Operation

It is estimated that the length of time between the signing of the franchise agreement with the accompanying payment of the initial franchise fee and the opening of your franchise business is 2 to 4 weeks. Factors affecting this length of time usually include completing training, local ordinance compliance, business licensing, etc. Failure to meet these deadlines for any reason, including our disapproval of a proposed office location, may result in a termination of the franchise agreement without a refund [franchise agreement article IV].

Lease, Construction and Commencing Operations

You will have 30 days to have a site approved for your franchise business. If you lease commercial space, a lease must be in place within 60 days from the date of the franchise agreement. You are not required to have the landlord consent to an assignment of the lease before the lease agreement is signed, and we do not own and lease space to our franchisees.

If construction for your office is required, construction must be started within 60 days from the date of the franchise agreement and be completed within 120 days from the date of the franchise agreement. You are required to begin operations within 5 days after construction is complete [franchise agreement section 4.2].

You must give us at least 10 days prior written notice before commencing operations [franchise agreement section 4.3].

Although we anticipate that you will have a general idea of the industry specific market and office space picked out prior to signing the franchise agreement, if you fail to meet these deadlines, or fail find an approved site, or fail get your industry specific market approved, then we may terminate the franchise agreement without a refund. Nonetheless, if you can show a good faith effort to meet these deadlines, we may agree to extend a specific deadline at our discretion [franchise agreement section 4.6].

During the operation of your franchise business, we and/or our affiliate will:

- 1) Provide fulfillment of your customer contracts through Cyberbacker, Inc. Cyberbacker, Inc. will enter into the agreement with the client and provide the client with the Cyberbacker(s) based on the client's needs [franchise agreement section 7.1].
- 2) Handle billing matters with client contracts that you sell and oversee [franchise agreement section 7.1].
- 3) Replace support team members if a support team member quits or is terminated (by you or Cyberbacker, Inc.) [franchise agreement section 7.1].
- 4) Approve of your business coach. You must hire a business coach approved by us to provide you with weekly business coaching and accountability for at least the first year of your franchise. We can require you to continue to hire a business coach after the first 12 months if we reasonably believe you need to maintain a business coach [franchise agreement paragraph 6.1.12].
- 5) Provide you with updates to the manuals. We have the right to modify the manuals to reflect changes in the system including the development of products or services. The modifications may obligate you to invest additional capital in your franchise business and to incur higher operating costs. You must incorporate all such modifications within the time periods that we specify. Other than modifications due to health or governmental mandates or guidelines, or public concerns, we will not obligate you to invest additional capital at a time when the investment cannot in our reasonable judgment be amortized during the remaining term of the franchise agreement [franchise agreement paragraph 6.2.2(iv)]. The master copy of the manuals maintained by us will be controlling in the event of a dispute relative to the contents of the manuals. You may not copy any part of the manuals, either physically or electronically [franchise agreement article IX].
- 6) At your reasonable request or at our discretion, assist you via video conferencing [franchise agreement section 7.2].
- 7) Provide you with a technology suite that includes one email account, one phone number, and a video conferencing platform. If we provide you with an email account/address, we have the right to access your email account. Additional accounts may be purchased for a fee of \$90 per month, subject to increase by the provider. We have the right to access any email account provided to you. The email address we provide you must be used in all correspondence and communications involving your franchise business.

You are not allowed to use a non-approved email for business purposes involving the franchise business [franchise agreement section 7.3 and paragraph 6.2.2(i)].

8) Provide you with a mentor. You will be assigned a mentor that will provide you with ongoing support with your operations, business management, lead generation, marketing, etc. This mentor will likely be another Cyberbacker® franchisee, who has purchased a general and non-industry-specific market in your area (we no longer offer that type of franchise), or it will be someone from our corporate team. Your mentor may also be assigned to provide similar ongoing support to other franchisees in your area but who are in a different industry-specific market than yours. You will be required to have a minimum of one 30-minute phone or video conference meeting with your mentor each week [franchise agreement section 7.5].

Optional Assistance:

9) Hold conferences to discuss improvements, new developments, mutual concerns and business issues. If a conference is held, attendance is mandatory. We may charge a conference fee, and you may be required to pay all your travel and living expenses. We may also conduct additional seminars, which may be through online webinars, live video conferencing, phone conference or in person, to discuss improvements, new developments, mutual concerns, business issues, sales, marketing, personnel training, bookkeeping, accounting, inventory control and performance standards. We may charge a seminar fee, and you may be required to pay all your travel and living expenses [franchise agreement paragraph 6.1.10].

10) Provide you with such continuing assistance in the operation of the franchise business as we deem advisable [franchise agreement section 7.8].

11) To the degree permitted by law, we or our affiliate may specify the contract price for the client contracts, and we may suggest retail price, specify maximum and minimum pricing above and below which you will not sell any goods or services [franchise agreement paragraph 6.1.8]. You must honor and participate in all coupons, price reductions, membership subscriptions, and other programs established by us or our affiliate. You are not allowed to implement any sort of loyalty, coupon, membership, gift card or subscription model without our prior written permission [franchise agreement section 6.2.2(ii)].

12) At Your expense, require you to modernize your franchise business from time to time as we may reasonably direct, including requiring you to invest in new or updated equipment and technology [franchise agreement paragraph 6.2.2(iv)].

Warranty Items

For items purchased through third parties, you must work directly with your supplier or manufacturer of such items regarding warranties, defective products, training, and support [franchise agreement section 8.4].

Employment Matters

You must enter into a service agreement with Cyberbacker, Inc. for your support team that consists of a dedicated Growthbacker and a Careerbacker, and you will be charged a monthly fee. You will be able to replace your Growthbacker and/or Careerbacker if either one quits, or you or Cyberbacker, Inc. terminates them. We do not anticipate that you will need additional employees or contracted support to operate your franchise business, but you may decide to add and pay for additional members to your support team [franchise agreement section 7.1].

Advertising and Promotion

We will provide certain marketing materials to you. However, there will be additional costs if you would like us or an affiliate to assist you to create customized marketing materials charged at a rate of between \$100 and \$150 per hour [franchise agreement sections 10.2].

You may develop advertising and marketing materials for your use, at your cost, but all advertising and marketing material developed or used by you must have our prior written approval. Any advertising or marketing you create becomes our property and will be considered a “work-made-for-hires” that can be used by us and other franchisees. If you do not receive written approval or disapproval within 15 days of the date we received your submission of advertising materials, the materials submitted are deemed disapproved. We can revoke our approval of any marketing materials at any time in our sole discretion [franchise agreement sections 3.5 and 10.3].

Advertising Fund

Although under the terms of the franchise agreement we are not obligated to conduct advertising for the franchise system, or to spend any amount on advertising in your territory, we may maintain and administer a national advertising, marketing, and development fund (referred to as the brand development fund) for local, regional, or national marketing or public relations program as we, in our sole discretion, may deem necessary or appropriate to advertise and promote the franchise system. We may utilize the brand development fund to develop and test various media and technologies for potential utilization and/or improvement of the system and marketing of the system.

We currently do not have the brand development fund in place. However, if implemented, you will be required to contribute 3% of the monthly client contract price on all client contracts that you sell and oversee each month. We reserve the right to deduct this amount from your commissions. We and our affiliates do not contribute to this fund. All franchisees are required to contribute to this fund, and we do not have any franchise businesses that do not contribute to the fund [franchise agreement paragraph 5.3.1 and section 10.1].

We are responsible for administering the brand development fund, but we are not a fiduciary or trustee of the brand development fund. We will direct all uses of the brand development fund, with sole discretion over: 1) the creative concepts, materials, endorsements and media used (that may include television, Internet, radio, print, and other media and marketing formats as developed over time, as funds permit); 2) the source of the marketing or public relation efforts (that may be in-house or through an outside agency located locally, regionally or nationally); 3) the placement and allocation of these programs (that be local or regional); and 4) the composition of all geographic territories and market areas for the development and implementation of these programs [franchise agreement section 10.1].

We may use the brand development fund to offset a portion of direct costs to manage and maintain the fund, including the payment of staff salaries and other expenses for those employees who may be involved in the brand development fund [franchise agreement paragraph 10.1.2].

We are not required to spend any amount on marketing directly in or for your market. We do not guarantee that marketing from the brand development fund will benefit you or any other franchisee directly, on a pro rata basis, proportionally, or at all. We are not required to segregate the advertising fund from our general operating funds. We do not use marketing funds to solicit new franchisees [franchise agreement paragraph 10.1.2].

Any unused marketing funds in any calendar year will be applied to the following year's fund. The brand development fund is unaudited. You send us a written request to receive an unaudited annual report of marketing expenditures by making a written request to us not more than once each calendar year within 90 days of the end of our fiscal year. Because we are a new franchise, we do not have an accounting of the use of marketing funds in our prior fiscal year [franchise agreement paragraph 10.1.2].

Advertising Expenditures in the Last Fiscal Year

During the 2022 fiscal year, we did not collect any marketing funds.

Advertising Council

No franchisee advertising council is anticipated at this time.

Advertising Cooperative

You are not required to participate in a local or regional advertising cooperative.

Marketing Plan

You are required to submit to us a marketing plan for your first year at least 30 days prior to you beginning operations. We must review and approve this marketing plan. You must submit an updated marketing plan to us within 30 days of your fiscal year end each year [franchise agreement paragraph 10.3.2].

The Internet

You may not create a website for your franchise business. However, we may allow you to place pre-approved information concerning your franchise business on our website, as developed by us. You cannot engage in marketing on the Internet, including posting for re-sell, items on third party re-sell or auction-style websites such as eBay, Craigslist or Amazon without our prior written permission. You may not claim any web listing on sites such as Yelp. We have the right (but not the obligation) to manage and control all online reviews for your franchise [franchise agreement paragraph 10.4.1].

Social Media

We will own the social media accounts related to the brand, but we will provide you access to the social media account for your location. You cannot change any login/password information without our prior written approval, and you must supply us with all changed/updated login/password information. All social media must strictly comply with our policies and procedures. We can alter, remove, or require that you alter or remove a post. You must sign the Digital and Social Media Authorization for Assignment as part of your franchise agreement. We reserve the right to restrict your use of social media in the future [franchise agreement paragraph 10.4.2].

Computer and Phone

You will need a computer that has email and video conferencing capabilities with a high-resolution video camera and speaker system. Your computer and smartphone must not be more than 3 years old, and you must replace your computer and smartphone as soon as it is 3 years old. We estimate the cost of a smartphone and computer to be \$1,000 to \$2,500. You will also need a high-speed internet and a reliable backup internet connection. We will not have independent access to your computer or smartphone, but we

will have independent access to the backend reports and information uploaded to and generated from our shared documents platform, currently Google Docs/Google Workspace [franchise agreement paragraph 6.1.9].

We may require additional updates and upgrades to your computer and smartphone and software at your expense during the term of the franchise agreement. There are no contractual limitations on our right to do so. We estimate the annual costs to maintain, upgrade and support your computer system to be \$0 to \$150, but you will be responsible for replacing your computer and smartphone every 3 years. We are not required to maintain, repair, update and/or upgrade your computer or smartphone. We have the right to monitor your video conference calls for compliance with our system and standards. You hereby waive your right to privacy on such video conference calls [franchise agreement paragraph 6.1.9].

Point of Sale (POS) System

All client payments will be handled by our affiliate Cyberbacker, Inc., so you do not need to have a point of sale system [franchise agreement section 7.1].

Required Software

We reserve the right to require you to use and pay for various software in the operation of your business, including a designated customer relation management software (CRM), software to comply with the Do Not Call registry, accounting software, etc. [franchise agreement paragraph 6.1.13].

Initial Training

We will provide you with an initial training program. Your operating principal and your support team are required to attend and successfully complete our initial training program. The initial training program is held online and/or through video conferencing. The initial training should take approximately 1 to 2 days to complete. Training is held as needed based upon our availability and as needed. Training must be successfully completed to the franchisor's satisfaction. Successful completion will include completing and passing an assessment of topics covered during the initial training. Successful completion of training must be completed before you may commence operations, and you will not be eligible to receive commissions until you and your support team have completed the initial training. Failure to successfully complete training is a default of the franchise agreement and may result in the termination of your franchise agreement without a refund [franchise agreement section 7.4 and paragraph 6.1.3].

Your "operating principal" is: a) if the franchisee is an individual, that individual; or b) if the franchisee is an entity, an individual that owns at least 20% of the ownership and voting interests in the franchisee entity (unless you obtain our written approval of a lower percentage), has authority over all business decisions related to the franchise business, and has the power to bind the franchise business in all dealings with us. Your operating principal must be located within your market. Your operating principal must be involved with the business as described in Item 15 [franchise agreement article XXI].

The cost of the training is included in the initial franchise fee for the first attendee, and the cost is \$500 for an additional person to be trained. All training is provided online, so we do not anticipate that you will incur any travel and living expenses while your attendees attend the initial training [franchise agreement paragraph 6.1.3].

All attendees to any training must sign a non-disclosure agreement acceptable to us before attending training [franchise agreement paragraph 6.1.3(iii)]. Below is a table listing the subjects taught and the amount of classroom and onsite training provided as part of the initial training.

TRAINING PROGRAM¹

Subject	Hours of Classroom Training	Hours of On – The - Job Training	Location
Obligations and Restrictions of Cyberbackers	1	0	Online/video conference
Capturing Growth Through Growthbackers	1-2	0	Online/video conference
Creating Careers Through the Careerbacker Team	1	0	Online/video conference
Commissions	1	0	Online/video conference
Training and Tracking of a Cyberbacker	1-2	0	Online/video conference
Money Backers	1	0	Online/video conference
Customer Relations	1	0	Online/video conference
Total	7-9	0	

¹ The training program for franchisees may be changed due to updates in materials, methods, manuals, and personnel without notice to you. The subjects and time periods allocated to the subjects actually taught to you and personnel may vary based on the experience of those persons being trained.

The initial training is provided by instructors whose experience is described below and in Item 2 if the trainer is part of management.

Trainers	Subject(s) Taught	Length of Experience in the Field	Length of Experience with the Franchisor	Experience Relevant to Subject(s) Taught and Franchisor's Operations
Jason Stowe	Obligations and Restrictions of Cyberbackers	25+ years	2 years	25+ years working for franchise systems and retail establishments, including Zuka Juice, Costa Vida, and Teriyaki Ultimate Grill
Gabrielle Salazar	Training and Tracking of a Cyberbacker, Training and Tracking of a Cyberbacker	4 years	2 years	VP of Growth within the Cyberbacker and has been the Directory of

				Business Strategy system since 2018
Em Rodriguez	Creating Careers Through the Career Backer Team	4 years	2 years	VP of Career since 2021, Career process flow and roles within the Cyberbacker system
Contessa Rendon	Commissions and Money Backers	8 years	2 years	VP of Moneybackers since 2021
Joan Rose Barloso	Customer Relations	4 years	2 years	VP of Career since 2021, Career Process Flow and Roles within the Cyberbacker System

Materials Provided at the Initial Training

We will provide access to our manuals and resource library to facilitate training.

Replacement Training

Any new operating principal or support team members must complete the initial training program before taking over as operating principal or assuming a position on your support team. Our fee for this additional training is currently \$750 per person [franchise agreement section paragraph 6.1.3(i)].

Additional Trainings

Additional training will be provided through video conferencing for a fee which is currently \$100 per hour [franchise agreement section paragraph 6.1.3(ii)].

At this time, other than listed above, no additional trainings or refresher courses are required.

ITEM 12 TERRITORY

Exclusive Market

Your industry-specific market will be exclusive to you, meaning that neither we, nor other franchisees will be able to sell contracts using the Cyberbacker® trademark to clients in your industry-specific market within your geographic area without awarding those contracts to you.

Non-Exclusive Territory

You will not receive an exclusive territory for your franchise business. You may face competition from other franchisees, from outlets that we own, or from other channels of distribution or competitive brands that we control. This means that if a client is within your geographic area but not in your industry-specific market, we do not have to award that contract to you. For example, if your industry-specific market were for accountants and bookkeepers in Orange County, California, we would have the right to contract with non-accountants and non-bookkeepers in Orange County without awarding those contracts to you. You will likely have other franchisees in your geographic area selling to and servicing clients that are located within your same geographic area but who are targeting clients in different industry-specific markets.

Grant of Your Market

Under the franchise agreement, we will grant you the right to use the system and proprietary marks solely to target an industry-specific market within a certain geographical area. The size and characteristics of your market will be determined prior to signing and are described in the franchise agreement.

Size and Characteristics of Your Market

Your industry-specific market will be determined prior to signing the franchise agreement. For example, your industry-specific market may be all the accountants and bookkeepers in Orange County, California. We will verify the demographics for your industry-specific market, and your target metrics would be based on that market. We will also periodically review the demographics in your industry-specific market, and if there has been an increase or decrease for potential clients in your industry-specific market, your target metrics will be adjusted accordingly. Adjustments to your target metrics would take effect on the subsequent year of your franchise agreement. There is no minimum geographic area that we grant for an industry-specific market, but we do not plan on approving any industry-specific markets with less than 300 potential clients in that market/geographic area.

Target Metrics

You must achieve a minimum of 50 client contracts per year in your market, and you must achieve a minimum of 15% of the market share in your market by the end of the initial term of the franchise agreement to qualify to renew your franchise. For the purposes of tracking your market target metrics, your first year will begin 60 days from the date of this agreement and continue for a full 12 months thereafter. However, we will meet with you each 4th quarter of the calendar year (most likely in November) to discuss your market share goals and then-current conditions of your market, and in certain circumstances, we will lower your target metrics for that upcoming year.

Failure to Achieve Target Metrics

If you fail to achieve and/or maintain your target metrics in your market, then you would be required to pay us a monthly fee equal of \$800/mo. for each client contract below the number of required minimum client contracts, not to exceed 75% of your monthly commission. For example, if your industry-specific market were all 500 accountants and bookkeepers in Orange County, California, but by the end of your first year you had only achieved 45 client contracts, you would be required to pay a monthly fee of \$4,000 (5 x \$800 = \$4,000) or 75% of your monthly commissions, whichever is less. This fee will continue so long as you do not achieve your target metrics, but it will be readjusted for every new contract you sell until you reach the target metrics. This fee is payable because our affiliate maintains a certain number of hired and trained cyberbackers sufficient to support franchisee's customers if a franchisee were to achieve its target metrics, and this fee is meant to help cover those costs.

Market Restrictions

You may contract with clients outside of your market, but client contracts outside of your market will not be counted towards achieving your target metrics. Additionally, your commissions will be reduced to 3% for any client contract for a client that is within another franchisee's market.

Changing Markets

You do not have the automatic right to change markets and we have the right to deny any relocation request. You must obtain our prior written permission if you want to change or adjust your industry-specific market. Approval to make changes to your industry-specific market is based on the then-current criteria used in approving a new franchisee's proposed market. You do not have the right to make changes to your industry-specific market, and we have no obligation to approve any request for a change.

Your Rights to Use Channels of Distribution

You are allowed to market and sell through the following channels: social media, telemarketing, direct marketing, and with our prior approval, co-branding with other brands.

Advertising Within and Outside Your Market

Other franchisees may not solicit clients within your industry-specific market, and you may not solicit potential or actual clients in another franchisee's market.

Options to Acquire Additional Franchises

You do not receive the right or option to acquire additional franchises, and you do not receive a right of first refusal to purchase additional industry-specific markets near your area.

Our Reservation of Rights in Your Market

We and our affiliate reserve the right to market and sell client contracts under the Cyberbacker® marks both within and outside your area using distribution channels, such as websites, social media, telemarketing, direct marketing, apps, national accounts, and co-branding with other brands without paying compensation to you. However, we will award you any contract in your industry-specific market if it is for a client that is located within your geographic area.

Our Previous Activities in Your Market

In the past, we or an affiliate have used websites, social media, telemarketing, direct marketing, national accounts, and co-branding with other brands to sell and distribute products and services throughout the country, which may have included your area.

Competition by Us Under Different Trademarks

Neither we, nor an affiliate operates, franchises or has plans to operate or franchise a business that sells or will sell goods or services similar to those sold in your franchise using a different trademark in your area and within your industry-specific market, but we reserve the right to do so in the future.

ITEM 13 TRADEMARKS

Non-Exclusive Grant of the Trademark

We grant you the non-exclusive right to use certain of our trademarks in the operation of your franchise business. You will not at any time acquire any rights in the trademarks. By trademarks we mean our trade names, trademarks, commercial symbols, service marks and logos.

Agreements Regarding the Trademark

Under a license agreement entered into between Craig Goodliffe and us in 2020, we were granted the right to use and sublicense the trademarks for 50 years. The agreement may be terminated for our default; however, the license agreement specifies that if it is ever terminated, your franchise rights will remain unaffected. The terms and provisions of the license agreement cannot be modified without written authorization from both parties.

Registered Trademarks

All required affidavits and renewals have been filed.

Registration/ Serial Number	Mark	Registry	Registration/ Filing Date	Status
5645795	Cyberbacker (word mark)	Principal	January 1, 2019	Registered
Not applicable	 (composite mark)	Not applicable	Not applicable	Not applicable

Although we have a registered trademark for the name “Cyberbacker,” we do not have a federal registration for our principal trademark logo. Therefore, our trademark logo does not have as many legal benefits and rights as a federally registered trademark. If our right to use the logo trademark is challenged, you may have to change to an alternative trademark logo, which may increase your expenses.

Use of the Trademark

You must use all trademarks in strict compliance with our manuals and the Cyberbacker® system. You must modify or discontinue the use of a trademark at your cost if we modify or discontinue it, and you have no rights to compensation or otherwise under the franchise agreement if we require you to modify or discontinue using a trademark, and you have no rights to compensation or otherwise under the franchise agreement if we require you to modify or discontinue using a trademark. You cannot make application for registration for any of our marks, or for any derivation thereof. You cannot use the name “cyberbacker” as part of your corporate name, but you must use the name cyberbacker as part of an assumed name or dba (“doing business as”) registered with the applicable governmental authority. This use is non-exclusive. You cannot make application for registration or other protection of our marks, names, derivatives or any other trademark used by us.

You may only use the trademarks with the letters “TM” or “SM” or “®” as appropriate. You cannot use any trademark in the sale of any unauthorized product or service. You cannot use any other trademark as

part of your franchise business that is not affiliated with us or approved by us. You must follow all security procedures required by us to maintain the secrecy of proprietary information.

Governmental Determinations Regarding the Trademarks

There are presently no effective determinations by the United States Patent and Trademark Office, Trademark Trial and Appeal Board, the trademark administrator of any state or any court or pending interference, opposition or cancellation proceeding, or pending material litigation involving the trademarks. There are no agreements currently in effect that significantly limit our rights to use or license the use of the trademarks.

Superior Prior Rights and Infringing Uses

We are unaware of any superior rights in, or infringing uses of, the trademarks that could materially affect your use of the trademarks in your market.

Protection Against Infringement

You are obligated to immediately notify us when you learn about an infringement of or challenge to your use of our trademarks. We will have the discretion to take the action we deem appropriate.

We will indemnify you against any legal action by a third party alleging infringement by your use of the trademark, and will reimburse you for all direct damages but not consequential damages (including, but not limited to, loss of revenue and/or profits) for which you are held liable in any proceedings arising out of the use of any trademark pursuant to and in compliance with the franchise agreement, and for all costs reasonably incurred by you in the defense of any claim brought against you or in any proceeding you are named as a party, provided that you have timely notified us of any claim or proceeding and have otherwise complied with the franchise agreement.

You may not contest, directly or indirectly, our right and interest in our trademarks, names or service marks, trade secrets, methods, and procedures that are part of our business. Any goodwill associated with the trademarks or system belongs to us. You may not act contrary to our rights in the marks.

ITEM 14 PATENTS, COPYRIGHTS, AND PROPRIETARY INFORMATION

Patents

You do not receive the right to use an item covered by a patent, and we do not have any pending patent applications with the United States Patent and Trademark Office. We do not own rights to, or licenses in, any patent that is material to the franchise system.

Copyrights

We have not registered our manuals or logos with the United States Copyright Office, but we claim a copyright and consider the information proprietary, and we, or our parent or affiliate, claim protected trade secrets and copyrights in parts of our franchise system.

We claim other copyrights in sales literature and marketing materials that we, or our franchisees, develop for our use and for use by our franchisees, and your use of these materials will be limited to the uses required or allowed by us.

We or an affiliate may develop software or apps. In such cases, we claim copyright protection on all such items.

Proprietary Information

You can only use the proprietary information in our manuals but only in connection with the system. The manuals may not be copied. The manuals must be returned to us or permanently deleted by you upon termination of your franchise agreement. Portions of the “system,” including certain processes, training and support techniques, products, customer lists, etc., are a trade secret or confidential and proprietary to us.

With regards to our proprietary information, the franchise agreement also provides that you will: (a) strictly follow all confidential security procedures required by us, (b) disclose this information to your employees only as needed to market our products and services; (c) not use this information in any other business; (d) exercise the highest degree of diligence to maintain this information as confidential; and (e) promptly notify us if you learn of any unauthorized use of our trade name, trade secrets or proprietary information. Your use of our proprietary information is limited to the uses required or allowed by us.

Agreements Regarding Patents, Copyrights, and Other Intellectual Property

Under a license agreement entered into between Craig Goodliffe and us in 2020, we were granted the right to use and sublicense the applicable Cyberbacker intellectual property for 50 years. The agreement may be terminated for our default; however, the license agreement specifies that if it is ever terminated, your franchise rights will remain unaffected. The terms and provisions of the license agreement cannot be modified without written authorization from both parties.

Protection Against Infringement

We will indemnify you against and to reimburse you for all direct damages, but not consequential damages (including, but not limited to, loss of revenue and/or profits), for which you are held liable in any proceedings arising out of the use of our patents, copyrights, manuals and any other proprietary information used pursuant to and in compliance with the franchise agreement, and for all costs reasonably incurred by you in the defense of any claim brought against you or in any proceeding in which you are named as a party, provided that you have timely notified us of any claim or proceeding and have otherwise complied with the franchise agreement.

Additionally, you must notify us if you discover that a cyberbacker, cyber assistant, or any member of your support team is competing against us or has plans to do so.

Superior Prior Rights and Infringing Uses

We are unaware of any superior rights in, or infringing uses of, the copyrights or patents that could materially affect your use of the copyrights or patents in your market.

ITEM 15

OBLIGATION TO PARTICIPATE IN THE ACTUAL OPERATION OF THE FRANCHISE BUSINESS

Participation and “On Premise” Supervision

Your operating principal must personally participate in the direct operation and supervision of the franchise business. Your operating principal is not required to work a certain or minimum number of hours but must work sufficient hours to operate your franchise and supervise your support team so that your franchise business is operating at maximum capacity and efficiency.

Your operating principal will primarily be tasked with teaching business-to-business (B2B) classes and/or mastermind courses and with managing client relations and overseeing and coordinating with your support team. At a minimum, your operating principal must: (i) attend and complete all training and retraining courses required by us; (ii) attend weekly phone meetings and monthly mastermind meeting as well as any annual or special meetings of franchisees called by us; (iii) be directly involved in all personnel decisions affecting the franchise business (this includes hiring and training your Growthbacker and Careerbacker); (iv) be involved in education training with potential clients on working with virtual assistants; and (v) be trained on all applicable software and operating systems and procedures in the franchise business.

Who Must Attend and Successfully Complete Initial Training

Your operating principal and support team must attend and successfully complete our initial training program.

Restrictions on the Supervisor

We require you to work with your support team to handle certain tasks and operations of the franchise business. Your support team will consist of a dedicated Growthbacker and a Careerbacker. Below is a description of the general job duties of your support team:

Growthbacker

- Meets frequently with you at least once per week to strategize on how to move leads through pipeline
- Acquires prospects through sourced leads placed on Cyberbacker’s designated data tracker
- Nurtures leads until appointment is set
- Conducts business evaluation calls with clients virtually via Cyberbacker’s designated video conferencing platform
- Implements follow-up system until service agreement is signed
- Creates sheets for clients based on data gathered
- Collects past due payments if client is unresponsive to the billing team
- Manages a repository of trackers and files
- Builds positive relationships with clients, growth members, cyberbackers, and other admin personnel
- Regularly touches base with clients and checks performance reviews
- Assists with conflicts between clients and cyberbackers
- Negotiates with clients to renew contracts and retain business
- Attends coaching sessions to ensure quality performance and key performance indicators are met
- Participates in script practices and sales trainings

Careerbacker

- Attends introduction calls with newly signed clients
- Validates if the sheets are manageable for the candidate
- Profiles candidates that match the sheets
- Prepares candidate folders to be sent to the client before the interview is scheduled
- Sends profiles of the candidates to clients
- Prepares candidates for the interview with the client
- Facilitates interviews with clients
- Prepares endorsement of the chosen cyberbacker for training
- Follows up with clients that are still waiting for pairing
- Answers calls and emails from clients asking about updates on their partner cyberbacker
- Coordinates with the Headbacker if the client has concerns about their partnered cyberbacker
- Makes sure to log any adjustments that may affect the client's bill and cyberbacker service fee

Additionally, fulfillment of the contracts and the day-to-day assistance to the client will be performed by the Cyberbacker assigned to that client. You may not hire or engage another person or company to provide outsourcing services to a client. All outsourcing services must be fulfilled by a Cyberbacker.

Your support team members are not required to take an ownership interest in your company, but the support team will earn a commission from Cyberbacker, Inc. as set forth in Item 1, and you will be responsible for the costs of the support team as set forth in Item 5 and 6.

No Competing Enterprises

Neither you, your operating principal, nor your management employees can have an interest in or business relationship with any competing business during the term of the franchise agreement and must keep free from activities that would be detrimental to or interfere with the operation of your franchise business or detrimental to the franchise system. You, your partners, directors, members, shareholders, operating principal, and employees must sign our standard brand protection agreement agreeing to protect and keep confidential our trade secrets and confidential information and to conform with the covenants not to compete described in Item 17 [franchise agreement, exhibit A-4 and A-5]. We provide you the Employee Brand Protection Agreement, but it is your responsibility to conform it to the laws and regulations of your state.

ITEM 16 RESTRICTIONS ON WHAT THE FRANCHISEE MAY SELL

You may provide and sell only those products and services specified and approved by us in writing and only to those customers within your designated market. No product or service may be added to, altered, or discontinued by your franchise business unless it is first approved by us in writing. You must offer all products and services required by us. We reserve the right to add, modify, or delete products and/or services that you will be required to offer. There are no limits on our right to do so. You must strictly follow our policies, procedures, specifications, methods, and techniques concerning all of our products and services.

ITEM 17
RENEWAL, TERMINATION, TRANSFER, AND DISPUTE RESOLUTION

THE FRANCHISE RELATIONSHIP¹

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

	PROVISION	SECTION IN FRANCHISE OR OTHER AGREEMENT	SUMMARY
a.	Length of the franchise term	Section 2.1	The term is 5 years. The franchise term will begin upon signing the franchise agreement
b.	Renewal or extension of the term	Section 2.2	If you are in good standing at the end of the franchise term, you can enter into a new successor franchise agreement for an additional term of 5 years. Your successor agreement may also provide an option to enter into a subsequent successor franchise agreement.
c.	Requirements for franchisee to renew or extend	Section 2.2	We do not charge a renewal fee, but in order to renew, you must, among other things, not be in default, modernize your franchise business to the then-current standards, and sign the then-current successor franchise agreement, which may have materially different terms from the previous agreement, and sign a release (subject to state law). When renewing, you may be required to sign a contract with materially different terms and conditions than your original contract. You are required to give us notice of your intent to renew between 6 and 12 months prior to the expiration of your franchise agreement. (Subject to state law). You understand that we may reevaluate your market upon renewal, and if there has been an increase or decrease for potential clients in your industry-specific market, your target metrics will be adjusted accordingly.
d.	Termination by franchisee	Section 11.4	There are no provisions in the franchise agreement that permit you to terminate the franchise agreement. However, some states may allow you to terminate as permitted by state law.
e.	Termination by franchisor without cause	Section 11.1	We must have cause to terminate the franchise agreement.
f.	Termination by franchisor with cause	Section 11.1	We can terminate if you materially breach and fail to cure. There are certain breaches that we can terminate the franchise agreement without giving you an opportunity to cure. (See (h) below).

g.	“Cause” defined – curable defaults	Paragraphs 11.1 M-Q	You have 15 days to 30 days to cure certain material defaults of the franchise agreement.
h.	“Cause” defined - non-curable defaults	Paragraphs 11.1A-L	Non-curable defaults include insolvency, bankruptcy, conviction of a felony, fraud, repeated defaults even if cured, harm or threat of harm to the public, abandonment, trademark misuse, etc.
i.	Franchisee’s obligations on termination/non-renewal	Section 12.1	Obligations include complete de-identification, payment of amounts due, compliance with the brand protection agreement, etc. (See also (r) below).
j.	Assignment of contract by franchisor	Section 14.1	There are no restrictions on our right to assign.
k.	“Transfer” by franchisee - defined	Section 14.2	The definition of transfer by you includes the assignment and transfer of contracts, security interests, transfer of ownership interest, the sale of substantially all of your assets, etc.
l.	Franchisor approval of transfer by franchisee	Section 14.2	We must approve all transfers, but we will not unreasonably withhold approval.
m.	Conditions for franchisor approval of transfer	Sections 14.2.1, 14.3 - 14.8	Condition to transfer include you are not in default, all fees are current, new franchisee qualifies, transfer and training fees are paid, purchase agreement is approved, training for the new transferee arranged, new franchisee signs the then-current franchise agreement, a release is signed by you, etc. These conditions are subject to state law. (See state specific addenda.)
n.	Franchisor’s right of first refusal to acquire franchisee’s business	Section 14.9	We can match any offer for your franchise business or business assets within 30 days of written notice to us of the offer.
o.	Franchisor’s option to purchase franchisee’s business	Section 14.12	We do not have the option to purchase your business assets upon termination or expiration of the franchise agreement. However, if we receive an offer to acquire a majority of the franchises or an offer to purchase a majority of our assets or stock, or to merge or go public or similar transactions, we have the option to purchase all of your rights and interests in and under the franchise agreement and your franchise business at fair market value.
p.	Death or disability of franchisee	Section 14.10	Within 120 days of death or disability of your majority owner, your personal representative must be approved, and a new manager must be trained, if applicable, or franchise must be assigned to an approved buyer. We have the right to operate your franchise business until a trained manager is in place. You will be charged our interim management fee, plus our costs, for us to manage your franchise business during this time.

			You will also be responsible for fees due to us during the time of our operation.
q.	Non-competition covenants during the term of the franchise	Section 16.1	No involvement in competing business anywhere without our written consent. Non-competition provisions are subject to state law.
r.	Non-competition covenants after the franchise is terminated, transferred or expires	Sections 16.3 – 16.8	No competing business for 2 years within your former market or within 30 miles of any of the clients you serviced through your franchise business, or within 20 miles of any other franchisee’s market or our headquarters. If you compete within the time period, then this non-compete time period will be tolled for the period of your competition. Non-competition provisions are subject to state law. For a period of 3 years from termination, transfer, or expiration of your franchise agreement, you may not solicit to or on behalf of a competing business any former customer of your franchise business that you serviced as a Cyberbacker franchisee, or customer of ours or of an affiliate with whom you interacted during the term of the franchise agreement.
s.	Modification of the agreement	Section 20.11	Modifications must be made in writing and signed by both parties, but policies and procedures are subject to change by us.
t.	Integration/merger clause	Section 20.10	Only the terms of the franchise agreement are binding (subject to state law). All representations and promises outside the disclosure document and franchise agreement may not be enforceable. No provision in any franchise agreement is intended to disclaim the representations made in this franchise disclosure document. Any representations or promises made outside of the franchise disclosure document and other agreements may not be enforceable.
u.	Dispute resolution by arbitration or mediation	Section 17.2	Except for certain claims, for all disputes there must be a face-to-face meeting (which can be via video conferencing, at Our election), mediation and arbitration. (See state specific addenda).
v.	Choice of forum	Sections 17.2 and 19.2	All dispute resolution must be held in Ogden, Utah or the county where our then-current headquarters is located. (Subject to state law).
w.	Choice of Law	Sections 19.1 and 19.5	Utah law and the United States Trademark Act apply. (Subject to applicable state law).

ITEM 18 PUBLIC FIGURES

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

ITEM 19 FINANCIAL PERFORMANCE REPRESENTATIONS

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

We do not make any representations about a franchisee's future financial performance or the past financial performance of company-owned or franchised outlets. We also do not authorize our employees or representatives to make any such representations either orally or in writing. If you are purchasing an existing outlet, however, we may provide you with the actual records of that outlet. If you receive any other financial performance information or projections of your future income, you should report it to the franchisor's management by contacting Jason Stowe at jason@cyberbacker.com and (801) 203-0147, the Federal Trade Commission, and the appropriate state regulatory agencies.

ITEM 20 OUTLETS AND FRANCHISEE INFORMATION

Table No. 1
Systemwide Outlet Summary
For Years 2020 to 2022

Outlet Type	Year	Outlets at the Start of the Year	Outlets at the End of the Year	Net Change
Franchised	2020	0	0	+0
	2021	0	13	+13
	2022	13	51	+38
Company Owned ¹	2020	1	1	+0
	2021	1	1	+0
	2022	1	1	+0
Total Outlets	2020	1	1	+0
	2021	1	14	+13
	2022	14	52	+38

¹ This is our affiliate owned market/company in Ogden, Utah.

Table No. 2
Transfers of Outlets from Franchisees to New Owners
(other than the Franchisor)
For Years 2020 to 2022

State	Year	Number of Transfers
Total	2020	0
	2021	0
	2022	0

Table No. 3
Status of Franchised Outlets
For Years 2020 to 2022

State	Year	Outlets at Start of Year	Outlets Opened	Terminations	Non-Renewals	Reacquired by Franchisor	Ceased Operations for Other Reasons	Outlets at End of Year
Alabama	2020	0	0	0	0	0	0	0
	2021	0	0	0	0	0	0	0
	2022	0	1	0	0	0	0	1
Alaska	2020	0	0	0	0	0	0	0
	2021	0	0	0	0	0	0	0
	2022	0	1	0	0	0	0	1
Arkansas	2020	0	0	0	0	0	0	0
	2021	0	0	0	0	0	0	0
	2022	0	1	0	0	0	0	1
California	2020	0	0	0	0	0	0	0
	2021	0	1	0	0	0	0	1
	2022	1	2	0	0	0	0	3
Colorado	2020	0	0	0	0	0	0	0
	2021	0	1	0	0	0	0	1
	2022	1	0	0	0	0	0	1
Connecticut	2020	0	0	0	0	0	0	0
	2021	0	0	0	0	0	0	0
	2022	0	1	0	0	0	0	1
Florida	2020	0	0	0	0	0	0	0
	2021	0	2	0	0	0	0	2
	2022	2	1	0	0	0	0	3
Georgia	2020	0	0	0	0	0	0	0
	2021	0	1	0	0	0	0	1
	2022	1	0	0	0	0	0	1

Idaho	2020	0	0	0	0	0	0	0
	2021	0	0	0	0	0	0	0
	2022	0	1	0	0	0	0	1
Illinois	2020	0	0	0	0	0	0	0
	2021	0	1	0	0	0	0	1
	2022	1	0	0	0	0	0	1
Indiana	2020	0	0	0	0	0	0	0
	2021	0	0	0	0	0	0	0
	2022	0	1	0	0	0	0	1
Iowa	2020	0	0	0	0	0	0	0
	2021	0	0	0	0	0	0	0
	2022	0	1	0	0	0	0	1
Kansas	2020	0	0	0	0	0	0	0
	2021	0	0	0	0	0	0	0
	2022	0	1	0	0	0	0	1
Louisiana	2020	0	0	0	0	0	0	0
	2021	0	0	0	0	0	0	0
	2022	0	1	0	0	0	0	1
Maine	2020	0	0	0	0	0	0	0
	2021	0	0	0	0	0	0	0
	2022	0	1	0	0	0	0	1
Maryland	2020	0	0	0	0	0	0	0
	2021	0	1	0	0	0	0	1
	2022	1	0	0	0	0	0	1
Massachusetts	2020	0	0	0	0	0	0	0
	2021	0	0	0	0	0	0	0
	2022	0	1	0	0	0	0	1
Michigan	2020	0	0	0	0	0	0	0
	2021	0	0	0	0	0	0	0
	2022	0	1	0	0	0	0	1
Minnesota	2020	0	0	0	0	0	0	0
	2021	0	1	0	0	0	0	1
	2022	1	0	0	0	0	0	1
Mississippi	2020	0	0	0	0	0	0	0
	2021	0	0	0	0	0	0	0
	2022	0	1	0	0	0	0	1
Missouri	2020	0	0	0	0	0	0	0
	2021	0	1	0	0	0	0	1
	2022	1	1	0	0	0	0	2
Montana	2020	0	0	0	0	0	0	0
	2021	0	0	0	0	0	0	0
	2022	0	1	0	0	0	0	1
Nebraska	2020	0	0	0	0	0	0	0

	2021	0	0	0	0	0	0	0
	2022	0	1	0	0	0	0	1
Nevada	2020	0	0	0	0	0	0	0
	2021	0	0	0	0	0	0	0
	2022	0	1	0	0	0	0	1
New Hampshire	2020	0	0	0	0	0	0	0
	2021	0	0	0	0	0	0	0
	2022	0	1	0	0	0	0	1
New Jersey	2020	0	0	0	0	0	0	0
	2021	0	0	0	0	0	0	0
	2022	0	1	0	0	0	0	1
New Mexico	2020	0	0	0	0	0	0	0
	2021	0	0	0	0	0	0	0
	2022	0	1	0	0	0	0	1
New York	2020	0	0	0	0	0	0	0
	2021	0	1	0	0	0	0	1
	2022	1	1	0	0	0	0	2
Ohio	2020	0	0	0	0	0	0	0
	2021	0	0	0	0	0	0	0
	2022	0	2	0	0	0	0	2
Oklahoma	2020	0	0	0	0	0	0	0
	2021	0	0	0	0	0	0	0
	2022	0	1	0	0	0	0	1
Oregon	2020	0	0	0	0	0	0	0
	2021	0	0	0	0	0	0	0
	2022	0	1	0	0	0	0	1
Pennsylvania	2020	0	0	0	0	0	0	0
	2021	0	0	0	0	0	0	0
	2022	0	2	0	0	0	0	2
Rhode Island	2020	0	0	0	0	0	0	0
	2021	0	0	0	0	0	0	0
	2022	0	1	0	0	0	0	1
South Carolina	2020	0	0	0	0	0	0	0
	2021	0	1	0	0	0	0	1
	2022	1	0	0	0	0	0	1
Tennessee	2020	0	0	0	0	0	0	0
	2021	0	0	0	0	0	0	0
	2022	0	1	0	0	0	0	1
Texas	2020	0	0	0	0	0	0	0
	2021	0	0	0	0	0	0	0
	2022	0	4	0	0	0	0	4
Vermont	2020	0	0	0	0	0	0	0
	2021	0	0	0	0	0	0	0

	2022	0	1	0	0	0	0	1
Virginia	2020	0	0	0	0	0	0	0
	2021	0	1	0	0	0	0	1
	2022	1	0	0	0	0	0	1
Washington	2020	0	0	0	0	0	0	0
	2021	0	0	0	0	0	0	0
	2022	0	1	0	0	0	0	1
Ontario, Canada	2020	0	0	0	0	0	0	0
	2021	0	1	0	0	0	0	1
	2022	1	0	0	0	0	0	1
Total	2020	0	0	0	0	0	0	0
	2021	0	13	0	0	0	0	13
	2022	13	38	0	0	0	0	51

Table No. 4
Status of Company Owned Outlets¹
For Years 2020 to 2022

State	Year	Outlets at Start of Year	Outlets Opened	Outlets Reacquired from Franchisees	Outlets Closed	Outlets Sold to Franchisee	Outlets at End of Year
Utah	2020	1	0	0	0	0	1
	2021	1	0	0	0	0	1
	2022	1	0	0	0	0	1
Total ¹	2020	1	0	0	0	0	1
	2021	1	0	0	0	0	1
	2022	1	0	0	0	0	1

¹ This is our affiliate owned market/company in Ogden, Utah.

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

State	Franchise Agreements Signed But Outlet Not Opened	Projected New Franchised Outlet In The Next Fiscal Year	Projected New Company-Owned Outlet In the Next Fiscal Year
Arizona	0	1	0
California	0	1	0
Hawaii	0	1	1
New Jersey	0	1	0
North Carolina	0	2	0
Wisconsin	0	1	0
Total	0	7	0

List of Franchisees

Exhibit “C” contains a list of our current franchisees. Exhibit “C” also contains a list of franchisees who have had an outlet terminated, cancelled, not renewed or otherwise voluntarily or involuntarily ceased to do business under a franchise agreement during the most recently completed fiscal year or who have not communicated with us within 10 weeks of the issuance date. If you buy this franchise, your contact information may be disclosed to other buyers when you leave the franchise system.

Disclosure of Franchisee Information

If you invest in this franchise, your contact information and financial information may be disclosed in our disclosure document.

Confidentiality Agreements

During the last 3 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.

Franchisee Organizations

We do not know of any trademark specific franchisee organization associated with our system which is required to be disclosed in this item.

ITEM 21 FINANCIAL STATEMENTS

Our fiscal year ends on December 31 of each year. Attached as Exhibit “B” are our audited financial statements dated December 31, 2022 and December 31, 2021, and our audited balance sheet statement dated February 16, 2021. We have also included our unaudited interim financials dated September 30, 2023. The franchisor has not been in business for 3 years or more and cannot include all the financial statements required by the Franchise Rule for its last 3 fiscal years.

ITEM 22 CONTRACTS

We have attached the following contracts: as Exhibit “A,” the Franchise Agreement and its Exhibits; as Exhibit “G,” the Deposit Agreement; as Exhibit “H,” the Form Release Agreement; as Exhibit “I,” the Form Loan Agreement; as Exhibit “J,” the Support Team Agreement; and as Exhibit “K,” the Contractor Agreement. All other contracts and agreements are to be entered into with persons of your choice and therefore cannot be attached.

ITEM 23 RECEIPT

The last 2 pages of this disclosure document contain a receipt, in duplicate. The receipt is a detachable acknowledgement that you have received this franchise disclosure document. Both receipts should be signed and dated by you. One copy should be returned to us, and you should keep the other for your records. If you do not sign this receipt via our electronic signature platform, then you need to send us a signed and

dated copy. You may return the signed and dated receipt either by mailing it to us at 2447 Kiesel Ave., Ogden, Utah 84401 or by emailing it to us at jason@cyberbacker.com.

**ADDENDUM TO THE CYBERBACKER® FDD
STATE REGULATIONS**

STATE REGULATIONS FOR THE STATE OF CALIFORNIA

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

1. The California Franchise Investment law requires that a copy of all proposed agreements relating to the sale of the franchise be delivered together with the disclosure document.
2. The California Franchise Relations Act, Business and Professions Code Sections 20000 through 20043 provide rights to the franchisee concerning termination, transfer, or non-renewal of a franchise. If the franchise agreement contains a provision that is inconsistent with California law, California law controls.
3. 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.)
4. The franchise agreement contains a covenant not to compete which extends beyond the termination of the franchise. This provision may not be enforceable under California law.
5. The franchise agreement contains a liquidated damages clause. Under California Civil Code Section 1671, certain liquidated damages clauses are unenforceable.
6. The franchise agreement requires binding arbitration. The arbitration will occur at Weber County, Utah with the costs being borne by you for travel to, and lodging in, Utah, and other costs associated with arbitration. Prospective franchisees are encouraged to consult private legal counsel to determine the applicability of California and Federal laws (this or these as Business and Professions Code Section 20040.5, Code of Civil Procedure Section 128a, and the Federal Arbitration Act) to any provisions of a franchise agreement restricting venue to a forum outside the State of California.
7. The franchise agreement requires application of the laws of Utah. This provision may not be enforceable under California law. You may want to consult an attorney to understand the impact of out-of-state governing law on the franchise agreement.
8. You must sign a general release if you transfer, renew or terminate 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).
9. Neither franchisor nor any person listed in Item 2 of the disclosure document is subject to any currently effective order of any national securities association or national securities exchange, as defined in the Securities Exchange Act of 1934, 15 U.S.C.A. 78a et seq., suspending or expelling this or these persons from membership in such association or exchange.
10. Section 31125 of the California Corporations Code requires the Franchisor to give the franchisee a disclosure document, in a form and containing such information as the Commissioner may by rule or order require, before a solicitation of a proposed modification of an existing franchise.
11. OUR WEBSITE at WWW.CYBERBACKER.COM HAS NOT BEEN REVIEWED OR APPROVED BY THE CALIFORNIA DEPARTMENT OF BUSINESS OVERSIGHT. ANY COMPLAINTS CONCERNING THE CONTENT OF THE WEBSITE MAY BE DIRECTED TO THE CALIFORNIA DEPARTMENT OF FINANCIAL PROTECTION AND INNOVATION AT WWW.DFPI.CA.GOV.

12. The franchise agreement provides for waiver of a jury trial. This may not be enforceable in California.

13. **Section 31512.1 Franchise Agreement Provisions Void as Contrary to Public Policy.** Any provision of a franchise agreement, franchise disclosure document, acknowledgement, questionnaire, or other writing, including any exhibit thereto, disclaiming or denying any of the following shall be deemed contrary to public policy and shall be void and unenforceable:

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

14. Franchisees owning 20% or greater must sign a personal guaranty, making you and your spouse individually liable for your financial obligations under the agreement if you are married. The guaranty will place your and your spouse's marital and personal assets at risk, perhaps including your house, if your franchise fails.

15. Item 5 is amended to include the following:

“Payment of all initial franchise fees owed to the franchisor, or its affiliate, by the franchisee shall be deferred until after all initial obligations owed to the franchisee under the franchise agreement or other agreements have been fulfilled by the franchisor and the franchisee is open for business.”

15. Item 6 under Late Fees is amended to include the following: “The highest interest rate allowed in California is 10% annually.”

INFORMATION FOR RESIDENTS OF HAWAII

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

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

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

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

Department of Commerce and Consumer Affairs
Business Registration Division
Commissioner of Securities
335 Merchant St., 2nd Floor
Honolulu, HI 96813

**ADDENDUM TO THE DISCLOSURE DOCUMENT
FOR THE STATE OF HAWAII**

1. The Hawaii franchise investment law requires that a copy of all proposed agreements relating to the sale of the franchise be delivered together with the disclosure document.
2. Hawaii Revised Statutes, Title 26, Chapter 482E, Section 482E-6 provide rights to the franchisee concerning termination or non-renewal of a franchise. If the franchise agreement contains a provision that is inconsistent with Hawaii law, the law will control.
3. 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.)
4. The franchise agreement contains a covenant not to compete which extends beyond the termination of the franchise. This provision may not be enforceable under Hawaii law.
5. The franchise agreement requires application of the laws of the State of Utah. This provision may not be enforceable under Hawaii law.
6. The franchise agreement requires *you* to purchase certain goods from designated sources of supply. This provision may not be enforceable under Hawaii law unless such restrictive purchasing agreements are reasonably necessary for a lawful purpose justified on business grounds.
7. Upon termination or refusal to renew the franchise, Hawaii law requires that the franchisee be compensated for the fair market value of the franchisee's inventory, supplies, equipment and furnishings purchased from the franchisor or a supplier designated by the franchisor; provided that personalized materials which have no value to the franchisor need not be compensated for. If the franchisor refuses to renew a franchise for the purpose of converting the franchisee's business to one owned and operated by the franchisor, the franchisor, in addition to the remedies provided in this paragraph, shall compensate the franchisee for the loss of goodwill. The franchisor may deduct from such compensation reasonable costs incurred in removing, transporting and disposing of the franchisee's inventory, supplies, equipment, and furnishings pursuant to this requirement, and may offset from such compensation any monies due the franchisor.

Effective Date _____

ADDENDUM TO THE FDD
FOR THE STATE OF FOR THE STATE OF ILLINOIS

Illinois Law governs the franchise agreement(s).

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

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

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

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

The Franchisor may increase fees by up to 25% per year during the term of the franchise agreement to adjust to increased costs. Costs charged by third parties are subject to change at any time and do not have an annual cap.

You must achieve a minimum of 50 client contracts per year in your market, and you must achieve a minimum of 15% of the market share in your market by the end of the initial term of the franchise agreement to qualify to renew your franchise.

If you fail to achieve and/or maintain your target metrics in your market, then you would be required to pay a monthly fee equal to \$800 per month for each client contract below the number of required minimum client contracts, not to exceed 75% of your monthly commission.

FRANCHISEE:

FRANCHISOR:

By: _____
(Signature)

By: _____
(Signature)

Name: _____

Name: _____

Title: _____

Title: _____

**STATE REGULATIONS
FOR THE STATE OF INDIANA**

Notwithstanding anything to the contrary set forth in the disclosure document, the following provisions shall apply to all franchises offered and sold in the State of Indiana:

1. The prohibition by Indiana Code § 23-2-2.7-1(7) against unilateral termination of the franchise without good cause or in bad faith, good cause being defined therein as material breach of the Franchise Agreement, shall apply to the franchise agreement in the State of Indiana to the extent they may be inconsistent with such prohibition.

2. Liquidated damages and termination penalties are prohibited by law in the State of Indiana and, therefore, the disclosure document and franchise agreement are amended by the deletion of all references to liquidated damages and termination penalties and the addition of the following language to the original language that appears therein:

“Notwithstanding any such termination, and in addition to the obligations of the Franchisee as otherwise provided, or in the event of termination or cancellation of the Franchise Agreement under any of the other provisions therein, the Franchisee nevertheless shall be, continue and remain liable to Franchisor for any and all damages which Franchisor has sustained or may sustain by reason of such default or defaults and the breach of the Franchise Agreement on the part of the Franchisee for the unexpired Term of the Franchise Agreement.

At the time of such termination of the Franchise Agreement, the Franchisee covenants to pay to Franchisor within 10 days after demand as compensation all damages, losses, costs and expenses (including reasonable attorney’s fees) incurred by Franchisor, and/or amounts which would otherwise be payable thereunder but for such termination for and during the remainder of the unexpired Term of the Franchise Agreement. This Agreement does not constitute a waiver of the Franchisee’s right to a trial on any of the above matters.”

3. No release language set forth in the disclosure document or franchise agreement, shall relieve Franchisor or any other person, directly or indirectly, from liability imposed by the laws concerning franchising of the State of Indiana.

4. To the extent required by the franchise laws of the State of Indiana, the franchise agreement will be construed in accordance with the franchise laws of the State of Indiana.

5. The provisions of the franchise agreement pertaining to litigation jurisdiction and venue shall be amended to be within the scope of the requirements of the Indiana Franchise laws.

**STATE FDD ADDENDUM
FOR THE STATE OF MARYLAND**

ITEM 17 of the Disclosure Document is amended to add the following:

- The general release required as a condition of renewal, sale and/or assignment/transfer shall not apply to any liability under the Maryland Franchise Registration and Disclosure Law.
- A franchisee may bring a lawsuit in Maryland for claims arising under the Maryland Franchise Registration and Disclosure Law.
- Any claims arising under the Maryland Franchise Registration and Disclosure Law must be brought within 3 years after the grant of the franchise.
- Maryland law shall prevail.
- The Franchise Agreement provides for termination upon bankruptcy. This provision may not be enforceable under federal bankruptcy law.
- ITEM 5 of the Disclosure Document is amended to add the following:
 - Based upon the franchisor's financial condition, the Maryland Securities Commissioner has required a financial assurance. Therefore, all initial fees and payments owed by franchisees shall be deferred until the franchisor completes its pre-opening obligations under the franchise agreement.
 - No statement, questionnaire, or acknowledgment signed or agreed to by a franchisee in connection with the commencement of the franchise relationship shall have the effect of (i) waiving any claims under any applicable state franchise law, including fraud in the inducement, or (ii) disclaiming reliance on any statement made by any franchisor, franchise seller, or other person acting on behalf of the franchisor. This provision supersedes any other term of any document executed in connection with the franchise.
 - Section 20.14 of the franchise agreement regarding representations and Section 20.18 of the franchise agreement regarding acknowledgement of receipt of the FDD are not applicable to franchisees in Maryland.

**STATE REGULATIONS
FOR THE STATE OF MINNESOTA**

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

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

The disclosure document, franchise agreement, and other related agreements are amended to conform to the following:

1. Governing law, choice of forum, and jurisdiction and venue provisions of the disclosure document and franchise agreements are amended to include the following:

Minnesota statute § 80C.21 and Minnesota Rule 2860.4400J prohibit us from requiring litigation to be conducted outside Minnesota. In addition, nothing in the disclosure document or 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 or the jurisdiction.
2. With respect to franchises governed by Minnesota law, the franchisor will comply with Minn. Stat. § 80C.14, subdivisions 3, 4 and 5 which require, except in certain specified cases, that a franchisee be given 90 days' notice of termination (with 60 days to cure) and 180 days' notice for non-renewal of the franchise agreement; and that consent to the transfer of the franchise will not be unreasonably withheld.
3. As required by the Minnesota Franchise Act, Minn. Stat. § 80C.12(g), franchisor will reimburse the franchisee for any costs incurred by the franchisee in the defense of the franchisee's right to use the Marks, so long as the franchisee was using the Marks in the manner authorized by franchisor, and so long as franchisor is timely notified of the claim and is given the right to manage the defense of the claim including the right to compromise, settle or otherwise resolve the claim, and to determine whether to appeal a final determination of the claim.

4. Minnesota Rule Part 2860.4400D prohibits requiring a franchisee from waiving his rights to a jury trial or waiving his rights to any procedure, forum, or remedies provided for by the laws of Minnesota, or consenting to liquidated damages, termination penalties or judgment notes.
5. The disclosure document and franchise agreements are hereby amended to exclude from any release requirements the release of claims under Minnesota Franchise Law.
6. Any limitation of claims must comply with Minn. Stat. § 80C.17, subdiv. 5.
7. Any fee regarding insufficient funds for a dishonored check must comply with Minn. Stat. § 604.113, subdiv. 2(a).
8. No statement, questionnaire, or acknowledgement signed or agreed to by a franchisee in connection with the commencement of the franchise relationship shall have the effect of (i) waiving any claims under any applicable state franchise law, including, fraud in the inducement, or (ii) disclaiming reliance on any statement made by any franchisor, franchise seller, or other person acting on behalf of the franchisor. This provision supersedes any other term of any document executed with the franchise.

Franchisee (Signature)

**STATE REGULATIONS
FOR THE STATE OF NEW YORK**

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

INFORMATION COMPARING FRANCHISORS IS AVAILABLE. CALL THE STATE ADMINISTRATORS LISTED IN EXHIBIT A OR YOUR PUBLIC LIBRARY FOR SERVICES OR INFORMATION. REGISTRATION OF THIS FRANCHISE BY NEW YORK STATE DOES NOT MEAN THAT NEW YORK STATE RECOMMENDS IT OR HAS VERIFIED THE INFORMATION IN THIS FRANCHISE DISCLOSURE DOCUMENT. IF YOU LEARN THAT 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 WHICH ARE LESS FAVORABLE THAN THOSE SET FORTH IN THIS FRANCHISE DISCLOSURE DOCUMENT.

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

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

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

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

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

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

3. ITEM 4 of the disclosure document is amended to state that:

- Neither the franchisor, its affiliate, its predecessor, officers, or general partner, during the 10- year period immediately before the date of the offering circular: (a) filed as debtor (or had filed against it) a petition to start an action under the U.S. Bankruptcy Code; (b) obtained a discharge of its debts under the Bankruptcy Code; or (c) was a principal officer of a company or a general partner in a partnership that either filed as a debtor (or had filed against it) a petition to start an action under the U.S. Bankruptcy Code or that obtained a discharge of its debts under the U.S Bankruptcy Code during or within 1 year after the officer or general partner of the franchisor held this position in the company or partnership.

4. ITEM 5 of the disclosure document is amended to add the following:

- The initial franchise fee constitutes part of our general operating funds and will be used as such in our discretion.

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

However, to the extent required by applicable law, all rights you enjoy and any causes of action arising in your favor from the provisions of Article 33 of the General Business Law of the State of New York and the regulations issued thereunder shall remain in force; it being the intent of this proviso that the non-waiver provisions of General Business Law Sections 687(4) and 687(5) be satisfied.

6. The following language replaces the “Summary” section of ITEM 17(d), titled “**Termination by franchisee**”: You may terminate the Agreement on any grounds available by law.

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

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

**ADDENDUM TO THE DISCLOSURE DOCUMENT
STATE REGULATIONS
FOR THE STATE OF NORTH DAKOTA**

The disclosure document, franchise agreement, and other related agreements are amended to conform to the following:

1. Item 17 of the Disclosure Document is amended as follows:

- No general release shall be required as a condition of renewal and/ or transfer which is intended to exclude claims arising under North Dakota Franchise Investment Law Section 51-19-09.
- In case of any enforcement action, the prevailing party is entitled to recover all costs and expenses including attorneys' fees.
- The statute of limitations under North Dakota Law will apply.
- Covenants not to compete upon termination or expiration of the Franchise Agreement are generally unenforceable in the State of North Dakota except in limited instances as provided by law.
- A provision requiring litigation or arbitration to be conducted in a forum other than North Dakota is void with respect to claims under North Dakota Law.
- In the event of a conflict of laws, North Dakota Law will control.
- Franchisee may not assent to a waiver of rights to a jury trial, waiver of rights to exemplary or punitive damages, or waiving his rights to any procedure, forum, or remedies provided for by the laws of North Dakota, or consenting to liquidated damages, termination penalties or judgment notes.

ITEM 5 of the Disclosure Document is amended to add the following:

- "Payment of all initial franchise fees owed to the franchisor, or its affiliate, by the franchisee shall be deferred until such time as the franchisor has fulfilled its initial obligations owed to the franchisee under the franchise agreement and the franchisee has commenced doing business pursuant to the franchise agreement."

**STATE REGULATIONS
FOR THE STATE OF RHODE ISLAND**

The following language applies to any franchise agreement issued in the State of Rhode Island:

Section 19-28.1-14 of the Rhode Island Franchise Investment Act dictates that, “A provision in a franchise 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 this act.”

Section 19-28.1-15 of the Rhode Island Franchise Investment Act states that, “A condition, stipulation or provision requiring a franchisee to waive compliance with or relieving a person of a duty or liability imposed by a right provided by this Act or a rule or order under this Act is void. An acknowledgement provision, disclaimer or integration clause or a provision having a similar effect in a franchise agreement does not negate or act to remove from judicial review any statement, misrepresentations or action that would violate this Act or a rule or order under this Act. This section shall not affect the settlement of disputes, claims or civil lawsuits arising or brought under this Act.”

**STATE REGULATIONS
FOR THE COMMONWEALTH OF VIRGINIA**

By statute under Section 13.1-564 of the Virginia Retail Franchising Act, it is unlawful for a franchisor to cancel a franchise without reasonable cause or to use undue influence to induce a franchisee to surrender any right give to him by any provision contained in the franchise. Accordingly, the Division requests that the franchisor add a Virginia Addendum to the FDD containing the following statements:

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 recognition of the restrictions contained in Section 13.1-564 of the Virginia Retail Franchising Act, the Franchise Disclosure Document for Cyberbacker International, Inc. for use in the Commonwealth of Virginia shall be amended as follows:

The following statements are added to Item 17.h:

Under Section 13.1-564 of the Virginia Retail Franchising Act, it is unlawful for a franchisor to cancel a franchise without reasonable cause. If any grounds for default or termination stated in the franchise agreement and area developer 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.

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

The following statement is added to Item 5:

“The Virginia State Corporation Commission’s Division of Securities and Retail Franchising require us to defer payment of the initial franchise fee and other initial payments owed by franchisees to the franchisor until the franchisor has completed its pre-opening obligations under the franchise agreement and the franchise agreement.”

ADDENDUM TO THE FDD FOR THE STATE OF WASHINGTON

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

RCW 19.100.180 may supersede the franchise agreement in your relationship with the franchisor including the areas of termination and renewal of your franchise. There may also be court decisions which may supersede the franchise agreement in your relationship with the franchisor including the areas of termination and renewal of your franchise.

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

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

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

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

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

The franchisor offers a referral commission to franchisees who refer a franchisee who signs a franchise agreement. Franchisees who receive financial incentives to refer franchise prospects to the franchisor may be required to register as franchise brokers under the laws of Washington State.

Article V of the franchise agreement is amended to add the following:

In lieu of an impound of franchise fees, the Franchisor will not require or accept the payment of any initial franchise fees until the franchise has (a) received all pre-opening and initial training obligations that it is entitled to under the franchise agreement or offering circular, and (b) is open for business.

Article XIII of the franchise agreement will be interpreted in accordance with RCW 19.100.180.

Section 14.12 of the franchise agreement empowers the franchisor to purchase the franchise before the termination of the franchise agreement. This is inconsistent with RCW 19.100.180(2)(j) and does not apply to Washington franchisees.

The time limitations to initiate a claim as set forth in Section 17.2.3(iii) of the franchise agreement are hereby amended and extended to the time limits allowed under RCW 19.100.

Section 17.2.3(viii) of the franchise agreement is here by amended as follows:

Federal Arbitration Act. You and We mutually agree that all issues relating to arbitrability are governed exclusively by the Federal Arbitration Act and the federal common law of arbitration to the exclusion of any state statutes or common law and will be decided by the arbitrator. All provisions of this Agreement pertaining to venue, choice-of-laws, dispute avoidance and resolution will be strictly enforced (subject to state law).

Section 20.14 of the franchise agreement is not enforceable in Washington.

Section 2 of the Form General Release Agreement (Exhibit “H” to the franchise disclosure document) is hereby omitted and not applicable in the state of Washington.

The undersigned does hereby acknowledge receipt of this addendum.

Dated this _____ day of _____ 20_____.

FRANCHISOR

FRANCHISEE

**SCHEDULE “A-14”
TO THE FDD**

**ADDENDUM TO THE DISCLOSURE DOCUMENT
FOR THE STATE OF WISCONSIN**

Notwithstanding anything to the contrary set forth in the Disclosure Document, the following provisions shall supersede and apply to all franchises offered and sold in the State of Wisconsin:

1. REGISTRATION DOES NOT CONSTITUTE APPROVAL, RECOMMENDATION OR ENDORSEMENT BY THE COMMISSIONER OF SECURITIES OF THE STATE OF WISCONSIN.
2. The following shall apply to Franchise Agreements in the State of Wisconsin:
 - a. The Wisconsin Fair Dealership Act, Wisconsin Statutes, Chapter 135 (the “Act”), shall apply to and govern the provisions of Franchise Agreements issued in the State of Wisconsin.
 - b. The Act’s requirements, including that in certain circumstances a Franchisee receive ninety (90) days’ notice of termination, cancellation, non-renewal or substantial change in competitive circumstances, and sixty (60) days to remedy claimed deficiencies, shall supersede the provisions of Section VIII of the Franchise Agreement to the extent they may be inconsistent with the Act’s requirements.

**EXHIBIT “A”
TO THE FDD
FRANCHISE AGREEMENT**



FRANCHISE AGREEMENT

By and Between

CYBERBACKER INTERNATIONAL, INC.

and

(Franchisee)

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This Agreement and the Schedules and Exhibits attached hereto are subject to the copyright of The Franchise & Business Law Group, LLC

**CYBERBACKER®
FRANCHISE AGREEMENT**

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**CYBERBACKER INTERNATIONAL, INC.
FRANCHISE AGREEMENT**

THIS FRANCHISE AGREEMENT ("Agreement") is entered into and made effective as of _____ by and between CYBERBACKER INTERNATIONAL, INC., a Utah corporation ("Franchisor" or "We," "Us" or "Our" as further defined in Article XXI below) and _____ ("Franchisee" or "You" or "Your" as further defined in Article XXI below).

WHEREAS, We have developed a system for the operation and sales of a virtual outsourcing business known as Cyberbacker®, utilizing the Marks and System and offering to the public cyber assistants to assist businesses owners with their administration and operational business needs ("Franchise Business"); and

WHEREAS, You are desirous of entering into an agreement with Us so as to be able to obtain the rights to operate a Franchise Business using the System.

NOW, THEREFORE, in consideration of the mutual covenants, agreements, recitals, obligations, terms and conditions herein contained, and the acts to be performed by the respective parties hereto, the parties hereto agree as follows:

**ARTICLE I
AWARD OF FRANCHISE**

1.1 Award of Franchise. We hereby grant to You, and You accept, subject to the terms, conditions, and obligations herein, the non-exclusive, non-sublicensable personal right to establish and conduct a Franchise Business and the right to use the System and the Marks only as specifically set forth herein. This right is granted for use only within the specific market approved by Us as set forth on Exhibit "A-1" ("Market"). You must operate Your Franchise Business in strict compliance with the terms and conditions of this Agreement and the Manuals.

1.1.1 Exclusive Market. Your Market is exclusive to You, meaning that neither We nor other franchisees will be able to sell contracts using the Cyberbacker® trademark to clients in Your Market without awarding those contracts to You. However, if the client is within Your area but not in Your Market, We do not have to award that contract to You. For example, if Your Market were for accountants and bookkeepers in Orange County, California, We, our affiliate and other franchisees would have the right to contract with non-accountants and non-bookkeepers in Orange County without awarding those contracts to You.

1.1.2 Target Metrics. You must achieve a minimum of 50 client contracts per year in Your Market, and You must achieve a minimum of 15% of the market share in Your Market by the end of the initial term of this Agreement to qualify to renew Your franchise. For the purposes of tracking Your Market target metrics, Your first year will begin 60 days from the date of this Agreement and continue for a full 12 months thereafter. However, We will meet with You each 4th quarter of the calendar year (most likely in November) to discuss Your market share goals and then-current conditions of Your Market, and in certain circumstances, We will lower Your target metrics for that upcoming year.

1.1.2.1 Governmental Restrictions; Pandemics; Catastrophes. If at any time during the term of this Agreement You cannot operate Your Franchise Business due to a governmental restriction, pandemic, catastrophe, or other similar type of event, then You will be given a 30-day extension to achieve the target metrics in Your Market that year. You may petition for additional 30-day extensions if the

conditions persist beyond 30 days.

1.1.3 Failure to Achieve Target Metrics. If You fail to achieve and/or maintain Your target metrics in Your Market, then You shall pay Us a monthly fee equal to \$800 for each client contract below the number of required minimum client contracts, not to exceed 75% of Your monthly commission (“Market Default Fee”). This fee will continue so long as You do not achieve Your target metrics, but it will be readjusted for every new contract You sell until You reach the target metrics. This amount can be withheld from commissions due to You.

1.1.4 Market Restrictions. You may contract with clients outside of Your Market, but client contracts outside of Your Market will not be counted towards achieving Your target metrics. Additionally, Your commissions will be reduced to 3% for any client contract for a client that is within another franchisee’s market.

1.1.5 Changing Markets. You must obtain Our prior written permission if You want to change or adjust Your Market. Approval to make changes to Your Market is based on the then-current criteria used in approving a new franchisee’s proposed Market. You do not have the right to make changes to Your Market, and We have no obligation to approve any request for a change.

1.2 Scope of Franchise Operations. You must at all times comply with Your obligations hereunder and must continuously use Your best efforts to promote and operate Your Franchise Business.

1.3 Our Reservation of Rights. All rights not specifically granted to You in this Agreement are reserved to Us. You expressly acknowledge and agree that this license is non-exclusive, and that We retain, among other rights, the right, in Our sole discretion: 1) to grant other franchises or licenses the use of Our trademarks outside Your Market in addition to those already granted to existing franchisees; and 2) to develop and establish other franchises or licensed systems for the same or similar products or services utilizing the same or similar marks, or any other marks and to grant franchises or licenses thereto.

1.4 Rights to Use Channels of Distribution. Except for the rights expressly given to You, there will be no limitation on Our rights to deal with potential or actual customers located anywhere. We and our affiliate reserve the right to advertise both within and outside Your Market and sell client contracts under the Cyberbacker® Marks both within and outside Your Market using distribution channels, such as websites, Social Media, telemarketing, direct marketing, apps, national accounts, and co-branding with other brands without compensation to You. You may not sell Our products and/or services using such reserved marketing strategies and distribution channels without Our prior written permission.

1.5 Restriction of Territory Rights. The rights and privileges granted to You under this Agreement are personal in nature. This Agreement is granted solely for the operation of a Franchise Business within Your Market, and do not extend to the operation of a Franchise Business outside Your Market, or in any other manner, except as may be allowed by this Agreement and Our Manuals.

ARTICLE II TERM AND SUCCESSOR FRANCHISE

2.1 Term. This Agreement will be effective when executed by both You and Us. The franchise term will be for a period of five years unless terminated earlier pursuant to Article XI herein. This Agreement will be effective when executed by both You and Us. If We are required by law or otherwise to give You notice before the Termination of this Agreement and fail to do so, this Agreement will remain in effect from month-to-month until We have given the required notice.

2.2 Successor Franchise. You have the right to be awarded a successor franchise (“Successor Franchise”) upon the expiration of the original term for an additional term of five years if all the following conditions are met at the time You elect to renew: 1) You are not in default of this Agreement and You achieve 15% market share in Your Market (see Paragraph 1.1.1 and 1.1.2); 2) You have complied with and timely met material terms and conditions of this Agreement throughout the initial term; 3) complied with Our material operating and quality standards and procedures and any required modification to such standards and procedures; 4) You have timely paid all monetary obligations owed to Us during the term of this Agreement; 5) You are not subject to any pending litigation or governmental proceeding which could have a material adverse effect upon You or Your Franchise Business and ; 6) You give Us written notice of Your intent to renew at least six months and not more than 12 months prior to the expiration date of the term hereof. Your failure to give such notice will constitute an election not to enter into a Successor Franchise Agreement (defined below). If You fail to enter into a Successor Franchise Agreement for any reason but continue to operate Your Franchise Business, at Our election You will be deemed to have renewed on a month-to-month basis, requiring You to abide by Our then-current Fees. In addition to Our rights to terminate as set forth in Article XI, Your month-to-month Franchise Business may be terminated by Us upon 30 days’ prior written notice to You for any reason whatsoever. You understand and agree that We may reevaluate Your Market upon renewal, and if there has been an increase or decrease for potential clients in Your industry-specific Market, Your target metrics will be adjusted accordingly.

2.2.1 Commencement Date for Successor Franchise Term. Unless another date is specified in a Successor Franchise Agreement, which date will supersede, said Successor Franchise term, Including, any month-to-month term, will commence on the day following the expiration date of the initial or applicable Successor Franchise term.

2.2.2 Notice of Non-Approval. Upon receiving Your election to enter into a Successor Franchise, We will have 45 days to provide written notice in the event You do not qualify for a Successor Franchise or as otherwise required by law.

2.2.3 Successor Franchise Agreement. If approved as a Successor Franchise, You must execute Our then-current form of Our successor franchise agreement (“Successor Franchise Agreement”). The Successor Franchise Agreement Includes personal guarantees and a general release of all claims against Us arising from this Agreement, the relationship created herein, and Your Franchise Business. If You fail to execute such a release, the signing of the Successor Franchise Agreement will be the equivalent of the granting of such a release. The Successor Franchise Agreement will supersede in all respects the terms and conditions of this Agreement, and Your compensation and the Fees You are required to pay Us will be at the then-existing levels required for new franchisees. You must sign and return to Us the Successor Franchise Agreement within 90 days prior to the expiration of this Agreement, or You will, at Our election, be deemed to have withdrawn Your request to enter into a Successor Franchise Agreement, and this Agreement will Terminate at the expiration of the term then in effect. **You acknowledge that You will be bound by the form of the Successor Franchise Agreement in effect at the time which may contain**

Fees and charges, territorial, and other changes in material provisions different from those contained in this Agreement, Including terms affecting payments to Us or Our affiliates.

2.2.4 No Successor Franchise Fee. If approved for a Successor Franchise, You will not be required to pay a Successor Franchise fee.

2.2.5 Successor Franchise Training. As a condition to Us approving You entering into a Successor Franchise Agreement, Your Operating Principal, Support Team, and/or other key personnel may also be required to attend and successfully complete trainings, certifications and other programs at such times and locations as We specify. You may be required to cover the expense of travel, meals, lodging, and other related costs for such training and certifications if done in person.

ARTICLE III INTELLECTUAL PROPERTY

3.1 Intellectual Property and Confidential Information. You acknowledge that: 1) as between You and Us, We have the sole rights in and to the Intellectual Property and Confidential Information; 2) Your right to use the System is granted by Us solely pursuant to the terms of this Agreement; and 3) as between You and Us, We have the sole right to license and control Confidential Information and Intellectual Property. Our Intellectual Property and Confidential Information provided to You by or through Us will remain Our sole property. You acknowledge that Our Confidential Information and Intellectual Property are unique and/or confidential and contain trade secrets and other material proprietary to Us.

3.2 Use of Confidential Information and Intellectual Property. You have a non-exclusive right to use the Confidential Information and Intellectual Property and only in connection with Your Franchise Business and in accordance with Our Manuals and this Agreement. You understand and agree that the use of Our Confidential Information, Intellectual Property, and goodwill are all temporary benefits and expire with the Termination of this Agreement. You expressly covenant that during the term of this Agreement and after the Termination thereof, not to: 1) directly or indirectly contest or aid in contesting the validity of Our ownership of or rights in the Confidential Information or Intellectual Property; 2) in any manner interfere with or attempt to prohibit Our use of the Confidential Information or Intellectual Property and derivatives thereof or any other name, trademark or service mark that is or becomes a part of Our System; or 3) interfere with the use of the Confidential Information or Intellectual Property by Our other franchisees or licensees at any time.

3.3 Our Marks. You acknowledge that as between You and Us, the Marks and derivatives thereof are valid trade names, trademarks and service marks owned by Us or licensed to Us.

3.4 Use of Marks and System. You have the non-exclusive right to use Our Marks and the System as directed by Us. You shall only use Our Marks licensed by this Agreement and only with the letters “TM,” “SM” or “®,” as appropriate, approved and as instructed by Us, whenever and wherever such Marks are used. You may not use Your own name or any other name service or product in connection with any of Our Marks without Our prior written consent. You are prohibited from using any Mark in connection with the performance or sale of any unauthorized service or product. You cannot use the Marks or System in any manner, or otherwise take any action (or inaction) that would or may cause the Marks or the System to be subject to any ill repute or negative publicity. You cannot use the Marks on any intercompany documents to identify Your Franchise Business or entity (Including in or on employee manuals, handbooks, emails, letterhead) or on business checks or bank accounts. All communications with Your employees must be under Your entity name.

3.4.1 Cooperation. You shall execute any and all additional papers, documents and assurances in connection with the Marks as reasonably requested by Us and agree to cooperate fully with Us and any of Our other franchisees or licensees in securing all necessary and required consents of any state agency or legal authority for the use of the Marks or any other name, trademark, service mark, logo or slogan that is now or later becomes a part of Our System. You shall immediately notify Us as soon as You become aware of any infringement or apparent or alleged infringement of the Marks, Our Confidential Information, or any part of Our Intellectual Property.

3.4.2 Use in Marketing. You have the right to use the Marks in Your marketing efforts only as set forth in Article X.

3.4.3 Modification of Marks. We have the right, in Our reasonable discretion, to require You to change, modify or discontinue the Marks or to use one or more additional trademarks, service marks, logos, and/or other symbols in connection with the operation of the Franchise Business. In that event, You must bear the cost of using such additional or modified Marks or items in accordance with Our reasonable directives.

3.4.4 No Registration. You cannot make application for registration, domain name, or other protection of any of the Marks, or any other trademarks, service marks, symbols, names, slogans, logos, trade names or any items that are similar or derivatives therefrom in any jurisdiction without Our prior written consent and then only upon the terms and conditions specified by Us in connection therewith.

3.5 Copyrights. All right, title and interest in and to Copyright Materials are Our sole and exclusive property and cannot be reproduced or replicated either during or after this Agreement. You have no rights to make any direct or indirect use of the Copyrighted Materials except as allowed under this Agreement.

3.6 Sole Control. As between You and Us, We will have the sole control over any legal or administrative action concerning the Confidential Information or Intellectual Property. You must promptly notify Us in writing of any unauthorized use of Our Confidential Information and Intellectual Property, or of any claim, demand or suit by any person, corporation or other entity based upon or in connection with any of Our Confidential Information or Intellectual Property licensed hereunder in which We have an interest. We will indemnify You against and to reimburse You for all direct, but not consequential damages (Including loss of revenue and/or profits), for which You are held liable in any proceedings arising out of the use of Our Confidential Information or Intellectual Property if done pursuant to and in compliance with this Agreement, and for all costs reasonably incurred by You in the defense of any claim brought against You or in any proceeding in which You are named as a party, provided that You have timely notified Us of any claim or proceeding and have otherwise complied with this Agreement.

3.7 Goodwill. You acknowledge that valuable goodwill is attached to the Marks and System, and that We have invested and continue to invest time and capital into promoting the System and that such promotion creates goodwill and customer association which benefits Us, You, and all other franchisees in the System. Furthermore, even goodwill associated with the Marks and System, that might be deemed to have arisen through Your activities, is Our sole property and inures directly and exclusively to Our benefit, except as otherwise provided herein or by applicable law.

3.7.1 Client Data. All Client Data is Our sole property and inures directly and exclusively to Our benefit. You have a royalty-free, non-exclusive right to use the Client Data during the term of this Agreement. You must gather, upload, and/or store all Customer Data as required by Us. To the extent that

We do not otherwise have access, You must provide Us copies of all Client Data upon request. You must abide by all applicable laws pertaining to the privacy of consumer, employee, and transaction information, and do not contact laws. If We allow You to use the Client Data to transmit advertisements to customers and potential customers, You are solely responsible to comply with the laws pertaining to calling or texting customers, the sending of emails, or any other transmission of information, Including any anti-spam legislation.

3.8 Use of Name. Within 30 days of signing this Agreement, You must file for a certificate of assumed or fictitious name or a “doing business as” name (“DBA”) in the manner required by the law in the state where Your Franchise Business is located so as to notify the public that You are operating Your Franchise Business as an independent business pursuant to this Agreement and must Include Your assigned franchise designation in such filing. You must provide Us with a copy of Your DBA registration and/or certificate upon receipt of the same, and upon Our request from time to time.

3.9 Maintaining Secrecy. You shall: 1) fully and strictly adhere to all security procedures prescribed by Us in Our sole discretion for maintaining the secrecy of Our Confidential Information; 2) disclose such information to Your employees only to the extent necessary to Advertise Our products and services and for the operation of the Franchise Business in accordance with this Agreement; 3) not use any such information in any other business or in any manner not specifically authorized or approved in writing by Us; and 4) 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.

3.10 Changes to the System. If You conceive or develop an Innovation, You shall fully disclose the Innovation to Us, without disclosing the Innovation to others and will obtain Our written approval before using or implementing an Innovation. All innovations You create will be owned by Us and considered a “work-made-for-hire.” If all or part of any Innovation that You create is for any reason deemed not to be a work-made-for-hire, then You hereby irrevocably transfer and assign to Us or Our affiliate all right, title, interest and ownership, Including license rights, in the Innovation, and You must execute any document necessary to effectuate the transfer and assignment. To the extent You have any moral or similar rights in an Innovation or derivative, You expressly waive those rights. Any Innovation may be used by Us and all other franchisees without any obligation to compensate You. We reserve the right to make application for and own Intellectual Property relating to any Innovation, and You shall cooperate with Us in securing these rights. We may also consider an Improvement as part of Our trade secrets. At Our discretion, We may authorize You to utilize Innovations that may be developed by You, Us, or other franchisees.

3.11 Association with Causes or Co-Branding. You cannot, in the name of the Franchise Business, (i) donate money, products, or services to any charitable, political, social, religious, or other for-profit or non-profit organization, cause or position, or (ii) act in support of or against any such organization, cause, or position without Our prior written approval. You may not “co-brand” or associate any other business activity with the Franchise Business in a manner which is likely to cause the public to perceive the activity to be related to the brand or System.

ARTICLE IV FRANCHISE BUSINESS OFFICE

4.1 Office for Your Franchise Business. You are required to have an office from which to operate Your Franchise Business. Your office may be located within Your residence, but You must strictly comply with local zoning and, state and federal laws, rules and regulations regarding Your office location. We must approve of your office. It will be Your responsibility, at Your sole cost and expense to select Your office location.



4.2 Site Selection and Construction. You must have Your office site selected within 30 days from the date of this Agreement to have a site for Your office selected for Your franchise business. Office site approval or disapproval should be completed by Us within 15 days after You have notified Us that You have selected a prospective office location. If You lease commercial space, a lease must be in place within 60 days from the date of this Agreement. If construction for Your office is required, construction must be started within 60 days from the date of this Agreement and be completed within 120 days from the date of this Agreement. You are required to begin operations within five days after construction is complete.

4.3 Support Team Members; Commencing Operations. You are required to select Your Growthbacker and Careerbacker within 45 days of signing this Agreement. You are required to commence operations not later than five months from signing this Agreement. You must give Us not less than 10 days prior written notice of the start of operations date. If You fail to commence operations as provided above, this Agreement is subject to termination by Us, at Our option.

4.4 Computer System. You must have a computer that has email and video conferencing capabilities with a high resolution video camera and speaker system and that is compatible with Our computer systems and required software. You must also purchase and use a smartphone in the operation of Your Franchise Business. Your computer and smartphone must not be more than three years old, and You must replace Your computer and smartphone as soon as it is three years old. You are required to obtain by purchase or lease all other equipment, software, and supplies in accordance with Our specifications and as may be necessary for proper and efficient operation of Your Franchise Business and to maintain such in good working order.

4.5 Video Conferencing. Much of Your business will be conducted through video conferencing, and the background to Your video conferencing must be professional looking, organized, free from unnecessary distractions, clutter, and otherwise conform to the System's brand image. Additionally, You are required to have a high-speed Internet connection with a reliable backup Internet connection.

4.6 Failure to Meet Deadlines. If You fail to meet a deadline and fail to cure, or You fail to obtain approval on a chosen industry specific market, this Agreement is subject to Termination by Us, at Our option. However, You may be granted an extension at Our discretion if You demonstrate a good faith effort in complying with this Article and Agreement.

ARTICLE V COMPENSATION, FEES AND REPORTS

5.1 Initial Franchise Fee. You shall pay Us the initial franchise fee listed in Exhibit "A-3" in one lump sum at the time of execution of this Agreement. The initial franchise fee must be paid by wire transfer or certified check. The initial franchise fee is fully earned by Us and is non-refundable. No rights or privileges under this Agreement exist until the initial franchise fee is paid in full.

5.1.1 Additional Franchise Purchases. If You purchase any additional franchises before the end of Your third year, the initial franchise fee for each additional franchise shall be the fee listed in Exhibit "A-3." You must sign the then-current franchise agreement for each additional franchise purchase. This option will only be available if there are franchise markets available, You meet our then-current criteria for new franchisees, You are not in default of this Agreement and We in Our sole discretion determine to sell another franchise to You.

5.2 Payments to You.

5.2.1 Commission Payments. Our affiliate will pay You a monthly commission payment as listed in Exhibit “A-3” for client contract payments received by Cyberbacker, Inc. for client contracts You sell and oversee. This amount is payable to You on the 15th of each month for the previous month’s commissions earned. Commissions are based on the net income from payments received by Cyberbacker, Inc. on a client contract You sell and oversee.

5.2.2 Share of Net Profits. You will also be paid a monthly share of the net profits as listed in Exhibit “A-3” for client contracts that You sell and oversee. This amount is payable to You on the 15th of each month for the previous month’s share of net profits earned. Net profits are calculated as set forth on Exhibit “A-3.”

5.2.3 Franchise Referral Fee. If You refer to Us a person that signs a franchise agreement with Us, We will pay You 10% of that franchisee’s initial franchise fee that is paid to Us.

5.3 Payments to Us. You are required to pay Us or Our affiliate, as designated by Us, the Fees listed in this Section 5.3. All payments due to Us from You are due on the 15th of each month, and We and Our affiliate have the right to deduct any payment owing to Us (Including past any past due or then-current indebtedness of Yours) from any payment owing to You from Us or Our affiliate. This Section 5.3 does not contain every Fee due to Us. We also have the right to pull funds from Your operating account to cover payments owing to Us. Our current ACH agreement is attached hereto as Exhibit “A-6” and may be modified by Us at any time in Our sole discretion.

5.3.1 Brand Development Fund. You must pay Us a monthly Brand Development Fund Fee as listed in Exhibit “A-3” for Our Advertising as further described in Sec. 10.1 below.

5.3.2 Support Team Fees. You are responsible for the costs of Your Support Team each month during the term of this Agreement. The Fee listed on Exhibit “A-3.” This amount may be deducted from commissions payable to You. You are responsible to cover the cost of any amount not covered by Your commissions in a given month. You may add additional people to Your Support Team for a fee depending on the number and type of new Support Team members. You must sign service agreements with Cyberbacker, Inc. for Your Growthbacker and Careerbacker.

(i) Share of Careerbacker Cost. You may share the support and cost of Your Careerbacker with one other franchisee. You and the other franchisee must pay 50% of the Careerbacker cost. However, if the shared Careerbacker exceeds eight parings per week, You can no longer share a Careerbacker, and You are required to retain Your own Careerbacker.

5.3.3 Technology Suite Fee. The monthly Technology Suite Fee is listed on Exhibit “A-3.” This Fee is for the use of the technology suite We provide to You that includes an email, phone number and video conferencing subscriptions. This Fee may be changed by Us or the provider. We may also add or remove technology or change platforms or suppliers as We see fit. You shall pay for any increased costs associated with such changes.

5.3.4 Market Default Fee. See Paragraph 1.1.3.

5.3.5 Late Fees You will be charged a late Fee if a required Fee or report is not timely received by Us, and You will be charged per bounced check or insufficient funds transfer. See Exhibit “A-3.”

5.3.6 Interest. In addition, all Fees not paid when due will be assessed and accrue interest from the Due Date to the date of payment, both before and after judgment at the rate of 18% per annum or the maximum rate allowed by law, whichever is less. In no event will any amounts be charged as interest or late fees or otherwise that exceed or violate any applicable legal restrictions. Unpaid interest charges will compound annually.

5.3.7 Launch Team Support Fee. You shall pay Us the Fee listed on Exhibit “A-3.” This fee is to help cover the costs of Your launch team that will assist You in launching Your Market for 90 days. The launch team will assist in designing Your landing page and marketing materials, they will help You develop Your initial email and marketing campaigns, and they will help You Advertise and hold at least one web event in Your Market.

5.4 Reports. You must submit the following reports by the following due dates. We reserve the right to require all reports to be submitted at more frequent intervals. We also reserve the right to require You to submit additional reports as determined by Us.

TYPE OF REPORT	DUE DATE	REMARKS
Annual Financial Statements	Within 30 days after the end of each fiscal year	Must be submitted in accordance with the standard profit and loss statement template and balance sheet template required by Us. This is a complete financial statement for the preceding calendar year, Including profit and loss statement and balance sheet. We reserve the right to require this financial statement to be reviewed and certified by an independent public accountant.
State Tax Return	Within 30 days of the state submission deadline	
Federal Tax Return	Within 30 days of the federal submission deadline	
Other Reports	Upon request	Those additional reports that We may from time to time require, Including by way of example and not limitation, sales and cost data and analyses, advertising budget and expenditures.

5.4.1 Access and Use of Financial Records. We or Our certified public accountants or other duly authorized agent, have the right during normal business hours to conduct computer and other audits and to examine and make copies of Your books, records, financial statements and sales and income tax returns, and You must keep complete and accurate books and records of the operation of Your Franchise Business. You shall provide Us with access to, or copies of, all financial records in the time We require.

5.4.2 Audit of Books and Records. If any audit or investigation discloses a deficiency of 2% or more of the Gross Sales in the computation or payment of Fees due to Us, You shall immediately pay Us the amount of the deficiency, the appropriate Fee for late charges, and You shall reimburse Us for the total expense of the audit or investigation, including the charges for the accountant and the travel expenses, room, board, and other costs incurred in connection with the audit. Your failure to report Gross Sales for any period, or Your failure to retain and have available readable and organized required records will be deemed an understatement by more than 2%.

5.5 No Refunds. The Fees set forth in this Agreement are not refundable.

5.6 Funding. You are solely responsible for obtaining all funding for Your Franchise Business. Failure to obtain sufficient initial funding for opening Your Franchise Business is grounds for termination of this Agreement.

5.7 Non-Compliance Fines. We may issue You a fine for certain violations of this Agreement and/or the Manuals. The fines are set forth in Our Manuals and are paid to Us to reimburse Us for Our administrative and management costs for Us to address the violation and is not a penalty or estimate of all damages arising from Your breach. If You do not correct the violation within the time required by Us, We have the right to put You in default. We are not obligated to charge You a fine before putting You in default. All fines and charges are to be paid upon billing or in accordance with Our electronic funds or automatic withdrawal program, if established. See Exhibit "A-3." Such fines are not Our sole remedy. Our decision to impose, or not to impose, a fine for Your non-compliance with Our mandatory policies and procedures and the System does not constitute a waiver of any other right that We may have under this Agreement, including termination of Your Franchise Business.

5.8 Fee Increase. Unless otherwise set forth herein, if a Fee is subject to increase by Us (as opposed to by an affiliate or third-party), the increase will not be more than the equivalent of 25% per year during the term of this Agreement.

ARTICLE VI FRANCHISEE'S OPERATIONAL COVENANTS

6.1 Business Operations. In addition to other obligations, requirements and covenants set forth in this Agreement:

6.1.1 Compliance with Applicable Laws. You must adapt, at Your expense, the specifications to Your Franchise Business in accordance with local, state, and federal laws, rules and ordinances. You are solely responsible for ensuring compliance with all applicable laws, ordinances and regulations or ruling of every nature whatsoever which in any way regulate or affect the operation of Your Franchise Business. You cannot engage in any activity or practice which results, or may reasonably be anticipated to result, in any public criticism of Our System or any part thereof.

(i) Permits and Licensing. You shall obtain and maintain all required permits and licenses for the operation of Your Franchise Business. You agree that We have not made any representation that no permits or licenses, or only certain licenses, permits, etc., are necessary in connection with the operation of Your Franchise Business.

(ii) Support Team; Telemarketing Consumer Protection Act (TCPA). You shall not, and You shall not require Your Support Team to engage in any illegal, unethical, immoral and/or hazardous

duties, or perform any act that is in violation of federal, state or local laws regarding privacy or undesired solicitation, including applicable "Do Not Call" phone lists and email "Opt In/Out" statutes. By signing this Agreement, You acknowledge that many states require outbound phone calls soliciting certain transactions to be licensed, and that responsibility for compliance with all such laws rests solely with You, not Us, nor Cyberbacker Inc. or any Support Team member. You must at all times comply with the Telemarketing Consumer Protection Act (TCPA), including with Your Support Team. You cannot use Your Support Team in such a way that shall cause a violation of the TCPA including initiating any telephone call to any residential telephone line using an artificial or prerecorded voice without the prior express consent of the called party.

6.1.2 Customer Service. You must give prompt, courteous and efficient service to those clients You sell and oversee; perform work competently and in a workmanlike manner; adhere to the highest standards of honesty, integrity, fair dealing and ethical conduct; and otherwise operate Your Franchise Business in strict compliance with Our System, policies, practices and procedures contained in the Manuals or otherwise communicated to You so as to preserve, maintain and enhance the reputation and goodwill of Our System. We reserve the right to require that Your employees comply with any dress code, Mark, or other brand-related standards that We may require.

6.1.3 Training. Your Operating Principal and Support Team are required to attend and successfully complete Our training program. This training will take place online and through video conferencing. Your Operating Principal must complete training at least two weeks prior to the opening of Your Franchise Business, and You are not eligible to receive commissions until this training is complete. Failure to successfully complete training is a default of this Agreement. The training instruction is provided to Your Operating Principal and Support Team members without charge to You. We also allow one additional person to attend the initial training for a Fee. See Exhibit "A-3."

(i) Replacement Training. Any new Operating Principal or Support Team member must complete the initial training program before assuming their position. You must also pay a Fee for this training. See Exhibit "A-3."

(ii) Additional Training. Additional training will be provided through video conferencing for a Fee. See Exhibit "A-3."

(iii) Non-Disclosure. All attendees at a training must sign a non-disclosure agreement acceptable to Us before attending training.

6.1.4 Other Agreements. You must execute all other agreements required under this Agreement or as reasonably requested by Us from time to time and to provide Us with a copy within 15 days of execution.

6.1.5 Management. Your Franchise Business must be managed by Your Operating Principal. You must disclose the identity of Your Operating Principal to Us, and You must immediately notify Us in writing if Your Operating Principal is no longer acting in such capacity. We must approve of Your Operating Principal and any replacement Operating Principal. Your Operating Principal's obligations include:

a. Your Operating Principal must live in Your Market and personally participate in the direct operation and supervision of the Franchise Business. Your Operating Principal is not required to work a certain or minimum number of hours but must work sufficient hours to operate Your Franchise Business

and supervise Your Support Team so that Your Franchise Business is operating at maximum capacity and efficiency.

b. Your Operating Principal will primarily be tasked with teaching business-to-business (B2B) classes and/or mastermind courses and with managing client relations and overseeing and coordinating with Your Support Team. At a minimum, Your Operating Principal must: (i) attend and complete all training and retraining courses required by Us; (ii) attend weekly phone meetings and monthly mastermind meeting as well as any annual or special meetings of franchisees called by Us; (iii) be directly involved in all personnel decisions affecting the Franchise Business (this Includes hiring and training Your Growthbacker and Careerbacker); (iv) be involved in education training; (v) be trained on all applicable software and operating systems and procedures in the Franchise Business; (vi) and train and set proper expectations for clients, nurture client relationships, and oversee Your Support Team.

c. Your Operating Principal must devote their primary attention to the Franchise Business, and You, Your Operating Principal and Your manager(s) must keep free from any conflicting or competing enterprises or any other activities that would be detrimental to or interfere with the operation of Your Franchise Business.

6.1.6 Your Support Team. We require You to work with Your Support Team to handle certain tasks and operations of the Franchise Business. Your Support Team members are not Your employees but are contracted through Our affiliate. Additionally, fulfillment of the contracts and the day-to-day assistance to each of the clients You supervise will be performed by the Cyberbacker assigned to that client. You may not hire or engage another person or company to provide outsourcing services to a client. All outsourcing services must be fulfilled by a Cyberbacker hired through Cyberbacker, Inc. Our affiliate will assist You to replace Support Team members if either a Support Team member quits or is terminated (by You or Cyberbacker, Inc.).

6.1.7 Insurance.

(i) Minimum Limit Requirements. You shall at all times during the entire term of this Agreement and at Your own expense keep in full force, by advance payment(s), the following minimum insurance policies, obtained from a company rated “A-” or better by A.M. Best & Company, Inc.

Type of Insurance	Minimum Required Amount(s)
Errors & Omissions	\$1,000,000 covering each person in Your franchise business
General Liability Insurance	\$1,000,000 per occurrence and \$2,000,000 aggregate
Government Required Insurances	You must maintain and keep in force all worker’s compensation and employment insurance on Your employees that is required under all federal and state laws.

(ii) Policy Requirements. Other than worker’s compensation, these policies must insure You and Us and Our nominees as additional insureds, without regard to any other insurance program that We may have in effect, against any liability that may accrue by reason of or relating to Your ownership, maintenance or operation of the Franchise Business wherever it may be located. These policies must

stipulate that We will receive a 30-day written notice prior to, renewal or termination, and We must receive a 30-day notice of any modification. Original or duplicate copies of all insurance policies, certificates of insurance, or other proof of insurance acceptable to Us must be furnished to Us together with proof of payment prior to You beginning operations and within 15 days of any request which We may make from time to time.

These insurance coverage requirements are only minimums. You need to make an independent determination as to whether increased amounts or additional types of insurance are appropriate. If You fail to obtain insurance and keep the same in full force and effect, We may obtain insurance at Our discretion, and You must reimburse Us the premium costs, plus an administration fee of 10% of the premium payment for Our time. We may periodically increase the amounts of coverage required and/or require different or additional coverage.

6.1.8 Pricing. To the degree permitted by law, Our affiliate will specify the contract price for the client contracts and suggest retail prices and specify maximum and/or minimum pricing You may charge for products and services. Such pricing policies are intended to benefit the System as a whole and may not maximize Your profits.

6.1.9 Computer and Smartphone. At Your expense, You must purchase or lease the computer system and smartphone and other computer hardware and software systems designated by Us in strict accordance with Our specifications. You must have high speed Internet access and a reliable backup Internet system at the levels required in the Manuals. Your computer and smartphone cannot be more than three years old, and You must replace Your computer and smartphone with a new version once it is more than three years old. If We adopt a different computer system, smartphone system, or other system in the future, You must adopt it at Your expense. You must maintain, repair, modify and upgrade, all such items, at Your sole expense. You must use software We designate from time to time. You hereby waive any claim against Us or Our affiliates for any loss, damage, liability or expense caused by or related to failures, errors, acts, omissions, or otherwise of any computer, smartphone, hardware or software system (not related to Our or an affiliate's acts or omissions). We will not have independent access to Your computer or smartphone, but We will have independent access to the backend reports and information uploaded to and generated from Our shared documents platform, currently Google Docs/Google Workspace.

(i) Retention of Records and Accounting. You must maintain computer and business records and related back-up material, tax returns and financial reports for at least five years following the end of the year in which the items pertain, Including after the Termination of this Agreement. We can require that You use a specific accounting software, and You are required to follow Our accounting procedures, line items, and templates and charts of accounts as provided and updated in Our Manuals.

(ii) Compliance Monitoring. We or Our affiliate have the right to monitor Your video conference calls and phone calls (if necessary) for compliance with Our System and standards. You hereby waive Your right to privacy on such video conference calls and phone calls.

6.1.10 Conferences and Seminars. At Our discretion, We may hold conferences or seminars on a regional or national basis for all franchisees in good standing. If We determine to hold a conference or seminar, attendance is mandatory for Your Operating Principal. The conferences and seminars may be held at various locations chosen by Us or online. If any conference or seminar is held, You may be required to attend, and You must pay all Fees associated with such conference or seminar. See Exhibit "A-3." You are required to pay all travel, lodging, food, and other expenses for each of Your attendees.

6.1.11 Non-Delegation of Obligations. You may not outsource any part of Your services to a third party, including to another franchisee without Our prior written approval.

6.1.12 Business Coaching. You must hire a business coach approved by Us to provide You with weekly business coaching and accountability for the first year of this Agreement. We can require that You continue to work with a business coach beyond 12 months or to switch business coaches if We reasonably believe You need to maintain a business coach.

6.1.13 Required Software. You must use and pay for all software as required by Us, Including a CRM, software to comply with the Do Not Call registry, accounting software, etc., which may be changed from time to time. You must input all required information into Our designated software as set forth in Manuals. You must follow all laws and regulations in storing Client Data and in submitting information to Us.

6.2 Quality Control.

6.2.1 Correction of Defects. You shall immediately correct defects, deficiencies, or unsatisfactory conditions in the operation of Your Franchise Business. You shall establish and maintain an image and reputation for Your Franchise Business consistent with the standards set forth in this Agreement, in the Manuals, or as otherwise specified by Us.

6.2.2 System Compliance. You shall strictly follow Our System, the Manuals, and other directives promulgated or provided by Us from time to time.

(i) Email Address. We will provide an email address to You that You must use as the sole email for all Franchise Business-related communications and accounts. If We provide You with an email account/address, We have the right to access Your email account at any time without notice to you, and You understand and acknowledge that You have no expectation of privacy in the assigned email accounts.

(ii) Incentive Programs. If We or Our affiliate adopt a loyalty, coupon, gift card/certificate, free giveaways, fundraising programs, membership or subscription model, or other discount or incentive program, You are required to implement and honor such programs in Your Franchise Business. You are not allowed to implement any sort of coupon, loyalty, membership, subscription model, gift card program, etc., without Our prior written permission.

(iii) Required Purchases. You must purchase all designated products, equipment, and other items from sources designated or approved by Us. For delivery and installation, You are required to work directly with the manufacturer or services of these items. We do not offer assistance in delivery or installation of any required or approved purchases.

(iv) Modifications. We have the right to modify, delete, add to and otherwise make systematic and other changes to the System, Intellectual Property, Manuals, operations, etc. We may issue new specifications and standards for any aspect of Our System, or modify existing specifications and standards, at any time by revising Our Manuals and/or issuing new written directives (which may be communicated to You by any method We choose). You must comply with, use, and implement any and all such changes to the System or operations. You must make whatever expenditures are reasonably required to implement such changes or modifications, Including modernizing Your Franchise Business, technology, capabilities, etc., to conform to Our then-current standards. The modifications may obligate You to invest

additional capital in Your Franchise Business and to incur higher operating costs. You must incorporate all such modifications within the time that We specify. Other than modifications due to health or governmental mandates or guidelines, or public concerns, We will not obligate You to invest additional capital at a time when the investment cannot in Our reasonable judgment be amortized during the remaining term of this Agreement. You are prohibited from making modifications to the System or Your Franchise Business without Our prior written approval.

(v) Inspections and Visits. You hereby consent to reasonable inspections and audits during normal business hours of Your office as set forth in Section 7.7 below.

6.3 Standards and Control. Any required standards exist to protect Our interest in the System and the Marks and not for the purpose of establishing control or duty to take control over those matters that are reserved to You.

6.4 Required Notices. You shall provide Us with prompt notice (within five business days of receipt) of any default with regards to late payment of any taxes, government fines, payments owing to any vendors, landlords, or amounts owing to employees or contractors.

6.5 Non-Contravention; Non-Disparagement. You shall not undertake any action or inaction to circumvent, contravene, or undermine the purposes of this Agreement. Additionally, during and after the term of this Agreement, You shall not, in any way, form, or medium, disparage Us, the System, or Our officers, owners, partners, directors, members, managers, representatives, agents or employees.

ARTICLE VII FRANCHISOR'S OPERATIONAL ASSISTANCE

7.1 Contract Fulfillment; Growthbacker Replacement. Our affiliate will provide You with fulfillment of all client contracts that You sell and oversee. Our affiliate will enter into the agreement with the client and provide the client with the cyber assistant or Cyberbacker based on the client's needs. Our affiliate will also handle all billing matters with the client contracts that You sell and oversee. Additionally, Our affiliate may replace your Growthbacker or Careerbacker if Your Growthbacker or Careerbacker quits, is terminated, breaches its agreement with Our affiliate, or if the Growthbacker or Careerbacker requests a change.

7.2 Operations Assistance. We will provide You with the names of approved suppliers. We will furnish You with guidance relating to the general operation of Your Franchise Business and upon Your reasonable request, make Ourselves available to consult with You by video conferencing. However, for problems and training for items purchased from a supplier, You must consult with the respective manufacturer or supplier of those items.

7.3 Technology Suite. We will provide You with a technology suite that includes one email account, one phone number and a video conferencing platform. Additional accounts may be purchased for a Fee. See Exhibit "A-3."

7.4 Initial Training. We shall train Your Operating Principal and other attendees in the various practices, policies, and procedures of operation of Your Franchise Business.

7.5 Mentor. We shall assign You a mentor that will provide You with ongoing support with Your operations, business management, lead generation, marketing, etc. This mentor will likely be another

Cyberbacker® franchisee, who has purchased a general and non-industry-specific market in Your area or someone from Our corporate team. You are required to have a minimum of one 30-minute phone or video conference meeting with Your mentor each week. Your mentor will receive a small monthly commission from Us or Our affiliate of 1.33% based on the client contracts You sell. See Schedule “A-3.1.”

7.6 Interim Management. We may require, based on Your defaults or poor performance (or as set forth in Section 14.10) that We step in to manage Your Franchise Business for a period of time, as We deem advisable for a Fee. See Exhibit “A-3.”

7.6.1 Operations, Access to Information and Operating Account. During the Interim Management Period, You hereby grant Us authority to assist You in managing any or all aspects of Your Franchise Business. You are required to cooperate to provide Us with all pertinent information regarding Your Franchise Business and access to the applicable operating accounts to enable Us to efficiently assist with management operations. You are ultimately responsible for all operating costs both before and during the Interim Management Period. You must provide Us with a list of all accounts payable with direction on which accounts are to be paid, but with the understanding that all taxing authorities will be paid first. Any excess funds in the Operating Account or any new account after all applicable costs and Fees have been paid and after an additional amount has been set aside sufficient for the Franchise Business to fulfill its business purposes as determined by Us, will be transferred to You monthly. We may provide monthly internal profit and loss statements to You. We have no obligation to infuse capital into Your Franchise Business, but if We do, such amounts will be treated as a loan, which must be repaid within an agreed upon time and bear market interest as agreed. We have the right to direct Your employees and contract personnel during the Interim Management Period. Both You and We agree that in no way does Our interim management create a relationship of trustee, beneficiary or any type of fiduciary relationship over or in relationship to Your Franchise Business.

7.6.2 Your Obligation to Cure. During the Interim Management Period, You are obligated to cure all applicable defaults within the applicable cure periods as set forth in this Agreement. We have the right to terminate this Agreement during the Interim Management Period for defaults not cured within the applicable cure periods.

7.7 Inspections and Visits. We may conduct periodic evaluations and inspections of Your Franchise Business at reasonable intervals by Our duly authorized representative for compliance with the System, customer service and the standards and procedures set forth in the Manuals. These inspections may be conducted in person or through remote access such as video conferencing. Our inspections may include Your business records, operating procedures, and reports, including all computer drives and electronic storage devices, account records and tax records.

7.8 Additional Guidance. Additional guidance, at Our sole discretion, will be furnished in the form of written Manuals, videos, audio recordings, bulletins or other written materials, and video conferences. We have the right to communicate directly with Your Operating Principal, Support Team, cyber assistants and cyberbackers concerning operational matters that We reasonably believe may affect Our goodwill, Marks, or the System.

7.9 Non-Compliance. We may deny any or all of the above services to You while You are in default of this Agreement or any related agreement with Us or an affiliate.

ARTICLE VIII PURCHASE OF PRODUCTS

8.1 Approved Products and Services; Suppliers. You shall purchase, use, provide, and sell only those goods and services that meet Our specifications and/or that are purchased from Our approved suppliers. You shall timely pay all suppliers, Including Us and Our affiliates for purchased goods and services. The prices, delivery terms, terms of payment, and other terms relating to the sale of such goods and services are subject to change by the supplier (Including Us and affiliates) without prior notice at any time. In no event will We or an affiliate be liable to You for unavailability of or delay in shipment or receipt of merchandise due to temporary product shortages or unavailability, order backlogs, production difficulties, delays in or unavailability of transportation, fire, strikes, work stoppages, or other such causes. A list of approved goods, services, and suppliers may be set forth in Our Manuals, which list We may update from time to time. No product or service may be added to, altered, or discontinued by Your Franchise Business unless it is first approved by Us in writing. Any additional goods or services that are unique to Your area requires written approval from Us before such goods and/or services are offered. For the purpose of this Article, “goods” means any product, good, inventory, supply item, equipment, tool, item, etc. For the purpose of this Article, “goods” means any product, good, inventory, supply item, equipment, tool, item, etc.

8.1.1 Delivery and Installation. For delivery and installation, You are required to work directly with the manufacturer or supplier of these items. We do not assist in delivery or installation of any required or approved purchases.

8.2 Supplier Compensation. We or Our affiliate may derive revenue from the sale of required products and services through mark-ups in prices We charge to You for items and services purchased from Us or an affiliate, or We or an affiliate may receive compensation or discounts from the supplier for Your purchase of such items and services. Any monies paid to Us for items or services are non-refundable. No compensation is due to You for compensation or discounts We receive from suppliers.

8.3 Unapproved Suppliers. If You desire to purchase any items or services from an unapproved supplier, You must submit to Us a written request for such approval or request the supplier itself to do so. We may require You to submit samples, and other data to permit Us to ascertain whether any such supplier meets Our specifications. We will notify You in writing and within two weeks as to whether such supplier has been approved. Prior to testing, You must pay a non-refundable evaluation Fee (see Exhibit “A-3”), plus reimburse Us for all actual costs and expenses of testing whether or not the requested supplier is approved. A supplier who is able to meet Our specifications may, as determined in Our sole discretion, become an approved supplier for Your Franchise Business only or for the System as a whole. We may make changes in the standards and specifications for approved suppliers. At Our discretion, We may revoke Our approval of an approved supplier upon 30 days’ prior written notice.

8.4 Warranties. You must look to the respective manufacturers or suppliers for issues related to warranties, defective products, training, and support for any third-party goods purchased for Your Franchise Business.

ARTICLE IX MANUALS

9.1 Manuals. We shall loan You a copy or provide electronic access to Our Manuals. Our Manuals may consist of a series of online videos, webpages, online drives, or other forms designated by Us. We will provide You access to Our Manuals during the term of this Agreement. You may not copy any part of the

Manuals either physically or electronically. The Manuals are confidential and remain Our property. The Manuals may be used by You only in association with Your Franchise Business and only during the term of this Agreement. We have the right to revise the Manuals at Our sole discretion in order to maintain the goodwill associated with the System and the Marks. You must promptly and continuously comply, at Your expense, with all provisions of, and modifications to the Manuals. The master or most updated copy of the Manuals maintained by Us will be controlling in the event of a dispute relative to the contents of the Manuals.

ARTICLE X MARKETING

10.1 Brand Development Fund. You shall contribute to Our national marketing and brand development fund (“Brand Development Fund”) for such Advertising activities as We, in Our sole discretion, may deem necessary or appropriate to Advertise the System. The Fees for the Brand Development Fund are listed in Exhibit “A-3.” You must participate in all Advertising programs instituted by Us.

10.1.1 Brand Development Fund Administration. We will direct all such programs, with sole discretion over: 1) the creative concepts, materials, endorsements and media used in connection with such programs; 2) the source of the Advertising efforts; 3) the placement and allocation of such programs; and 4) the composition of all geographic territories and market areas for the development and implementation of such programs. The Brand Development Fund can be operated through an entity separate from Us that has all of Our rights and duties relating to the Brand Development Fund. We will not be liable for any act or omission with respect to the Brand Development Fund or otherwise which is consistent with this Agreement or which is done in subjective good faith. The Brand Development Fund may be used, in Our reasonable discretion, to reimburse Us for costs related to the administration of the Brand Development Fund and any Advertising efforts intended to benefit the System. We have the right to loan money to the Brand Development Fund to cover any deficits. The Brand Development Fund is not in the nature of a trust, fiduciary relationship or similar special arrangement, and We disclaim any such relationship.

10.1.2 Use of Brand Development Fund Fees. We may use the Brand Development Fund to offset a portion of direct costs to manage and maintain the Brand Development Fund, Including the payment of staff salaries and other expenses for those groups who may be involved in Brand Development Fund activities. You must participate in all Advertising programs instituted by the Brand Development Fund or by Us, and We may receive payment for providing goods or services to the Brand Development Fund. We reserve the right to use fees from the Brand Development Fund to place Advertising in national or regional media. We are not required to spend any amount on Advertising directly for Your Market, and We do not have any obligation to ensure that expenditures are or will be used equally in each franchise market, or that they will be equivalent to contributions to the fund by other franchisees operating in any geographic area or market. We make no representations that Advertising expenditures will benefit You or any other franchisee directly, on a pro-rata basis, proportionally, or at all. Any unused Brand Development Funds in any calendar year will be applied to the following years’ fund. You may request (in writing) an unaudited annual report of marketing expenditures within 90 days of the end of each year.

10.2 Marketing Materials. We will provide You with certain Marketing materials. However, there will be additional costs if You would like Us or an affiliate to assist You to create customized Marketing materials. See Exhibit “A-3.”

10.3 Approval of Advertising. You may develop Advertising materials and digital marketing programs for Your use at Your cost. All such materials must be approved by Us in advance and in writing in

accordance with Our Manuals. Submitted Advertising materials will be deemed disapproved if You do not receive written approval or disapproval within 15 days of the date We receive the submission. We have the right to disapprove previously approved Advertising materials at any time.

10.3.1 Marketing Compliance. All Your Advertising activities must be done in strict compliance with Our Manuals and in good taste and must reflect favorably upon the brand and System. You must submit to Us, prior to publication, copies of all Advertising materials, proposed to be used by You, Including any use of the Internet, or other digital, electronic or Social Media along with a description of how it will be used, by what media published and such other information thereon as may be reasonably requested by Us. You shall participate in all Advertising, email, and other programs as developed by Us, Including the collection of Client Data and participation in using and promoting apps, as developed by Us.

10.3.2 Advertising Plan. You are required to provide Us an initial Advertising plan at least 30 days prior to the opening of Your Franchise Business. In addition, You are required to annually update Your Advertising plan and submit the updated plan to Us within 30 days of Your fiscal year end each year.

10.4 Internet and Social Media. You must strictly comply with Our policies and procedures regarding websites, Social Media sites, and Internet Marketing. We reserve the right to restrict Your use of these mediums in the future.

10.4.1 Websites. You may not create a website for Your Franchise Business. However, You may be allowed to place pre-approved information concerning Your Franchise Business on Our website, as developed by Us. Additionally, You cannot Advertise on the Internet, Including posting for re-sell, items on third party re-sell or auction-style websites such as eBay, Craigslist or Amazon without Our prior written permission. We have the right (but not the obligation) to manage and control all online reviews for Your Franchise Business. You may not claim any web listing on sites such as Yelp.

10.4.2 Social Media. We will own and control all Social Media, but We may allow You to manage certain aspects of Social Media related to Your Market. In all cases, We will have administrative access, and access to account information, and any other information related to Your Social Media activities related to the Cyberbacker® brand. You cannot change any login/password information without our prior written approval, and you must supply us with all changed/updated login/password information. We have the right to remove or require You to remove any content We deem inappropriate or inconsistent with the Cyberbacker® brand. Additionally, You must sign the Digital and Social Media Authorization for Assignment attached as Exhibit “A-7.”

ARTICLE XI BREACH AND TERMINATION

11.1 Default and Termination. We may terminate this Agreement before the expiration of its term if You breach or violate and fail to cure, if curable, any material term, condition or provision of this Agreement in any respect or default in the performance or fulfillment of any material term or provision of this Agreement, Including those breaches set forth herein below. If curable, You must cure a default within the times set forth below after receiving notice of default. If the default is one which is incapable of cure, Termination is effective as of the date of the notice of default.

No Cure Period:

A. Insolvency. You become insolvent or commit an act of bankruptcy or make a general assignment for the benefit of creditors or to an agent authorized to liquidate Your property or assets, or become or are adjudicated bankrupt, or voluntarily file a petition in bankruptcy or for reorganization.

B. Repeated Breaches. You repeatedly breach (three or more times) the same or different conditions of this Agreement or the Manuals within a 12-month period.

C. Unauthorized Use. You duplicate the System or use Our Confidential Information or Intellectual Property other than in connection with the operation of Your Franchise Business.

D. Public Safety. Your maintenance or operation of Your Franchise Business results in a threat or danger to public health or safety.

E. Misrepresentations. You make any material misrepresentations relating to the acquisition of the Franchise Business, or Your misrepresentation to customers, Including deception relating to the source, nature, or quality of goods sold or services provided.

F. Abandonment. You abandon Your Franchise, meaning that Your Operating Principal or general manager) has not interacted with its Support Team for 20 days or more

G. Unauthorized Transfer. You Transfer or attempt to Transfer all or any part of this Agreement, Your Franchise Business, or any material portion of the property associated with Your Franchise Business, or an unapproved percentage of Your franchise entity, or You sublicense or attempt to sublicense to another any of the rights licensed to You hereunder, or You otherwise fail, refuse or neglect to obtain Our prior written consent or approval required hereunder.

H. False Reporting. You knowingly or intentionally conceal revenues, maintain false books, or records (Including purposely uploading or storing incorrect or incomplete information on a designated platform) or submit any false report or payment or otherwise defraud Us.

I. Crimes and Adverse Behavior. You commit or are convicted of or plead guilty or no contest to, or enter into a plea in abeyance, stipulated order of continuance, or related agreement, to a felony, a crime involving moral turpitude, or You engage in any conduct or behavior that We believe is reasonably likely to have an adverse effect on the System, the Marks, the goodwill associated therewith, or Our interest therein; or You make disparaging remarks against Us, Our management, employees, the System, or Our brand to Our other franchisees or in a public forum, Including radio, television, newspapers, the Internet, or Social Media.

J. Unauthorized Competition. You fail to comply with the covenant not to compete during the term of this Agreement or intentionally or recklessly disclose or use Our Confidential Information or Intellectual Property in violation of this Agreement.

K. Failure to Obtain Financing. You fail to qualify for or fail to receive the necessary financing to open and operate Your Franchise Business.

L. Default of Another Agreement. Another agreement between Us or an affiliate of Ours and You or with an affiliate of Yours is terminated.

5-Day Cure Period:

M. Failure to Use or Provide Access to a Designated Account. You refuse to use, or to enable, or to allow Us access to Your account for a designated platform or software, Social Media account, or branded email account.

15-Day Cure Period:

N. Failure to Pay. You fail to pay any Fee or an amount due to Us, any of Our affiliates, or other designated, approved or other suppliers or assigns, within the time specified for such payments by this Agreement, the Manuals or an agreement specifying the payment concerned.

O. Failure to Accurately Report. You fail to accurately report or fail to submit any reports or records required under this Agreement or the Manuals.

P. Act in Contravention. You perform or undertake any action to undermine or circumvent this Agreement, the System, or Us.

30-Day Cure Period:

Q. Other Breaches. Except as otherwise provided herein, You fail to comply with any other provision of this Agreement or the Manuals.

11.1.1 Adequate Assurance. When reasonable grounds for insecurity arise with respect to the performance of Your obligations under this Agreement, We may demand adequate assurance of due performance, and, until We receive such assurance, We may reasonably suspend any performance of Our obligations. Failure to provide Us with adequate assurances within 30 days, when properly demanded, will be considered a default of this Agreement for which no additional cure period will be granted.

11.2 Event of Default. In the event of any default by You, We will give You written notice of default specifying the default(s) and, if curable, state what You must do to cure the specific default(s) within the cure period. In the event of a default by You, all of Our costs and expenses arising from such default(s), Including reasonable legal fees and reasonable costs for Our employee's time related to the default(s) must be paid to Us by You within 10 days following Our demand for payment.

Notwithstanding anything to the contrary herein, We have the right, to be exercised in Our sole discretion, to grant You an extended period of time to cure. Any such extension will not be construed as a waiver of Our rights in the future.

11.3 Failure to Cure. If You fail to cure any default within the time allotted, We may proceed to enforce any or all of the following non-exclusive remedies in accordance with this Agreement, and the pursuit of any one remedy will not be deemed an election or waiver by Us to pursue additional remedies:

11.3.1 Actionable Claim. Bring an action or claim for the balance of any monies due hereunder, Including, penalties and interest as provided for in this Agreement and for all other damages sustained by Us as a result of Your breach of this Agreement. As part of any such action, We may accelerate and bring an action for the balance of any outstanding installment obligation due hereunder.

11.3.2 Injunctive Relief. Bring an action for temporary or permanent injunctions and orders of specific performance enforcing the provisions of this Agreement and otherwise stop You from engaging in actions prohibited hereby.

11.3.3 Termination. Terminate this Agreement and proceed to enforce Our rights under the appropriate provisions. Such Termination will be effective upon delivery of a notice of Termination to You without further action by Us.

11.3.4 Other Remedies. Seek any other remedy available to Us at law or in equity, Including lost profits.

11.4 No Right of Termination. You may not terminate this Agreement; however, some states may allow You to terminate as permitted by state law.

11.5 Opportunity to Cure. Prior to taking any action against Us, You must first give Us 60 days' prior written notice and an opportunity to cure any alleged act or omission. If such act or omission cannot be cured within such 60-day period, and We are diligently continuing efforts to attempt to cure such alleged act or omission, You must give Us such additional time as is reasonably necessary to cure.

ARTICLE XII TERMINATION AND EXPIRATION

12.1 Upon Termination of this Agreement for any reason, You immediately cease to be Our franchisee. and must:

12.1.1 Payments Due. Immediately pay all Fees and other obligations owed or accrued to Us, Our affiliates or designated suppliers.

12.1.2 Cease Use. Not hold Yourself out as a Cyberbacker® franchisee or business and immediately comply with the following: permanently cease to Advertise or in any way use Our Intellectual Property or Confidential Information, provided by or licensed to You by Us or in any way connected with the Franchise Business or System.

12.1.3 Disassociation. Within 10 days of Termination, take all necessary steps to disassociate Yourself from the System and Your Franchise Business, Including the removal of signs, destruction or removal of letterheads, Marketing material, the change of Your Franchise Business telephone listings, telephone numbers, email addresses, URLs, Internet websites, and any other property that bears Our brand or is affiliated with Our brand. All such property and listings, excluding Your operating assets and inventory that are associated with and considered part of Our brand, Intellectual Property, and System revert back to Us upon termination of this Agreement. If any of Your Operating Assets and inventory bear Our brand and Marks to Our System, You must take the steps necessary to dissociate it all from Our brand, Marks, and Intellectual Property. You shall assist Us to assign, transfer, or disconnect (at Our option) the telephone listing, telephone numbers, Marketing accounts, email addresses, URL's, Internet sites, web pages, and Social Media to Us. If You fail or refuse to do so, the telephone company, URL and hosting companies, and other listing agencies may accept this Agreement as evidence of Our exclusive rights in and to such telephone number(s), Internet websites, URL's, email accounts, and Social Media and listing and its authority to direct their transfer. You hereby appoint Us as Your attorney-in-fact for the above transfers, which appointment is coupled with an interest. You must not identify any present or future business owned or operated by You as having been in any way associated with Us or the System.

12.1.4 Cancel DBA. Within 10 days of Termination, take such action as will be necessary to amend or cancel any assumed name, fictitious or business name or equivalent registration, which contains any Mark of Ours or in any way identifies You as being affiliated with Our System.

12.1.5 Notify Suppliers; Communication with Customers. Immediately notify all suppliers, utilities, creditors and concerned others that You are no longer affiliated with Us or the System and provide proof to Us of such notification. All communications with customers and clients of the Franchise Business must be pre-approved by Us, and We can require that all such communication be handled by or through Us. We also have the right to communicate directly with all customers and clients of the Franchise Business.

12.1.6 Return Materials. At Your cost, permanently delete electronic copies and return to Us by first class prepaid United States Mail (Including originals and any copies) physical copies of Our Manuals, all training materials, marketing materials and all other printed and electronic materials and any other Confidential Information obtained by You from Us pertaining to the operation of Your Franchise Business.

12.1.7 Client Data. Provide Us with (and then You shall permanently delete) the Client Data for all current, prior and expectant customers of the Franchise Business.

12.1.8 Evidence of Compliance. Otherwise, furnish evidence satisfactory to Us or in the manner required by Us of Your full compliance with this Section 12.1 within 30 calendar days after the Termination of this Agreement or on the timeline We may provide at Termination.

12.1.9 Pay Damages and Costs. Pay to Us all costs, damages and expenses, Including post-term expenses and reasonable attorney's fees incurred by Us to enforce the provisions of this Agreement, Including to obtain injunctive or other relief to enforce any provision of this Agreement. In the event You fail to comply with this Section 12.1, at Your expense, We may hire a third-party or use Our own personnel to carry out Your obligations on Your behalf.

12.2 Upon Termination of this Agreement, for any reason:

12.2.1 Final Payment to You. We or Our affiliate shall pay You any commissions or other amounts that have been earned by You but not yet paid to You, less amounts owing to Us. Upon Termination, Your rights to receive further commissions or share of profits from contracts that You sold and oversaw immediately terminate. No payments will otherwise be due to You from Us or any source on account of any goodwill, intangible assets or other equity claimed by You arising from or relating to Your operation or ownership of Your Franchise Business, or otherwise. All goodwill connected in any way with Your Franchise Business or the System belongs now and, in the future, exclusively to Us.

12.2.2 No Refund. No Fees, charges, or other payments of any kind from You to Us are refundable in whole or in part.

12.2.3 No Equity. You will have no equity or other continuing rights to use the System, Confidential Information, Intellectual Property or goodwill of the Franchise Business.

12.3 Survival of Provisions. All of the provisions of this Agreement, which by implication apply following the Termination of this Agreement are enforceable following Termination of this Agreement, Including Your obligation to indemnify Us and pay all amounts owed and Your obligations to dissociate from Our brand. You shall also still be bound to the confidentiality, brand protection, indemnification, non-

disparagement, non-competition, non-solicitation, arbitration and dispute resolution, choice of forum and law selections clauses and other restrictions of this Agreement that have terms or duties owing after Termination of this Agreement.

12.4 Cumulative Rights. Our rights provided above are cumulative and in addition to any other right or remedy available at law or in equity.

ARTICLE XIII

[This Article has been intentionally omitted].

ARTICLE XIV SALES OR TRANSFERS OF THE FRANCHISE

14.1 Our Right of Assignment. This Agreement and all rights and obligations hereunder are fully assignable and transferable, whether in part or whole, by Us, and if so assigned or transferred, will be binding upon and inure to the benefit of Our successors and assigns. We may be sold, or We may sell any part of or all of Confidential Information and/or Our Intellectual Property or other assets to a competitive or other entity. In addition, We may go public, may engage in a private or other placement of some or all of Our securities, may merge, acquire other entities or assets which may be competitive with the System or not, be acquired by a competitive or other entity, and may undertake any refinancing, leveraged buy-out or other transaction, Including arrangements in which: 1) the territories, or other facilities are, or are not, converted to the System or other format or brand (Including using the System or Marks), or 2) the System is converted to another format or brand, maintained under the System or a different system. You waive all claims, demands and damages with respect to any transaction or otherwise allowed under this Section or otherwise. You shall fully cooperate with any such proposal, merger, acquisition, conversion, sale or financing.

14.2 No Assignment by You without Our Approval. This Agreement is personal as to You and is being entered into in reliance upon and in consideration of Your qualifications and representations, Including representations of all current owners. Therefore, none of Your Franchise Assets may be Transferred in any manner by You or anyone else unless Our prior written approval is obtained. You shall provide Us with all documentation relating to the Transfer of Your Franchise Assets. Said approval will not be unreasonably withheld but will be conditioned upon Our satisfaction with the qualifications set forth in Section 14.3 below of the proposed transferee and its owners and officers.

14.2.1 Transfers to Competitors Prohibited. You cannot Transfer any part of Your Franchise Assets to a Competing Business without Our written permission. Any such Transfer without Our written approval is considered void ab initio.

14.3 Qualifications of Transferee. In determining the acceptability of the proposed transferee, We will consider, among other things, Our then-current standards for new franchisees, Including the net worth, financial resources, credit worthiness, health, background, training, personality, reputation, and business experience of the proposed transferee, Including that of the new Operating Principal, the terms and conditions of the Transfer and any circumstances that would make the Transfer not in the best interests of Us or the System, Including the proposed purchase price. We may meet and candidly discuss all matters relating to Your Franchise Business with the potential transferee, Including providing a proposed transferee with corrected information or information in addition to what You have provided. In no case will You or a

proposed transferee rely on Us to review or evaluate any proposed Transfer. Neither We nor Our affiliates will be liable to You or the transferee or any other person or entity relating to the Transfer, and You shall indemnify and hold Us harmless from any liability whatsoever relating thereto.

14.4 Application for Transfer. You must provide Us written notice of Your intent to Transfer prior to listing or offering part of the Franchise Assets for sale, and upon any proposed Transfer of Your Franchise Assets, or any interest therein. You must also submit to Us an application in the form specified by Us on behalf of the proposed transferee.

14.5 Transfer Fee. As a condition of Our approving the Transfer of any part of Your Franchise Assets, You shall pay Us a non-refundable Transfer Fee as listed in Exhibit “A-3” at the time of the approved Transfer.

14.6 Minority Interest Transfers. If a proposed Transfer is for less than 40% of Your entity (cumulative the term of this Agreement) there will be no transfer Fee, but You must reimburse Us Our legal and corporate fees incurred related to the Transfer, and We will not be entitled to exercise Our right of first refusal set forth in Section 14.9 below. Each ownership certificate of a corporation or limited liability company franchisee must have endorsed upon its face that a Transfer is subject to the restrictions of this Agreement. Additionally, any new Operating Principal and other applicable personnel such as Support Team members are required to complete the necessary training as required by Us.

14.7 Involuntary Transfers Void. Involuntary Transfers of this Agreement by You, such as by legal process, are not permitted, are not binding on Us and are grounds for termination of this Agreement. Using this Agreement as security for a loan, or otherwise encumbering this Agreement is prohibited unless We specifically consent to any such action in writing prior to the proposed transaction. You cannot grant a sub-franchise under this Agreement nor to otherwise seek to license or permit others to use this Agreement or any of the rights derived by You under it. Any attempt to Transfer any part of the Franchise Assets, whether or not binding on Us, will be grounds for the immediate Termination of this Agreement unless such Transfer is authorized in writing by Us.

14.8 Conditions of Transfer. Prior to the effective date of Transfer of any part of Your Franchise Assets and as a condition for Our approval of any Transfer:

14.8.1 Compliance. You must be in full compliance with this Agreement and not be in default hereunder, and You must comply with Our policies related to a Transfer as set forth in the Manuals. All accounts payable and other monetary obligations to Us or Our affiliates or subsidiaries must be paid in full. You must have submitted to Us all required reports, financial statements and other documents.

14.8.2 Written Proposal. The terms and conditions of the proposed Transfer must be provided in writing to Us within the time frames specified by Us. The price and other proposed terms of the Transfer must not, in Our reasonable business judgment, have the effect of negatively impacting the future viability of the Franchise Business.

14.8.3 Assumption of Obligations. All Your obligations in connection with the Franchise Assets must be assumed by the transferee, in a form acceptable to Us.

14.8.4 New Franchise Agreement. At Our discretion, the transferee must sign the then-current form of the Franchise Agreement and fully upgrade the Franchise Business to the level required of new franchisees.

14.8.5 Training. The transferee and any new Operating Principal and other required personnel must pay for and complete the training or certification program required of new franchisees. See Exhibit “A-3.” If We require in-person training, the transferee is also responsible for the cost of travel, food and lodging for Our representatives or the transferee’s attendees. You and the transferee and We must coordinate on the timing of training, so that the Franchise Business does not have a gap in properly trained management.

14.8.6 Transfer Fee. You shall pay the Transfer Fee set forth on Exhibit “A-3.”

14.8.7 General Release. You must execute a general release releasing Us of any claims You may have against Us.

14.8.8 Survival of Covenants. Your non-competition, indemnity, confidentiality obligations, the provisions relating to dispute resolutions, and other applicable terms of this Agreement, will survive any Transfer.

14.9 First Right of Refusal.

14.9.1 Right of First Refusal. You hereby grant to Us the right of first refusal to purchase Your Franchise Assets on such terms and conditions specified in a bona fide written offer from a third-party, who would satisfy the criteria for approval under Section 14.3. You must notify Us in writing of the terms and conditions of the Transfer, including the Franchise Assets proposed to be Transferred, the purchase price or other consideration, any creditor financing terms being extended by You, the date of the proposed Transfer, and all other pertinent provisions of the proposed Transfer. In addition, a copy of any contract, agreement, memorandum of sale, deposit receipt, letter of intent and the like, must also be forwarded to Us as soon as it is signed by You. Following receipt of all pertinent data and documents concerning the proposed Transfer and data concerning Your Franchise Business, financials, employee information, and lease information. We will have 30 days in which to advise You in writing of Our election to have the Franchise Assets transferred and assigned to Us on the terms and conditions agreed to by the prospective transferee. Should We elect to purchase the Assets proposed to be Transferred pursuant to Our right of first refusal, You and We agree to cooperate to accomplish the Transfer as set forth in the provisions submitted to Us by You, provided that the date for the completion of the Transfer can be extended at Our option for up to 30 days beyond the date originally indicated for the completion of the Transfer in order to allow the completion of the transaction in a manner more convenient to Us. We have the right to off-set any amounts You owe to Us against the purchase price.

14.9.2 Non-Election of Rights. If We do not elect to purchase the Franchise Assets proposed to be Transferred, You may complete the proposed Transfer on the terms and conditions set forth in Your notice to Us subject to Our right to approve the proposed transferee and the terms and conditions set forth under this Article. However, if there are any material changes in the terms and conditions of the proposed Transfer, and any of those changes are more favorable to the purchaser, You must notify Us of the changes in writing, and We will have an additional 10 days to elect to purchase the Franchise Assets proposed to be Transferred on the revised terms and conditions. Additionally, if Your Franchise Business is not Transferred to such third-party within five months after We elect not to purchase the Franchise Assets, You must re-offer the Franchise Assets to Us before You may Transfer to an approved third-party. We have no obligation to purchase Your Franchise Assets.

14.10 Death or Incapacity and Interim Management. In the event of the death or incapacity of an individual franchisee or the majority owner of the franchisee entity (the term “incapacity” means any physical or mental infirmity that prevents the person from performing his or her obligations under this Agreement: (i) for a period of 60 or more consecutive days, or (ii) for 100 total days during a calendar year), the heirs or personal representative will have the right to continue Your Franchise Business; provided that within a reasonable time (not more than 120 days) after such death or incapacity (or such longer period required by the laws of the state where Your Franchise Business is located) the heirs appoint a representative to act in behalf of the heirs in all matters pertaining to Your Franchise Business as provided for new Operating Principal, or franchisees, Including the requirements to have the representative trained and accepted by Us in accordance with Our standards. The heirs or personal representatives, instead of operating Your Franchise Business themselves under the foregoing procedures may choose to Transfer Your Franchise Business. If a decision to Transfer is made, the Transfer procedures explained above will apply. If We are required to operate Your Franchise Business for a time due to death or incapacity, or as otherwise allowed under this Agreement, the provisions of Paragraph 6.2.3 above will apply.

14.11 Assumption of Obligations. The parties agree that in the event a court of competent jurisdiction orders You to Transfer to Your spouse, domestic partner, or a third-party all or any part of Your Franchise Assets, such an order will constitute a Transfer of this Agreement and will cause the transferee to be subject to all of the terms and conditions concerning Transfers set forth herein above.

14.12 Acquisitions. If We receive an offer to acquire a majority of the franchises or to purchase a majority of Our assets or stock, or to merge or go public or similar transactions, We have the option, but not the obligation, to purchase all of Your rights and interests in and under this Agreement and Your Franchise Business at fair market value payable on terms as reasonably negotiated. The purchase price will not Include compensation for any successor term or goodwill. All goodwill belongs to Us. If the purchase option is exercised, You must execute a general release to Us. We will close Our purchase and make payment within 60 days after closing or as soon thereafter as reasonably practical.

14.13 Transfer for Convenience of Ownership. If You are an individual or individuals, You may Transfer this Agreement to a corporation or limited liability company formed for the convenience of ownership provided You: 1) give Us after at least 15 days’ prior written notice of the proposed Transfer; 2) send Us copies the entity’s charter documents, by-laws (or operating agreement), ownership interests of the owners, and similar documents, as We may request, and 3) own all equity voting securities of the corporation or limited liability company. Additionally, You and the new entity must sign an assumption and assignment agreement in the form required by Us, whereby the transferee assumes all obligations of this Agreement. Furthermore, Your Operating Principal must continue in the same capacities as before the Transfer.

ARTICLE XV RELATIONSHIP OF THE PARTIES

15.1 Independent Contractors. In all matters, You are an independent contractor. Nothing in this Agreement or in the franchise relationship constitutes You as Our partner, agent, employee, joint employer, or joint venturer with Us, and this Agreement does not create a fiduciary relationship between You and Us. Neither party is liable for the debts, damages, losses, liabilities, taxes, duties, obligations, defaults, compliance, intentional acts, wages, negligence, errors or omissions of the other. You are solely responsible for the management and control of Your Franchise Business, Including, its daily operations, managing and directing employees, contractors, and sales persons, and paying all costs and expenses of Your Franchise Business. The parties agree not to hold themselves out by action or inaction contrary to the foregoing and to indemnify each other for any liability, cost or expense Including attorney’s fees, incurred by either of them for any act, omission, finding or result to the contrary. None of Your employees will be deemed to be

Our employee and each employee will be so notified by You. Neither party has the authority to act as agent for the other, and neither You nor We guaranty the obligations of the other or in any way become obligated for the debts or expenses of the other unless agreed to in writing.

15.2 Indemnification. You shall defend, indemnify, and hold Us harmless from any and against any and all losses, liabilities, damages, costs and expenses whatsoever, Including reasonable attorney's fees, arising out of or related to, or in any way connected with You or Your acts, errors, negligence, or omissions in the operation of Your Franchise Business or Your Franchise Business generally, Including any allegation that You are Our employee, or that We are a joint employer or otherwise responsible for the acts or omissions relating to Your employees, and other laws regarding public accommodations for persons with disabilities. You agree not to file any crossclaim or counter-claim against Us for any action made by a third-party or make any response that would infer or represent We are liable as a party or defendant to any action that is contrary to this Section. This Agreement and the terms in this Article and related terms in this Agreement is a bona fide defense to any claim You may contradictorily make against Us as to Our liability or proportion of fault. You shall bear all costs to defend Us from claims raised by a third-party. If We incur any costs or liabilities to any third-party, You shall reimburse Us for costs associated with Our defense to those claims. We have the right to defend any such claim against Us by employing counsel of Our choice, subject to full reimbursement of all legal fees by You. We will use Our reasonable efforts to cooperate with You in any litigation, judicial or administrative proceeding to avoid duplication of time, effort or expenditure to the greatest extent possible without compromising Our interest in such matter. You are not required to indemnify Us for liability caused by Our willful misconduct or gross negligence. This indemnity will continue in full force and effect subsequent to and notwithstanding the Termination of this Agreement.

ARTICLE XVI COVENANT NOT TO COMPETE

16.1 In-Term Covenants. During the term of this Agreement and for any extensions or Successor Franchises hereof, You, Your Principals, and Your Immediate Family shall not, directly or indirectly, be a Participant, assist, or serve in any other capacity whatsoever or have any interest in a Competing Business in any capacity, territory, or location, except with Our prior written consent. Your Principals must each execute the standard Brand Protection Agreement for Principals attached as Exhibit "A-4." Your personnel must execute Our Employee Brand Protection Agreement (see Exhibit "A-5"). (Although We provide You this form, You are responsible to conform it to the laws and regulations of Your state.) A copy of all such agreements must be promptly delivered to Us within one week of hiring of the respective employee.

16.2 Confidentiality. During the term of this Agreement and any extensions or Successor Franchises hereof, and at any time after the Termination of this Agreement, You and those over whom You have control shall not make any unauthorized disclosure or use of Our Confidential Information or Intellectual Property other than as authorized by this Agreement. Without limiting the foregoing, any communication (email, paper, etc.) from Us to You cannot be forwarded to another email account You control or share, or forwarded to anyone, Including employees, without first receiving Our express written consent.

16.2.1 Prior Disclosures. You acknowledge and agree that prior to the execution of this Agreement, You may have received information and met and corresponded with Our principals, agents and/or representatives, and that any such Confidential Information obtained or received is subject to the protection and restrictions of this Agreement.

16.2.2 Confidentiality of this Agreement. You agree that all terms of this Agreement that are not otherwise made public under franchise disclosure laws will remain confidential, and You will not make any

public announcement, issue any press release, publicize, make any confirmation of statements made by third parties concerning the terms of this Agreement, or make any other disclosures without Our prior written consent. It is agreed and understood that You may disclose the confidential terms of this Agreement only to Your professional lenders and advisors.

16.3 Post-Term Covenants. Upon Termination of this Agreement and for a continuous, uninterrupted period of two years thereafter, You, Your Principals, and Your Immediate Family shall not, directly or indirectly, be a Participant, assist, or serve in any other capacity whatsoever, or have any interest in a Competing Business in any capacity or location within Your Market or within 30 miles any client You serviced during the term of this Agreement, or within 20 miles of the market of any Cyberbacker® franchisee or Our headquarters at the time of Termination of this Agreement.

16.4 Non-Solicitation of Customers. During the term of this Agreement and for three years after the Termination of this Agreement, You, Your Principals, and Your Immediate Family shall not, directly or indirectly, contact any client serviced by the Franchise Business, a prospective customer, or any former or then-current customer of Ours (with whom You had contact during the term of this Agreement) for the purpose of soliciting any such client to a Competing Business. For clarity, a “prospective customer” does not mean any possible customer. It means a potential customer who has been engaged in some way, or has provided some personal information, or has elected to receive some communication, but who has not yet done business to be considered an actual customer.

16.5 Notice of Infringement. You are required to provide Us with immediate notice if You learn any members of Your Support Team, cyberbackers, cyber assistants, or employees violates their non-competition, non-solicitation, and/or non-use, non-disclosure covenants with You or Us.

16.6 Survival of Covenants; Tolling of Covenants. The foregoing covenants survive the Termination of this Agreement and apply regardless of whether this Agreement was Terminated by lapse of time, by default of either party, or for any other reason. In addition to other remedies available to Us, in the event You violate a non-competition and/or non-solicitation covenant, the applicable non-competition or non-solicitation period will be tolled for the period of Your violation.

16.7 Breach of Non-Competition. If You violate Your in-term or post-Termination non-competition covenants, Our remedies Include, recovery of the greater of (a) all profits earned by You in the operation of such Competing Business; or (b) all amounts which would have been due to Us if such Competing Business were a Franchise Business during the period of competition. You also acknowledge that this is not Our only remedy and does not represent a price for the privilege to compete and does not preclude and is not inconsistent with a court granting Us specific performance, other damages set forth herein, or any other equitable remedies, such as an injunction, to prevent future breaches.

16.8 Acknowledgement of Harm. You acknowledge that Your violation or breach of the covenants and provisions of this Article is likely to cause substantial and irreparable harm to Us and the System. You agree that the restrictions contained in this Agreement are reasonable and necessary for Our protection and the protection of other franchisees in the System, and that the existence of any claims You may have against Us, whether or not arising from this Agreement, will not constitute a defense to Our ability to enforce the covenants set forth in this Article.

16.9 Enforceability. It is the desire and intent of the parties to this Agreement that the provisions of this Article be enforced to the fullest extent permissible under applicable laws. If any of the restrictions of this Article are determined to be unenforceable because of duration, scope or coverage or otherwise, then We

have the right in Our sole discretion to reduce the scope of any covenant set forth above or any portion thereof, without Your consent, effective immediately upon receipt by You of written notice thereof; which modified covenant will be fully enforceable notwithstanding any other provision of this Agreement.

ARTICLE XVII DISPUTE RESOLUTION

17.1 Quick Resolution. You and We understand that there is always a possibility of differences of opinion or other disagreements in any business relationship and agree that it is important to resolve any disputes amicably, quickly, inexpensively and professionally and to return to business as soon as possible.

17.2 Manner of Handling Disputes. In the event any Dispute arises between Us and You in connection with, arising from, or with respect to, any provision hereof, the relationship created herein, or the validity of this Agreement or any provision hereof, or the offer and sale to You, such Dispute will be:

17.2.1 Face-to-Face Meeting. First discussed in a face-to-face meeting between You and Us in Ogden, Utah, or via video conferencing in Our discretion, or at Our then-current headquarters within 30 days after either You or We give written notice to the other proposing such a meeting. We have the right, in Our sole discretion, to waive this requirement.

17.2.2 Mediation. If, in the opinion of either You or Us, the face-to-face meeting has not successfully resolved such matters, and if desired by either You or Us, the matters will be submitted to non-binding mediation before Franchise Arbitration and Mediation Services (“FAM”) or as otherwise mutually agreed. The mediation will be conducted exclusively in Ogden, Utah. On election by either party, arbitration as provided below may proceed forward at the same time as mediation. The mediator will be disqualified as a witness, consultant, expert or counsel for any party with respect to the dispute and any related matters.

17.2.3 Arbitration. If in the opinion of either You or Us the mediation has not successfully resolved such matters, at the request of either You or Us, the Dispute will be submitted for arbitration to the offices of the American Arbitration Association in accordance with its commercial arbitration rules in effect. All arbitration hearings will be conducted exclusively in Ogden, Utah. The arbitrator will have the power and jurisdiction to decide such controversy or dispute solely in accordance with the express provisions of this Agreement. The arbitrator will render a written opinion setting forth the facts found, law applied, and reasons for the decision.

(i) Arbitration Procedures. In any arbitration, the parties will be entitled to specific performance of the obligations under this Agreement. The arbitrator may award or otherwise provide for temporary restraining orders, preliminary injunctions, injunctions, attachments, claim and delivery proceedings, temporary protective orders, receiverships and other pre-judgment, equitable and/or interim relief as appropriate pending final resolution by binding arbitration of a Dispute, as well as in connection with any such final resolution, and may issue summary orders disposing of all or part of a Dispute at any point. Each party consents to the enforcement of such orders, injunctions, etc., by any court having jurisdiction. Offers and/or other communications made in connection with, or related in any way to, mediation, possible settlement or other resolution of a Dispute will not be admitted into evidence or otherwise used in connection with any arbitration or other proceeding, and any arbitration award in violation of this provision will be vacated by the arbitration appeal panel (described below) and/or any court having jurisdiction. The arbitrator will have the power to order compliance with such discovery procedures, as well as assess sanctions for non-compliance with any order. Discovery will be controlled by the arbitrator and will be permitted to the extent set out in this Paragraph. Each party may submit in writing to the other party,

and the other party will respond, to a maximum of any combination of 25 (none of which may have subplots) of the following: interrogatories, demands to produce documents, and requests for admission. You and We are also entitled to take the oral deposition of one individual of the other party. Additional discovery may be permitted upon mutual agreement of the parties or at the discretion of the arbitrator if petitioned by either party. The arbitrator, and not a court, will decide any questions relating in any way to the parties' agreement or claimed agreement to arbitrate, Including a claim for fraud in the inducement or otherwise. Each participant must submit or file any Dispute that would constitute a compulsory counterclaim (as defined by the applicable rule under the Federal Rules of Civil Procedure) within the same proceedings as the Dispute to which it relates. Any such Dispute that is not submitted or filed in such proceedings will be forever barred. The award and findings of the arbitrator will be conclusive and binding upon all parties hereto and the judgment upon the award may be entered in any court of competent jurisdiction.

(ii) Individual Disputes. All Disputes must be conducted and resolved on an individual basis only and not on a class-wide, multiple plaintiff or similar basis between You and Us and will not be consolidated with any other arbitration or court proceeding involving Us and any other party. You thereby fully waive any right You may have to any potential class action claim and agree that any legal action will only be on an individual party basis.

(iii) Agreed Limitations. Except for payments owed by one party to the other, claims attributable to Your underreporting of sales, indemnification under Article XV, or claims related to an act of Yours allowing Us to immediately terminate this Agreement, any legal action or arbitration proceeding (Including the offer and sale of a franchise to You) brought or instituted with respect to any Dispute hereunder must be brought or instituted within one year from the date upon which a party discovered, or should have discovered, the facts giving rise to an alleged claim; provided that no claim may be brought more than two years after the first act or omission giving rise to an alleged claim.

(iv) Limited Damages. You and We waive any right or claim of any consequential, punitive or exemplary damages against each other and agree that in the event of a Dispute between You and Us, each will be limited to the recovery of actual damages sustained. We will not be liable for any act or omission which is consistent with this Agreement or which is done in subjective good faith.

(v) Exceptions to Arbitration. You and We agree that nothing in this Agreement obligates Us to arbitrate or mediate Disputes or issues relating to: (a) the validity of the Marks, or any trademarks, service marks or other Intellectual Property; (b) rights to obtain a writ of attachment or other prejudgment remedies; (c) rights to receive and enforce a temporary restraining order, preliminary injunction, permanent injunction or other equitable relief; or (d) Disputes related to non-competition, non-solicitation, or non-use and/or non-disclosure.

(vi) Appeals. If any party to an arbitration wishes to appeal any final award by an arbitrator (there will be no appeal of interim awards or other interim relief), that party can appeal, within 30 days of such final award, to a three-person arbitrator panel to be appointed by the same organization as conducted the arbitration to be held exclusively at the same location as specified above. The issues on appeal will be limited to the proper application of the law to the facts found at the arbitration and will not Include any trial *de novo* or other fact-finding function. The party requesting such appeal must pay all costs and fees of the arbitrators and arbitration proceedings.

(vii) Sharing of Fees. Except for an appeal, the parties to the Dispute or action will share the fees and expenses of the mediation and the arbitration equally during the mediation and arbitration. If a party is unable or unwilling to pay its share of the cost of the mediation or arbitration, the other party has

the right to cover those costs; however, the prevailing party in arbitration, Including on appeal, will be awarded costs and attorney's fees as set forth in Section 19.3 below.

(viii) Federal Arbitration Act. You and We mutually agree that all issues relating to arbitrability are governed exclusively by the Federal Arbitration Act and the federal common law of arbitration to the exclusion of any state statutes or common law and will be decided by the arbitrator. All provisions of this Agreement pertaining to venue, choice-of-laws, dispute avoidance and resolution will be strictly enforced, and You and We will rely on federal preemption under the Federal Arbitration Act.

(ix) Performance During Arbitration or Litigation. You and We will comply with this Agreement and shall continue to perform the respective obligations under this Agreement during the arbitration or litigation process.

ARTICLE XVIII NOTICES

18.1 Notices. All notices permitted or required under this Agreement will be in writing and will be delivered as follows with notice deemed given as indicated: (i) by personal delivery when delivered personally; (ii) by overnight courier upon written verification of receipt; (iii) by sending an email to the email address below or other verified email address when confirmed by receipt verification, which verification will not be withheld or otherwise denied; or (iv) by certified or registered mail, return receipt requested, addressed as follows:

FRANCHISOR:	FRANCHISEE:
Cyberbacker International, Inc. 2447 Kiesel Ave., Ogden, Utah 84401 (or Our then-current headquarters) Email: craig@cyberbacker.com	_____ _____ _____ Email: _____
With a courtesy copy to (which will not act as notice or service to Cyberbacker International, Inc.): The Franchise & Business Law Group Attn : Christian Thompson 222 South Main Street, Suite 500 Salt Lake City, Utah 84101 Email: cthompson@fblglaw.com	

18.2 Delivery. If You refuse or fail to accept any certified or overnight delivery, acceptance will be deemed to have occurred 48 hours after rejection or failure to accept such notice. Any notice delivered by mail in the manner herein specified will be deemed delivered and received three days after mailing.

18.3 Listed Addresses. The address specified herein for services of notices may be changed at any time by the party making the change by giving written notice to the other party by certified mail or as otherwise agreed by You and Us. Any notice to You may be delivered to the address set forth above or to the address of Your Franchise Business or office.



ARTICLE XIX CONSTRUCTION AND JURISDICTION

19.1 Governing Law. Except as provided in Section 19.5, this Agreement will be governed, construed and interpreted in accordance with the laws of the state of Utah without giving effect to its conflicts of law provisions. You and We agree that the provisions of this Agreement will control the state or provincial laws by which this Agreement will be governed and any provisions of state or provincial law to the contrary or any statements in Our franchise disclosure document or otherwise required as a condition of registration or otherwise. If the governing law requires terms other than or in addition to those in this Agreement, then such terms will be deemed incorporated herein but only to the extent necessary to prevent the invalidity of this Agreement or any of the provisions hereof or the imposition of civil or criminal penalties or liability. To the extent permitted by the laws of the state whose laws govern this Agreement, You hereby waive any provisions of law or regulations which render any portion of this Agreement invalid or unenforceable in any respect.

19.2 Jurisdiction. In order to facilitate our joint interests in having franchise issues determined in a consistent manner for application throughout the System, without in any way limiting or otherwise affecting Your and Our obligations regarding mediation and arbitration in accordance with the provisions of Article XVII, if there is any litigation between us, You and We hereby irrevocably consent to the exercise of general personal jurisdiction in the courts of record of the state of Utah even though it may be otherwise possible to obtain jurisdiction elsewhere, and You and We agree that Ogden, Utah will be the exclusive venue for any litigation between Us and You. Each party waives any objection they may have to the personal jurisdiction of or venue in the state and federal courts of Utah.

19.3 Costs and Attorney's Fees. In the event any action in law or equity or any arbitration or other proceeding is brought for the enforcement of this Agreement or in connection with any of the provisions of this Agreement, the successful or prevailing party or parties is entitled to reasonable attorney's fees and other costs reasonably incurred in such action or arbitration proceeding. The costs of mediation will also be awarded to the prevailing party in arbitration or litigation, if applicable. For purposes of this Agreement, "prevailing party" Includes the party which obtains a judgment in their favor or agrees to dismiss an action or proceeding upon the other's payment of sums allegedly due or performance of the covenants allegedly breached, or which obtains substantially the relief sought. Reimbursement is due within 30 days of written notice after prevailing.

19.4 No Jury Trial. You and We waive, to the fullest extent permitted by law, all rights to trial by jury in any action or Dispute, whether at law or in equity, brought by either party.

19.5 Exception. Notwithstanding the foregoing, the Federal Arbitration Act (9 U.S.C. §§ 1 Et. Seq.) and the United States Trademark Act (Lanham Act, U.S.C § 1051 Et. Seq.) will apply to this Agreement and the relationship of the parties and preempt any state law to the contrary.

ARTICLE XX MISCELLANEOUS

20.1 Headings. Headings used in this Agreement are for reference and convenience purposes only and are not to be used in construing the provisions of this Agreement. As used herein, the male or female gender will include the other and the neuter. The singular will include the plural and the plural will include the singular as appropriate.

20.2 No Third-Party Rights. The parties intend to confer no benefit or right on any person or entity not a party to this Agreement and no third parties will have any right or claims, benefit or right or a third-party beneficiary under this Agreement or any provision hereof. Similarly, You are not entitled to claim any rights or benefits, Including those of a third-party beneficiary, under any contract, understanding or agreement between Us and any other person or entity, unless that contract, understanding or agreement specifically refers to You by name and specifically grant rights or benefits to You.

20.3 Authority. Where an entity is a party to this Agreement, the person or persons signing this Agreement on behalf of the entity warrant to Us that they have the requisite authority to sign this Agreement. At Our request, the concerned company signatory agrees to promptly provide Us with a certified copy of the resolution authorizing the execution of this Agreement and naming the officers, directors, members, or managers of the entity who are authorized to sign this Agreement on behalf of the entity. No field representative or salesperson has the right or authority to sign this Agreement or make oral representations or written modifications hereof on Our behalf.

20.4 No Partial Payments. No payment by You or receipt by Us of any amount less than that required to be paid under this Agreement, or otherwise, to Us or any person or entity affiliated with Us, will be deemed to be anything except payment on account, regardless of any endorsement to the contrary contained on any such payment or in any oral or written communication transmitted in connection therewith.

20.5 Joint and Several Liability. If more than one person, corporation, limited liability company, partnership or other entity, or any combination thereof, sign this Agreement on behalf of the franchisee, the liability of each will be joint and several. All members of a general partnership and all members of any association or other unincorporated entity, which is part of the franchisee hereunder, are jointly and severally liable for Your performance hereunder.

20.6 No Off-Set or Withholdings. You shall not offset nor withhold the payment of any Fees, payments or other amounts due to Us or Our affiliates or suppliers on grounds of the alleged non-performance by Us of any of Our covenants or obligations hereunder, any Dispute of any nature or otherwise.

20.7 Disclosure. We can disclose, in disclosure documents or otherwise, information relating to Your Franchise Business, Including Your name, address, phone numbers, financial information, copies or reports, and other information.

20.8 Binding Agreement. This Agreement is binding upon the heirs, administrators, personal representatives, assigns and successors in interest to the parties hereto.

20.9 Force Majeure. Neither party will be liable by reason of any failure or delay in the performance of such applicable party's obligations hereunder on account of strikes, fires, flood, storm, explosion, or other similar causes which is beyond such party's reasonable control. This Section will not be interpreted to relieve You from Your obligation to pay Us when due all payments required to be made by You under this Agreement if such payments can be withheld from payments owing to You from Us or an affiliate.

20.10 Entire Agreement. The parties intend this Agreement and all attached exhibits hereto to be the full and complete agreement between Us and You and the entire integration of all our understandings of every nature concerning the matters contained in this Agreement or in any way related thereto, whether oral or written, and whether occurring before or contemporaneously with the execution of this Agreement. You represent and acknowledge that no agreements, representations, negotiations, promises, commitments, inducements, assurances, terms, conditions, or covenants of any nature exist between You and Us except

as specifically set forth in this Agreement, whether pertaining to this Agreement or to any future, further, or additional rights of either You or Us. Nothing in this Agreement, or in any related agreement, is intended to be a disclaimer of the representations We made to You in the franchise disclosure document. If any term of this or Agreement is determined as void and unenforceable, the remaining terms and duties under this Agreement will still be considered enforceable and severable as if it was its own separate agreement from the voided term.

20.11 Amendments. No amendment, change or variance from this Agreement will be binding on either party unless executed in writing and signed by both parties; however, the Manuals and policies and procedures may be modified by Us from time to time as set forth in this Agreement and are binding.

20.12 Effective Date. Delivery of a draft of this Agreement to You does not constitute an offer. This Agreement will become effective only when fully executed and accepted by Us.

20.13 No Course of Dealing. No course of dealing between You and Us will affect Your or Our rights under this Agreement or otherwise.

20.14 No Representations. You understand that the success or failure of Your Franchise Business depends, in major part, upon Your efforts. You agree that We have not made nor have You received any promise, representation or warranty that: 1) any payments by You are refundable at Your option; 2) We will repurchase any rights granted hereunder; 3) You will achieve any particular sales, income or other levels of performance, or that You will be successful in Your Franchise Business licensed by this Agreement; 4) You will have any exclusive rights of any type other than as expressly set forth herein; 5) You will receive any level of marketing assistance, site location, development or other services, operational assistance or otherwise other than as expressly set forth in this Agreement; 6) You will not be required to obtain any licenses or permits in order to operate Your Franchise Business; 7) that Your Market will be successful; or 8) that You will be awarded additional or further franchises or other rights, except as expressly set forth in a written document signed by Us.

20.15 Variances. You understand and agree that: 1) We may have offered franchises in the past, may currently be offering franchises or may offer franchises in the future, on economic or other terms, conditions and provisions which may significantly differ from those offered by this Agreement and any related documents; and 2) there may be instances where We have varied, or will approve exceptions to or changes in the uniform standards, or the terms on which We offer franchises, the charges We make, or otherwise deal with Our franchisees to suit the circumstances of a particular transaction as We believe necessary or desirable under particular circumstances. You have no right to object to such variances or to obtain the same variances for Yourself.

20.16 No Misrepresentations. You further represent to Us, as an inducement to Our entry into this Agreement, that You have made no misrepresentations in obtaining the award of this franchise.

20.17 Representations of Non-Violation. You represent and warrant that You can enter into this Agreement and that the execution and performance of this Agreement will not be in violation or breach, or cause the violation or breach, of any agreement or covenant between them or any of them and any third-party or the violation or breach of any order, decree or judgment of any court or administrative agency.

20.18 FDD Acknowledgement. You represent that You have had a copy of Our franchise disclosure document (“FDD”) for at least 14 calendar days or 10 business days, whichever is applicable in Your state, prior to signing this Agreement or making any payment to Us.

20.19 Waiver. We may, in writing, unilaterally waive any of Your obligations or requirements under this Agreement. Waiver by Us of any particular default by or obligation of You does not affect or impair Our rights with respect to any subsequent default by You or any of Our other rights to declare the same or subsequent acts a breach or default. Unless otherwise agreed to by Us in writing, Our acceptance of any payments due from You does not waive any prior defaults.

20.20 Counterpart and Electronic Signatures. This Agreement and its exhibits may be signed in counterparts by facsimile, electronic signature, or scanned and emailed signature, or similar electronic means, which will be deemed the same as an original signature with full legal force and effect and may be used for all purposes as if it were an original.

20.21 Owners of the Franchise. You represent and We rely upon Your representations in entering into this Agreement that the individuals in Exhibit “A-2” are the owners of and sole holders of a legal and beneficial interest in the franchise entity and in Your Franchise Business.

20.22 Drafting. You acknowledge that You have read this Agreement, have had the opportunity to review it with an attorney of Your respective choice and have agreed to all of its terms. The rule of construction that a contract be construed against the drafter will not be applied in interpreting this Agreement.

20.23 Third Party Beneficiary. It is acknowledged and agreed that Cyberbacker, Inc. is a third-party beneficiary to this Agreement.

ARTICLE XXI DEFINITIONS

“Advertise” when used as a verb (can be lowercase), Includes advertising, public relations, brand development, promoting and selling products and/or services, market research and other related processes whether utilized or developed now or in the future.

“Client Data” means any and all clients and potential client data and lists, Including phone numbers, emails, mailing addresses, name and contact information for key personnel of the client, Social Media followers’ information, etc., even if deemed to have arisen through Your activities.

“Competing Business” means a business offering virtual or cyber assistant products and services.

“Confidential Information” means any non-public information (through no fault of Yours) relating to Your Franchise Business, Our products or services, or the development or operation of a Cyberbacker® business or relating to the System as a whole, Including: (i) methods, techniques, formats, specifications, procedures, and systems; (ii) hardware, software, proprietary technology, and equipment; (iii) sales and Advertising programs, sales techniques, pricing, bidding methods, etc.; (iv) the development and operation of Cyberbacker® businesses; (v) knowledge of, specifications for, and suppliers of, certain Cyberbacker® products, materials, supplies, equipment, furnishings and fixtures; (vi) operating results, margins, expenses, and financial performance of Cyberbacker® businesses; (vii) Our strategic plans and concepts for the development, operation, or expansion of Cyberbacker® businesses; (viii) the contents of Our Manuals; (ix) all Client Data; (xi) login, passwords, access information, etc., to Our email accounts, Social Media, Manuals or other internal sites or shared documents; (xii) Our Intellectual Property that is generally deemed confidential; (xiii) all Innovations; and (xiv) any other information obtained from Us in confidence at any time by virtue of the franchise or license relationship.

“Copyright Materials” means all writings, video and audio recordings, materials, Manuals, artwork, website, logos, Marketing materials, apps, and designs used with the Marks or in association with the System.

“Customer” and “Client” whether or not capitalized have interchangeable meanings in this Agreement.

“Customer Data” means any and all customers, and customer and prospective customer data and lists, Including phone numbers, emails, mailing addresses, name and contact information for key personnel of the customer, Social Media followers’ information, etc., even if maintained by You or deemed to have arisen through Your activities. For clarity, a “prospective customer” does not mean any possible customer. It means a potential customer who has been engaged in some way, or has provided some personal information, or has elected to receive some communication, but who has not yet done business to be considered an actual customer.

“Dispute” any claim, controversy, disagreement, or dispute of any type whatsoever.

“Fees” refers to those fees, payments, and costs You are required to pay to Us Including those fees listed on Exhibit “A-3” attached hereto and by reference incorporated herein.

“Gross Sales” Includes the total of all sales of all products, goods and services sold, traded, bartered, or rendered by You and income of every kind and nature, Including the value of a trade or other bartering, arising from Your Franchise Business and tangible property of every kind sold by You during the term of this Agreement. “Gross Sales” excludes bona fide credits or returns for products and excludes amounts paid by You for sales or use taxes on the sale of any products or services.

“Franchise Assets” means this Agreement or any of its rights or privileges, or any shares or units in the ownership of Your entity, Your Franchise Business, or substantially all Your assets.

“Immediate Family” refers to and Includes each of Your spouses, domestic partners, parents, stepparents, children, stepchildren, sons-in-law, and daughters-in law.

“Innovation” means any improvement, change, modification, enhancement, or addition to the System, Copyrighted Materials, Manuals, Confidential Information, website, Social Media, Advertising materials, apps or any other documents or information pertaining to or relating to the System, or any Intellectual Property related to the System, or any creative concepts, Advertising ideas, or inventions related to the System, and all derivatives thereof, whether implemented in the System or not.

“Including” or “Includes” means, “including but not limited to,” “including, without limitation,” and similar all-inclusive and non-exhaustive meanings.

“Intellectual Property” means all Marks, trade dress, names, Copyrighted Materials, systems, patents, patent applications, trade secrets, websites, Social Media, apps, and software.

“Interim Management Period” refers to the period of time during which We step in to manage Your Franchise Business as allowed under this Agreement.

“Internet” means any present or future interactive system for electronic communications, using lines, cables, wireless, satellite, radio or any other technology; and which involves one or more of the following:



the system of interconnected computer networks that use the internet protocol suite (TCP/IP) or its successor; websites or similar remotely-accessible electronic information sources (whether password protected or not); use of domain names, other locators, or emails that use our trademarks; internet phone services; cellular or similar messaging; mobile applications; social networks or Social Media; or wikis, podcasts, online content sharing communities, or blogging.

“Marks” means the federally registered and common law trademarks and service marks owned by Us or licensed to Us, whether now or later developed. “Marks” will also include any and all names, trade names, trademarks, slogans, service marks, logos and/or other commercial property or symbols licensed to You pursuant to this Agreement or used in connection with the System or later added to the System.

“Manuals” consists of one or more guides or manuals, Including an operations manual, brand standards manual, and/or policies and procedures manual, technical bulletins, online drives or portals, or other written materials as may be developed, modified and supplemented by Us periodically. The Manuals may be printed or in an electronic format in Our discretion.

“Operating Account” is defined as that account into which all receipts of Your Franchise Business must be deposited.

“Operating Assets” means Your assets, contracts, inventory, supplies, furniture, equipment, signs, service vehicles, accessories, and other personal property relating to Your Franchise Business.

“Operating Principal” is: a) You if You as the franchisee are an individual; or b) if You are an entity, an individual that owns at least 20% of the ownership and voting interests in the franchisee entity (unless You obtain Our written approval of a lower percentage), has authority over all business decisions related to the Franchise Business, and has the power to bind You in all dealings with Us.

“Participant” means an owner, operator, shareholder, director, partner, member, manager, consultant, agent, employee, contractor, advisor, officer, lessor, lessee, licensor, or licensee.

“Principal” means shareholders, owners, partners, directors, members, managers, officers, and principal employees and contractors.

“Shall” when used in this Agreement (even if not capitalized) means must or other similar affirmative obligation, as the context requires.

“Social Media” means any and all websites, apps and web or Internet pages for social interaction, business operation, marketing, and other online information communications, whether now or later developed.

“System” Includes the Franchise Business, specific Marks, Manuals, processes, services, know-how, operating procedures and Marketing concepts, business formats, and the use of proprietary and Confidential Information and other Intellectual Property.

“Support Team” Your Support Team consists of a Growthbacker and a Careerbacker unless You add additional members to Your Support Team as set forth in Section 5.3.2.

“Termination” or “Terminate” Includes expiration, non-renewal, repurchase of Your rights, transfer, or any other means by which this Agreement is no longer in effect, and You are no longer a franchisee of the Cyberbacker® System.

“Transfer” Includes any direct or indirect assignment, transfer, division, trade, sale, gift, pledge, sublicense, mortgage, granting of any security interest, or sale at judicial sale or under power of sale, conveyance or retention of collateral in satisfaction of debt, or other procedure to enforce the terms of any pledge, encumbrance, or security interest.

“We,” “Our(s)” or “Us” only as applied to Paragraphs 2.2.3, 10.1.1, 10.1.2, and 14.8.7, Sections 1.4, 3.1, 3.5, 6.6, and 16.4, and Articles XI and XV Includes Our predecessors, parents, affiliates, subsidiaries, successors, and assigns and Our officers, directors, shareholders, members, managers, employees, agents, development agents, or others with whose conduct We are chargeable, as applicable.

“You” or “Your” Includes all signers of this Agreement, all subsequent and current members, Operating Principals, owners, partners, shareholders, managers, directors, officers, agents, affiliates, principal employees and with those whose conduct You are chargeable.

[Signatures on the Following Page]

IN WITNESS WHEREOF, the parties have respectively signed this Franchise Agreement effective as of the day and year first written above.

FRANCHISOR:

CYBERBACKER INTERNATIONAL, INC.

By: _____
(Signature)

Name: _____

Title: _____

FRANCHISEE:

By: _____
(Signature)

Name: _____

Title: _____

If the franchisee is not an entity, each person must sign personally.

By: _____
(Signature)

Name: _____, personally

By: _____
(Signature)

Name: _____, personally

(Check if applicable) At the same time as the parties execute this Agreement, they are also executing an Addendum to Franchise Agreement pursuant to:

_____ Illinois
_____ Indiana
_____ Maryland
_____ Minnesota
_____ New York
_____ North Dakota
_____ Washington
_____ Other

**EXHIBIT “A-1”
TO THE FRANCHISE AGREEMENT**

**MARKET:
(Map may be attached)**

The following is a description of the Market (must be industry-specific within a specific geographical area):

Demographics of Your Market: _____

Franchisee Initial and Date

Franchisor Initial and Date

EXHIBIT "A-2"
TO THE FRANCHISE AGREEMENT

COMPANY REPRESENTATIONS AND WARRANTIES

You make the following additional warranties and representations:

You are a (check one):

- | | |
|--|--|
| ☐ Partnership | ☐ Corporation |
| ☐ Sole Proprietorship | ☐ Limited Liability Company |

Name of Entity: _____

State Entity was formed: _____

Date of Formation: _____

EIN: _____

The names and addresses of each shareholder, partner, or member holding an ownership interest in the corporation, partnership, or limited liability company (please print or type the information and add extra lines if necessary):

Name	Address	Percentage of Ownership*

*Corporation: Percentage owned of outstanding voting stock.

*Partnership: Percentage owned in voting and in capital and profits.

*Limited Liability Company: Percentage owned in membership interest.

The names of the officers of the company (please print or type the information and add extra lines if necessary):

Name	Title

The address where Your corporate records are maintained is:

The name and address of the Operating Principal who has been approved by Us and who will be directly responsible for supervising Your business operations and who has authority to work with Us and make decisions relating to the operations of the Franchise Business:

Name: _____

Address: _____

Email: _____

Phone: _____

You must provide Us a copy of Your articles of organization and operating agreement or articles of incorporation and bylaws by _____.

IN WITNESS WHEREOF, Franchisee has executed this Company Representations and Warranties as of _____.

FRANCHISEE:

By: _____
(Signature)

Name: _____

Title: _____

**EXHIBIT “A-3”
TO THE FRANCHISE AGREEMENT**

FEE CHART

The following Fees are more fully described in the Franchise Agreement.

Type of Fee	Amount	Notes
Initial Franchise Fee ¹	\$30,000	See Section 5.1
Additional Franchise Purchases ¹	\$25,000	See Paragraph 5.1.1
Your Commission ¹	7% of gross receipts received by Cyberbacker, Inc. from client contracts that You sell and oversee	See Paragraph 5.2.1. See also Schedule “A-3.1” for how commissions are calculated.
Share of Client Contract Net Profits ¹	52% of the net profits earned by Cyberbacker, Inc. on client contracts that you sell and oversee	See Paragraph 5.2.2. See also Schedule “A-3.1” for how net profits are calculated.
Franchisee Referral Fee ¹	You receive 10% of the initial franchise fee paid to Us	See Paragraph 5.2.3
Brand Development Fund Fee ¹	3% of each client’s contract price	See Paragraph 5.3.1
Support Team Fees ¹	\$2,600 per month (or higher if You add additional Support Team members), subject to a 5% increase per year	See Paragraph 5.3.2 The monthly fee is \$1,300 for the Growthbacker and \$1,300 for the Careerbacker. You are allowed to share the support and cost for Your Careerbacker with one other franchisee. The split would be 50/50. However, You are required to retain Your own Careerbacker when the Careerbacker being shared exceeds eight parings per week, Including replacements for existing clients.
Technology Suite Fee ¹	Currently, \$90 per month, per account, subject to increase by the provider	See Paragraphs 5.3.3 and Section 7.3
Market Default Fee ^{1,2}	\$800/mo. for each client contract below the number of required minimum client contracts, not to exceed 75% of Your monthly commission	See Paragraph 5.3.4
Late Fees ^{1,3}	\$25 per day for each late fee or report (up to \$500 per late fee)	See Paragraphs 5.3.5

Non-Sufficient Fund Fees ¹	\$50 per insufficient draft or the maximum amount allowed by applicable state law, whichever is less	See Paragraph 5.3.5
Interest Fees ^{1,3}	18% interest or maximum rate permitted by state law, whichever is less	See Paragraphs 5.3.6
Launch Team Support Fee ¹	\$10,000	See Paragraph 5.3.7
Audit Charge ¹	Cost of audit	See Paragraph 5.4.2
System Non-Compliance Fines and Charges ^{1,7}	Amounts to be specified in the Manuals. Ranging between \$100 and \$1,000	See Section 5.7
Replacement Training ¹	\$750 per person	See Paragraph 6.1.3(i)
Additional Training ¹	\$100 per hour	See Paragraph 6.1.3(ii)
Insurance Reimbursement Fee ¹	Varies	See Paragraph 6.1.7
Conference or Seminar Fee ¹	\$500 to \$1,000 per person	See Paragraph 6.1.10
Interim Management Fee ¹	50% of the fees payable to you	See Sections 7.6 and 14.10
Supplier Evaluation Fee ¹	\$25, plus reasonable expenses of evaluation, at cost	See Section 8.3
Customized Marketing Materials ¹	Per project cost or negotiated hourly rate	See Section 10.2
Fees on Default ¹	Our costs associated with Your default	See Section 11.2
Post-Termination Fees ¹	Varies	See Paragraph 12.1.9
Franchise Agreement Transfer Fee ¹	\$5,000	See Section 14.5
Minority Interest Transfer Fee ¹	Legal and corporate fees and costs incurred	See Section 14.6
Transferee Training Fee ¹	\$500, or our then-current fee for additional persons at initial training	See Paragraph 14.8.5
Indemnification ^{1,6}	Varies	See Section 15.2
Breach of Non-Competition Fees ^{1,5}	Varies	See Section 16.7
Dispute Resolution Fees ¹	Varies	See Section 17.2 and Section 19.3

¹ We may increase this Fee by up to 25% per year during the term of the Franchise Agreement to adjust to increased costs. Costs charged by third parties are subject to change at any time and do not have an annual cap.

Schedule A.3.1

Calculations of Commissions and Net Profits

The following table provides a breakdown of how payments to You are calculated on an individual client contract. The table shows how the amounts to You are calculated based on a client contract fee of \$1,500 per month. Client contracts generally range between \$1,500 to \$5,000 per month.

Days of the Contract	1-30	31-60	61-90	91-180	181-270	271-365	365+ Days	Total
Client Contract Payment	\$1,500	\$1,500	\$1,500	\$1,500	\$1,500	\$1,500	\$1,500	\$18,000
Franchisee Mentor Commission (1.33% of Contract Payment)	\$19.95	\$19.95	\$19.95	\$19.95	\$19.95	\$19.95	\$19.95	\$239.40
Total Costs to Cyberbacker, Inc.	\$1,298	\$1,314	\$1,344	\$1,395	\$1,425	\$1,455	\$1,485	\$16,766
Net Income to Cyberbacker, Inc.	\$201.93	\$185.93	\$155.74	\$105.18	\$75.03	\$44.89	\$14.74	\$1,233.64
Share of Net Profits Paid to the Franchisee (52%)	\$196	\$181	\$151	\$102	\$73	\$43	\$14	\$1,202
Commission to the Franchisee (7% of Contract Payment)	\$105	\$105	\$105	\$105	\$105	\$105	\$105	\$1,365
Total Paid to the Franchisee	\$302	\$286	\$256	\$207	\$178	\$149	\$119	\$2,567

Notes

¹ This Includes commissions payable to the Growthbacker, Careerbacker, and cyberbacker. The cyberbacker assigned to the client will be responsible for fulfilling most of the client's day-to-day needs under the contract. The commission payable to the cyberbacker ranges between 30% and 75%, depending on how long the cyberbacker has been working on a client's contract. The commission is 30% for days 1-30; 40% for days 31-60; 50% for days 61-90; 60% for days 91-180; 65% for days 181-270; 70% for days 271-364; and 75% for days 365+. The amount payable to the cyberbacker may also vary by up to 3% based on the compensation package chosen by the cyberbacker.

² The monthly commission will be reduced to 3% for any service agreement payment from a closed lead within another Cyberbacker franchisee's market. Nonetheless, You will continue to receive a commission of 7% for service agreement payments from closed leads obtained prior to a franchise being sold in a market prior to it becoming a Cyberbacker franchisee's market.

³ Fees payable by You to Cyberbacker International, Inc. will be deducted from this amount.

**EXHIBIT “A-4”
TO THE FRANCHISE AGREEMENT**

BRAND PROTECTION AGREEMENT FOR PRINCIPALS

This BRAND PROTECTION AGREEMENT FOR PRINCIPALS (the “Agreement”) is entered into and made effective as of the effective date listed below by CYBERBACKER INTERNATIONAL, INC. (“Franchisor”) and the undersigned (“Principals”).

WHEREAS, Franchisor has developed a system operation and sales of a virtual outsourcing business known as Cyberbacker®, offering to the public cyber assistants to assist businesses owners with their administration and operational business needs (“Cyberbacker® Business”). The system Includes: the Franchise Business; specific Marks; Manuals; the use of required equipment; processes, services, teaching methods, uniform standards, and know-how; operations, training procedures; the sale of products and services under the name Cyberbacker® and other trademarked items; and the use of Confidential Information (“System” or “Cyberbacker® System”); and

WHEREAS, Principals or his or her or their company entered into an agreement with Franchisor (“Franchise Agreement”) so as to be able to obtain the rights to operate a Cyberbacker® Franchise Business using the System developed by Franchisor, Including certain Confidential and Information of Franchisor (“Franchise Business”); and

WHEREAS, Principals recognize the value of the System and the intangible property rights licensed under the Franchise Agreement and recognize that the Franchisor’s entering into the Franchise Agreement is conditioned upon each Principal entering into this Agreement; and

WHEREAS, all capitalized terms used, but not defined, herein will have the respective meanings assigned to them pursuant to the Franchise Agreement.

NOW THEREFORE, in consideration of Franchisor entering into the Franchise Agreement with Principals or his or her or their company, the recitals and other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the parties hereto agree as follows:

1. Acknowledgment. Principals individually acknowledge that he or she has obtained or may obtain access to Confidential Information, that is necessary and essential to the operation of the Franchise Business, without which information the Franchise Business could not efficiently, effectively, and profitably operate. Principals further acknowledge that such Confidential Information was not known to him or her prior to the association with Franchisor.

2. Non-Disclosure and Non-Use. Except as may be required under the Franchise Agreement, Principals and any of a Principal’s Immediate Family, shall not, during the term of the Franchise Agreement and any Successor Franchise or Successor Franchise Agreement or any time thereafter, directly or indirectly, use, or disclose to any third-party, or authorize any third-party to use, any information relating to the Franchise Business or interest of Franchisor, Confidential Information, the System, or other information or materials which he or she knows, or reasonably should know, is regarded as confidential to Franchisor. Principals shall also adopt and implement all reasonable procedures prescribed by Franchisor, from time to time, to prevent unauthorized use and/or disclosure of the Proprietary Information, including restrictions on disclosure to employees and other third parties. The parties intend that the information disclosed by Franchisor prior to the actual execution of this Agreement constitutes Confidential Information

and is subject to all the terms and conditions of this Agreement (Including the covenants protecting against disclosures) as if such information had been disclosed following the execution of this Agreement.

2.1 No Reverse Engineering. Principals must not, either personally, in concert with others or through other authorization, reverse engineer, decompile or deconstruct or attempt to reverse engineer, decompile, or deconstruct any portion of the Confidential Information, and will not allow, encourage or permit any partner, owner, director, member, manager, agent, employee or other person to do so.

2.2 Duty to Notify. Principals agree to notify Franchisor of any reasonably suspected attempts to violate the terms or purposes of this Confidentiality Agreement and further agree to require all personnel report to it any reasonably suspected attempts to violate this Confidentiality Agreement. In the event it is discovered that Principals knew or had reason to know of any suspected attempts to violate this Agreement, Principals agree to indemnify Franchisor for all costs and fees associated with enforcement, and to reimburse Franchisor for those losses sustained due to such violation.

3. Non-Competition; Non-solicitation. The following covenants will be enforced during and after the term of the Franchise Agreement:

3.1 In-Term Covenant. During the term of the Franchise Agreement and for any extensions or Successor Franchises thereof, except as permitted under the Franchise Agreement, Principals and each Principals' Immediate Family, shall not be a Participant, assist, or serve in any other capacity whatsoever, or have any interest in a Competing Business in any capacity or location except with Franchisor's prior written consent.

3.2 Post-Term Covenant. Upon Termination for any reason of the Franchise Agreement, and any extensions thereof, or upon any Transfer or repurchase of Principals' rights under the Franchise Agreement or the franchise entity, or a Principal's dissociation from the Franchise Business, and for a continuous, uninterrupted period of two years thereafter, Principals and each Principals' Immediate Family, shall not, directly or indirectly, be a Participant, assist, or serve in any other capacity whatsoever, or have any interest in a Competing Business in any capacity within the Market or within 30 miles of the any client serviced by Franchise Business or within 20 miles of the market of any System franchise or Cyberbacker® business operation, or Franchisor's headquarters at the time of Termination of the Franchise Agreement. The ownership of not more than 2% of the voting stock of a publicly held corporation will not be considered a violation of the foregoing provision. Principals agree that such geographical restraint is not unreasonable.

4. Non-Solicitation of Customers. Subject to applicable state law, Principals shall not, during the term of the Franchise Agreement and any extensions or Successor Franchise and for three years thereafter, directly or indirectly, contact any former or then-current client of Franchisee or Franchisor or any former, then-current customer of Franchisor or an affiliate of the Franchisor (with whom the Principal had contact during the term of the Franchise Agreement), or prospective customer for the purpose of soliciting such client to a Competing Business. All Client Data belongs to Franchisor. For clarity, a "prospective customer" does not mean any possible customer. It means a potential customer who has been engaged in some way, or has provided some personal information, or has elected to receive some communication, but who has not yet done business to be considered an actual customer.

5. Violation of Non-Competition, Non-Solicitation Provisions; Tolling of Covenants. In addition to other remedies available to Franchisor, in the event a Principal violates a non-competition and/or non-solicitation covenant, the applicable non-competition or non-solicitation period will be tolled for the period

of that Principal's violation. Principal shall also pay Franchisor damages equal the greater of (a) all profits earned by Principal in the operation of a Competing Business; or (b) all amounts which would have been due to Franchisor if such Competing Business were a Franchise Business during the period of competition. Principals also acknowledge that such damages do not represent a price for the privilege of not performing nor does the payment represent an alternative manner of performance. This Section does not preclude and is not inconsistent with a court granting Franchisor specific performance or any other equitable remedies, such as an injunction, to prevent future breaches.

6. Return of Materials. Upon the Termination of the Franchise Agreement, or Principals' disassociation from the Franchise Business, each Principal agrees to deliver to Franchisor (and shall not keep a copy in his or her possession or deliver to anyone else) the Cyberbacker® Manuals and any and all Client Data, Confidential Information, and other information or documents relating to the System.

7. Irreparable Harm. Principals hereby acknowledge and agree that any breach by him or her of any portion of Sections 1 through 6 above, inclusive, will cause damage to Franchisor in an amount difficult to ascertain. Accordingly, in addition to any other relief to which Franchisor may be entitled, Franchisor will be entitled to temporary, preliminary, and/or permanent injunctive relief for any breach or threatened breach by any Principal of any of the terms of Section 1 through 6 above, inclusive, without proof of actual damages that have been or may be caused to Franchisor by such breach. Additionally, Principals agree that the existence of any claims Principal may have against Franchisor, whether or not arising from this Agreement or the Franchise Agreement, will not constitute a defense to Franchisor's ability to enforce the covenants set forth in this Agreement.

8. Reasonableness and Enforceability. Principals agree that the terms of this Agreement are fair and reasonable in light of the circumstances and were in part, based on the perceived or potential value of the System and the business relationship that Principals and/or his or her or their company have and will have with Franchisor. If any portion of this Agreement will be held invalid or inoperative, then, so far as is reasonable and possible, the remainder of this Agreement will be considered valid and operative, and effect will be given to the intent manifested by the portion held invalid or inoperative. Whenever the context so requires, the masculine will include the feminine and neuter and the singular will include the plural and conversely. Principals understand that a separate action may be brought or prosecuted against a Principal whether or not the action is brought or prosecuted against any other Principal or against the franchisee, or any or all of them, or whether any other Principal or the franchisee is or are joined in the action.

9. Governing Law and Jurisdiction. The validity, enforcement, construction, rights and liabilities of the parties and provisions of this Agreement will be governed by and interpreted in accordance with the laws of the state of Utah without giving effect to its conflicts of law provisions. If for any reason court action is filed, Principals individually consent to the jurisdiction of the courts of record in the state of Utah, and unless the enforcement of this Agreement is brought in connection with a Dispute under the Franchise Agreement (in which case this matter may be handled through arbitration as set forth in the Franchise Agreement), Principal agrees that proper jurisdiction and venue for all Dispute resolution will be exclusively in the state and federal courts of Ogden, Utah.

10. Attorney's Fees and Costs. In the event any action in law or equity or any arbitration or other proceeding is brought for the enforcement of this Agreement or in connection with any of the provisions of this Agreement, the successful or prevailing party or parties will be entitled to reasonable attorney's fees and other costs reasonably incurred in such action or proceeding.

11. Binding Agreement. This Agreement will bind the successors and assigns of a Principal and his or

her heirs, personal representative, successors, and assigns. No rights under this Agreement are assignable by Principals, and any purported assignment will be null and void and of no force or effect.

12. Survival of Covenants. All covenants made in this Agreement by Principals survive the Termination of this Agreement or the Franchise Agreement or Principal's disassociation with the Franchise Business or the System in any way.

13. Modification of Agreement. This Agreement may be amended in whole or in part only by an agreement in writing signed by the parties.

14. Counterpart and Electronic Signatures. This Agreement may be signed in counterparts by facsimile, electronic signature, or scanned and emailed signature, or similar electronic means, which will be deemed the same as an original signature and may be used for all purposes as if it were an original.

PRINCIPALS INDIVIDUALLY ACKNOWLEDGE THAT HE OR SHE HAS READ THIS AGREEMENT AND UNDERSTANDS ITS CONTENTS.

IN WITNESS WHEREOF, the parties have executed this Agreement effective as of the date below.

FRANCHISOR:

CYBERBACKER INTERNATIONAL, INC.

By: _____

Name: _____

Title: _____

PRINCIPALS:

By: _____

Name: _____

By: _____

Name: _____

By: _____

Name: _____

By: _____

Name: _____



**EXHIBIT “A-5”
TO THE FRANCHISE AGREEMENT**

EMPLOYEE BRAND PROTECTION AGREEMENT

This EMPLOYEE BRAND PROTECTION AGREEMENT (“Agreement”) is entered into as of _____, between _____ (“Franchisee”) and _____ (“Employee”), residing at _____.

A. Franchisee is the holder of a Cyberbacker® franchise developed by Cyberbacker, Inc. (“Franchisor”).

B. Franchisor has developed certain confidential and proprietary information for the operation of a Cyberbacker® franchise, including without limitation, processes, methods, trade secrets, systems, software, pricing, financial information, client data and lists, manuals, marketing techniques, and procedures (“Proprietary Information”).

NOW, THEREFORE, in consideration of the employment of Employee by Franchisee, the parties hereto agree as follows:

1. Acknowledgement. Employee acknowledges that during the course of his or her employment by Franchisee he or she has obtained or may obtain knowledge of the Proprietary Information and other confidential matters and procedures developed, licensed to or owned by Franchisor and made available to Franchisee, which are necessary and essential to the operation of the business of Franchisee, which without such information, Franchisee could not efficiently, effectively and profitably operate its Cyberbacker® franchise. Employee further acknowledges that such Proprietary Information was not known to him or her prior to the association with Franchisee or its Cyberbacker® franchise.

2. Non-Use, Non-Disclosure. Except as may be required in the performance of duties for Franchisee, Employee shall not, during the course of his or her employment or at any time thereafter, directly or indirectly, use, or disclose to any third-party, or authorize any third-party to use any portion of the Proprietary Information, and agrees not to copy, transmit, recreate, or otherwise reproduce all of any part of the Proprietary Information at any time.

2.1 No Reverse Engineering. Employee shall not, either personally, in concert with others or through other authorization, reverse engineer, decompile or deconstruct or attempt to reverse engineer, decompile or deconstruct any portion of the Proprietary Information, and will not allow, encourage or permit any partner, owner, director, member, manager, agent, employee or other person to do so.

3. Limited Use. Employee shall not use the Proprietary Information at any time, place, or circumstance, except as directed by Franchisee or its authorized representatives. In no event shall Employee use the Proprietary Information, whether in part or in whole, outside of Employee’s specific employment duties.

4. Duty to Notify. Employee shall notify Franchisor or Franchisee or Employee’s immediate superiors of any reasonably suspected attempts to violate the terms or purposes of this Agreement or to otherwise disclose, copy or reproduce any part of the Proprietary Information. In the event it is discovered that

Employee knew or had reason to know of any suspected attempts to violate this Agreement and fails to report such knowledge, Employee agrees to indemnify Franchisor and Franchisee for all costs and fees associated with enforcement, and to reimburse Franchisor and Franchisee for those losses sustained due to such violation. Employee agrees to cooperate with Franchisor and Franchisee in its or their attempts to enforce the terms of this Agreement and to otherwise protect the Proprietary Information, and to cooperate with Franchisee and Franchisor to the extent Franchisee is obligated to cooperate with Franchisor's attempts to enforce its rights in and to the Proprietary Information.

5. Return of Materials. Immediately upon the termination of employment, Employee agrees to deliver to Franchisee (and shall not keep in his or her possession or deliver to anyone else whether in hard or electronic soft copy) any and all records, data, photographs, notes, manuals, lists, correspondence, specifications, materials, other documents or property, or reproductions relating to, directly or indirectly, to the Proprietary Information.

6. Management and Supervisor Employees. This Section 6 shall only apply if Employee is a management employee and/or acts in a supervisory role over other employees.

6.1 Non-Competition. Employee shall not, during the course of his or her employment by Franchisee, and for one year thereafter, directly or indirectly in any capacity, without Franchisee's prior written consent, engage in a business, or plan for or organize a business, or have any financial interest in, or become and owner, officer, director, shareholder, partner, associate, employee, contractor, agent, representative or consultant in any offering or selling products or services the same or substantially similar to a Cyberbacker® business. Without limiting the generality of the foregoing, the minimum area of competitive nature will be that area within a 25-mile radius of Franchisee's place of business or any Cyberbacker® business in operation at the time of Employee's termination of employment. The ownership of not more than 2% of the voting stock of a publicly held corporation will not be considered a violation of the foregoing provision.

6.2 Non-Solicitation of Clients. Employee shall not, during the course of his or her employment and for two years thereafter, directly or indirectly, contact any client or former client of Franchisee for the purpose of soliciting such client to be a client of a business that is the same as or similar to a Cyberbacker® business.

7. Irreparable Harm. Employee hereby acknowledges and agrees that any breach by him or her of any portion of Sections 1 through 6 above, inclusive, will cause damage to Franchisee and Franchisor in an amount difficult to ascertain. Accordingly, in addition to any other relief to which Franchisee may be entitled, either Franchisee or Franchisor will be entitled to enforce this Agreement and to seek temporary, preliminary, and/or permanent injunctive relief for any breach or threatened breach by Employee of any of the terms of Section 1 through 6 above, inclusive, without proof of actual damages that have been or may be caused to Franchisee or Franchisor by such breach, and without the requirement of posting bond. The existence of a claim against Franchisee or Franchisor will not constitute a defense to enforce the covenants of this Agreement.

8. Modification. Employee hereby agrees that, without limitation, any modifications, alterations, changes, or improvements conceived, designed, devised, developed, perfected or made by Employee, whether alone or in conjunction with others, and related in any manner to the actual or anticipated operation of the Franchisee, or the Cyberbacker® system, or to any area of research and development related to the operation of the business, must be promptly disclosed to the Franchisee and will become the property of Franchisor, and Employee hereby irrevocably assigns, transfers, and conveys any such to Franchisor.

9. Enforceability. If any portion of this Agreement will be held invalid or inoperative, then, so far as is reasonable and possible, the remainder of this Agreement will be considered valid and operative, and effect will be given to the intent manifested by the portion held invalid or inoperative.

10. Survival of Covenants. All covenants made in this Agreement by Employee survive the termination of Employee's employment with Franchisee or the expiration, transfer, or termination of this Agreement.

11. Modification of Agreement. This Agreement may be amended in whole or in part only by an agreement in writing signed by both parties.

12. Attorneys' Fees. In the event any action in law or equity or any arbitration or other proceeding is brought for the enforcement of this Agreement or in connection with any of the provisions of this Agreement, the successful or prevailing party or parties will be entitled to reasonable attorney's fees and other costs reasonably incurred in such action or proceeding.

13. Counterpart Signatures. This Agreement may be signed in counterparts by facsimile, electronic signature, or scanned and emailed signature, or similar electronic means, which will be deemed the same as an original signature and may be used for all purposes as if it were an original, and when said counterparts have been exchanged between the parties, they will be of full force and effect.

14. Third-party Beneficiary. It is agreed and acknowledged that Franchisor is a third-party beneficiary to this Agreement.

EMPLOYEE ACKNOWLEDGES THAT HE OR SHE HAS READ THIS AGREEMENT AND UNDERSTANDS ITS CONTENTS.

IN WITNESS WHEREOF, the parties have executed this Agreement effective as of the day and year first herein above written.

FRANCHISEE:

By: _____

Name: _____

Title: _____

Date: _____

EMPLOYEE:

By: _____

Name: _____

Title: _____

Date: _____



**EXHIBIT “A-6”
TO FRANCHISE AGREEMENT**

AUTHORIZATION AGREEMENT FOR DIRECT PAYMENTS (ACH DEBITS)

Business Name: _____

I hereby authorize Cyberbacker International, Inc. hereinafter called (“Company”), to initiate debit entries to my checking account or savings account as indicated below at the depository financial institution named below, hereinafter called (“Depository”), and to debit the same to such account. I acknowledge that the origination of ACH transactions to my account must comply with the provisions of United States law.

Depository Name: _____ Branch: _____

City: _____ State: _____ Zip Code: _____

Routing Number: _____ Account Number: _____

Type of Account Checking/Savings: _____

This authorization is to remain in full force and effect until the Company has received written notification from me of its termination in such time and in such manner as to afford Company and Depository a reasonable opportunity to act on it.

Name: _____
(please print)

Title: _____

Signature: _____ Date: _____

NOTE: ALL WRITTEN DEBIT AUTHORIZATIONS MUST PROVIDE THAT THE RECEIVER MAY REVOKE THE AUTHORIZATION ONLY BY NOTIFYING THE ORIGINATOR IN THE MANNER SPECIFIED IN THE AUTHORIZATION.

**EXHIBIT “A-7”
TO THE FRANCHISE AGREEMENT**

DIGITAL, SOCIAL MEDIA, AND LISTINGS AUTHORIZATION FOR ASSIGNMENT

This DIGITAL, SOCIAL MEDIA, AND LISTINGS ASSIGNMENT AUTHORIZATION (“Assignment”) is made and entered into as of the Effective Date (defined below), by and between the undersigned Franchisee and Cyberbacker International, Inc. (“Franchisor”).

RECITALS

WHEREAS, Franchisee has entered into a franchise agreement with (“Franchise Agreement”); and

WHEREAS, as part of the Franchise Agreement, Franchisee is granted limited rights to use the Cyberbacker® trademark, trade names, trade dress, and other associated intellectual property (collectively, the “Marks”) in conjunction with Franchisee’s Franchise Business; and

WHEREAS, all capitalized terms used, but not defined, herein will have the respective meanings assigned to them pursuant to the Franchise Agreement.

NOW, THEREFORE, in consideration of the mutual covenants, agreements, recitals, obligations, terms and conditions herein contained, and the acts to be performed by the respective parties hereto, the parties hereto agree as follows:

1. Franchisee hereby assigns all rights and interest, Including all associated goodwill, in the Social Media and other digital media accounts used in the Franchise Business or used or created in any way by Franchisee or third parties to promote or use the Marks, Including, Franchisee’s Facebook, Instagram, Pinterest, Tik-Tok, Google listings, Twitter, LinkedIn, Tumblr, email accounts, and the like (collectively the “Social Media Accounts”). Franchisee shall take all action necessary to grant exclusive access of the Social Media Accounts to Franchisor, Including providing all passwords and administrative access to such Social Media Accounts.
2. Franchisee hereby assigns and transfers, (or in Franchisor’s sole discretion disconnects) the telephone listings, telephone numbers, Including the telephone number(s) listed on Marketing and Social Media Accounts, URL’s, Internet sites, and web pages used in the Franchise Business or used or created in any way by Franchisee or third parties to promote or use the Marks to Franchisor (collectively “Listings”).
3. Franchisee represents, warrants, and covenants the following with regard to the Social Media Accounts and Listings:
 - a. Franchisee has the right to assign the Social Media Accounts and Listings, and they are free and clear of all liens and encumbrances.
 - b. Franchisee will not, after Termination of the Franchise Agreement attempt to access, control, interfere with, or obstruct the Social Media Accounts and/or Listings.
 - c. Franchisee shall not prevent or hinder Franchisor from enforcing its rights in or to the assigned Social Media Accounts or Listings.



- d. Franchisee has not taken, and shall not take or permit any action that would prevent Franchisor from enjoying the full benefits of assignment of the Social Media Accounts and Listings to Franchisor hereunder whether during the term or after the Termination of the Franchise Agreement.

4. Franchisee hereby directs and authorizes each company associated with, or in control of, the Social Media Accounts and/or Listings to assign, transfer, set over and otherwise authorize Franchisor to take over and control the Social Media Accounts and/or Listings. If necessary, Franchisee shall execute all documents required by Franchisor to give effect to the assignment of the Social Media Accounts and Listings to Franchisor hereunder.

5. This Assignment applies to all Social Media Accounts and Listings regardless of whether Franchisee is allowed to manage under the Franchise Agreement or was allowed to create, use, manage, or even own Social Media Accounts and/or Listings in the past. To the extent Franchisor does not currently have administrative access to a Social Media Account or Listing of Franchisee, Franchisee shall immediately grant Franchisor such access.

6. Franchisor hereby appoints Franchisor as its attorney-in-fact for the above transfers, which appointment is coupled with an interest.

7. This Assignment is binding upon the heirs, administrators, personal representatives, assigns and successors in interest to the parties hereto.

8. This Assignment is governed, construed and interpreted in accordance with the laws of the state of Utah without giving effect to its conflicts of law provisions.

9. This Assignment may be signed in counterparts by facsimile, electronic signature, or scanned and emailed signature, or similar electronic means, which will be deemed the same as an original signature and may be used for all purposes as if it were an original.

FRANCHISEE:

By: _____
(Signature)

Name: _____

Title: _____

Date: _____

FRANCHISOR:

Cyberbacker International, Inc.

By: _____
(Signature)

Name: _____

Title: _____

Date: _____

**EXHIBIT “A-8”
TO FRANCHISE AGREEMENT
STATE SPECIFIC ADDENDA**

ADDENDUM TO THE FRANCHISE AGREEMENT FOR THE STATE OF CALIFORNIA

1. The California Franchise Relations Act, Business and Professions Code Sections 20000 through 20043 provide rights to the franchisee concerning termination, transfer, or non-renewal of a franchise. If the franchise agreement contains a provision that is inconsistent with California law, California law controls.
2. 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.)
3. The franchise agreement contains a covenant not to compete which extends beyond the termination of the franchise. This provision may not be enforceable under California law.
4. The franchise agreement contains a liquidated damages clause. Under California Civil Code Section 1671, certain liquidated damages clauses are unenforceable.
5. The franchise agreement requires binding arbitration. The arbitration will occur at Ogden, Utah with the costs being borne by you for travel to, and lodging in, Ogden, Utah, and other costs associated with arbitration. Prospective franchisees are encouraged to consult private legal counsel to determine the applicability of California and Federal laws (this or these as Business and Professions Code Section 20040.5, Code of Civil Procedure Section 128a, and the Federal Arbitration Act) to any provisions of a franchise agreement restricting venue to a forum outside the State of California.
6. The franchise agreement requires application of the laws of Utah, but the California franchise laws may prevail in some instances. Prospective franchisees are encouraged to consult private legal counsel to determine the applicability of California laws.
7. You must sign a general release if you transfer, renew or terminate 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).
8. The franchise agreement provides for waiver of a jury trial. This may not be enforceable in California.
9. **Section 31512.1 Franchise Agreement Provisions Void as Contrary to Public Policy.** Any provision of a franchise agreement, franchise disclosure document, acknowledgement, questionnaire, or other writing, including any exhibit thereto, disclaiming or denying any of the following shall be deemed contrary to public policy and shall be void and unenforceable:
 - (a) Representations made by the franchisor or its personnel or agents to a prospective franchisee.
 - (b) Reliance by a franchisee on any representations made by the franchisor or its personnel or agents.
 - (c) Reliance by a franchisee on the franchise disclosure document, including any exhibit thereto.
 - (d) Violations of any provision of this division.
10. Franchisees owning 20% or greater must sign a personal guaranty, making you and your spouse individually liable for your financial obligations under the agreement if you are married. The guaranty will place your and your spouse's marital and personal assets at risk, perhaps including your house, if your franchise fails.

11. Paragraph 4.1 is amended to remove the following language, “Although We must approve of Your site, We do not warrant or guarantee the success of the site.”
12. Late Fees in Exhibit “A-3” is amended to include the following: “The highest interest rate allowed in California is 10% annually.”
13. Section 5.1 of the franchise agreement is amended to include the following:

“Payment of all initial franchise fees owed to the franchisor, or its affiliate, by the franchisee shall be deferred until after all initial obligations owed to the franchisee under the franchise agreement or other agreements have been fulfilled by the franchisor and the franchisee is open for business.”
14. Paragraph 20.10 is amended to remove the following language, “You represent and acknowledge that no agreements, representations, negotiations, promises, commitments, inducements, assurances, terms, conditions, or covenants of any nature exist between You and Us except as specifically set forth in this Agreement, whether pertaining to this Agreement or to any future, further or additional rights of either You or Us.”
15. Paragraphs 20.14 and 20.18 are not enforceable in the state of California.
16. The last three paragraphs of the franchise agreement, in bold above the signature lines, are not enforceable in the state of California.

**ADDENDUM TO THE FRANCHISE AGREEMENT
FOR THE STATE OF ILLINOIS**

Illinois Law governs the franchise agreement.

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

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

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

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

The Franchisor may increase fees by up to 25% per year during the term of the franchise agreement to adjust to increased costs. Costs charged by third parties are subject to change at any time and do not have an annual cap.

You must achieve a minimum of 50 client contracts per year in your market, and you must achieve a minimum of 15% of the market share in your market by the end of the initial term of the franchise agreement to qualify to renew your franchise.

If you fail to achieve and/or maintain your target metrics in your market, then you would be required to pay a monthly fee equal to \$800 per month for each client contract below the number of required minimum client contracts, not to exceed 75% of your monthly commission.

IN WITNESS WHEREOF, the Franchisor and Franchisee have respectively signed and sealed this Franchise Agreement as of _____.

FRANCHISEE:

FRANCHISOR:

By: _____
(Signature)

By: _____
(Signature)

Name: _____

Name: _____

Title: _____

Title: _____

ADDENDUM TO THE FRANCHISE AGREEMENT FOR THE STATE OF INDIANA

This Rider amends the Franchise Agreement dated _____ (the “Agreement”), between Cyberbacker International, Inc. (“Franchisor”) and _____ (“Franchisee”).

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

2. Certain Provisions Deleted. Any provision of the Agreement which would have any of the following effects is hereby deleted:

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

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

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

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

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

(6) Allowing for an increase in prices of goods provided by the Franchisor which the Franchisee had ordered for private retail consumers prior to the Franchisee's receipt of an official price increase notification. A sales contract signed by a private retail consumer shall constitute evidence of each order. Price changes applicable to new models of a product at the time of introduction of such new models shall not be considered a price increase. Price increases caused by conformity to a state or federal law, or the revaluation of the United States dollar in the case of foreign-made goods, are not subject to this subsection (6).

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

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

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

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

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

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

Agreed to by:

FRANCHISEE:

By: _____

Name: _____

Title: _____

Date: _____

FRANCHISOR:

Cyberbacker International, Inc.

By: _____

Name: _____

Title: _____

Date: _____



**ADDENDUM TO THE FRANCHISE AGREEMENT
FOR THE STATE OF MARYLAND**

This Addendum dated _____, by and between **CYBERBACKER INTERNATIONAL, INC.**, a Utah corporation, hereinafter referred to as “Franchisor” and _____, hereinafter referred to as “Franchisee.”

1. A franchisee may bring a lawsuit in Maryland for claims arising under the Maryland Franchise Registration and Disclosure Law.

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

3. The general release required as a condition of renewal, sale and/or assignment/transfer shall not apply to any liability under the Maryland Franchise Registration and Disclosure Law.

4. All representations requiring prospective franchisees to assent to a release, estoppel or waiver of liability are not intended to nor shall they act as a release, estoppel or waiver of any liability incurred under the Maryland Franchise Registration and Disclosure Law.

5. All initial fees and payments owed by franchisees, including payments for goods and services received from the franchisor, shall be deferred until the franchisor completes its pre-opening obligations under the franchise agreement.

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

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

8. Section 20.14 of the franchise agreement regarding representations and Section 20.18 of the franchise agreement regarding acknowledgement of receipt of the FDD are not applicable to franchisees in Maryland.

Except as expressly amended or modified herein, all terms, provisions and conditions of the original Franchise Agreement shall remain in full force and effect. In the event of a conflict or inconsistency between the provisions of this Addendum and any provisions of the original Franchise Agreement, the provisions hereof shall in all respects govern and control.

IN WITNESS WHEREOF, and by their signatures below, the Parties hereto acknowledge that they have read, understand and agree to all of the terms and provisions of this Agreement and have caused this Agreement to be effective as of the date listed above with the full authority of the Company principal they represent.



FRANCHISOR:

CYBERBACKER INTERNATIONAL, INC.

By: _____
(Signature)

Name: _____

Title: _____

FRANCHISEE:

_____, LLC/INC.

By: _____
(Signature)

Name: _____

Title: _____

**ADDENDUM TO THE FRANCHISE AGREEMENT
FOR THE STATE OF MINNESOTA**

The disclosure document, franchise agreement, and other related agreements are amended to conform to the following:

1. Governing law, choice of forum, and jurisdiction and venue provisions of the disclosure document and franchise agreements are amended to include the following:

Minnesota statute 80C.21 and Minnesota Rule 2860.4400J prohibit us from requiring litigation to be conducted outside Minnesota. In addition, nothing in the disclosure document or 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 or the jurisdiction.

2. With respect to franchises governed by Minnesota law, the franchisor will comply with Minn. Stat. 80C.14, subdivisions 3, 4 and 5 which require, except in certain specified cases, that a franchisee be given 90 days' notice of termination (with 60 days to cure) and 180 days' notice for non-renewal of the franchise agreement; and that consent to the transfer of the franchise will not be unreasonably withheld.
3. As required by the Minnesota Franchise Act, Minn. Stat. Sec. 80C.12(g), franchisor will reimburse the franchisee for any costs incurred by the franchisee in the defense of the franchisee's right to use the Marks, so long as the franchisee was using the Marks in the manner authorized by franchisor, and so long as franchisor is timely notified of the claim and is given the right to manage the defense of the claim including the right to compromise, settle or otherwise resolve the claim, and to determine whether to appeal a final determination of the claim.
4. Minnesota Rule Part 2860.4400J prohibits requiring a franchisee from waiving his rights to a jury trial or waiving his rights to any procedure, forum, or remedies provided for by the laws of Minnesota, or consenting to liquidated damages, termination penalties or judgment notes.
5. Minn. Rule 2860.4400D prohibits a franchisor from requiring a franchisee to assent to a general release.
6. Any limitation of claims must comply with Minn. Stat. 80C.17, subdivision 5.
7. Any fee regarding insufficient funds for a dishonored check must comply with Minn. Stat. § 604.113, subdiv. 2(a).
8. No statement, questionnaire, or acknowledgement signed or agreed to by a franchisee in connection with the commencement of the franchise relationship shall have the effect of (i) waiving any claims under any applicable state franchise law, including, fraud in the inducement, or (ii) disclaiming reliance on any statement made by any franchisor, franchise seller, or other person acting on behalf of the franchisor. This provision supersedes any other term of any document executed with the franchise.

Franchisee (Signature)



**ADDENDUM TO THE FRANCHISE AGREEMENT
FOR THE STATE OF NORTH DAKOTA**

This Addendum to the Franchise Agreement is agreed to this _____, between
CYBERBACKER INTERNATIONAL, INC. and _____
_____ to amend and revise said Franchise Agreement as follows:

1. The North Dakota Securities Commission requires that certain provisions contained in the Agreement be amended to be consistent with North Dakota Law, including the North Dakota Franchise Investment Law, North Dakota Century Code Addendum, Chapter 51-19, Sections 51-19-01 et seq. Such provisions in the Agreement are hereby amended as follows:

- No general release shall be required as a condition of renewal and/ or transfer which is intended to exclude claims arising under North Dakota Franchise Investment Law.
- In case of any enforcement action, the prevailing party is entitled to recover all costs and expenses including attorney's fees.
- The statute of limitations under North Dakota Law will apply.
- Covenants not to compete upon termination or expiration of the Franchise Agreement are generally unenforceable in the State of North Dakota except in limited instances as provided by law.
- A provision requiring litigation or arbitration to be conducted in a forum other than North Dakota is void with respect to claims under North Dakota Law.
- In the event of a conflict of laws, North Dakota Law will control.
- Franchise may not assent to a waiver of exemplary or punitive damages.
- Franchisee may not assent to a waiver of jury trial, waiver of rights to exemplary or punitive damages, or waiving his rights to any procedure, forum, or remedies provided for by the laws of North Dakota, or consenting to liquidated damages, termination penalties or judgment notes.

2. Section 5.1 of the Franchise Agreement is amended to include the following language: "Payment of all initial franchise fees owed to the franchisor, or its affiliate, by the franchisee shall be deferred until such time as the franchisor has fulfilled its initial obligations owed to the franchisee under the franchise agreement and the franchisee has commenced doing business pursuant to the franchise agreement."

3. Each provision of this Addendum shall be effective only to the extent that the jurisdictional requirements of the North Dakota Law applicable to the provisions are met independent of this Addendum. To the extent this Addendum shall be inconsistent with any terms or conditions of said Franchise Agreement or exhibits or attachments thereto, the terms of this Addendum shall govern.

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

CYBERBACKER INTERNATIONAL, INC.

By: _____
(Signature)

By: _____
(Signature)

Name: _____

Name: _____

Title: _____

Title: _____

**ADDENDUM TO THE FRANCHISE AGREEMENT
FOR THE COMMONWEALTH OF VIRGINIA**

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.

The Virginia State Corporation Commission’s Division of Securities and Retail Franchising requires us to defer payment of the initial franchise agreement fee and other initial payments owed by franchisees to the franchisor until the franchisor has completed its pre-opening obligations under the franchise agreement.

WASHINGTON ADDENDUM TO THE FRANCHISE AGREEMENT AND RELATED AGREEMENTS

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

RCW 19.100.180 may supersede the franchise agreement in your relationship with the franchisor including the areas of termination and renewal of your franchise. There may also be court decisions which may supersede the franchise agreement in your relationship with the franchisor including the areas of termination and renewal of your franchise.

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

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

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

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

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

Article V of the franchise agreement is amended to add the following:

In lieu of an impound of franchise fees, the Franchisor will not require or accept the payment of any initial franchise fees until the franchise has (a) received all pre-opening and initial training obligations that it is entitled to under the franchise agreement or offering circular, and (b) is open for business.

Article XIII of the franchise agreement will be interpreted in accordance with RCW 19.100.180.

Section 14.12 of the franchise agreement empowers the franchisor to purchase the franchise before the termination of the franchise agreement. This is inconsistent with RCW 19.100.180(2)(j) and does not apply to Washington franchisees.

The time limitations to initiate a claim as set forth in Section 17.2.3(iii) of the franchise agreement are hereby amended and extended to the time limits allowed under RCW 19.100.

Section 17.2.3(viii) of the franchise agreement is hereby amended as follows:

Federal Arbitration Act. You and We mutually agree that all issues relating to arbitrability are governed exclusively by the Federal Arbitration Act and the federal common law of arbitration to the exclusion of any state statutes or common law and will be decided by the arbitrator. All provisions of this Agreement pertaining to venue, choice-of-laws, dispute avoidance and resolution will be strictly enforced (subject to state law).

Section 20.14 of the franchise agreement is not enforceable in Washington.

Section 2 of the Form General Release Agreement (Exhibit "H" to the franchise disclosure document) is hereby omitted and not applicable in the state of Washington.

The undersigned does hereby acknowledge receipt of this addendum.

Dated _____.

FRANCHISOR:

CYBERBACKER INTERNATIONAL, INC.

By: _____
(Signature)

Name: _____

Title: _____

FRANCHISEE:

By: _____
(Signature)

Name: _____

Title: _____

INDIVIDUALS:

Signature: _____

Print Name: _____

Signature: _____

Print Name: _____



**ADDENDUM TO THE FRANCHISE AGREEMENT
FOR THE STATE OF WISCONSIN**

The following shall apply to Franchise Agreements in the State of Wisconsin:

- a. The Wisconsin Fair Dealership Act, Wisconsin Statutes, Chapter 135 (the “Act”), shall apply to and govern the provisions of Franchise Agreements issued in the State of Wisconsin.
- b. The Act’s requirements, including that in certain circumstances a Franchisee receive ninety (90) days’ notice of termination, cancellation, non-renewal or substantial change in competitive circumstances, and sixty (60) days to remedy claimed deficiencies, shall supersede the provisions of Section VIII of the Franchise Agreement to the extent they may be inconsistent with the Act’s requirements.

**EXHIBIT “B”
TO THE FDD**

**FINANCIAL STATEMENTS
(Attached)**

Our audited balance sheet statement dated December 31, 2022
Our audited balance sheet statement dated December 31, 2021
Our audited balance sheet statement dated February 16, 2021

CYBERBACKER
INTERNATIONAL, INC.

FINANCIAL STATEMENTS
WITH INDEPENDENT AUDITOR'S REPORT
DECEMBER 31, 2022 AND 2021 (RESTATED)



CYBERBACKER INTERNATIONAL, INC.

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Independent Auditor's Report

To the Stockholder
Cyberbacker International, Inc.
Salt Lake City, Utah

Opinion

We have audited the accompanying financial statements of Cyberbacker International, Inc., which comprise the balance sheets as of December 31, 2022 and 2021 and the related statements of operations, stockholder's equity, and cash flows for the years then ended, and the related notes to the financial statements.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Cyberbacker International, Inc. as of December 31, 2022 and 2021 and the results of its operations and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

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

Responsibilities of Management for the Financial Statements

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

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

Emphasis of Matter - Correction of Errors

As discussed in Note 2 to the financial statements, certain errors in the Company's revenue recognition resulted in errors in amounts previously reported for deferred contract costs, related party payables, deferred revenue, initial franchise fees, and expenses for the year ended December 31, 2021. Accordingly, amounts reported have been restated in the 2021 financial statements now presented to correct the error. We have audited the adjustments described in Note 2 that were applied to restate the 2021 financial statements. Our opinion is not modified with respect to that matter.

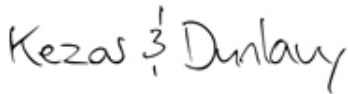
Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

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



St. George, Utah
June 7, 2023

CYBERBACKER INTERNATIONAL, INC.

BALANCE SHEETS (RESTATED)

As of December 31, 2022 and 2021

	<u>2022</u>	<u>2021*</u>
Assets		
Current assets		
Cash and cash equivalents	\$ 354,062	\$ 485,031
Deferred contract costs	312,083	247,917
Total current assets	<u>666,145</u>	<u>732,948</u>
Total assets	<u>\$ 666,145</u>	<u>\$ 732,948</u>
 Liabilities and Stockholder's Equity		
Current liabilities		
Related party payable	\$ 204,451	\$ 232,000
Deferred revenue	312,083	350,917
Total current liabilities	<u>516,534</u>	<u>582,917</u>
Total liabilities	<u>516,534</u>	<u>582,917</u>
 Stockholder's equity		
Common stock	1,000	1,000
Additional paid-in capital	289,942	265,919
Retained earnings	(141,331)	(116,888)
Total stockholder's equity	<u>149,611</u>	<u>150,031</u>
Total liabilities and stockholder's equity	<u>\$ 666,145</u>	<u>\$ 732,948</u>

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

CYBERBACKER INTERNATIONAL, INC.
STATEMENTS OF OPERATIONS (RESTATED)
For the years ended December 31, 2022 and 2021

	<u>2022</u>	<u>2021*</u>
Operating revenue		
Initial franchise fees	\$ 880,000	\$ 300,000
Service fees	1,020,834	137,083
Total revenue	<u>1,900,834</u>	<u>437,083</u>
Operating expenses		
General and administrative	1,045,277	253,971
Commissions	880,000	300,000
Total operating expenses	<u>1,925,277</u>	<u>553,971</u>
Net loss	<u><u>\$ (24,443)</u></u>	<u><u>\$ (116,888)</u></u>

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

CYBERBACKER INTERNATIONAL, INC.
STATEMENTS OF STOCKHOLDER'S EQUITY (RESTATED)
For the years ended December 31, 2022 and 2021

	Common Stock	Additional Paid-in Capital	Retained Earnings	Common Stock
Balance as of January 1, 2021	-	-	-	-
Issuance of common stock	1,000	265,919	-	266,919
Net loss	-	-	(116,888)	(116,888)
Balance as of December 31, 2021*	<u>1,000</u>	<u>265,919</u>	<u>(116,888)</u>	<u>150,031</u>
Additional paid-in capital	-	24,023	-	24,023
Net loss	-	-	(24,443)	(24,443)
Balance as of December 31, 2022	<u>\$ 1,000</u>	<u>\$ 289,942</u>	<u>\$ (141,331)</u>	<u>\$ 149,611</u>

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

*Certain balances do not correspond to the 2021 financial statements and reflect adjustments made. Refer to Note 2.

CYBERBACKER INTERNATIONAL, INC.

STATEMENTS OF CASH FLOWS (RESTATED)

For the years ended December 31, 2022 and 2021

	<u>2022</u>	<u>2021</u>
Cash flow from operating activities:		
Net loss	\$ (24,443)	\$ (116,888)
Adjustments to reconcile net loss to		
net cash provided by (used in) operating activities:		
Changes in operating assets and liabilities:		
Deferred contract costs	(64,166)	(247,917)
Related party payable	(27,549)	232,000
Deferred revenue	(38,834)	350,917
Net cash provided by (used in) operating activities	<u>(154,992)</u>	<u>218,112</u>
Cash flows from financing activities:		
Additional paid-in capital	<u>24,023</u>	<u>266,919</u>
Net cash used by financing activities	<u>24,023</u>	<u>266,919</u>
Net change in cash and cash equivalents	(130,969)	485,031
Cash at the beginning of the year	485,031	-
Cash at the end of the year	<u><u>\$ 354,062</u></u>	<u><u>\$ 485,031</u></u>
Supplementary disclosures of cash flows		
Cash paid for interest and taxes	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>

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

CYBERBACKER INTERNATIONAL, INC.
NOTES TO THE FINANCIAL STATEMENTS
December 31, 2022 and 2021 (Restated)

(1) Nature of Business and Summary of Significant Accounting Policies

(a) Nature of Business

Cyberbacker International, Inc. (the "Company") was incorporated in the State of Utah on September 29, 2020 and commenced operations during the year ended December 31, 2021. The Company was formed to develop and market the Cyberbacker franchise system.

The Company uses the accrual basis of accounting, and their accounting period is the 12-month period ending December 31 of each year.

(b) Accounting Standards Codification

The Financial Accounting Standards Board ("FASB") has issued the FASB Accounting Standards Codification ("ASC") that became the single official source of authoritative U.S. generally accepted accounting principles ("GAAP"), other than guidance issued by the Securities and Exchange Commission ("SEC"), superseding existing FASB, American Institute of Certified Public Accountants, emerging Issues Task Force and related literature. All other literature is not considered authoritative. The ASC does not change GAAP; it introduces a new structure that is organized in an accessible online research system.

(c) Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts and disclosures. Actual results could differ from those estimates.

(d) Cash and Cash Equivalents

Cash equivalents include all highly liquid investments with maturities of three months or less at the date of purchase. As of December 31, 2022 and 2021, the Company had cash and cash equivalents of \$354,062 and \$485,031, respectively. The Company maintains its cash in bank deposit accounts which at times may exceed federally insured limits. The Company has not experienced any losses in such accounts. The Company believes it is not exposed to any significant credit risks on cash or cash equivalents.

(e) Accounts Receivable

Accounts receivable are recorded for amounts due based on the terms of executed franchise agreements for franchise sales, royalty fees, service fees, and product sales. Accounts receivable are recorded at the invoiced amount and do not bear interest although a finance charge may be applied to such receivables that are past the due date. The allowance for doubtful accounts is the Company's best estimate of the amount of probable credit losses in the Company's existing accounts receivable. The Company determines the allowance based on historical collections, customers' current creditworthiness, age of the receivable balance both individually and in the aggregate, and general economic conditions that may affect the customer's ability to pay. All account balances are reviewed on an individual basis. Account balances are charged off against the allowance after all means of collection have been exhausted and the potential for recovery is considered remote. When recoveries of receivables previously charged off are made, they are recognized as income when payment is received. As of December 31, 2022 and 2021, the Company had no accounts receivable or allowance for doubtful accounts.

(f) Revenue Recognition

The Company's franchising revenues consist of initial franchise fees, service fees, and royalty fees.

The Company adopted ASC 606, *Revenue from Contracts with Customers*, upon inception. ASC 606 provides that revenues are to be recognized when control of promised goods or services is transferred to a customer in an amount that reflects the considerations expected to be received for those goods or services. In implementing ASC 606, the

CYBERBACKER INTERNATIONAL, INC.
NOTES TO THE FINANCIAL STATEMENTS
December 31, 2022 and 2021 (Restated)

Company evaluated all revenue sources using the five-step approach: identify the contract, identify the performance obligations, determine the transaction price, allocate the transaction price, and recognize revenue.

For each franchisee, the Company enters into a formal franchise agreement that clearly outlines the transaction price and the Company's performance obligations. Upon evaluation of the five-step process, the Company has determined that royalties are to be recognized in the same period as the underlying revenues upon which they are based. Service fees, which are received upon execution of the franchise agreement, are deferred recognized in the period that services are provided. In allocating the transaction price and recognizing the revenue associated with initial franchise fees, the Company has elected to adopt the practical expedient for private company franchisors outlined in ASC 952-606, *Franchisors—Revenue from Contracts with Customers*. The practical expedient allows franchisors to account for pre-opening services as a single distinct performance obligation. These pre-opening services include the following:

- Assistance in the selection of a site
- Assistance in obtaining facilities and preparing the facilities for their intended use, including related financing, architectural, and engineering services, and lease negotiation
- Training of the franchisee's personnel or the franchisee
- Preparation and distribution of manuals and similar material concerning operations, administration, and record keeping
- Bookkeeping, information technology, and advisory services, including setting up the franchisee's records and advising the franchisee about income, real estate, and other taxes about local regulations affecting the franchisee's business
- Inspection, testing, and other quality control programs

The Company has determined that the fair value of pre-opening services exceeds the initial fees received; as such, the initial fees are allocated to the pre-opening services, which are recognized as revenue upon commencement of operations.

(g) Leasing

The Company adopted ASC 842, *Leases* as of January 1, 2022. The Company has made an accounting policy election not to recognize right-of-use assets and lease liabilities that arise from any of its short-term leases. All leases with a term of 12 months or less at commencement, for which the Company is not reasonably certain to exercise available renewal options that would extend the lease term past 12 months, will be recognized on a straight-line basis over the lease term.

(h) Income Taxes

The Company has elected S corporation status. The Company, with the consent of its stockholders, has elected to be taxed under sections of the federal and state income tax laws, which provide that, in lieu of corporation income taxes, the stockholder is taxed on their proportionate shares of the Company's taxable income. Therefore, these statements do not include any provision for corporation income taxes. The Company distributes the amounts necessary for the stockholder to pay the individual income tax on this income in the form of wages or distributions. The Company also operates in states that have minimum tax provisions which have been included in these financial statements.

The Company follows the guidance under ASC 740, *Accounting for Uncertainty in Income Taxes*. ASC 740 prescribes a more-likely-than-not measurement methodology to reflect the financial statement impact of uncertain tax positions taken or expected to be taken in the tax return. If taxing authorities were to disallow any tax positions taken by the Company, the additional income taxes, if any, would be imposed on the members rather than the Company. Accordingly, there would be no effect on the Company's financial statements.

The Company's income tax returns are subject to examination by taxing authorities for a period of three years from the date they are filed. As of December 31, 2022, the 2021 tax year is subject to examination.

CYBERBACKER INTERNATIONAL, INC.
NOTES TO THE FINANCIAL STATEMENTS
December 31, 2022 and 2021 (Restated)

(i) *Advertising Costs*

The Company expenses advertising costs as incurred. During the years ended December 31, 2022 and 2021, the Company incurred no advertising costs.

(j) *Financial Instruments*

For certain of the Company's financial instruments, including cash and cash equivalents, the carrying amounts approximate fair value due to their short maturities. Related party transactions may not be stated at fair market value.

(2) *Restatement*

During the year ended December 31, 2022, the Company determined that the revenue recognition for initial franchise fees and support fees reported during the year ended December 31, 2021 were not in accordance with ASC 606, *Revenue from Contracts with Customers*. Due to this error, management has determined that a restatement of the financial statements for the year ended December 31, 2021 is required.

The following financial statement areas have been affected as of December 31, 2021:

	As Previously Reported	Adjustments	Restated
Cash and cash equivalents	\$ 485,031	\$ -	\$ 485,031
Deferred contract costs	-	247,917	247,917
Related party payable	129,248	102,752	232,000
Deferred revenue	218,833	93,250	312,083
Initial franchise fee revenue	280,000	20,000	300,000
Service fees	134,167	2,916	137,083
Commissions	280,000	20,000	300,000
General and administrative expense	134,136	119,835	253,971
Net income (loss)	31	(116,919)	(116,888)
Stockholder's equity	\$ 136,950	\$ 13,081	\$ 150,031

(3) *Franchise Agreements*

The Company's franchise agreements generally provide for payment of an initial franchise fee, a service fee, as well as continuing royalties to the Company based on a percentage of sales. Under the franchise agreement, franchisees are granted the right to operate a business using the Cyberbacker system for a period of five years. Under the Company's revenue recognition policy, Under the Company's revenue recognition policy, franchise fees and any corresponding commissions are recognized when the franchisee begins operations. For any franchisees that have not yet begun operations as of year-end, the Company defers both the revenues and commissions. All locations that are expected to begin operations within the following year are categorized as current, while all others are classified as non-current. Service fees, and any associated contract costs, are deferred and recognized over the period in which the services are provided.

The Company has estimated the following deferred contract costs and deferred revenue, all of which is considered current:

	2022	2021
Deferred contract costs	\$ 312,083	\$ 247,917
Deferred revenue	312,083	350,917

CYBERBACKER INTERNATIONAL, INC.
NOTES TO THE FINANCIAL STATEMENTS
December 31, 2022 and 2021 (Restated)

(4) Related Party Payable

During the years ended December 31, 2022 and 2021, the Company's affiliate has provided services to support and administer the franchisees and the franchise system. The amount due does not accrue interest and is due upon demand. As of December 31, 2022 and 2021, the balance due to the affiliate was \$204,451 and \$232,000.

(5) Commitments and Contingencies

(a) Litigation

The Company may be subject to various claims, legal actions and complaints arising in the ordinary course of business. In accounting for legal matters and other contingencies, the Company follows the guidance in ASC Topic 450 Contingencies, under which loss contingencies are accounted for based upon the likelihood of incurrence of a liability. If a loss contingency is "probable" and the amount of loss can be reasonably estimated, it is accrued. If a loss contingency is "probable" but the amount of loss cannot be reasonably estimated, disclosure is made. If a loss contingency is "reasonably possible," disclosure is made, including the potential range of loss, if determinable. Loss contingencies that are "remote" are neither accounted for nor disclosed.

In the opinion of management, all matters are of such kind, or involve such amounts, that unfavorable disposition, if any, would not have a material effect on the financial position of the Company.

(b) COVID-19

On March 11, 2020, the World Health Organization classified the outbreak of a new strain of the coronavirus ("COVID-19") as a pandemic. The COVID-19 outbreak in the United States began in mid-March 2020 and has continued through 2022 and subsequent to the fiscal year end. It is continuing to disrupt supply chains and affect production and sales across a range of industries. Management believes the pandemic has had a material effect on the Company's operations, reducing revenue from both new and existing franchisees. The extent of the impact of COVID-19 on the Company's future operational and financial performance continues to evolve and will depend on certain ongoing developments, including the duration and spread of the outbreak, impact on the Company's customers and vendors all of which are uncertain and cannot be reasonably estimated. At this point, the full extent to which COVID-19 may impact the Company's future financial condition or results of operations is uncertain.

(6) Subsequent Events

Management has reviewed and evaluated subsequent events through June 7, 2023, the date on which the financial statements were issued.

CYBERBACKER INTERNATIONAL, INC.

Balance Sheet

February 16, 2021

(With Independent Accountant's Report Thereon)

JOSEPH B GLASS & ASSOCIATES
Certified Public Accountant



Joseph B Glass & Associates

Certified Public Accountant

190 South 200 East

Blanding, Utah 84511

Tel. 801-414-3325 Fax. 801-304-0475

e-mail address: joebglasscpa@msn.com

Independent Auditor's Report

To the Stockholders
Cyberbacker International, Inc.

Report on the Financial Statements

We have audited the accompanying balance sheet of Cyberbacker International, Inc. as of February 16, 2021, and the related notes to the financial statement.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of this financial statement 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 this financial statement 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 statement referred to above presents fairly, in all material respects, the financial position of Cyberbacker International, Inc. as of February 16, 2021 in accordance with accounting principles generally accepted in the United States of America,

Joseph B Glass & Associates
Joseph B Glass & Associates

Blanding, Utah

March 10, 2021

Cyberbacker International, Inc.

Balance Sheet
February 16, 2021

Assets

Current assets - Cash and cash equivalents	\$ 151,000
Total current assets	<u>151,000</u>
	<u><u>\$ 151,000</u></u>

Liabilities and Stockholder's equity

Current liabilities - Accounts payable and accrued expenses	\$ -
Total current liabilities	<u>-</u>
Stockholder's equity:	
Common stock - 1,000 shares authorized, no shares issued	-
Additional paid-in capital	151,000
Total stockholder's equity	<u>151,000</u>
Commitments and contingencies	-
	<u><u>\$ 151,000</u></u>

See accompanying notes to financial statements.

Cyberbacker International, Inc.
Notes to Financial Statement
February 16, 2021

(1) Organization, Line of Business, and Summary of Significant Accounting Policies

(a) Organization and Line of Business

Cyberbacker International, Inc. (Company) was formed to develop and engage in all phases of the business of providing administrative online support activities/services.

The Company, as of February 16, 2021, had not commenced operations or recorded any sales of franchises. The Company's activities are subject to certain risks and uncertainties which will impact its future operations.

(b) Cash Equivalents

For purposes of the statement of cash flows, the Company considers all highly liquid debt instruments with original maturities of three months or less to be cash equivalents.

(c) Estimates

Management uses estimates and assumptions in preparing these financial statements in accordance with generally accepted accounting principles. Those estimates and assumptions affect the reported amounts of assets and liabilities, the disclosures of contingent assets and liabilities, and the reported revenues and expenses. Actual results could vary from the estimates that were used.

(d) Income Taxes

The Company accounts for income taxes in accordance with financial accounting standards which requires asset and liability accounting for income taxes based upon events recognized in the financial statements as measured by provisions of enacted tax laws. Under this method, deferred tax assets and liabilities are determined based on the differences between financial statement and tax bases of assets and liabilities using enacted rates in effect for the year in which the differences are expected to reverse.

(e) Revenue Recognition

The Company recognizes revenues from franchise sales and royalty fees. Franchise fee revenue is recognized, in accordance with current revenue recognition standards, on a straight-line basis over the term of the franchises.

Other performance obligations related to franchise sales such as training, etc. are billed separately from the franchise fee and are recognized as revenue when the obligation is satisfied.

Cyberbacker International, Inc.
Notes to Financial Statement
February 16, 2021

(2) Stockholders' Equity

The Company is authorized to issue 1,000 shares of common stock with no par value. As of February 16, 2021 a total of no shares had been issued.

(3) Concentrations of Credit

The Company's customers consist primarily of individuals living in the United States.

(4) Subsequent events

Management of the Company has evaluated any subsequent events that may require disclosure in these financial statements through March 10, 2021 the date that the financial statements were issued.

**EXHIBIT “B”
TO THE FDD**

(CONTINUED)

**FINANCIAL STATEMENTS
(Attached)**

Our unaudited interim financials dated September 30, 2023*

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

Cyberbacker International												
Statement of Profit & Loss												
For the period Jan-Sep 2023												
		2023	2023	2023	2023	2023	2023	2023	2023	2023	2023	2023
		Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Total	
(1) Revenue												
	Franchise Support Fees	\$ 81,666.72	\$ 78,749.89	\$ 64,166.38	\$ 40,833.22	\$ 29,166.50	\$ 14,583.31	\$ 11,666.60	\$ 5,833.30	\$ 2,916.67	\$ 329,582.58	
	Franchise Commission Revenue	\$ -	\$ -	\$ -	\$ 30,000.00	\$ -	\$ -	\$ -	\$ 35,000.00	\$ -	\$ 65,000.00	
	Total Revenue	\$ 81,666.72	\$ 78,749.89	\$ 64,166.38	\$ 70,833.22	\$ 29,166.50	\$ 14,583.31	\$ 11,666.60	\$ 40,833.30	\$ 2,916.67	\$ 394,582.58	
(2) Cost of Services												
	Commission Expense	\$ -	\$ -	\$ -	\$ 30,000.00	\$ -	\$ -	\$ -	\$ 35,000.00	\$ -	\$ 65,000.00	
	Total Cost of Services	\$ -	\$ -	\$ -	\$ 30,000.00	\$ -	\$ -	\$ -	\$ 35,000.00	\$ -	\$ 65,000.00	
(3) Gross Profit		\$ 81,666.72	\$ 78,749.89	\$ 64,166.38	\$ 40,833.22	\$ 29,166.50	\$ 14,583.31	\$ 11,666.60	\$ 5,833.30	\$ 2,916.67	\$ 329,582.58	
(4) Other Income												
	Bank Interest - Savings Account	\$ 6.37	\$ 5.75	\$ 6.37	\$ 6.16	\$ 6.37	\$ 6.16	\$ 6.37	\$ 6.37	\$ 6.16	\$ 56.08	
	Total Other Income	\$ 6.37	\$ 5.75	\$ 6.37	\$ 6.16	\$ 6.37	\$ 6.16	\$ 6.37	\$ 6.37	\$ 6.16	\$ 56.08	
(5) Operating Expenses												
	Admin Support Fees	\$ 81,666.72	\$ 78,749.89	\$ 64,166.38	\$ 40,833.22	\$ 29,166.50	\$ 14,583.31	\$ 11,666.60	\$ 5,833.30	\$ 2,916.67	\$ 329,582.58	
	Systems & Tools	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
	Miscellaneous Expense	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
	Bank Fees	\$ 20.00	\$ 20.00	\$ 20.00	\$ 20.00	\$ 20.00	\$ 20.00	\$ 20.00	\$ 20.00	\$ 20.00	\$ 180.00	
	Total Operating Expenses	\$ 81,686.72	\$ 78,769.89	\$ 64,186.38	\$ 40,853.22	\$ 29,186.50	\$ 14,603.31	\$ 11,686.60	\$ 5,853.30	\$ 2,936.67	\$ 329,762.58	
(6) Profit/(Loss)		\$ (13.63)	\$ (14.25)	\$ (13.63)	\$ (13.84)	\$ (13.63)	\$ (13.84)	\$ (13.63)	\$ (13.63)	\$ (13.84)	\$ (123.92)	

CB International, Inc				
Balance Sheet				
For the year ended 30 September 2023				
ASSETS				
Cash and Cash Equivalents		Notes		9/30/2023
	Cash in Bank - Keybank			\$ 172,087.92
Current Assets				
	Prepaid Support Fees			\$ 17,499.99
Property Land & Equipment				\$ -
TOTAL ASSETS				\$ 189,587.91
LIABILITIES & OWNER'S CAPITAL				
Current Liabilities				
	Accrued Commissions Payable			\$ 13,500.00
	Accrued Support Payable			\$ 75,816.65
	Deferred Franchise Revenue			\$ 17,499.99
	Franchise Deposit			\$ -
Owner's Equity				
	Capital Stock			\$ -
	Retained Earnings, Beginning		\$ (80,438.14)	
	Add: Capital Contribution		\$ 228,333.33	
	Profit/(Loss)		\$ (123.92)	
	Less: Owner's Withdrawal		\$ (65,000.00)	
	Retained Earnings, Ending			\$ 82,771.27
TOTAL LIABILITIES AND OWNER'S EQUITY				\$ 189,587.91
VARIANCE				\$ (0.00)

**EXHIBIT “C”
TO THE FDD**

SCHEDULE OF FRANCHISEES AS OF DECEMBER 31, 2022

State	Territory	Owner	Phone	Address
Alabama	Alabama	Latausha Jackson	(205) 475-0290	100 Deer Ridge Way, Chelsea, AL 35043
Alaska	Alaska	Barbara Huntley	(907) 227-5228	PO Box 298733 Wasilla, Alaska 99629
Arkansas	Arkansas	Jennie Wolek	(918) 706-9845	1705 S. Norfolk Ave Tulsa, OK 74120
California	LA/Orange County	Rich Rector	(714) 916-1219	19216 Chandon Lane, Huntington Beach, CA 92648
California	Northern California	Amy Pittard	(707) 548-3417	275 Curlis Rd, Bonners Ferry, ID 83805
California	Riverside and San Bernardino County	Heath Hilgenberg	(760) 413-4922	71825 Sahara Road, Rancho Mirage, CA 92270
Colorado	Colorado	Jacob Clendenning	(307) 421-0120	2232 Dell Range Blvd Suite 245 3215Cheyenne, WY 82009
Connecticut	Connecticut	Richard Kim	(617) 684-5151	231 Harvard Ave Apt 3 Allston, MA 02134
Florida	North Florida	Chris Guldi	(301) 265-5001	113 7th LN Key Largo, FL 33037
Florida	Miami	Ariadne Regueira	(305) 318-8553	2000 NW 150 Ave Ste 1100, Pembroke Pines, FL 33028
Florida	Tampa	Jessica Fox Wimmer	(727) 247-2515	3711 Corsair CT, New Port Richey, FL 34652
Georgia	Atlanta	Bryan Fair	(678) 775-2750	2170 Satellite Blvd, Suite 100, Duluth, GA 30097
Idaho	Idaho	Dennis Ranch	(206) 310-5788	183 Cedar Ln. NW Gig Harbor, WA 98335
Illinois	Lake Villa	Amy Kite	(224) 337-2788	521 Blazing Star Dr. Lake Villa, IL 60046
Indiana	Indiana	Ryan Fellows	(502) 718-8196	5710 Lentzier Trace, Jeffersonville, IN 47130
Iowa	Iowa	Donald E Kracke	(531) 500-7788	7990 SW 142nd Rd DeWitt NE 68341

Kansas	Kansas	Jordan Feed	(316) 308-7746	5224 Stonecreek Ct, Lawrence, KS 66094
Kentucky	Kentucky	Shannon Dager	(678) 910-4189	2823 Erie Avenue, Cincinnati, OH 45208
Louisiana	Louisiana	Christopher John Thompson	(813) 777-8382	5920 Beaconpark St, Lithia, FL 33547
Maine	Maine	Rachael Bohac	(603) 674-2177	13 Copley Ct Auburn, NH 03032
Maryland	Nottingham	Jeff Kuhn	(443)517-8944	8015 Corporate Dr., Suite C, Nottingham, MD 21236
Massachusetts	Massachusetts	Richard Kim	(617) 684-5151	231 Harvard Ave Apt 3 Allston, MA 02134
Michigan	Michigan	Brooks Warner	(517) 331-2017	994 St Johns Chase, Grand Ledge, MI 48837
Minnesota	Minneapolis	Brian Johnson	(763) 370-9377	20458 Washington St NE, Cedar, MN 55011
Mississippi	Mississippi	Christopher John Thompson	(813) 777-8382	5920 Beaconpark St, Lithia, FL 33547
Missouri	Missouri Counties	Jordan Feed	(316) 308-7746	5224 Stonecreek Ct, Lawrence, KS 66094
Missouri	St. Louis	Mike Galbally	(314) 479-8583	856 Waterbury Falls Drive, STE 200 O'Fallon, MO 63368
Montana	Montana	Mike Hyde	(406) 370 0091	5317 Spur Lane, Florence, MT 59833
Nebraska	Nebraska	Donald E Kracke	(531) 500-7788	7990 SW 142nd Rd DeWitt NE 68341
Nevada	Southern Nevada	Cynthia M. Biskup	(702) 672-5149	P.O. Box 44 Mesquite, NV 89024
New Hampshire	New Hampshire	Rachael Bohac	(603) 674-2177	13 Copley Ct Auburn, NH 03032
New Jersey	New Jersey, North	Billy Pena	(201) 232-4339	73rd Avenue, Roseland, NJ 07068
New Mexico	New Mexico	Timothy Minnix	(806) 790-2343	P.O. Box 64895 Lubbock TX 79464
New York	Upstate New York	Ryan Braunagel	(203) 257-1352	65 Twin Brook Ter Monroe, CT 06468
New York	Albertson	Allison Gambone	(516) 269-2505	35 Meldon Ave Albertson, NY 11507
Ohio	Northern Ohio	Kelly L Wiley	(740) 988-6236	173 W South St, Jackson, OH 45640

Ohio	Southern Ohio Counties	Shannon Dager	(678) 910-4189	2823 Erie Avenue, Cincinnati, OH 45208
Oklahoma	Oklahoma	Jennie Wolek	(918) 706-9845	1705 S. Norfolk Ave Tulsa, OK 74120
Oregon	Oregon	Kristen Wilson	(541) 223-8091	3103 San Pedro Ave, Albany, OR, 97321
Pennsylvania	Philadelphia	Pam Butera	(215) 205-8130	9107 Fremont Ave. Margate, NJ 08402
Pennsylvania	Western and Northern Pennsylvania	Jane Maslowski	(215) 990-7706	2288 Warner Rd. Lansdale, PA 19446
Rhode Island	Rhode Island	Richard Kim	(617) 684-5151	231 Harvard Ave Apt 3 Allston, MA 02134 USA
South Carolina	Greenville	Rob Warfield	(864) 404-9606	403 Woods Lake Rd, Ste 100 Greenville, SC 29607
Tennessee	Tennessee	Sara Stephens	(615) 828-7002	4101 Charlotte Ave. Ste. D160, Nashville, TN 37209
Texas	Central South Texas	Craig Zuber	(208) 761-9099	1215 Challenger Lakeway, TX 78734
Texas	Dallas, Ft. Worth Metroplex	Richard Licare	(972) 672-9935	606 Laredo Circle, Allen, TX 75024
Texas	Houston	Ron And Catherine Mast	(719) 243-4444	12675 Woodruff Dr. Colorado Springs, CO 80921
Texas	West Texas	Timothy Minnix	(806) 790-2343	P.O. Box 64895 Lubbock TX 79464
Vermont	Vermont	Ryan Braunagel	(203) 257-1352	65 Twin Brook Ter Monroe, CT 06468
Virginia	Fairfax	Derek Blaine	(703) 587-7132	6820 Elm St. McLean, VA 22101
Washington	Washington	Dennis Ranch	(206) 310-5788	183 Cedar Ln. NW Gig Harbor, WA 98335
Country	Territory	Owner	Phone	Address
Ontario, Canada	Ontario	Ryan McLean	(905)308-8333	1044 Cannon Street East, Hamilton, Ontario L8L 2H7, Canada

No franchisees have been terminated, canceled, not renewed or otherwise voluntarily or involuntarily ceased to do business under the franchise agreement during 2021. There are no franchises that transferred their franchise in 2021 or who have not communicated with us within 10 weeks of the issuance date of this disclosure document.

**EXHIBIT “D”
TO THE FDD**

LIST OF AGENTS FOR SERVICE OF PROCESS

If a state is not listed, Cyberbacker International, Inc. has not appointed an agent for service of process in that state in connection with the requirements of franchise laws. There may be states in addition to those listed below in which Cyberbacker International, Inc. has appointed an agent for service of process.

STATE	CONTACT	DEPARTMENT	ADDRESS	PHONE NUMBER
California	Commissioner of Financial Protection and Innovation	Department of Financial Protection and Innovation	2101 Arena Blvd., Sacramento, CA 95834	(916) 445-7205 (866) 275-2677
Georgia	Secretary of State of Georgia	Corporations Division	2 Martin Luther King Jr. Dr., SE, Suite 315, West Tower, Atlanta, GA 30334	
Hawaii	Commissioner of Securities	Department of Commerce and Consumer Affairs Business Registration Division, Securities Compliance Branch	335 Merchant Street, Room 203, Honolulu, HI 96813	(808) 586-2722
Illinois	Chief, Franchise Division	Office of Attorney General	500 South Second Street, Springfield, IL 62706	(217) 782-4465
Indiana	Indiana Secretary of State		210 State House, Indianapolis, IN 46204	
Maryland	Maryland Securities Commissioner	Division of Securities; Office of Attorney General	200 St. Paul Place, 20 th Floor, Baltimore, MD 21202-2020	(410) 576-6360
Michigan	Antitrust and Franchise Business	Michigan Department of the Attorney General’s Office; Franchise Administrator; Consumer Protection Division	6546 Mercantile Way, Lansing, MI 48910	(517) 373-7117
Minnesota	Commissioner of Commerce	Minnesota Department of Commerce	85 7 th Place East, Suite 280, St. Paul, MN 55101	(651) 539-1500
New York	Secretary of State		99 Washington Avenue, Albany, NY 12231	(518) 473-2492
North Dakota	North Dakota Securities Department		600 East Boulevard Ave., State Capital Fifth Floor, Dept. 414, Bismarck, ND 58505-0510	(701) 328-4712

Oregon	Director of Insurance & Finance	Business Service Division of Finance and Corporate Securities Labor and Industries Building	Salem, OR 97310	(503) 378-4387
Rhode Island	Chief Securities Examiner of Business Regulation	Department of Business Regulation Securities Division	1511 Pontiac Avenue, John O. Pastore Complex – Building 69-1, Cranston, RI 02920	(401) 462-9527
South Dakota	Division of Insurance	Securities Regulation	124 South Euclid Avenue, 2 nd Floor, Pierre, SD 57501-3185	(605) 773-3563
Virginia	Clerk of the State Corporation Commission		1300 East Main Street, 1 st Floor, Richmond, VA 23219	
Washington	Director of Financial Institutions		150 Israel Road SW, Tumwater, WA 98501	(360) 902-8760
Wisconsin	Wisconsin Commissioner of Securities	Franchise Investment Division	101 East Wilson Street, Fourth Floor, Madison, WI 53702	

**EXHIBIT “E”
TO THE FDD**

**LIST OF STATE AGENCIES RESPONSIBLE FOR
FRANCHISE DISCLOSURE/REGISTRATION LAWS**

STATE	CONTACT	DEPARTMENT	ADDRESS	PHONE NUMBER
California		Department of Financial Protection and Innovation	<u>Sacramento:</u> 2101 Arena Blvd., Sacramento, CA 95834 <u>San Diego:</u> 1455 Frazee Road Suite 315 San Diego, CA 92108 <u>San Francisco:</u> One Sansome Street, Ste. 600, San Francisco, CA 94101 <u>Los Angeles:</u> 320 West 4 th Street, Ste. 750, Los Angeles, CA 90013-2344	<u>Sacramento:</u> (916) 445-7205 <u>San Diego:</u> (619) 525-4233 <u>San Francisco:</u> (415) 972-8559 <u>Los Angeles:</u> (213) 576-7500 <u>Toll Free:</u> (866) 275-2677
Connecticut	Securities and Business Investment Division	Connecticut Department of Banking	260 Constitution Plaza, Hartford, CT 06103-1800	(860) 240-8233
Florida	Division of Consumer Services	Department of Agriculture and Consumer Services	P.O. Box 6700, Tallahassee, FL 32314-6700	(805) 488-2221 Fax: (805) 410-3804
Georgia	Secretary of State of Georgia	Corporations Division	2 Martin Luther King Jr. Dr., SE, Ste. 315, West Tower, Atlanta, GA 30334	
Hawaii	Business Registration Division, Commissioner of Securities	Department of Commerce and Consumer Affairs	P.O. Box 40, Honolulu, HI 96810	(808) 586-2744
Illinois	Franchise Bureau	Office of Attorney General	500 South Second Street, Springfield, IL 62706	(217) 782-4436
Indiana	Franchise Section	Indiana Securities Division, Secretary of State	302 West Washington Street, Room E-111, Indianapolis, IN 46204	(317) 232-6681
Iowa	Iowa Securities Bureau		340 Maple, Des Moines, Iowa 50319-0066	(515) 287-4441
Maryland	Office of the Attorney General	Division of Securities	200 St. Paul Place, 20 th Floor, Baltimore Maryland 21202-2020	(410) 576-6360

Michigan	Michigan Attorney General's Office	Consumer Protection Division; Attn: Franchise Section	525 West Ottawa Street, Williams Building, 6 th Floor, Lansing, MI 48933	(517) 373-7117
Minnesota	Minnesota Department of Commerce	Securities – Franchise Registration	85 7 th Place East, Suite 280, St. Paul, Minnesota 55101-2198	(651) 539-1600
Nebraska	Bureau of Securities/Financial Institutions Division	Department of Banking and Finance	1526 K Street, Suite 300, Lincoln, NE 68508-2732	(402) 471-3445
New York	NYS Department of Law	Investor Protection Bureau	28 Liberty St. 21 st Floor, New York, NY 10005	(212) 416-8222 Fax: (212) 416-6042
North Dakota	Franchise Examiner	North Dakota Securities Department	600 East Boulevard Avenue, State Capital 5 th Floor, Dpt 414, Bismarck, ND 58505-0510	(701) 328-4712
Oregon	Division of Finance and Corporate Securities	Department of Consumer and Business Services	Labor and Industries Building	(503) 378-4140 Fax: (503) 947-7862
Rhode Island	Securities Division	Department of Business Regulation	1511 Pontiac Avenue, John O. Pastore Complex 69-1, Cranston, RI 02920-4407	(401) 462-9527
South Dakota	Division of Insurance	Securities Regulation	124 S. Euclid 2 nd Floor, Pierre, SD 57501-3185	(605) 773-3563 Fax: (605) 773-5953
Texas	Secretary of State	Registration Division	P.O. Box 13193, Austin, TX 78711-3193 1719 Brazos, Austin, TX 78707	(512) 475-1769
Utah	Division of Consumer Protection	Utah Department of Commerce	160 East 300 South, SM Box 146704, Salt Lake City, UT 84114-6704	(801) 530-6601 Fax: (801) 530-6001
Virginia	State Corporation Commission	Division of Securities and Retail Franchising	1300 East Main Street, 9 th Floor, Richmond, VA 23219	(804) 371-9051
Washington	Securities Division	Department of Financial Institutions	150 Israel Road SW Tumwater, WA 98501	(360) 902-8760
Wisconsin	Division of Securities	Department of Financial Institutions	P.O. Box 1768, Madison, WI 53701	(608) 266-2801
Federal Trade Commission	Division of Marketing Practices	Bureau of Consumer Protection	Pennsylvania Avenue at 6 th Street, NW, Washington DC 20580	(202) 326-3128

**“EXHIBIT “F”
TO THE FDD**

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CYBERBACKER'S FRANCHISE OPERATIONS MANUAL

***This is a living document that is subject to updates and changes over time.**

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CYBERBACKER'S FRANCHISE OPERATIONS MANUAL

***This is a living document that is subject to updates and changes over time.**

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**EXHIBIT “G”
TO THE FDD
DEPOSIT AGREEMENT**

PROSPECTIVE FRANCHISEE DEPOSIT AGREEMENT

This DEPOSIT AGREEMENT ("Agreement") is made and entered into as of the date listed below by and between **CYBERBACKER INTERNATIONAL, INC.** ("Franchisor," "We," "Us" or "Our") and _____ ("You," "Your" or "Prospective Franchisee"). The parties are individually referred herein as a "Party" and collectively as "Parties."

RECITALS:

A. You have applied for and desire to acquire an option to purchase an Cyberbacker® franchise; and

B. You declare that You have fully reviewed the Cyberbacker® Franchise Disclosure Document and have had such FDD for at least 14 days and familiarized Yourself with the essential aspects of owning a Cyberbacker® franchise and desire to enter into this Agreement as a result of such independent investigation and not as a result of any separate representations by Us, or Our agents officers or employees, and You further expressly acknowledge that no separate representations, promises or warranties of any kind, express or implied, have been made by Us, Our agents, officers or employees, to induce You to execute this Agreement.

NOW THEREFORE, in consideration of the mutual and reciprocal covenants, promises, recitals, terms and conditions herein contained, and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged by each Party, the Parties hereby agree as follows:

1. **Grant of Option.** We hereby grant to You an option ("Option") to acquire a Cyberbacker® franchise under the terms and conditions of the franchise agreement and in accordance with this Agreement for the market set forth on Exhibit "A" attached hereto and by reference made a part hereof. The final agreed upon market will be set forth in Your franchise agreement. The Option granted herein will expire at 5:00 P.M., Mountain Time, 90 days from the date hereof unless extended by mutual written consent of the Parties ("Option Period").

2. **Deposit.** Upon execution of this Agreement, You will pay to Us a non-refundable deposit of \$3,000. If You exercise Your Option, this sum will be credited against the initial franchise fee set forth in the franchise agreement. The value of the deposit is to compensate us for an opportunity lost in the event you do not purchase a franchise in the market.

3. **Exercise.** This Option is exercisable by You as follows: 1) Your written notice to Us of Your exercise of the Option; 2) Your execution of the franchise agreement; and 3) payment by You of the full initial franchise fee, all within the Option Period. **Time is of the essence for this Agreement.**

4. **Arbitration of Disputes.** In the event any controversy or dispute arises between the Parties hereto in connection with, arising from or with respect to this Agreement or any provision hereof, such dispute or controversy will, on the request of any Party hereto be submitted for arbitration to the American Arbitration Association in accordance with its commercial arbitration rules. All arbitration hearings will be conducted exclusively in Ogden, Utah and the laws of the state of Utah will govern without giving effect to its conflicts of law provisions. The arbitrator will have the power and jurisdiction to decide such controversy or dispute solely in accordance with the express provisions of this Agreement. The prevailing Party in any arbitration suit or action to enforce this Agreement, will be entitled to recover the administrative costs of the arbitration proceeding and the fee for the arbitrator. The Parties agree that any claim hereunder will result in an award not more than 120 days from the date of the statement of claim filed with the American Arbitration Association. The award and findings

of the arbitrators will be conclusive and binding upon all Parties hereto and the judgment upon the award may be entered in any court of competent jurisdiction.

5. **Notices.** All notices permitted or required under this Agreement must be in writing and must be delivered as follows with notice deemed given as indicated (i) by personal delivery when delivered personally, (ii) by overnight courier upon written verification of receipt, (iii) by telecopy, email or facsimile transmission when confirmed by telecopier, email or facsimile transmission, or (iv) by certified or registered mail, return receipt requested, five days after deposit in the mail addressed as follows:

Franchisor: Cyberbacker International, Inc.
2447 Kiesel Ave., Ogden, Utah 84401
Email: craig@cyberbacker.com

Prospective Franchisee: _____

Email: _____

6. **Binding Effect.** This Agreement and all its terms, conditions and stipulations will be binding upon and will inure to the benefit of the Parties hereto and their respective legal representatives, heirs, successors and permitted assigns.

7. **Amendment.** This Agreement may be amended, modified or changed only by a written instrument signed by duly authorized representatives of both Parties.

8. **Authority.** The persons signing below warrant that they are authorized to enter into this Agreement on behalf of their respective principals identified below and that by their signatures they bind such principals to this Agreement.

9. **Costs & Expenses.** Each Party will pay its own costs and expenses in connection with this Agreement.

10. **Entire Agreement.** This Agreement and exhibits contain the entire agreement and only understanding between the Parties with respect to the subject matter hereof and supersedes all previous negotiations, agreements and understandings between the Parties and affiliates of the Parties, in connection with the subject matter covered herein, whether oral or written, and any warranty, representation, promise or condition in connection therewith not incorporated herein will not be binding upon either Party. The Parties hereby agree that all prior agreements between the Parties are hereby terminated with no continuing duties or obligations on the part of the other Party.

11. **Interpretation of Agreement.** Words in the masculine gender include the feminine and neuter. Use of the singular will include the appropriate plural numbers. The paragraph headings and title of this Agreement are not part of this Agreement, having been inserted for convenience of reference only, and will have no effect upon the construction or interpretation of this Agreement.

IN WITNESS WHEREOF, the Franchisor and Prospective Franchisee have respectively signed this Agreement as of the date written below.

Dated as of _____.

FRANCHISOR:

CYBERBACKER INTERNATIONAL, INC.

By: _____
(Signature)

Name: _____

Title: _____

PROSPECTIVE FRANCHISEE:

By: _____
(Signature)

Name: _____

Title: _____

EXHIBIT “A”

To the Deposit Agreement

The market You wish to reserve during the Option Period is:

**EXHIBIT “H”
TO THE FDD**

RELEASE AGREEMENT (FORM)

**RELEASE AGREEMENT
(Form)**

This RELEASE AGREEMENT ("Agreement") is made and entered into as of _____ by and between **CYBERBACKER INTERNATIONAL, INC.** ("Franchisor") and _____, _____, AND _____ (jointly and severally "Franchisee"). The above will collectively at times be referred to as "Parties" and individually as "Party." Capitalized terms used herein will have the meanings set forth in the Franchise Agreement, unless defined otherwise herein.

RECITALS

WHEREAS, Franchisee entered into a Cyberbacker® franchise agreement on _____, 20____ with Franchisor ("Franchise Agreement"); and

WHEREAS, the Franchise Agreement was personally guaranteed by _____ and _____ ("Personal Guarantor(s)"); and

WHEREAS, the Franchise Agreement has been terminated effective as of the ____ day of _____, 20____.

NOW THEREFORE, in consideration of the recitals, premises and other provisions set forth herein, and for other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, and intending to be legally bound hereby, Franchisor, Franchisee and Personal Guarantor(s) hereby agree as follows:

1. Franchisee and Personal Guarantor(s) hereby, fully and irrevocably, release, acquit and forever discharge Franchisor and its successors, affiliates, directors, officers, members, managers, employees, shareholders, representatives and agents and each of them, individually and collectively, of and from any and all claims, demands, obligations, causes of action, suits or liabilities of any kind and nature, whatsoever, whether known or unknown, suspected or unsuspected, and in whatever legal theory or form which Franchisee and Personal Guarantor(s) have or claim to have, or at any time heretofore, had or claimed to have had, or which may hereafter accrue or arise, against Franchisor, its successors, affiliates, directors, officers, members, managers, shareholders, employees and agents, and each of them, by reason of, or in any way connected with the Franchise Agreement, the relationship described therein and any business transaction, agreement or occurrence, act or omission relating thereto prior to the date hereof. Franchisee and Personal Guarantor(s) further waive any and all state law provisions limiting the effect of a general release.

2. Franchisee and Personal Guarantor(s) hereby covenant not to initiate, prosecute, encourage, assist, or (except as required by law) participate in any civil, criminal, or administrative proceeding or investigation in any court agency, or other forum, either affirmatively or by way of cross-claim, defense, or counterclaim against any person or entity released under Section 1 above with respect to any claim released under Section 1.

3. Franchisee and Personal Guarantor(s) represent that each of them fully understands the broad coverage of the release provisions of this Agreement, and that they execute the same with respect to all claims, causes of action and demands, as set forth above, they have or may have against the Franchisor,

fully intending that the provisions hereof be given the broadest interpretation permitted by law or the English language. Franchisee and Personal Guarantor(s) acknowledge and expressly agree that they will make no claim, and hereby waive any right they may now have, or may hereafter have, based upon any alleged oral or written alteration, amendment, or modification of this Agreement, fully waiving any right they may have to refer to extrinsic matters in the interpretation hereof, whether to establish fraud, duress, mistake, undue influence, or for any other purpose.

FOR CALIFORNIA FRANCHISEES ONLY: These releases are intended to waive, release and discharge all claims, other than those expressly reserved herein, with the express waiver of any statute, legal doctrine or other similar limitation upon the effect of general releases. In particular, the parties waive the benefit of any applicable statutory provision such as by illustration, California Civil Code Section 1542, which states:

A GENERAL RELEASE DOES NOT EXTEND TO CLAIMS WHICH THE CREDITOR DOES NOT KNOW OR SUSPECT TO EXIST IN HIS FAVOR AT THE TIME OF EXECUTING THE RELEASE, WHICH IF KNOWN BY HIM MUST HAVE MATERIALLY AFFECTED HIS SETTLEMENT WITH THE DEBTOR.

The parties, with the advice of their respective counsel, waive the benefit of both statute and other legal doctrine or principle of similar effect in any jurisdiction.

4. This Agreement may be pleaded as a full and complete defense to, and may be used as the basis for, an injunction against any action, suit or other proceeding which may be instituted, prosecuted, or maintained in breach of this Agreement.

5. Nothing in this Agreement releases Personal Guarantor(s) or Franchisee from their obligations under the non-competition clauses of the Franchise Agreement or their Non-Competition Agreements signed with Franchisor. Franchisee and Personal Guarantor(s) are reminded of their ongoing obligations under the non-competition clauses of the Franchise Agreement and the Brand Protection Agreement for Principals signed with Franchisor.

6. Miscellaneous

6.1 Cooperation. Franchisee and Personal Guarantor(s) will make, execute, and deliver to Franchisor, promptly upon request and without additional consideration, any document or instrument necessary to carry out and effectuate the purposes of this Agreement.

6.2 Choice of Law and Jurisdiction. This Agreement will be construed in accordance with and all disputes hereunder will be governed by the laws of the state of Utah without giving effect to its conflicts of law provisions. Franchisee, Personal Guarantor(s), and Franchisor hereby irrevocably consent to the exercise of general personal jurisdiction in the courts of record of the state of Utah even though it may be otherwise possible to obtain jurisdiction elsewhere, and we both agree that Ogden, Utah will be the exclusive venue for any litigation between us. Each party waives any objection they may have to the personal jurisdiction of or venue in the state and federal courts of Utah.

6.3 Arbitration. In the event any controversy or dispute arises between the Parties hereto in connection with, arising from or with respect to the provisions hereof, the relationship of the Parties hereto, or the validity of this Agreement or any provision hereof, such dispute or controversy will, on the request of any Party hereto be submitted for arbitration to the American Arbitration Association in

accordance with its commercial arbitration rules. All arbitration hearings will be conducted exclusively in Ogden, Utah, and the laws of the state of Utah will govern, without giving effect to its conflicts of law provisions. The arbitrator will have the power and jurisdiction to decide such controversy or dispute solely in accordance with the express provisions of this Agreement. The prevailing Party in any arbitration suit or action to enforce this Agreement, will be entitled to recover the administrative costs of the arbitration proceeding and the fee for the arbitrator. The Parties agree that any claim hereunder will result in an award not more than 120 days from the date of the statement of claim filed with the American Arbitration Association, unless otherwise waived by the Parties. The award and findings of the arbitrators will be conclusive and binding upon all Parties hereto and the judgment upon the award may be entered in any Court of competent jurisdiction.

6.4 Attorneys' Fees and Costs. In the event any action in law or equity or any arbitration or other proceeding is brought for the enforcement of this Agreement or in connection with any of the provisions of this Agreement, the successful or prevailing party or parties will be entitled to reasonable attorney's fees and other costs reasonably incurred in such action or proceeding.

6.5 Amendment. This Agreement may be amended, modified, or changed only by a written instrument signed by duly authorized representatives of both Parties.

6.6 Company Authority. The persons signing below warrant that they are authorized to enter into this Agreement on behalf of their respective principals identified below and that by their signatures they bind such principals to this Agreement.

6.7 Binding Agreement. This Agreement and all its terms, conditions and stipulations will be binding upon and will inure to the benefit of the Parties hereto and their respective legal representatives, heirs, successors and permitted assigns.

6.8 Confidentiality. Franchisee and Personal Guarantor(s) agree to maintain this Agreement, the terms hereof, and any and all information obtained or provided by either Party in order to initiate a contractual relationship, in the strictest of confidence.

6.9 Counterparts. This Agreement, and those contemplated herein, may be executed in counterparts, including by means of telefaxed, emailed pdf or other electronically delivered signature page, each of which will be deemed an original, but all of which together will constitute one and the same document.

6.10 Entire Agreement. This Agreement contains the entire agreement and only understanding between the Parties with respect to the subject matter hereof and supersedes all previous negotiations, agreements and understandings between the Parties and affiliates of the Parties, in connection with the subject matter covered herein, whether oral or written, and any warranty, representation, promise or condition in connection therewith not incorporated herein will not be binding upon either Party. The Parties hereby agree that all prior agreements with between the Parties regarding the subject matter hereof are hereby terminated with no continuing duties or obligations on the part of the other Party.

6.11 Paragraph Headings. The paragraph headings appearing in this Agreement are inserted only as a matter of convenience and reference and in no way define, limit, construe or describe the scope, interpretations or extent of such paragraph or in any way affect such paragraph or this Agreement. Words in the masculine gender include the feminine and neuter. Use of the singular will include the appropriate plural numbers.

6.12 Enforceability. Any provision of this Agreement which is prohibited or unenforceable in any jurisdiction will, as to such jurisdiction, not be effective to the extent of such prohibition, but such prohibition will not invalidate the remaining provisions hereof or affect the validity or enforceability of such provisions in any other jurisdiction.

7. This Agreement will be effective when all the parties have signed it. The date of this Agreement will be the date this Agreement is signed by the last party to sign it as provided in the signature block below.

8. The Franchisee and Personal Guarantor(s) acknowledge that they have carefully read the foregoing Agreement and know and understand the contents of this Agreement, have been represented by counsel, or had the opportunity to be represented by counsel, and sign this Agreement as their own free act, fully intending to be legally bound thereby.

9. For franchisees located in Washington only: this Agreement does not apply with respect to claims arising under the Washington Franchise Investment Protection Act, RCW 19.100, and any rule or order adopted thereunder.

IN WITNESS WHEREOF, and by their signatures below, the Parties hereto acknowledge that they have read, understand and agree to all of the terms and provisions of this Agreement and have caused this Agreement to be executed as of the date provided below written with the full authority of the company principal they represent.

FRANCHISOR:

CYBERBACKER INTERNATIONAL, INC.

By: _____
(Signature)

Name: _____

Title: _____

Date: _____

FRANCHISEE:

By: _____
(Signature)

Name: _____

Title: _____

Date: _____

PERSONAL GUARANTOR(S):

By: _____

By: _____

Name: _____

Name: _____

Date: _____

Date: _____

**EXHIBIT “T”
TO THE FDD**

FORM LOAN AGREEMENT

LOAN AGREEMENT

This LOAN AGREEMENT ("**Agreement**") is made and entered into as of the date written below by and between Cyber Capital, L.L.C. ("**Lender**") and _____ ("**Borrower**").

RECITALS

- A. Borrower desires to take out a loan for the amount listed herein.
- B. Lender is willing to loan such funds to Borrower upon the terms and conditions set forth herein.
- C. Borrower is willing to grant Lender a secured interest in commissions earned by Borrower from Cyberbacker International, Inc. pursuant to a franchise agreement signed by Borrower.

THEREFORE, in consideration of the mutual and reciprocal covenants, promises, recitals, terms, and conditions herein contained, and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged by each party, the parties hereby agree as follows:

1. Loan

- 1.1 Lender shall loan to Borrower \$_____ ("**Loan Amount**").
- 1.2 Borrower shall repay the Loan Amount to Lender in accordance with the terms of the attached promissory note.
- 1.3 Borrower shall provide Lender with a secured interest in commissions earned by Borrower from Cyberbacker International, Inc. pursuant to a franchise agreement signed by Borrower and a secured interest in other collateral as set forth in the attached security agreement.

IN WITNESS WHEREOF, the Lender and Borrower have respectively signed this Agreement as of the date written below.

Dated effective as of _____.

LENDER:

Cyber Capital, L.L.C.

By: _____

(Signature)

Name: _____

Title: _____

BORROWER:

By: _____

(Signature)

Name: _____

Title: _____

EXHIBIT "A"
TO THE LOAN REPAYMENT AGREEMENT

PROMISSORY NOTE
(Secured and Guaranteed)

Principal Amount: \$ _____
Interest Rate: _____ %
Effective Date: _____
Maturity Date: _____

1. Promise to Pay

FOR VALUE RECEIVED, the undersigned _____ ("Maker"), promises to pay to the order of Cyber Capital, L.L.C. ("Holder") its successors or assigns, the principal sum of _____ Dollars (\$ _____) together with interest, fees and penalties on this promissory note ("Note") until paid in full as set forth below.

2. Interest Rate

This Note will bear interest of _____ % on the outstanding balance due.

3. Installment Payments

Maker will pay Holder _____ principal and interest payments in equal monthly installments of \$ _____ until this Note is paid in full. The first installment payment is due on _____. Installment payments are due by the 10th of each month thereafter. Payments made after the 10th of the month shall be assessed a late fee of \$50. If the payment due date falls on a weekend or holiday, payment shall not be considered late if made on the first business day following such holiday or weekend day.

4. Application of Payments and Prepayment

All payments hereunder will first be applied against late fees and other fees and costs (including, without limitation, attorney's fees and court costs), then against interest, then against principal. Maker will have the right, at its election, exercisable at any time, to prepay all or any portion of this Note, without prepayment penalty.

5. Deadline

Maker will have until the Maturity Date listed above to pay this Note in full.

6. Loan Default and Acceleration

Maker will be considered in default ("Default") if Maker does not make the required monthly installment payment by the 10th day of each month, or if Maker has not paid the outstanding principal and interest balance in full by the Maturity Date. Default will also mean any one of the following: (a) Maker's breach of or violation of any other provision of this Note; (b) any representation or statement made or furnished to Holder by Maker or on Maker's behalf is found to be false or misleading in any material respect at the time made or furnished; (c) Maker becomes insolvent, a receiver is appointed for any part of Maker's property, Maker makes an assignment for the benefit of creditors, or any proceeding is commenced either by Maker or against Maker under any bankruptcy or insolvency laws; (d) the entry of any decree or order by a court having jurisdiction adjudging Maker a debtor or insolvent, or approving as properly filed a petition seeking reorganization, arrangement, adjustment under or composition of or in respect of the Maker the Bankruptcy Code or any other applicable federal or state law; (e) a material adverse change occurs in Maker's financial condition or in the financial condition of any guarantor of

this Note, or Holder believes the prospect of payment or performance of the indebtedness is impaired; (f) Holder in good faith deems itself insecure; or (g) Maker is in default of its franchise agreement with Cyberbacker International, Inc.

In the event of Default, if not cured within 15 days of Maker receiving notice of Default, then the entire unpaid balance on this Note will, at the election of Holder, upon written notice of said election being given to Maker, at once become due and payable.

7. Collection Costs

In event of Default or acceleration, Maker agrees to pay to Holder reasonable attorney's fees, legal expenses and the lawful collection costs incurred by Holder in addition to all other sums due hereunder, including fees on appeal whether or not such suit is prosecuted to judgment.

8. Security

This Note is secured by a Security Agreement of even date herewith. This Note is also secured by the personal guarantors listed below.

9. Miscellaneous

9.1 *Successors and Assigns.* The terms of this Note are unconditional and apply to, inure to the benefit of, and bind all parties hereto, their successors and permitted assigns.

9.2 *Assignment.* This Note is freely transferable and assignable by Holder. This Note may not be assigned by Maker, whether by voluntary assignment or transfer, operation of law, merger or otherwise unless otherwise agreed to in writing by Holder.

9.3 *Governing Law and Venue.* This Note will be governed by and construed in accordance with the laws of the state of Utah. Presentment, demand, protest, and extension of time without notice are hereby waived, and Maker consents to the release of any security, or any part thereof, with or without substitution. Maker, by its execution of this Note, hereby irrevocably submits to the in personam jurisdiction of the state and federal courts located in the state of Utah and agrees that the state in federal courts in Ogden, Utah will be the exclusive venue for the purpose of any suit, action, or other proceeding arising out of or based upon this Note. Maker waives the benefit of any statute of limitations or other provision of law, which in any way affects or limits Maker's liability under this Note.

9.4 *Severability.* The provisions hereof will be deemed independent and severable, and the invalidity or partial invalidity or unenforceability of any one provision or portion hereof will not affect the enforceability of any other provision hereof.

9.5 *Counterparts.* This Note may be executed in counterparts, including by means of telefaxed signature page, each of which will be deemed an original, but all of which together will constitute one and the same document.

9.6 *Notice.* All notices permitted or required under this Note shall be in writing and shall be delivered as follows with notice deemed given as indicated (i) by personal delivery when delivered personally, (ii) by overnight courier upon written verification of receipt, (iii) by e-mail, telecopy or facsimile transmission when confirmed by e-mail, telecopier or facsimile transmission, or (iv) by certified or registered mail, return receipt requested, three (3) days after deposit in the mail addressed as follows:

MAKER: _____

HOLDER: Cyber Capital, L.L.C.
2447 Kiesel Ave.,
Ogden, Utah 84401

9.7 *Time is of the Essence.* Time and strict performance are of the essence in this Agreement.

9.8 *Non-Waiver.* Maker agrees that Holder may, without impairing any future right to insist on strict and timely compliance with the terms of this Note, grant any number of extensions of time for the scheduled payments of any amounts due, and may make any other accommodation with respect to the indebtedness.

MAKER: _____

By: _____
(Signature)

Name: _____

Title: _____

[Signature Page of the Promissory Note]

PERSONAL GUARANTY TO THE PROMISSORY NOTE

For valuable consideration, the receipt of which is hereby acknowledged, the undersigned guarantors ("**Guarantors**") as a material inducement to and in consideration for Holder entering into the above Note with Maker, jointly and severally, personally, and unconditionally guaranty payment of the Note including costs and attorney's fees, provided that Holder shall first provide Guarantors with written notice of default, effective upon mailing by certified mail, and an opportunity to cure any such default within 15 days of written notice. Guarantors waive notice of acceptance, protest, and notice of protest with respect to the Note.

A separate action may be brought or prosecuted against any Guarantor whether or not the action is brought or prosecuted against any other Guarantor or against Maker, or any or all of them, or whether any other Guarantor or Maker is or are joined in the action. Holder is not required to exhaust all remedies against Maker prior to proceeding against a Guarantor.

Guarantors waive the benefit of any statute of limitations or other provision of law, which in any way affects or limits Guarantors' liability under this Guaranty.

This Guaranty shall not be affected, nor the obligations of Guarantors hereunder limited in any way by Holder's delay in enforcement or failure to enforce any of its rights under the Note, other guaranteed obligations, or under this Guaranty.

If Holder is required in its discretion to enforce Guarantors' obligations under this Guaranty by legal proceedings, and/or by the employment of attorneys, or is required to take any other or additional collection or other action to enforce its rights hereunder, Guarantors agree to pay to Holder all costs incurred by Holder in such proceedings, action and/or employment, including court costs, costs of suit, and attorneys' fees.

This Guaranty shall be governed by the laws of the state whose laws govern the Note. Guarantors agree that any claims, controversy, or dispute of a Guarantor will be governed by the dispute provisions of the Note, which provisions are incorporated herein and by reference made a part hereof. Guarantors agree that all litigation, arbitration and/or mediation will take place exclusively in Ogden, Utah, and each Guarantor hereby submits to personal jurisdiction in the federal and state courts of Utah.

Effective as of _____ .

Guarantors

Address for Notice

By: _____, Personally

By: _____, Personally

By: _____, Personally

By: _____, Personally

EXHIBIT "B"
TO THE LOAN REPAYMENT AGREEMENT

THIS SECURITY AGREEMENT ("**Security Agreement**") is made effective as of _____, by _____ ("**Grantor**"), and Cyber Capital, L.L.C. ("**Secured Party**").

WHEREAS, Grantor has issued to Secured Party a Promissory Note dated as of the date hereof (the "Note") in the principal amount of \$ _____; and

WHEREAS, it is a condition precedent to the acceptance of the Note by Secured Party that Grantor shall have granted the security interests described herein as security for the debts, liabilities and obligations secured hereunder.

NOW, THEREFORE, in consideration of the recitals, mutual covenants, promises, agreements, terms and conditions contained herein, and other valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereto agree as follows:

1. DEFINED TERMS. When used in this Security Agreement the following terms shall have the following meanings (such meanings being equally applicable to both the singular and plural forms of the terms defined):

"**Article 9**" means Article 9 of the UCC.

"**Collateral**" shall have the meaning assigned to such term in Section 2 of this Security Agreement.

"**Contracts**" means all contracts (including any customer, vendor, supplier, service or maintenance contract), leases, licenses, undertakings, purchase orders, permits, franchise agreements or other agreements (other than any right evidenced by Chattel Paper, Documents or Instruments), whether in written or electronic form, in or under which Grantor now holds or hereafter acquires any right, title or interest, including, without limitation, with respect to an Account, any agreement relating to the terms of payment or the terms of performance thereof.

"**Commissions**" means all commission payments earned by Grantor and due to Grantor pursuant to Grantor's franchise agreement signed with Cyberbacker International, Inc.

"**Event of Default**" means (i) any failure by Grantor forthwith to pay or perform any of the Secured Obligations, (ii) any report, information or notice made to, obtained or received by Secured Party at any time after the date hereof indicating that Secured Party's security interest is not prior to all other security interests or other interests reflected in such report, information or notice, and (iii) any breach by Grantor of any warranty, representation, or covenant set forth herein.

"**Lien**" means any mortgage, lien, deed of trust, charge, pledge, security interest or other encumbrance.

"**Permitted Lien**" means: (a) Liens for taxes, fees, assessments or other governmental charges or levies, either not delinquent or being contested in good faith by appropriate proceedings, provided the same have no priority over any of Secured Party's security interests; (b) Liens (i) upon or in any Equipment acquired or held by Grantor to secure the purchase price of such Equipment or indebtedness incurred solely for the purpose of financing the acquisition of such Equipment or (ii) existing on such Equipment at the time of its acquisition, provided that the Lien is confined solely to the Equipment so acquired, improvements thereon and the Proceeds of such Equipment; (c) leases or subleases and licenses or

sublicenses granted to others in the ordinary course of Grantor's business if such are otherwise permitted under this Security Agreement and do not interfere in any material respect with the business of Grantor; (d) any right, title or interest of a licensor under a license provided that such license or sublicense does not prohibit the grant of the security interest granted hereunder; (e) easements, reservations, rights-of-way, restrictions, minor defects or irregularities in title and other similar Liens affecting real property not interfering in any material respect with the ordinary conduct of the business of Grantor; (f) Liens in favor of customs and revenue authorities arising as a matter of law to secure payment of customs duties in connection with the importation of goods; (g) Liens arising solely by virtue of any statutory or common law provision relating to banker's liens, rights of setoff or similar rights and remedies as to deposit accounts or other funds maintained with a creditor depository institution; and (h) Liens incurred in connection with the extension, renewal or refinancing of the indebtedness secured by Liens of the type described in clause (b) above, provided that any extension, renewal or replacement Lien shall be limited to the property encumbered by the existing Lien and the principal amount of the indebtedness being extended, renewed or refinanced does not increase.

"Secured Obligations" means (a) the obligation of Grantor to repay Secured Party all of the unpaid principal amount of the Note, and accrued interest thereon, if any (including any interest that accrues after the commencement of bankruptcy); (b) the obligation of Grantor to pay any fees, costs and expenses of Secured Party under the Note or under Section 5 hereof; and (c) all other indebtedness, liabilities and obligations of Grantor to Secured Party, whether now existing or hereafter incurred, and whether created under, arising out of or in connection with any written agreement or otherwise.

"Security Agreement" means this Security Agreement and all Schedules hereto, as the same may from time to time be amended, modified, supplemented or restated.

"UCC" means the Uniform Commercial Code as the same may from time to time be in effect in the state of Utah (and each reference in this Security Agreement to an Article thereof shall refer to that Article as from time to time in effect, which shall include and refer to Article 9); *provided, however*, in the event that, by reason of mandatory provisions of law, any or all of the attachment, perfection or priority of Secured Party's security interest in any Collateral is governed by the Uniform Commercial Code as in effect in a jurisdiction other than the state of Utah, the term "UCC" shall mean the Uniform Commercial Code (including the Articles thereof) as in effect at such time in such other jurisdiction for purposes of the provisions hereof relating to such attachment, perfection or priority and for purposes of definitions related to such provisions.

In addition, the following terms shall be defined terms having the meaning set forth for such terms in the UCC: "Account", "Chattel Paper" (including tangible and electronic chattel paper), "Equipment" (including all accessions and additions thereto), "Fixtures", "General Intangible" (including payment intangibles and software), "Instrument", "Inventory" (including all goods held for sale or lease or to be furnished under a contract of service, and including returns and repossessions), and "Proceeds". Each of the foregoing defined terms shall include all of such items now owned, or hereafter acquired, by Grantor.

2. GRANT OF SECURITY INTEREST. As collateral security for the full, prompt, complete and final payment and performance when due (whether at stated maturity, by acceleration or otherwise) of all the Secured Obligations and in order to induce Secured Party to cause the Note to be made, Grantor hereby assigns, conveys, mortgages, pledges, hypothecates and transfers to Secured Party, and hereby grants to Secured Party, a security interest in all of Grantor's right, title and interest in, to and under the following, whether now owned or hereafter acquired, (all of which being collectively referred to herein as the "Collateral"):

(a) All Accounts of Grantor;

(b) All Chattel Paper of Grantor;

(c) All Contracts of Grantor;

(d) All Equipment of Grantor;

(e) All Fixtures of Grantor;

(f) All Inventory of Grantor;

(g) All other goods and personal property of Grantor, wherever located, whether tangible or intangible, and whether now owned or hereafter acquired, existing, leased or consigned by or to Grantor;

(h) All payments made by Grantor's customers and all accounts receivable for services performed by Grantor;

(i) All Commissions of Grantor; and

(j) To the extent not otherwise included, all Proceeds of each of the foregoing and all accessions to, substitutions and replacements for and rents, profits and products of each of the foregoing.

Notwithstanding the foregoing provisions of this Section 2, the grant, assignment and transfer of a security interest as provided herein shall not extend to, and the term "*Collateral*" shall not include any Contract, Instrument or Chattel Paper in which Grantor has any right, title or interest if and to the extent such Contract, Instrument or Chattel Paper includes a provision containing a restriction on assignment such that the creation of a security interest in the right, title or interest of Grantor therein would be prohibited and would, in and of itself, cause or result in a default thereunder enabling another party to such Contract, Instrument or Chattel Paper to enforce any remedy with respect thereto; *provided* that the foregoing exclusion shall in no way be construed so as to limit, impair or otherwise affect Secured Party's unconditional continuing security interest in and to all rights, title and interests of Grantor in or to any payment obligations or other rights to receive monies due or to become due under any such Contract, Instrument or Chattel Paper and in any such monies and other proceeds of such Contract, Instrument or Chattel Paper.

3. REPRESENTATIONS AND WARRANTIES. Grantor hereby represents and warrants to Secured Party that:

(a) Except for the security interest granted to Secured Party under this Security Agreement and Permitted Liens, Grantor is the sole legal and equitable owner or, has the power to transfer each item of the Collateral in which it purports to grant a security interest hereunder, having good and marketable title thereto or the power to transfer, free and clear of any and all Liens except for Permitted Liens.

(b) No effective security agreement, financing statement, equivalent security or lien instrument or continuation statement covering all or any part of the Collateral exists, except such as may have been filed by Grantor in favor of Secured Party pursuant to this Security Agreement except for Permitted Liens.

(c) This Security Agreement creates a legal and valid security interest on and in all of the Collateral in which Grantor now has rights, and all filings and other actions necessary or desirable to perfect and protect such security interest have been duly taken. Accordingly, Secured Party has a fully perfected first priority security interest in all of the Collateral in which Grantor now has rights subject only to Permitted Liens. This Security Agreement will create a legal, valid and fully perfected first priority security interest in the Collateral in which Grantor later acquires rights, when Grantor acquires those rights subject only to Permitted Liens.

4. COVENANTS. Grantor covenants and agrees with Secured Party that from and after the date of this Security Agreement and until the Secured Obligations have been performed and paid in full:

4.1 Disposition of Collateral. Grantor shall not sell, lease, transfer or otherwise dispose of any of the Collateral, or attempt or contract to do so, other than (a) the sale of Inventory, (b) the disposal of worn-out or obsolete Equipment, all in the ordinary course of Grantor's business.

4.2 Insurance. Grantor shall maintain insurance policies insuring the Collateral against loss or damage from such risks and in such amounts and forms and with such companies as are customarily maintained by businesses similar to Grantor.

4.3 Taxes, Assessments, Etc. Grantor shall pay promptly when due all property and other taxes, assessments and government charges or levies imposed upon, and all claims (including claims for labor, materials and supplies) against, the Equipment, Fixtures or Inventory, except to the extent the validity thereof is being contested in good faith and adequate reserves are being maintained in connection therewith.

4.4 Maintenance of Records. Grantor shall keep and maintain at its own cost and expense satisfactory and complete records of the Collateral during the term of this Agreement and for one (1) year thereafter.

5. RIGHTS AND REMEDIES UPON DEFAULT.

(a) Beginning on the date which is five (5) days after any Event of Default shall have occurred and while such Event of Default is continuing, Secured Party may exercise in addition to all other rights and remedies granted to it under this Security Agreement, the Note and under any other instrument or agreement securing, evidencing or relating to the Secured Obligations, all rights and remedies of a secured party under the UCC.

(b) Grantor hereby waives presentment, demand, protest or any notice (to the maximum extent permitted by applicable law) of any kind in connection with this Security Agreement or any Collateral.

(c) The Proceeds of any sale, disposition or other realization upon all or any part of the Collateral shall be distributed by Secured Party in the following order of priorities:

FIRST, to Secured Party in an amount sufficient to pay in full the reasonable costs of Secured Party in connection with such sale, disposition or other realization, including all reasonable fees, costs, expenses, liabilities and advances incurred or made by Secured Party in connection therewith, including, without limitation, reasonable attorneys' fees;

SECOND, to Secured Party in an amount equal to the then unpaid Secured Obligations; and

FINALLY, upon payment in full of the Secured Obligations, to Grantor or its representatives, in accordance with the UCC or as a court of competent jurisdiction may direct.

6. REINSTATEMENT. This Security Agreement shall remain in full force and effect and continue to be effective should any petition be filed by or against Grantor for liquidation or reorganization, should Grantor become insolvent or make an assignment for the benefit of creditors or should a receiver or trustee be appointed for all or any significant part of Grantor's property and assets, and shall continue to be effective or be reinstated, as the case may be, if at any time payment and performance of the Secured Obligations, or any part thereof, is, pursuant to applicable law, rescinded or reduced in amount, or must otherwise be restored or returned by any obligee of the Secured Obligations, whether as a "voidable

preference,” “fraudulent conveyance,” or otherwise, all as though such payment or performance had not been made. In the event that any payment, or any part thereof, is rescinded, reduced, restored or returned, the Secured Obligations shall be reinstated and deemed reduced only by such amount paid and not so rescinded, reduced, restored or returned.

7. MISCELLANEOUS.

7.1 No Waiver; Cumulative Remedies. Secured Party shall not by any act, delay, omission or otherwise be deemed to have waived any of its respective rights or remedies hereunder, nor shall any single or partial exercise of any right or remedy hereunder on any one occasion preclude the further exercise thereof or the exercise of any other right or remedy. The rights and remedies hereunder provided are cumulative and may be exercised singly or concurrently and are not exclusive of any rights and remedies provided by law. None of the terms or provisions of this Security Agreement may be waived, altered, modified or amended except by an instrument in writing, duly executed by Grantor and Secured Party.

7.2 Termination of this Security Agreement. This Security Agreement shall terminate upon the payment and performance in full of the Secured Obligations.

7.3 Successor and Assigns. This Security Agreement and all obligations of Grantor hereunder shall be binding upon the successors and assigns of Grantor, and shall, together with the rights and remedies of Secured Party hereunder, inure to the benefit of Secured Party, any future holder of any of the indebtedness and their respective successors and assigns. No sales of participations, other sales, assignments, transfers or other dispositions of any agreement governing or instrument evidencing the Secured Obligations or any portion thereof or interest therein shall in any manner affect the lien granted to Secured Party hereunder.

7.4 Governing Law. In all respects, including all matters of construction, validity and performance, this Security Agreement and the Secured Obligations arising hereunder shall be governed by, and construed and enforced in accordance with, the laws of the state of Utah.

IN WITNESS WHEREOF, each of the parties hereto has caused this Security Agreement to be executed and delivered by its duly authorized officer on the date first set forth above.

GRANTOR:

By: _____

Name: _____

Title: _____

SECURED PARTY:

Cyber Capital, L.L.C.

By: _____

Name: _____

Title: _____

[Signature Page of the Security Agreement]

**EXHIBIT “J”
TO THE FDD**

SUPPORT TEAM AGREEMENT

SERVICES AGREEMENT (Support Team Agreement)

THIS SERVICES AGREEMENT ("Agreement") is entered into and made effective as of the date written on the signature page ("Effective Date"), by and between Cyberbacker Inc., a Utah corporation ("Cyberbacker Inc.") and the undersigned client ("Client").

RECITALS

Cyberbacker Inc. is a company in the business of providing virtual assistants to clients. Client seeks to use the service provided by Cyberbacker Inc. to provide a virtual assistant referred to as "Growthbacker" or a "Careerbacker," or a "CB."

NOW, THEREFORE, based upon the above recitals and in consideration of the mutual covenants and promises of the parties herein, and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties agree as follows:

SCOPE OF SERVICES

Cyberbacker Inc. shall use reasonable efforts to supply Client with the administrative support services of one or more independent CBs as requested by Client on a contract basis to perform administrative services. The assignment of the specific job duties of each CB is the responsibility of the Client.

SELECTION OF CB

Cyberbacker Inc. shall recruit, interview, conduct an NBI background check, and confirm resume and references for all CBs to be assigned to Client prior to such assignment. Cyberbacker Inc. shall train CBs regarding software agreed to and discussed by Cyberbacker Inc. and Client. If Client has specific skill requirements, Cyberbacker Inc. must be notified in writing prior to assignment. Cyberbacker Inc. will not be responsible for conducting further investigative background checks such as, but not limited to, fingerprinting, further criminal background checks, credit history checks, driving record verifications, drug and/or alcohol tests or any other specific pre-employment screening not referenced herein.

STATUS OF CB

Except as otherwise provided herein, Cyberbacker Inc. assumes full responsibility for compensating its CBs. CBs shall not be considered or treated as employees of Client for any reason whatsoever, including, but not limited to entitlement to disability or unemployment insurance, workers' compensation, medical insurance, sick leave, pensions, severance or any other employment benefit of any nature offered or provided by Client. Client agrees and understands that CBs may not work for any other third party during the term of this Agreement and CB services shall be an exclusive relationship.

BILLING AT PLACEMENT

Upon placement of the CB, Client will be billed from the placement date to the date of the next regular billing cycle.

REGULAR MONTHLY BILLING

Client shall pay Cyberbacker Inc. the monthly subscription payment listed on Exhibit "A" to this Agreement. Said price corresponds to the average expected weekly working hours, which is up to 40 hours per week per CB. The monthly subscription will be billed and invoiced in advance of services rendered on

the same date as the CB placement date of each month. Client's failure to dispute an invoice within 72 hours of delivery to Client will be deemed an acceptance of the invoice in its entirety and an express waiver of all claims, defenses, and/or offsets Client may have in regard to such invoice, and Client shall be responsible for payment of the invoice in full. Upon Client's request, Cyberbacker Inc. shall provide at the end of each month, time records of CB actual work hours as transmitted to Cyberbacker Inc. by the CB. Client shall be responsible for ensuring the CB assigned to them produces sufficient work equivalent to the agreed contracted level over the term of this Agreement.

CB TIME OFF

In order to maintain the proper work/life balance between the Client and CB, the following holidays will be observed by Cyberbacker Inc. on which CBs are not scheduled to work:

CALENDAR DATE:

January 1, New Year's Day

Last Monday in May, Memorial Day

July 4, Independence Day

1st Monday in September, Labor Day

4th Thursday in November, Thanksgiving Day

November 1, All Saints Day

December 25, Christmas Day

If the Client's location is in a country other than the U.S., Client shall work with the CB to adjust the above holiday schedule to that which is appropriate for their country's traditional holidays.

In addition, it is expected that CBs will require an additional seven days off per year for illness, vacation or personal business. By signing this Agreement, Client has agreed that this level of expected CB time off is included as part of the cost of the monthly subscription amount.

PAYMENT METHOD

Cyberbacker Inc. invoices are due immediately upon receipt and must be paid electronically through a direct ACH debit or credit card via billing authorization created for Client via Cyberbacker Inc.'s selected merchant provider or via credit card. Client's complete bank account or credit card information will be held on file by Cyberbacker Inc. for purposes of automatic payment. Client's bank account or credit card will be charged immediately upon transmission of each invoice to Client. Cyberbacker Inc. will notify the client within 24 hours if the bank account or credit card fails to be successfully charged. Cyberbacker Inc. may also deduct payment from any commissions or other amounts owing to Client pursuant to another agreement between Cyberbacker Inc. and Client. In the event Cyberbacker Inc. is prevented from collecting payment for any reason after a period of seven days or more, Client's account shall be cancelled immediately at Cyberbacker Inc.'s sole discretion. Should Client seek reactivation of the account, Cyberbacker Inc. cannot guarantee Client's original CB will be available. Further, if after 15 days Cyberbacker Inc. has not received payment in full for all outstanding invoices, regardless of the status of Client's account, the matter will be referred to a collections agency/company and all remedies available to Cyberbacker Inc. in law and equity will be pursued, including reasonable attorneys' fees and a collection costs fee of an additional 40% (or whatever maximum amount that can be legally charged for collection fee in Client's state) of the total balance due to recover such amounts from Client. Cyberbacker Inc.'s failure to seek such collection immediately will not constitute a waiver to do so at a later time.

AUTO-PAY

Client agrees to enroll in Cyberbacker Inc.'s auto-pay program to pay all Client's invoices via either a valid Credit/Debit Card or via an ACH transaction. Visa, MasterCard, Discover, or American Express are

accepted card types. The registration form for the auto-pay program will be provided to the Client during onboarding. The auto-pay program will automatically charge the amount due to Cyberbacker Inc on Client's anniversary date of each month.

TAXES

Cyberbacker Inc. and CBs shall be solely responsible for the preparation and submission to applicable authorities of their respective federal, state and/or local income taxes, if any, attributable to income derived by each in connection with the subject matter of this Agreement.

LIMITATION OF DUTIES

Client agrees that it will not entrust CBs with cash, checks, negotiable instruments, credit cards, confidential and/or proprietary information, trade secrets, or other valuable items, information, or data without the express written consent of Cyberbacker Inc. Client will not require CBs to engage in any illegal, unethical, immoral and/or hazardous duties, or perform any act that is in violation of federal, state or local laws regarding privacy or undesired solicitation, including, but not limited to applicable "Do Not Call" phone lists and email "Opt In/Out" statutes. By signing this Agreement, Client acknowledges that many states require outbound phone calls soliciting certain transactions to be licensed, and that responsibility for compliance with all such laws rests solely with the Client - not Cyberbacker Inc. or any CB provided to Client by Cyberbacker Inc. Client shall not require the CB to seek the employment or requirement of additional CBs for any purpose.

PERFORMANCE OF ASSIGNMENT

CBs shall have the following tools and equipment: computer, headset, electronic mail address, and access to the Internet ("Standard Equipment"). Client will be responsible for prompt reimbursement of any expense incurred by Cyberbacker Inc. or any CB in purchasing equipment or tools beyond the Standard Equipment that Client may require CBs to utilize in performance of the work set by Client. Cyberbacker Inc. will secure the approval from Client for needed tools and equipment prior to purchasing. While CBs shall ultimately determine and have control over the method and means by which they accomplish their tasks, Client shall be responsible for providing CBs day to day guidance, assistance and other information as reasonably necessary for the successful and timely completion of their job description and each assignment. Client shall be responsible for the submission of all work product produced by the CBs to third parties and will ensure that the CB produces original materials and materials that do not infringe upon the copyrights, patents and/or trademarks of third parties including, without limitation, photographs, print media, visual media, digital media or any other form of expression. Cyberbacker Inc. accepts no responsibility whatsoever for any infringing material created and/or distributed by CBs given this is Client's obligation to monitor before submission to third parties.

INITIAL ONE-YEAR COMMITMENT / GUARANTEE / INITIAL REPLACEMENT OF CB

Client shall use the Cyberbacker Inc. CB service for a period of five years commencing from the Effective Date. In consideration of Client's commitment to utilize Cyberbacker Inc. services for five years without possibility of cancellation, Cyberbacker Inc. provides to Client a guarantee that should the Client become dissatisfied with the assigned CB, Cyberbacker Inc. will replace the CB upon receipt of a written request for same within seven days. Client shall not request the change of a CB within 60 days of receiving a new CB. The initial appointment of a CB shall be made after Client and the CB have been introduced and interview each other to make sure that Client and the CB are compatible. This initial interview shall be done via a video conference. Client will have 24 hours after the video conference to accept the CB. If Client is unable to match with a CB within five interviews, Client shall pay an additional \$25 per interview.

CONFIDENTIALITY

Client shall cause each of their officers, directors, contractors, and employees to hold all information relating to the business of Cyberbacker Inc., including without limitation, business plans, software, processes, procedures, formulas, market niche, marketing strategies, intellectual property, technology, research, know-how, methods, techniques, inventions, drawings, masters, raw materials, components, business and financial information, trade secrets, assets, operational methods, marketing plans or strategies, customer lists, analysis, contractual information, pricing terms and the like, disclosed to it by reason of this Agreement or any other communication with Cyberbacker Inc. (the "Confidential Information") in trust and confidence and will not disclose any of such Confidential Information to any third party, except as provided in this Agreement. Client will limit disclosure of such Confidential Information to those of its agents or employees who have a need to know such Confidential Information and shall inform those agents or employees to whom such disclosure is made of their obligations of confidentiality and limited use. The obligations of this paragraph shall not extend to any Confidential Information that: on or after the date of this Agreement, comes into the public domain through no fault of a party with a confidentiality obligation under this Agreement; is disclosed to a party with a confidentiality obligation, without restriction on disclosure, by a third party who has the lawful right to make such a disclosure; is required to be disclosed by a party by law, or to a court or by a governmental body is disclosed to their respective directors, officers, attorneys, accountants, and other advisors, who are under an obligation of confidentiality, on a "need-to-know" basis.

USE OF NAME, LIKENESS OF SOURCE

During the term of this Agreement, Cyberbacker Inc. may use Client's name, likeness, in video and similar media for the purpose of advertising, promoting and selling its services to third parties and/or soliciting CBs, vendors and/or other third parties for purposes of financial gain to Cyberbacker Inc. Client expressly agrees to allow Cyberbacker Inc. to use Client as a reference and to share Client's name, likeness, to third parties under this Agreement. Failure to do so could lead to immediate termination at Cyberbacker Inc.'s sole discretion. At times Cyberbacker Inc. may make certain personal and business information of Client available to strategic partners to provide products and services, improve its products and services, and help its strategic partners market directly to Client.

ELECTRONIC COMMUNICATION

Client acknowledges that Cyberbacker Inc. communicates with its clients, partners, vendors, employees, agents, affiliates and CBs electronically. Client agrees and consents to receive electronically all invoices, communications, agreements, documents, notices, policies, annual disclosures, transaction receipts, invoices, account statements and history, or any other document or correspondence that Cyberbacker Inc. provides in connection with services provided, billings or accounts.

COMMUNICATION

Client by signing this Agreement consents that all communication with Cyberbacker Inc. representatives or independent contractors may be monitored or recorded by Cyberbacker Inc. Cyberbacker Inc. may use said recordings for purposes of marketing, training, collection of debts and any business purpose Cyberbacker Inc. determines. These communications include written, spoken, video and SMS communications.

NOTICES

Any notice or other communication required or permitted hereunder must be in writing and shall be delivered personally, sent by facsimile transmission or sent by certified, registered, or overnight courier, postage prepaid. Any such notice will be deemed given when so delivered personally, by electronic mail, or sent by facsimile transmission, if delivered by commercial overnight courier service, one day after

delivery or, if mailed, five days after the date of deposit in the United States mail, to the addresses set forth at the beginning of this Agreement.

NO WARRANTY/LIMITATIONS ON LIABILITY

Cyberbacker Inc. makes no express or implied warranty, including, but not limited to, any warranty of quality, performance, merchantability of fitness for any purpose, with respect to any services performed or any goods, including, but not limited to, processes, procedures, or other proprietary property developed hereunder. In no event will Cyberbacker Inc. be liable to Client or any other party for any damages, expenses, liabilities, fees, obligations, or losses ("Losses") arising out of this Agreement whatsoever, or the services provided hereunder, whether for work performed, goods or services developed, or otherwise, which are in the aggregate in excess of the applicable amount of fees actually paid to Cyberbacker Inc. by Client with respect to the assignment resulting in such Loss. In no event will Cyberbacker Inc. be liable to Client or any party for any incidental, indirect, or consequential Loss (including, but not limited to, lost profits, business interruption or lost data) arising from or related to any services performed or goods developed pursuant to this Agreement. All claims must be delivered in writing to Cyberbacker Inc. within 30 days after the termination of the applicable CB assignment with Client or they are expressly waived.

NO CYBERBACKER LIABILITY FOR ANY VIOLATIONS OF TELEMARKETING CONSUMER PROTECTION ACT

Cyberbacker Inc., will have no liability for any violations of the Telemarketing Consumer Protection Act (TCPA) through Client's usage of a CB. Clients shall strictly comply with all terms of the TCPA when using a CB. Client shall not use any CBs in such a way that shall cause a violation of the TCPA including initiating any telephone call to any residential telephone line using an artificial or prerecorded voice without the prior express consent of the called party. Client agrees to hold Cyberbacker Inc. harmless and indemnify Cyberbacker Inc. for any loss associated with a violation of the TCPA.

ASSUMPTION FOR DUE DILIGENCE REGARDING LOCAL LABOR STANDARDS AND DISCLOSURES

All parties acknowledge and understand that the services provided by CBs are not intended to be subject to the Federal Labor Standards pursuant to 29 U.S.C.S. §203(f). However, Client has consulted legal counsel of its choice in the jurisdiction where Client and or Client's business will use the services provided by CB in regard to the services to be provided by CB, Client's intended use of said services, and this Agreement. After consideration of same, in the event CB performs any work under a government contract, state or federal law requiring higher and/or prevailing wages, or other similar contract, Client assumes all liability, responsibility, and obligation to disclose, and Client agrees to pay pro rata a price differential to reflect the higher and/or prevailing wages that may be due, if any. In the event Client directs a CB to handle, work with, or become otherwise exposed to confidential, financial or private information of third parties and such disclosure is required by contract, federal or local laws, statutes, codes or ordinances, Client assumes all liability, responsibility, and obligation to disclose the nature of its relationship with the CB.

NON-SOLICITATION; LIQUIDATED DAMAGES

Client acknowledges that Cyberbacker Inc. has incurred substantial recruitment, screening, training, administrative and marketing expenses with respect to its CBs and that the identity, telephone number, address, skills, qualifications, references, and work history of each CB constitutes the trade secrets of Cyberbacker Inc. Accordingly, for the term of this Agreement and for three years after termination of this Agreement, Client shall not directly or indirectly, utilize, offer to hire, hire, engage or cause anyone else to engage as an employee, independent contractor or freelancer any CB assigned or introduced to Client by Cyberbacker Inc. unless otherwise agreed in writing by Cyberbacker Inc. Client shall immediately notify Cyberbacker Inc. of the completion or termination of a CB assignment. If Client violates this paragraph, Client acknowledges that determining the resulting damages to Cyberbacker Inc. would be

impracticable or extremely difficult. Therefore, Client agrees to pay Cyberbacker Inc. as liquidated damages for each violation in the amount of \$24,000 USD per CB.

CLIENT SPECIFICALLY CONSENTS AND AGREES THAT IN THE EVENT CLIENT VIOLATES THIS SECTION, CYBERBACKER INC. MAY IMMEDIATELY CHARGE ALL FUNDS AND LIQUIDATED DAMAGES DUE HEREUNDER AGAINST CLIENT'S BANK ACCOUNT OR CREDIT CARD HELD ON FILE VIA CLIENT'S ACCOUNT THROUGH CYBERBACKER INC.'s SELECTED MERCHANT PROVIDER. CYBERBACKER INC., IN ITS SOLE DISCRETION, MAY CHARGE ANY PORTION OF SAID FUNDS OR DAMAGES WITHOUT WAIVING ANY AMOUNTS OWED BY CLIENT IN EXCESS OF SAID CHARGE.

CLIENT UNDERSTANDS THAT EACH CB THAT THEY CAUSE TO BE HIRED AWAY FROM CYBERBACKER INC. WILL RESULT IN PAYING CYBERBACKER INC. \$24,000 USD, WHICH WILL BE IMMEDIATELY CHARGED TO CLIENT'S DEBIT OR CREDIT CARD ON FILE.

TERM AND TERMINATION

This Agreement will become effective on the Effective Date and continue for a period of five years. This Agreement will automatically renew at the end of the term unless either party gives notice of non-renewal at least 90 days prior to the end of the term. Cyberbacker Inc. also has the right to require Client to enter into its then-current Services Agreement as a condition of renewal, and Client understands that the then-current Services Agreement could have terms and conditions different from this Agreement, including pricing and payment terms.

Cyberbacker Inc. may terminate this Agreement immediately in the event (i) Client fails to make any required payments hereunder and does not cure within 15 days of written notice of default, or (ii) Client becomes bankrupt, insolvent, or discontinues operations. Cyberbacker Inc. will be entitled to retain and/or claim all payments due hereunder after the effective date of termination.

Client has the option to put the Agreement on hold or voluntarily terminate this Agreement by providing Cyberbacker Inc. with 30 days' notice via email request.

In the event that the Agreement is put on hold, Client will be billed 10% of the monthly service fee. On hold status can last at a maximum of 90 days, after which the subscription would then be cancelled thus being considered as an early termination. The days that the contract is on hold will not be deducted from the contract cycle which by any means either continuation of service or early termination of the agreement, the remaining month of the contract cycle will still be the same as when the contract was put on hold.

If Client terminates this Agreement prior to the end of the term, Client shall pay an early termination fee equal to Client's 50% of the monthly service fee multiplied by the remaining months to complete one contract cycle (50% of monthly service fee) x (remaining number of months). Client agrees that an early termination would result in economic loss that is difficult to determine as to the financial loss incurred, apparent disruption of operation manifested and/or similar circumstances, and that the early termination fee is considered a fair estimate of those damages.

ARBITRATION AND CHOICE OF VENUE

Client and Cyberbacker Inc. agree that any dispute arising under the terms and conditions of this Agreement or concerning the respective rights or obligations hereunder of the parties will be settled and determined by arbitration in Ogden, UT in accordance with its rules for commercial disputes. The arbitrator will have the power to award specific performance or injunctive relief. However, in any arbitration proceeding arising under this Agreement, the arbitrator will not have the power to change, modify or alter any express condition, term or provision of this Agreement, and to that extent, the scope of their authority is limited. The arbitration award will be final and binding upon the parties and the judgment thereon may be entered

in any court having jurisdiction thereof.

INJUNCTIVE RELIEF

To prevent irreparable harm to the parties, strict compliance with this Agreement is imperative. Therefore, notwithstanding the section above regarding arbitration, the parties retain their right to seek injunctive relief in a court of competent jurisdiction in the event of a breach, or threatened breach, of such Agreement, and both parties waive any requirement that a bond be posted as a condition to any injunctive relief.

INDEMNITY

Client shall defend, indemnify and hold harmless Cyberbacker Inc., each of its owners, independent contractors, officers, agents, contractors, licensors, suppliers, consultants, advisors, directors, managers, shareholders, successors, assigns, predecessors, affiliates, CBs and members for any losses, claims, damages, costs, fees, awards, judgments, infringements, penalties, or injuries of any kind incurred by any third party, including reasonable attorney's fees and costs and expert fees, which arise from any alleged negligence, willful misconduct, violation of law or statute, infringement or breach by Client in regards or in connection to this Agreement, with particular regard to Limitation of Duties section herein, the business performed pursuant thereto, or Client's affiliation with Cyberbacker Inc. This section will survive the termination of this Agreement.

ENTIRETY OF AGREEMENT

This Agreement constitutes the entire agreement between the parties with respect to the matters contained herein and supersedes any and all prior and contemporaneous agreements, negotiations, correspondence, undertakings and communications of the parties, oral or written, with respect to the subject matter of this Agreement.

RELATIONSHIP OF THE PARTIES

Each party hereto is an independent contractor. Neither of the parties shall act or represent or hold itself out as having authority to act as an agent or partner of the other party, or in any way bind or commit the other party to any obligations. Nothing contained in this Agreement shall be construed as creating a partnership, joint venture, agency, trust or other association of any kind, each party being individually responsible only for its obligations as set forth in this Agreement.

NO WAIVER

No waiver of any breach of any provision or condition of this Agreement will be deemed a waiver of any similar or dissimilar provision or condition at the same time or any prior or subsequent time.

JURISDICTION AND VENUE

This Agreement shall be governed by, and construed under, the laws of the state of Utah. Jurisdiction and venue for all purposes shall be in Weber County, Utah.

ASSIGNMENT

Neither this Agreement nor any duties or obligations hereunder may be assigned by Client without the prior written consent of Cyberbacker Inc.

PARTIAL INVALIDITY

If any provision of this Agreement is held by a court of competent jurisdiction to be invalid, void, or unenforceable the remaining provisions will continue in full force and effect without being impaired or invalidated in any way.

ACTS OF GOD

Neither party will be liable by reason of any failure or delay in the performance of such applicable party's obligations hereunder on account of strikes, fires, flood, storm, explosion, or other similar causes which is beyond such party's reasonable control. This Section will not be interpreted to relieve Client from its obligation to pay Cyberbacker Inc. when due all payments required to be made by Client under this Agreement.

EFFECT OF WAIVER

The failure of Cyberbacker Inc. to insist on strict compliance with any of the terms, covenants, or conditions of this Agreement will not be deemed a waiver of that term, covenant, or condition, nor will any waiver or relinquishment of any right or power at any one time or times be deemed a waiver or relinquishment of that right or power for all or any other times.

EXECUTION IN COUNTERPARTS

This Agreement may be executed in counterparts, including by means of electronic signatures, each of which shall be deemed to be an original, but which together shall constitute one in the same instrument. The section headings contained in this Agreement are inserted for convenience of reference only and shall not affect the meaning or interpretation of this Agreement.

IN WITNESS WHEREOF, and by their signatures below, the parties hereto acknowledge that they have read, understand, and agree to all the terms and provisions of this Agreement and have caused this Agreement to be executed as of the date written below.

Dated effective as of _____.

CYBERBACKER INC.:

CYBERBACKER INC.

By: _____

Name: _____

Title: _____

CLIENT:

By: _____

Name: _____

Title: _____

Exhibit A
To the Services Agreement

Pricing

Client shall pay Cyberbacker Inc. a monthly service fee: \$_____ (subject to a 5% increase per year)

**EXHIBIT “K”
TO THE FDD
CONTRACTOR AGREEMENT**

INDEPENDENT CONTRACTOR AGREEMENT

This Agreement (“Agreement”) is between Cyberbacker, Inc. (“Cyberbacker”) and _____ (“Contractor”). This Agreement sets forth the terms and conditions pursuant to which Contractor will provide services to Cyberbacker. In consideration of the mutual covenants contained in this Agreement and other good and valuable consideration, the receipt and adequacy of which is hereby acknowledged, the parties agree as follows:

1. **Scope of Services.** During the duration of this Agreement, Contractor agrees to provide Cyberbacker with services as follows:

1.1 **Leads.** Contractor shall find and refer Leads to Cyberbacker for the sale of client service agreements (“Contracts”). A “Lead” is a prospective client who has shown interest in contracting with Cyberbacker for its services and has been engaged by Contractor in some way, or has provided some personal information to Contractor, or has elected to receive some communication from Contractor, but who has not yet signed a client service agreement with Cyberbacker.

1.2 **Logging and Claiming Leads.** Contractor must log and claim all Leads according to Cyberbacker’s protocols as soon as obtained. All Leads must be renewed or reclaimed every 90 days. A Lead who has not yet signed an agreement with Cyberbacker within 90 days of submission will be removed from Contractor’s list of submitted Leads and can be claimed by another unless Contractor first reclaims the Lead by contacting the Lead and then resubmitting the Lead to Cyberbacker. Contractor shall track all Leads obtained and submit all Leads and needed information on such Leads to Cyberbacker.

1.3 **Marketing; Content Creation; Closing Leads.** Contractor shall assist Cyberbacker in creating, writing, and developing job descriptions regarding the services to be provided through a client service agreement to help better educate Leads and potential Leads on Cyberbacker’s services and what services would be performed by Cyberbacker as part of the client services agreement. Contractor shall also assist Cyberbacker when requested to help close Leads, including assisting Leads to submit necessary information to Cyberbacker, following up with Leads, resolving concerns, hosting or attending video conferences, phone calls, and other meetings with Leads, and otherwise assisting Cyberbacker when needed.

1.4 **Non-Exclusive.** This is not an exclusive agreement, and Cyberbacker has the right to use or contract with other contractors or employees for the same or similar services.

1.5 **No Set Territory.** Contractor will not receive a designated or exclusive territory or market. Contractor is free to refer Leads from any territory or market, but Contractor’s commission will be reduced for any service agreement with a Closed Lead that is within a Cyberbacker franchisee’s market as discussed in Section 2.2 below.

2. **Compensation**

2.1 **Closed Leads.** Cyberbacker will pay commissions to Contractor on closed leads as set forth below. A Lead becomes a “Closed Lead” if all the following conditions are met:

- a. Contractor follows Cyberbacker’s protocols in obtaining and submitting the Lead;
- b. The Lead signs a service agreement with Cyberbacker and pays Cyberbacker the set-up fee;
- c. The client signs an approved written job description;

- d. The client's job description has been submitted to Cyberbacker via writing, video chat, or recorded call;
- e. The client has been successfully paired with Cyberbacker for a minimum 14 days;
- f. The intake sheet has been filled out; and
- g. The client has not requested a refund* within 90 days of signing an agreement with Cyberbacker.

**Client refunds are not issued (and commissions are not to be paid back to Cyberbacker) unless there was negligence in which the client was misinformed on the services provided by Cyberbacker. The submitted job description including other communication received via writing, video chat, or recorded call will be used to determine negligence.*

2.2 **Commissions.** Cyberbacker shall pay Contactor a monthly commission based on the commission schedule set forth on Schedule 2.2 of this Agreement.

2.3 **Timing of Payment.** Cyberbacker shall pay commissions on the 15th day of the month for commissions earned during the prior month. If a Client cancels or fails to pay a monthly service agreement payment, then no commission will be paid on that missed payment until such payment is received by Cyberbacker.

2.4 **Form of Payment.** Commission payment will be made via ACH, payment remittance program, or check.

3. **Term and Termination.** The term of this Agreement is five years from the date of this Agreement. This Agreement may be terminated for default by the non-defaulting party if written notice of the default is given to the defaulting party, and the defaulting party does not cure the default within 30 days of notice. Contractor may also terminate this Agreement at any time by giving Cyberbacker at least 30 days' prior written notice.

4. **Independent Contractor Relationship**

4.1 **No Agency.** The parties intend that Contractor be an independent contractor, and not an employee, agent, joint venture, or partner of Cyberbacker. Nothing herein is to be constituted or be interpreted as constituting a partnership, joint venture, or employer/employee relationship. Contractor will have the sole discretion to determine the method and means of performing the services provided pursuant to this Agreement, and Cyberbacker has no right to, and will not, control or determine the method or means of performance of the services. Neither party shall hold itself out contrary to the terms of this paragraph and neither party will be liable for any representation, act, or omission of the other contrary to the provisions herein.

4.2 **No Reimbursements or Withholdings.** Contractor shall be solely responsible for the costs of performing its services under this Agreement, and Cyberbacker shall not reimburse Contractor for any expenses incurred. Cyberbacker shall not withhold any taxes from commissions due to Contractor, and Contractor shall be solely responsible for its taxes related to commissions received. Contractor (as an independent contractor) will not be eligible for and will not receive any bonus compensation, nor will Contractor be eligible for participation in any of Cyberbacker's employee benefit plan.

5. **Confidentiality; Non-Competition; Non-Solicitation**

5.1 **Acknowledgement.** Contractor acknowledges that Contractor has obtained or may obtain knowledge of the certain proprietary information, including but not limited to processes, methods, trade

secrets, systems, software, pricing, financial information, client data and lists, logins, passwords, notes, records, manuals, marketing techniques, and procedures (“Proprietary Information”) and that such Proprietary Information was not known to Contractor prior to its association with Cyberbacker.

5.2 Non-Use, Non-Disclosure. Except as may be required in the performance of duties for Cyberbacker, Contractor shall not, during the term of this Agreement or at any time thereafter, directly or indirectly, use, or disclose to any third-party, or authorize any third-party to use any portion of the Proprietary Information, and agrees not to copy, transmit, recreate, or otherwise reproduce all of any part of the Proprietary Information at any time.

5.3 No Reverse Engineering. Contractor shall not, either personally, in concert with others or through other authorization, reverse engineer, decompile or deconstruct or attempt to reverse engineer, decompile, or deconstruct any portion of the Proprietary Information, and will not allow, encourage, or permit any partner, owner, director, member, manager, agent, Contractor or other person to do so.

5.4 Limited Use. Contractor shall not use the Proprietary Information at any time, place, or circumstance, except as directed by Cyberbacker or its authorized representatives. In no event shall Contractor use the Proprietary Information, whether in part or in whole, outside of Contractor’s specific employment duties.

5.5 Duty to Notify. Contractor shall notify Cyberbacker of any reasonably suspected attempts to violate the terms or purposes of this Agreement or to otherwise disclose, copy or reproduce any part of the Proprietary Information. In the event it is discovered that Contractor knew or had reason to know of any suspected attempts to violate this Agreement and fails to report such knowledge, Contractor agrees to indemnify Cyberbacker for all costs and fees associated with enforcement, and to reimburse Cyberbacker for those losses sustained due to such violation. Contractor agrees to cooperate with Cyberbacker and Cyberbacker in its or their attempts to enforce the terms of this Agreement and to otherwise protect the Proprietary Information, and to cooperate with Cyberbacker to the extent Cyberbacker is obligated to cooperate with Cyberbacker’s attempts to enforce its rights in and to the Proprietary Information.

5.6 Return of Materials. Immediately upon the termination of employment, Contractor agrees to deliver to Cyberbacker (and shall not keep in his or her possession or deliver to anyone else whether in hard or electronic soft copy) all records, data, photographs, notes, manuals, lists, correspondence, specifications, materials, other documents or property, or reproductions relating to, directly or indirectly, to the Proprietary Information.

5.7 Non-Competition. Contractor shall not, during the term of this Agreement and for one year thereafter, directly or indirectly in any capacity, without Cyberbacker’s prior written consent, engage in a business, or plan for or organize a business, or have any financial interest in, or become and owner, officer, director, shareholder, partner, associate, employee, contractor, agent, representative or consultant in a business that provides any virtual assistant related services to customers located within the United States (“Competing Business”).

5.8 Non-Solicitation of Clients. Contractor shall not, during the term of this Agreement and for two years thereafter, directly or indirectly, contact any client, former client, or prospective client of Cyberbacker for the purpose of soliciting such client to a Competing Business. For clarity, a “prospective client” does not mean any possible client. It means a potential client who has been engaged in some way, or has provided some personal information, or has elected to receive some communication, but who has not yet signed an agreement with Cyberbacker to be considered an actual client.

6. **Irreparable Harm.** Contractor hereby acknowledges and agrees that any breach by him or her of any portion of Sections 5.1 through 5.8 above, inclusive, will cause damage to Cyberbacker in an amount difficult to ascertain. Accordingly, in addition to any other relief to which Cyberbacker may be entitled, Cyberbacker will be entitled to enforce this Agreement and to seek temporary, preliminary, and/or permanent injunctive relief for any breach or threatened breach by Contractor, without proof of actual damages that have been or may be caused to Cyberbacker by such breach, and without the requirement of posting bond. The existence of a claim against Cyberbacker will not constitute a defense to enforce the covenants of this Agreement.

7. **Innovations.** Contractor hereby agrees that, without limitation, any modifications, alterations, changes, or improvements conceived, designed, devised, developed, perfected or made by Contractor, whether alone or in conjunction with others, and related in any manner to Contractor's services to Cyberbacker or Cyberbacker's operations or processes or services to its clients, or to any area of research and development related to the operation of Cyberbacker, must be promptly disclosed to the Cyberbacker and further agrees that all intellectual property created or conceived by Contractor in performing the services under this Agreement shall belong exclusively to Cyberbacker as a "work-made-for-hire," and Contractor hereby irrevocably assigns, transfers, and conveys any such to Cyberbacker.

8. **Warranties & Representations.** Contractor represents and warrants that he has adequate skill, training, knowledge, experience, and ability to perform the services contracted for herein in a competent and professional manner. Contractor represents and warrants that he will perform the services contracted for herein in a competent and professional manner.

9. **Indemnification.** Contractor shall indemnify, release, defend and hold harmless Cyberbacker, its directors, officers, agents, associates, attorneys, employees, and representatives from and against all claims, demands, causes of action, losses, damages, liabilities, costs and expenses, including without limitation, reasonable attorneys' fees and costs, arising out of a third party claim, action or proceeding, based directly or indirectly on any breach of Contractor's warranties contained herein or arising from or relating to Contractor's performance under this Agreement. Contractor further agrees to indemnify, release, defend and hold harmless Cyberbacker from any and all claims made by any entity on account of an alleged failure to satisfy any tax or withholding obligations related to the compensation provided by Cyberbacker to Contractor pursuant to this Agreement. Contractor's indemnification of Cyberbacker shall be effective unless such damage or injury results from Cyberbacker's sole negligence, gross negligence, or willful misconduct. Contractor agrees that if Cyberbacker is made a party to any litigation brought by or against Contractor or relating to this Agreement, then Contractor shall pay all costs and expenses, including reasonable attorneys' fees and court costs, incurred by or imposed upon Cyberbacker by virtue of any such litigation.

10. **Miscellaneous**

a. **Assignment.** This Agreement is a personal services contract, and the terms of this Agreement are not assignable in whole or in part by Contractor without the prior written approval of Cyberbacker.

b. **Severability.** This Agreement is severable, and if one or more of the provisions contained in this Agreement is, for any reason, determined to be invalid, illegal, or unenforceable, such invalidity, illegality, or unenforceability will not affect any of the remaining provisions, and this Agreement will be construed as if such invalid, illegal, or unenforceable provision has never been contained herein.

c. **Entire Agreement.** This Agreement supersedes any and all other agreements, either oral or written, between the parties hereto with respect to the subject matter hereof and contains all of the covenants

and agreements between the parties. This writing sets forth the entire Agreement between Cyberbacker and Contractor. This Agreement will not become effective until signed by both Cyberbacker and Contractor. This Agreement may not be changed, modified, waived or discharged in whole or in part except by an instrument in writing signed by both parties.

d. Interpretation. This Agreement has been entered into after review and negotiation of its terms by Cyberbacker and Contractor, who have both had the opportunity to be represented by counsel. The Agreement will be fairly interpreted in accordance with its terms and without any strict construction in favor of or against either party. No ambiguity or omission will be construed or resolved against either party on grounds that this Agreement or any provision thereof was drafted or proposed by such party.

e. Waiver. The failure to insist upon strict compliance with any of the provisions of this Agreement shall not be deemed a waiver of any such provision, nor shall any waiver or relinquishment of any right or power hereunder at any one or more times be deemed a waiver or relinquishment of such right or power at any other time or times.

f. Counterparts. This Agreement may be executed in one or more counterparts, including by means of electronic signatures or other electronic means, each of which will be deemed an original, but all of which, when taken together, will constitute one and the same instrument.

g. Headings. The headings used in this Agreement have been included for convenience and reference only and do not define or limit the provisions herein.

h. Negotiations and Mediation. In the event of a dispute arising from or relating to this Agreement, Cyberbacker and Contractor shall engage in private negotiations in an effort to resolve the dispute. If such efforts are not successful within 60 days or as otherwise agreed by both parties in writing, the parties shall submit any dispute arising from or related to this Agreement to non-binding mediation held in Ogden, Utah. If the parties are unable to agree to a mediator, Cyberbacker shall provide the names of three acceptable mediators and Contractor shall choose one of the three proposed mediators. If such mediation is not successful, then either of the parties may file an action in court in Ogden, Utah.

i. Governing Law. This Agreement will in all respects be governed by and interpreted and enforced in accordance with the laws of the state of Utah.

j. Jurisdiction. With respect to any dispute, lawsuit, action, or other proceeding arising from or relating to this Agreement, Cyberbacker and Contractor hereby irrevocably agree to personal jurisdiction and venue in the federal or state courts in Ogden, Utah.

k. Confidentiality. Contractor shall maintain the absolute confidentiality of all the terms, conditions, and arrangements contained herein and/or associated with this Agreement.

l. Controlling Document. To the extent this Agreement will be deemed to be inconsistent with any terms or conditions of the franchise agreement or addenda thereto with Cyberbacker International, Inc., the terms of such franchise agreement shall supersede and control.

[Signatures on the Following Page]

IN WITNESS WHEREOF, this Agreement has been executed by the undersigned by their signatures as set forth below. The effective date of this Agreement is the date the Agreement is signed by Cyberbacker.

CYBERBACKER:

Cyberbacker, Inc.

By: _____

Name: _____

Title: _____

Date: _____

CONTRACTOR:

By: _____

Name: _____

Title: _____

Date: _____

[Signature Page of the Independent Contractor Agreement]

Schedule 2.2
To the Independent Contractor Agreement

Calculations of Commissions and Net Profits

The following table provides a breakdown of how payments to Contractor are calculated on an individual client contract. The table shows how the amounts to Contractor are calculated based on a client contract fee of \$1,500 per month. Client contracts generally range between \$1,500 to \$5,000 per month.

Days of the Contract	1-30	31-60	61-90	91-180	181-270	271-365	365+ Days	Total
Client Contract Payment	\$1,500	\$1,500	\$1,500	\$1,500	\$1,500	\$1,500	\$1,500	\$18,000
Mentor Commission (1.33% of Contract Payment)	\$19.95	\$19.95	\$19.95	\$19.95	\$19.95	\$19.95	\$19.95	\$239.40
Total Costs to Cyberbacker, Inc.	\$1,298	\$1,314	\$1,344	\$1,395	\$1,425	\$1,455	\$1,485	\$16,766
Net Income to Cyberbacker, Inc.	\$201.93	\$185.93	\$155.74	\$105.18	\$75.03	\$44.89	\$14.74	\$1,233.64
Share of Net Profits Paid to Contractor (52%)	\$196	\$181	\$151	\$102	\$73	\$43	\$14	\$1,202
Commission to Contractor (7% of Contract Payment)	\$105	\$105	\$105	\$105	\$105	\$105	\$105	\$1,365
Total Paid to Contractor	\$302	\$286	\$256	\$207	\$178	\$149	\$119	\$2,567

Notes

¹ This Includes commissions payable to the Growthbacker, Careerbacker, and cyberbacker. The cyberbacker assigned to the client will be responsible for fulfilling most of the client's day-to-day needs under the contract. The commission payable to the cyberbacker ranges between 30% and 75%, depending on how long the cyberbacker has been working on a client's contract. The commission is 30% for days 1-30; 40% for days 31-60; 50% for days 61-90; 60% for days 91-180; 65% for days 181-270; 70% for days 271-364; and 75% for days 365+. The amount payable to the cyberbacker may also vary by up to 3% based on the compensation package chosen by the cyberbacker.

² The monthly commission will be reduced to 3% for any service agreement payment from a Closed Lead within another Cyberbacker franchisee's market. Nonetheless, Contractor will continue to receive a commission of 7% for service agreement payments from Closed Leads obtained prior to a franchise being sold in a market prior to it becoming a Cyberbacker franchisee's market.

³ Fees payable by Contractor to Cyberbacker International, Inc. will be deducted from this amount.

**EXHIBIT “L”
TO THE FDD
SIGNING CHECKLIST**



CYBERBACKER

Franchise Documents Signing Checklist

The following items need to be filled out, signed, or dated by the party indicated

1. When you receive the FDD

DOCUMENT	PAGE OR SECTION NUMBER	INSTRUCTIONS	CHECK WHEN COMPLETED
FDD Receipt pages	(last 2 pages of the entire FDD packet)	There are two receipt pages at the very end of the FDD. You must sign and date <u>both</u> copies. You will keep the copy labeled “Franchisee Copy” and return the other copy (“Franchisor Copy”) to the franchisor (“Cyberbacker”).	_____
Prospective Franchisee Deposit Agreement (if applicable)	Exhibit G (pages 1-4)	If Cyberbacker allows you to reserve a territory before signing the Franchise Agreement, you need to sign this agreement. 1. On the first page, you will fill out your name or your company’s name if you will have a company be the franchisee. 2. Fill in your or your company’s contact information on page 2. 3. Sign and date page 3. 4. You and Cyberbacker will fill out page 4.	_____

2. When you sign the Franchise Agreement and other documents

DOCUMENT	PAGE OR SECTION NUMBER	INSTRUCTIONS	CHECK WHEN COMPLETED
Franchise Agreement	(page 1)	Fill in the franchisee name	_____
Franchise Agreement	(page 3)	In first paragraph fill in date and franchisee name.	_____
Franchise Agreement	(page 34)	Fill in the franchisee name, address, and email	_____
Franchise Agreement	(page 42)	1. If the franchisee is an entity, (1) fill in the entity name on the line before LLC/INC., and have the president, manager, etc. sign on behalf of the entity. 2. If there is no entity, the franchisee will sign on the lower lines and print his or her name on the line before “personally.”	_____
Market	Exhibit A-1 (page 43)	If the Market is not already known, this will be filled out and initialed later	_____
Company Reps. and Warranties	Exhibit A-2 (page 44-45)	The franchisee must fill in the appropriate fields, date, and sign.	_____

Brand Protection Agreement for Principals	Exhibit A-4 (page 49-52)	Each owner and principal manager of the franchisee must fill out and sign and date a separate form.	_____
Employee Brand Protection Agreement	Exhibit A-5 (page 53-55)	All your management level employees need to fill out and sign separate non-compete agreements. 1. On the first page, the management employee will fill in the date the document is signed and will list you or your company as the franchisee, and the employee will fill in their address. 2. Each of your management employee must sign this document.	_____
ACH Agreement	Exhibit A-6 (page 56)	This must be filled out with all the appropriate bank information and signed.	_____
Digital and Social Media Authorization for Assignment	Exhibit A-7 (page 57-58)	Must be dated and signed by both parties	_____
State Addenda	Exhibit A-8	Depending on your state or a state within your Market, you may be required to fill out and sign a state specific addendum.	_____
Release Agreement	Exhibit – H	This does <u>not</u> get signed at the time of signing the franchise agreement. This agreement or a form thereof will only be signed upon the termination, non-renewal or transfer of the franchise.	_____

3. After you sign the Franchise Agreement and other documents

DOCUMENT	INSTRUCTIONS	CHECK WHEN COMPLETED
Proof of insurance	The franchisee must get and maintain insurance and provide proof of insurance that lists the franchisor as an additional insured. The franchisee must provide this <u>annually</u> .	_____
Franchisee's d.b.a.	In the state where your franchise is located, you need to file for a dba or "doing business as" under the name "Cyberbacker _____." The blank line will be the city or neighborhood where your franchise is located or as assigned by the franchisor. For example, if your franchise is located in Irvine, California, your filed dba could be "Cyberbacker – Irvine." The franchisor must approve your dba before you file it. You must send a copy of the dba filing to the franchisor after it is filed. Please note that a dba is different from your company name if you have a company that is the franchisee. Please note that also you <u>cannot</u> use the name "Cyberbacker" as part of your company name.	_____
Franchisee's Entity Documents	Articles of Incorporation or Organization along with Bylaws or Operating Agreement sent to franchisor.	_____

State Effective Dates

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

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

<u>State</u>	<u>Effective Date</u>
California	August 22, 2023
Hawaii	Pending
Illinois	Pending
Indiana	August 5, 2023
Maryland	Pending
Michigan	March 23, 2023
Minnesota	Pending
New York	Pending
North Dakota	August 16, 2023
Rhode Island	August 15, 2023
South Dakota	August 3, 2023
Virginia	Pending
Washington	Pending
Wisconsin	August 3, 2023

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

RECEIPT
(Franchisee's Copy)

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 Cyberbacker International, Inc. offers you a franchise, it must provide this disclosure document to you 14 calendar days before you sign a binding agreement with, or make a payment to, the franchisor or an affiliate in connection with the proposed franchise sale. New York law requires a franchisor to provide the franchise disclosure document at the earlier of the first personal meeting or 10 business days before the execution of the franchise or other agreement or the payment of any consideration that relates to the franchise relationship.

If Cyberbacker International, Inc. does not deliver this disclosure document on time or if it contains a false or misleading statement, or a material omission, a violation of federal law and state law may have occurred and should be reported to the Federal Trade Commission, Washington, D.C. 20580 and the state administrator listed in Exhibit "E." Cyberbacker International, Inc. authorizes the respective state agencies identified on Exhibit "D" to receive service of process for it in the particular state.

The issuance date of this disclosure document is August 3, 2023.

Cyberbacker International, Inc., is located at 2447 Kiesel Ave., Ogden, Utah 84401. Its telephone number is (801) 203-0147. The names, business addresses, and phone numbers of each franchise seller offering this franchise is as follows:

Name	Address	Phone Number
Craig Goodliffe	2447 Kiesel Ave., Ogden, Utah 84101	(801) 203-0147
Jason Stowe	2447 Kiesel Ave., Ogden, Utah 84101	(801) 851-0041

If your franchise seller's name and contact information is not listed above, please list the name, address, and phone number of the franchise seller below:

I received a disclosure document dated August 3, 2023 that included the following Exhibits:

- | | |
|---|---------------------------|
| A. Franchise Agreement and Its Exhibits | G. Deposit Agreement |
| B. Financial Statements | H. Form Release Agreement |
| C. Schedule of Franchisees | I. Form Loan Agreement |
| D. List of Agents for Service of Process | J. Support Team Agreement |
| E. List of State Agencies Responsible for
Franchise Disclosure and Registration Laws | K. Contractor Agreement |
| F. Table of Contents for the Operations Manual | L. Signing Checklist |

Date: _____
(Do not leave blank)

By: _____
(Signature)

Title: _____

Name: _____
(Print name)

Please keep this copy for your records.

RECEIPT
(Franchisor's Copy)

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 Cyberbacker International, Inc. offers you a franchise, it must provide this disclosure document to you 14 calendar days before you sign a binding agreement with, or make a payment to, the franchisor or an affiliate in connection with the proposed franchise sale. New York law requires a franchisor to provide the franchise disclosure document at the earlier of the first personal meeting or 10 business days before the execution of the franchise or other agreement or the payment of any consideration that relates to the franchise relationship.

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Franchise Disclosure and Registration Laws | K. Contractor Agreement |
| F. Table of Contents for the Operations Manual | L. Signing Checklist |

Date: _____
(Do not leave blank)

By: _____
(Signature)

Title: _____

Name: _____
(Print name)

If you do not sign this receipt via our electronic signature platform, then you need to send us a signed and dated copy. You may return the signed and dated receipt by emailing a copy of the signed and dated receipt to jason@cyberbacker.com.