FRANCHISE DISCLOSURE DOCUMENT

HRBoost US Franchising LLC
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Info@HRBoostUS.com
https://hrboost.com/
hrboost-us-overview/

As an HRBoost (or HRBoost US) franchisee, you will operate a business either (i) pursuant to our "Agency Model" whereby your franchised business markets, sells, and provides (subject to certain limitations) outsourced human resources ("HR") consulting, administration of third-party payroll services, customer account oversight, and other shared services for employers ("Services"), or (ii) pursuant to our "Bridge Builder Model" whereby your franchised business functions as a sales office to conduct marketing and offers permitted Services to customers, typically (a) provided with our or our designee's assigned team members, and (b) you do not provide Services to customers by yourself.

The total investment necessary to begin operation of an HRBoost Agency Model franchised business ranges from $136,150 to $195,325. This includes $59,200 that must be paid to the franchisor or its affiliates under the Agency Model. The total investment necessary to begin operation of an HRBoost Bridge Builder Model franchised business ranges from $83,150 to $137,075. This includes $27,700 that must be paid to the franchisor or its affiliates under the Bridge Builder Model.

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 government agency has verified the information contained in this document.**

You may wish to receive your disclosure document in another format that is more convenient for you. To discuss the availability of disclosures in different formats, contact Nicole Martin at HRBoost US Franchising LLC, 1930 Innovation Way, Suite 231, Libertyville, Illinois 60048, (847) 449-8585, or Info@HRBoostUS.com.

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

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

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

Issuance Date: June 10, 2025.

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 you will be paying to the franchisor or at the franchisor's direction. Item 7 lists the initial investment to open. Item 8 describes the suppliers you must use.
Does the franchisor have the financial ability to provide support to my business?	Item 21 or Exhibit D includes financial statements. Review these statements carefully.
Is the franchise system stable, growing, or shrinking?	Item 20 summarizes the recent history of the number of company-owned and franchised outlets.
Will my business be the only HRBoost 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 an HRBoost 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 territory.

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

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

Some States Require Registration

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

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

Special Risks to Consider About *This* Franchise

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

1. **Out-of-State Dispute Resolution.** The franchise agreement requires you to resolve disputes with the franchisor by mediation, arbitration and/or litigation only in Illinois. 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 Illinois than in your own state.

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

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

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

5. **Sales Performance Required.** You must maintain minimum sales performance levels. Your inability to maintain these levels may result in loss of any territorial rights you are granted, termination of your franchise, and loss of your investment.

6. **Supplier Control.** You must purchase all or nearly all of the inventory & supplies necessary to operate your business from Franchisor, its affiliates, or from suppliers that Franchisor designates at prices that 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 franchised business.

7. **Spousal Liability.** Your spouse must sign a document that makes your spouse liable for all financial obligations under the Franchise Agreement, even if your spouse has no ownership interest in the franchise. This Guarantee will place both your and your spouse's marital and personal assets (perhaps including your house) at risk if your franchise fails.

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

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EXHIBITS

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

The franchisor is HRBoost US Franchising LLC. For ease of reference, HRBoost US Franchising LLC will be referred to as "we", or "us" in this disclosure document. We will refer to the person who buys the franchise as "you" throughout the disclosure document.

Franchisor Company. HRBoost US Franchising LLC is an Illinois limited liability company formed on December 28, 2023. Our principal business address is 1930 Innovation Way, Suite 231, Libertyville, Illinois 60048. We do business under our company name, HRBoost US Franchising LLC, and our trademarks, “HRBoost” and “HRBoost US”. We have no predecessor or parent as defined in the disclosure document guidelines. HRBoost, LLC is our affiliate and has a principal business address of 1930 Innovation Way, Suite 231, Libertyville, Illinois 60048 (“Affiliate”); HRBoost, LLC has owned and operated an HRBoost business similar to the one you may operate since July 2010 and licenses the HRBoost trademark to us. We have no other affiliate, and no affiliate offers franchises in any line of business or provides products or services to franchisees of us. If we have an agent for service of process in your state, we disclose that agent in Exhibit B.

The Business of the Franchise. As described below we offer two models of the franchise under the “HRBoost” (or “HRBoost US”) trade name and trade and service marks (the “Marks”) using certain procedures, techniques, business methods, business forms, business policies and a body of knowledge pertaining to the establishment and operation of the Franchised Businesses (the “System”). The two models described below are referred to singularly and collectively as the “Franchised Business” unless distinguished by adding the type of model to the phrase. You must sign our standard franchise agreement (the "Franchise Agreement") when you purchase a franchise. In addition, you must operate the Franchised Business in accordance with our Operations Manual which may be amended from time to time as a result of experience, changes in the law or changes in the marketplace.

The “Agency Model” franchise, whereby your Franchised Business markets, sells, and provides (subject to certain limitations) outsourced human resources (“HR”) consulting, administration of third-party payroll services, customer account oversight, and other shared services for employers (“Services”). Under the Agency Model, you will contract directly with your customers, manage customer invoicing and collections, and we expect you will directly receive and deposit all Gross Sales.

The “Bridge Builder Model” franchise, whereby your Franchised Business functions as a sales office to conduct marketing and offers permitted Services to customers, typically (a) provided with our (or our designee’s) assigned team members, and (b) you do not provide Services to customers by yourself.

Competition. Your competitors would include independent outsourced Services providers, other national and local chain or franchised Services providers, internal customer HR services, payroll companies that offer HR consulting, HR software, and other HRBoost businesses. The market for outsourced HR services consultants and payroll administration service providers is competitive and well established. Sales are generally not seasonal.

Operating Units. We began offering franchises for sale in December, 2024. Our Affiliate has operated an HRBoost business similar to the Agency Model Franchised Business you will operate since July 2010; we have not operated an HRBoost business. We focus on franchising independently owned businesses offering outsourced human resources consulting, administration of third-party payroll services, selection and administration of third-party payroll services and benefits, and providing franchise support to franchisees. Our Affiliate’s business provides all its own Services in addition to conducting sales for those Services. We have not offered franchises in other lines of business. We have no other business activities.

Regulations. You are responsible for operating in full compliance with all laws that apply to your Franchised Business at your sole cost. The details of state, county and local laws and regulations vary from place to place. You should investigate these laws and regulations. You must secure and maintain in force all required licenses, permits and certificates relating to the leasing, construction, and operation of the Franchised Business and the other licenses applicable to HRBoost businesses. You must complete all requirements for background checks and illegal drug screening on each individual employed or contracted by you before any such individual may provide services to clients of the Franchised Business, all as permitted by applicable law.

Your Franchised Business is subject to federal, state and local laws and regulations and guidelines governing HR services consultants, payroll administration services providers, privacy, safety, employment/HR laws (*e.g.* minimum age, minimum wage, workers compensation, equal protection and workplace safety laws, workers' compensation and unemployment insurance, and the withholding and payment of federal and state income taxes, social security taxes and sales and service taxes, etc.) and laws that apply to your customers and their information to which you may have access. You must not employ a person in a position that requires a license unless that person is currently licensed by all applicable authorities and a copy of the license or permit is in your business files and displayed as may be required. You must comply not only with the terms of the Franchise Agreement, but also all of the laws and regulations (the "Industry Regulations") that apply to System services and Franchised Businesses, and to comply with all codes of professional and ethical conduct as may be updated, changed, or replaced from time to time (the "Professional Standards").

ITEM 2. BUSINESS EXPERIENCE

<u>Manager, Member, Founder, and Chief Empowerment Officer: C. Nicole Martin</u>

C. Nicole Martin has been Manager, Member, Founder and Chief Empowerment Officer of HRBoost US Franchising LLC since its inception in December 2023. From July 2010 to the present, Ms. Martin has been Founder and Chief Executive Officer of our Affiliate, HRBoost, LLC, in Libertyville, Illinois, which operates an HRBoost business similar to the Agency Model.

<u>Managing Director and Executive HR Advisor: Sandy Moran</u>

Sandy Moran has been Managing Director and an Executive HR Advisor of HRBoost US Franchising LLC since its inception in December 2023. From May 2020 to the present, Ms. Moran has been Managing Director and an Executive HR Advisor of HRBoost, LLC, in Libertyville, Illinois, which operates an HRBoost business similar to the Agency Model. From January 2020 through July 2020, Ms. Moran was a self-employed HR consultant under the trade name SJ Moran Consulting in Buffalo Grove, Illinois. From August 2018 through December 2019, Ms. Moran was Head of Talent Operations & Strategies at Reveal USA, in Naperville, Illinois, which provides systems, applications, and products consulting.

<u>Systems Director: Shenise Cook</u>

Shenise Cook has been Systems Director of HRBoost US Franchising LLC since its inception in December 2023. From April 2024 to the present, Ms. Cook has been Systems Director, HR Manager, and an Executive HR Advisor of HRBoost, LLC, in Libertyville, Illinois which operates an HRBoost business similar to the Agency Model. From June 2021 to April 2024, Ms. Cook was an HR Consultant to HRBoost, LLC, in Libertyville, Illinois which operates an HRBoost business similar to the Agency Model. From September 2021 through December 2022, Ms. Cook was a Consultant to Salo, LLC in Minneapolis, Minnesota which operates a business consulting business. From January 2021 through June 2021, Ms. Cook was unemployed. From June 2017 through January 2021, Ms. Cook was an HR Associate to the University of Illinois at Chicago in Chicago, Illinois which is a higher education provider.

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

<u>Agency Model Initial Franchise Fee</u>

Type of Agency Model Franchisee	Applicable Initial Franchise Fee
First Agency Model Franchise	$48,000
First Agency Model Franchise for Affiliate Employee (*for employees of our Affiliate for at least the immediate past 48 consecutive months in an accepted leadership position*)	Fifty percent of the then-current Franchise Fee for a non-discounted First Agency Model Franchise (currently totaling $24,000)
First Agency Model Franchise for Women and/or First Agency Model Franchise for Honorably Discharged Veteran	Eighty-five percent of the then-current Franchise Fee for a non-discounted First Agency Model Franchise (currently totaling $40,800)
Additional Agency Model Franchise if You Already Own an HRBoost Agency Model Franchise	Eighty percent of the then-current Franchise Fee for a non-discounted First Agency Model Franchise (currently totaling $38,400).

<u>Bridge Builder Model Initial Franchise Fee</u>

The initial franchise fee for a Bridge Builder Model franchise is $16,500.

<u>Opening Marketing Plan Fee</u>

We may require you to pay to the Brand Fund one month before the scheduled opening of the Franchised Business $10,000 for the opening marketing plan which we will then spend on local advertising, marketing and promotion of the opening of the Franchised Business in accordance with an opening marketing plan we develop; this applies to both Agency Model franchises and Bridge Builder Model franchises. See Items 7 and 11 for more information about the opening marketing plan and fees.

<u>Initial Book Inventory Fee</u>

We require you (under both the Agency Model and Bridge Builder Model) to pay $1,200 to purchase an initial inventory of 50 copies of each of the books "Talent Emergency" and "Human Side of Profitability" written by our founder, Nicole Martin, through us or an affiliate; this is the "Initial Book Inventory Fee." You will also separately purchase additional inventory from other suppliers.

We commenced franchising in 2024. No initial franchise fees were received in 2024.

Except for the Opening Marketing Plan Fee, all of the above initial fees are paid to us as a lump sum upon signing the franchise agreement. However, for the State of Illinois, the payment of the Agency Model initial franchise fee(s) and Bridge Builder Model initial franchise fee(s) shall be deferred until we have met our initial obligations to you and you have commenced doing business; the Illinois Attorney General's Office imposed this deferral requirement due to our financial condition. None of the fees in this Item are refundable.

ITEM 6. OTHER FEES

Type of Fee	Amount	Due Date	Remarks (See Notes 1, 8 and 12.)
Royalty Fee for Agency Model franchise.	The greater of 7% of Gross Sales, or the minimum amounts due as specified in Note 17.	Payable semi-monthly.	See Note 15.
Royalty Fee for Bridge Builder Model franchise.	During your: (i) first 12 months of operations (whole or partial), $100, totaling not less than $2,400 due in such 12-month period; (ii) months 13 through 24 of operations (whole or partial), $200, totaling not less than $4,800 due in such 12-month period; (iii) months 25 through 36 of operations (whole or partial), $300, totaling not less than $7,200 due in such 12-month period; (iv) months 37 through 48 of operations (whole or partial), $400, totaling not less than $9,600 due in such 12-month period; and (v) months 49 and thereafter of operations (whole or partial), $450, totaling not less than $10,800 in any 12-month period occurring during such months.	Payable semi-monthly.	See Note 18 and 19.
Services Fee	Actual costs.	Payable semi-monthly.	The Services Fee is due only by Agency Model franchises, not Bridge Builder Model franchises. See Notes 11, 15 and 19.
Billing Fee	5% of Gross Sales.	Payable - monthly.	The Billing Fee is due only by Bridge Builder Model franchises, not the Agency Model franchises. We may increase the Billing Fee to be up to 10% of Gross Sales; and after this initial 10% is established, we may also increase this cap annually by up to and including an additional ten percent per year on a cumulative basis. See Note 15.
Brand Fund Contribution	2% of Gross Sales due by Agency Model franchises; 0.5% of Gross	Payable semi-monthly.	See Note 15.

Type of Fee	Amount	Due Date	Remarks (See Notes 1, 8 and 12.)
	Sales due by Bridge Builder Model franchises.		
Local Advertising and Promotions	Agency Model Franchise: 2% of Gross Sales, but not more than $2,000 per month. Bridge Builder Model Franchise: 2% of Gross Sales, but not more than $1,000 per month.	Payable monthly.	We may increase the respective $1,000 or $2,000 caps annually by up to and including ten percent per year on a cumulative basis. See Note 16.
Technology Fee	Currently $150 per month.	Payable monthly.	We may increase the amount as necessary to compensate for ongoing technology related services and benefits provided to you. You may have additional technology costs. See Note 15.
Amounts Due Related to Changes in Customer Payment	Actual costs	As incurred.	If any customer account is unpaid for more than 45 days or any prior payment is no longer available (*e.g.* due to a stop-payment, bank reversal, chargeback, non-sufficient funds, etc.), we may require you to pay us the actual amounts we do not have. We may also suspend services to such customer among other cumulative remedies.
Additional Attendees Attending Initial Training Program	$300 per person, per day plus cost of travel, lodging, meals, and other expenses.	As incurred.	Training is provided for up to 2 people at no cost provided they attend the same initial training program. The additional amount due per additional person attending training may change at any time in our sole discretion.
Ongoing Training	$600 per day plus cost of travel, lodging, meals, and other expenses.	As incurred.	See Note 2. We may change the Ongoing Training costs and reimbursable expenses in our sole discretion.

Type of Fee	Amount	Due Date	**Remarks** (See Notes 1, 8 and 12.)
Training of Manager or Operating Principal	$600 per day plus cost of travel, lodging, meals, and other expenses	As incurred.	See Note 3. We may change the Training of Manager or Operating Principal costs and reimbursable expenses in our sole discretion.
Convention or National Business Meeting	Currently $750 per person plus cost of travel, lodging, meals, and other expenses.	As incurred.	We may change the Convention or National Business Meeting costs and reimbursable expenses in our sole discretion.
Additional Assistance	Additional assistance is $600 per day plus cost of travel, lodging, meals, and other expenses.	As incurred.	See Note 4. We may change the Additional Assistance costs and reimbursable expenses in our sole discretion.
Transfer Fee	If transferring to a new franchisee who does not own any other HRBoost business(es), then the full then-current initial franchise fee for a non-discounted first franchise (of either the Agency Model or Bridge Builder Model, respectively, depending on what franchise you own and are transferring), and in such case $5,000 to be paid nonrefundable when you submit the transfer for approval and the balance is due upon approval of the transfer. If transferring to another existing HRBoost franchisee, then 75% of the then-current initial franchise fee for a non-discounted first franchise (of either the Agency Model or Bridge Builder Model, respectively, depending on what franchise you own and are transferring), and in such case $5,000 to be paid nonrefundable when you submit the transfer for approval and the balance is due upon approval of the transfer. For both the Agency Model franchise and Bridge Builder Model franchise, if shares or other ownership rights of a business	May be due partially in advance and/or at time of transfer.	See Note 5 for more information on the Transfer Fee.

Type of Fee	Amount	Due Date	Remarks (See Notes 1, 8 and 12.)
	entity are being exchanged between existing owners of an entity or if new shareholder(s) or other owners of a business entity are to be added and such exchange or addition does not change the majority direct or beneficial owner, then $2,000. If you transfer your franchise to your corporation or limited liability company or partnership, we charge for our legal expenses and related costs but no transfer fee is due.		
Renewal Fee	$5,000	At time of renewal.	---
Audit	Cost of inspection or audit and any travel, lodging, and other expenses; currently estimated at $5,000.	As incurred.	Payable only if you fail to furnish reports or records or if the audit reveals you have understated your Gross Sales by more than 2%.
Interest	2% per month.	As incurred.	See Note 13.
Late Fee	The greater of $250 or the amount stated in the Operations Manual.	As incurred.	Applies to each notification or demand for payment, non-sufficient funds payments by check or electronic transfer, or the failure to provide reports and financial statements in a timely manner, or for any other violation of the Franchise Agreement.
Unauthorized Products or Services Fee	The greater of $250 per day per use, or the amount stated in the Operations Manual.	As incurred.	Due when you sell, offer for sale or use an unauthorized product or service.
Lease Related Expenses	Reimburse our costs, including our actual attorneys' fees and costs.	As incurred.	For our services relating to evaluation of the condition of the leased premises, a new lease, lease amendment, assignment, sublease, or rider, etc. and/or the process for evaluating the necessary upgrades.
Relocation Fee	Currently $2,000.	As incurred.	---

Type of Fee	Amount	Due Date	Remarks (See Notes 1, 8 and 12.)
Ad-Coverage Area Advertising	Not applicable.	As incurred.	As a majority of the HRBoost business locations in your ad-coverage area agree to participate in. The Ad-Coverage Area Advertising costs may be implemented and/or change at any time. See Note 6; and Item 11.
Regional Advisory Council Assessments	Not Applicable.	As incurred.	The Regional Advisory Council would choose its own assessments. The Regional Advisory Council Assessments costs may be implemented and/or change at any time.
Software	$0.	As incurred.	See Item 11; Not Yet Implemented.
Evaluation of Suppliers	Not to exceed $5,000 per request, plus actual expenses.	As incurred.	Applies only if you want us to evaluate unapproved items or suppliers for the Franchised Business.
Mystery Shopper Fee.	Up to $350 per mystery shop.	As incurred.	To pay the cost of third-party mystery shopper program.
Third-Party Quality Assurance Audit Fee	Up to $350 per quality assurance audit.	As incurred.	To pay the cost of the third-party quality assurance audits.
Customer Servicing Fee	$750, plus reimbursement of all actual costs incurred by us.	As incurred.	To pay the cost incurred by us in servicing and satisfying your customer. The Customer Servicing Fee may change at any time in our sole discretion.
Insurance Reimbursement	Cost of premium plus 15% service charge.	As incurred.	See Note 7.
Referral Fee	$10,000	At closing.	See Note 9.
Appointed Management Fee	The greater of $900 per day or ten percent of Gross Sales for the duration of the management, plus actual expenses including all travel, lodging, meals and other expenses.	As incurred.	Payable during period that our appointed manager manages the Franchised Business upon your default, death or disability. The Management Fee may change at any time in our

Type of Fee	Amount	Due Date	Remarks (See Notes 1, 8 and 12.)
			sole discretion.
Fines for Non-Compliance with the Operations Manual	Greater of $500 per incident or per day, whichever is applicable, or as stated in the Operations Manual.	As incurred.	---
Costs and Attorneys' Fees	Actual costs and attorneys' fees.	As incurred.	Payable upon your failure to comply with the Franchise Agreement or if we engage an attorney or other professionals to enforce the Franchise Agreement against you, even if no claim is filed. See Note 14.
Indemnification	Actual costs.	As incurred.	You must reimburse us if we are held liable for claims arising from your operations.
Liquidated Damages – Agency Model franchise	Calculation of the average semi-monthly amount of Royalty Fees multiplied by the lesser of 24 or the number of semi-monthly periods remaining in the term.	As incurred.	See Note 10.
Liquidated Damages – Brand Builder Model franchise	Calculation of 7% of the average semi-monthly amount which the Bridge Builder Model franchisee produces in Gross Sales for us or our designee multiplied by the lesser of 24 or the number of semi-monthly periods remaining in the term.	As incurred.	See Note 10.
Taxes	Amount of taxes due plus 15% administrative fee.	As incurred.	See Note 14.
Online Media	Actual costs.	As incurred.	You must pay all amounts due to us or any designated vendor related to establishing and maintaining the Franchise System Website and/or other online media (*e.g.* establishing its online ordering account(s), booking or reservations platform).
System Modifications	All actual costs and expenses associated with system modifications	As incurred	If we make changes to the System, you must adapt the Franchised Business to conform to the changes. Examples include new equipment, software, or technology.

Type of Fee	Amount	Due Date	Remarks (See Notes 1, 8 and 12.)
			Amounts may be due to us, an affiliate, or a third-party supplier.

(1) "Gross Sales" attributable to an Agency Model franchise means, using an accrual basis, all billed sales or revenues, derived directly or indirectly from the Franchised Business, including on-premises sales and monies derived at or away from the Franchised Business, whether from cash, check, credit and debit card, third-party payment related to a customer of the Franchised Business (e.g. insurance payment or reimbursement), trade credit or credit transactions, including business interruption insurance proceeds and service charges in lieu of gratuity, but excluding (i) sales taxes collected from customers and paid to the appropriate taxing authority and (ii) the amount of all coupons and/or discounts redeemed at the Franchised Business (but only if the coupons and discounts have been previously approved by us as provided in the Franchise Agreement and only if such coupons and discounts have been included in Gross Sales). Under the Agency Model, the Gross Sales are received and deposited by and are deemed to belong to you. We may use the electronic funds transfer system (e.g. EFT or ACH) for any amounts due and you agree to comply with our Company's payment instructions, and to sign any and all documents and forms necessary to effectuate the automatic bank drafts and payments.

The Gross Sales attributable to the Bridge Builder Model franchisee are those associated with customers the Bridge Builder Model franchisee originated, marketed, and sold that are engaged with us or our designee (which may include you if we so approve), for Services which we or our designee provide (which may include you if we so approve). Under the Bridge Builder Model, the Gross Sales are received and deposited by and belong to us or our designee. We may deduct any amounts due to us (or our designee) by a Bridge Builder Model Franchisee from any amounts otherwise due to you under the Bridge Builder Model franchise.

Neither we, our Affiliate, nor any companies related to us by common ownership have ever operated a Bridge Builder Model HRBoost business.

(2) Ongoing Training. You must participate, if we require, in up to seven days per calendar year of ongoing training in the operations and marketing of the Franchised Business. The refresher training may or may not take place at an annual convention or business meeting of franchisees which we can also require you to attend for up to four days once per calendar year; the ongoing training days may be in addition to the annual convention or business meeting days. In the event that you request or we determine in our sole discretion that you would benefit from our training a new manager or Operating Principal who replaces the prior manager or Operating Principal, you must make such new manager or Operating Principal available for training and shall remit to us our then-current fee (which we may change at any time in our sole discretion) for new manager or Operating Principal training along with payment by you for either (i) your new manager's or Operating Principal's travel, lodging, meals, and related expenses incurred during the training if the manager or Operating Principal travels to attend the training, or (ii) our representative's travel, lodging, meals, and related expenses incurred during the training if we send a representative to train the manager or Operating Principal at your premises. The fees and costs for the annual convention or business meeting of franchisees are currently $750 per person (which we may change at any time in our sole discretion), and you must pay all your travel, lodging, meals, and other expenses to attend each. (Franchise Agreement – Sections 5.P and 5.Q.)

(3) In the event (i) your initial training attendee or Operating Principal fails to pass the initial training and an additional attendee or Operating Principal attends in their place or (ii) you send another manager or assistant manager or Operating Principal to an initial training course for any reason, including without limitation due to turnover in your ongoing operations, then you must pay us a training fee at our then-

current rate, plus any travel, lodging, meals, and other expenses if we accept your request for us to send a representative to conduct the training of another Operating Principal, manager or assistant manager at your location. (Franchise Agreement – Section 4.A.)

(4) Additional Assistance. Upon your request or upon our determination the Franchised Business is operating below required standards, we will provide, at our option, additional assistance beyond our standard support at a cost to you based on our then current fee for the respective personnel performing this assistance plus other actual expenses including without limitation all travel, lodging, meals, and other expenses. (Franchise Agreement – Section 4.E.)

(5) If transferring to a new franchisee who does not own any other HRBoost business(es), then the full then-current initial franchise fee for a non-discounted first franchise (of either the Agency Model or Bridge Builder Model, respectively, depending on what franchise you own and are transferring), and in such case $5,000 to be paid nonrefundable when you submit the transfer for approval and the balance is due upon approval of the transfer.

If transferring to another existing HRBoost franchisee, then 75% of the then-current initial franchise fee for a non-discounted first franchise (of either the Agency Model or Bridge Builder Model, respectively, depending on what franchise you own and are transferring), and in such case $5,000 to be paid nonrefundable when you submit the transfer for approval and the balance is due upon approval of the transfer.

For both the Agency Model franchise and Bridge Builder Model franchise, if shares or other ownership rights of a business entity are being exchanged between existing owners of an entity or if new shareholder(s) or other owners of a business entity are to be added and such exchange or addition does not change the majority direct or beneficial owner, then $2,000.

If you transfer your franchise to your corporation or limited liability company or partnership, we charge for our legal expenses and related costs but no transfer fee is due.

In the event we no longer offer the Agency Model and/or the Bridge Builder Model franchise at the time you want to transfer, you may be required to determine the transfer fee based off of the then-current, non-discounted initial franchise fee for a non-discounted first franchise of whatever franchise model is available at such time, in our sole discretion.

In addition, you must pay any third-party broker fees that are due in connection with the proposed transfer.

In addition, for any supervision or assistance by our personnel at your location around when the Franchised Business re-opens to the public, you shall pay us the then current daily fee for our personnel, plus other actual expenses, including without limitation all travel, lodging, meals and other expenses.

(6) Amounts contributed to the ad-coverage area advertising and promotions requirement shall be credited towards your requirement for local advertising and promotions.

(7) If you do not maintain insurance on the Franchised Business as we require, we may, at our option and in addition to our other rights and remedies, obtain the insurance and keep the same in full force and effect on your behalf, and you must reimburse us for all premiums incurred by us in connection with obtaining such insurance plus a 15% service charge.

(8) All fees are imposed and collected by us or our affiliate and are non-refundable. Except as described above, all fees are uniformly imposed, although we may reduce, defer, or waive such fees, if and when we determine that it is warranted by a unique or compelling situation.

(9) At your request, we may, but we have no obligation to, refer to you potential buyers of your Franchised Business. If we refer to you the buyer of your Franchised Business or the assets of the Franchised Business or an ownership interest in you or the franchise agreement, then you must pay us a referral fee in the amount of $10,000 at the time of closing such sale regardless of whether the buyer is an existing HRBoost franchisee or not.

(10) You do not have the right to terminate the Franchise Agreement except as provided in Section 7.A. of the Franchise Agreement or as otherwise agreed by the parties. In the event of any termination of the Franchise Agreement by you that is not in accordance with the terms of Section 7.A., or any termination of the Franchise Agreement by us in accordance with the terms of Section 7.B. prior to its expiration date, such termination may result in lost future revenue and profits to us, harm to the goodwill associated with the Marks, and increased costs to us to re-develop or re-franchise the market in which the Franchised Business is located. Accordingly, in the event that you terminate the Franchise Agreement other than in accordance with the terms of Section 7.A., or if we terminate the Franchise Agreement pursuant to the terms of Section 7.B., then you must pay to us by the effective date of such termination, as liquidated damages:

An Agency Model franchise shall pay us that amount which is calculated by multiplying the average monthly amount of Royalty Fees due and payable during the twelve months prior to the termination (either by you, or if you have not been in operation for at least twelve months prior to the termination, then based on the average semi-monthly Royalty Fees of all HRBoost Agency Model businesses during the twelve month period immediately preceding your termination date) by the lesser of twenty-four (24) or the number of semi-monthly periods then remaining in the term of the franchise agreement.

A Bridge Builder Model franchise shall pay us that amount which is calculated by multiplying seven percent of the average semi-monthly amount the Bridge Builder Model franchises produces in Gross Sales for us or our designee, due and payable during the twelve months prior to the termination (or if you have not been in operation for at least 12 months as of the date of termination, then based on seven percent of the average semi-monthly amount of Gross Sales for all HRBoost Bridge Builder Model businesses during the twelve-month period immediately preceding your termination date) by the lesser of twenty-four (24) or the number of semi-monthly periods then remaining in the term of the franchise agreement.

(11) The Services Fee is equal to the amount periodically invoiced to you for payment on an accrual basis for Services provided to customers of the Franchised Business by us or our designee(s). Rates charged vary with the Services requested and response time requested by the customer.

(12) For any amounts due by you that are a fixed dollar amount (*e.g.* a fee is $200 per month) or that are calculated in a way that includes a fixed dollar amount (*e.g.* five percent of Gross Sales between $5,000 - $50,000 is the amount due by you), we may adjust these dollar amounts proportionately by the amount of the increase in the Consumer Price Index, effective upon notice to you, as provided in the Operations Manual. As used herein, the term "Consumer Price Index" shall mean the United States Department of Labor's Bureau of Labor Statistics' Consumer Price Index, All Urban Consumers (CPI-U), All-Items, not seasonally adjusted, for the Chicago-Naperville-Elgin, IL-N-WI Core Based Statistical Area (1982-84=100), or the successor of such index, or if no successor index is designated, then such other index as we reasonably shall designate. Notwithstanding the foregoing, during the first sixty months of the initial term of the Franchise Agreement, this section shall not function to increase the figures in the minimum performance obligation (Gross Sales) requirements, the Royalty Fee, or the minimum Royalty Fee amounts.

(13) The highest interest rate allowed by law in California is 10% annually.

(14) In the event you fail to timely pay any tax due required by law or if we must pay any taxes due to the operation of your Franchised Business or due to payments you make to us (excluding traditional income tax), we may make such payment and you must reimburse us for the amount paid plus a 15% administrative fee.

(15) Currently, The Royalty Fees, the Brand Fund Contribution, the Services Fee, and the Technology Fee are due semi-monthly currently on the 20th and 5th of each of each month. The Billing Fee is due monthly on the 5th of each month.

(16) The expenditures for the local advertising and promotions are paid to your local vendors, and the expenditures are typically non-refundable.

(17) If you operate under the Agency Model, you must pay to us, semi-monthly on the 20th and 5th of each month, or more frequently as we may designate, a Royalty Fee equal to the greater of:

(i) 7% of the Gross Sales from the Franchised Business which you operate throughout the term of this Agreement, or

(ii) during your:

a. first 12 months of operations (whole or partial), $450, totaling not less than $10,800 due in such 12-month period;
b. months 13 through 24 of operations (whole or partial), $1,000, totaling not less than $24,000 due in such 12-month period;
c. months 25 through 36 of operations (whole or partial), $1,600, totaling not less than $38,400 due in such 12-month period;
d. months 37 through 48 of operations (whole or partial), $2,000, totaling not less than $48,000 due in such 12-month period; and
e. months 49 and thereafter of operations (whole or partial), $2,300, totaling not less than $55,200 in any 12-month period occurring during such months.

(18) If you operate under the Bridge Builder Model, you must pay to us, semi-monthly on the 20th and 5th of each month, or more frequently as we may designate, a Royalty Fee of the following amount during your:

(i) first 12 months of operations (whole or partial), $100, totaling not less than $2,400 due in such 12-month period;
(ii) months 13 through 24 of operations (whole or partial), $200, totaling not less than $4,800 due in such 12-month period;
(iii) months 25 through 36 of operations (whole or partial), $300, totaling not less than $7,200 due in such 12-month period;
(iv) months 37 through 48 of operations (whole or partial), $400, totaling not less than $9,600 due in such 12-month period; and
(v) months 49 and thereafter of operations (whole or partial), $450, totaling not less than $10,800 in any 12-month period occurring during such months.

(19) If we agree to provide Services to any customer you originate, you must provide the Services we (or our designee) require you to provide to this same customer. Under the Bridge Builder Model, you may not have any employees or independent contractors that provide Services; instead, you will be an owner-operator only business. We or our designee (1) will be party to the contract for Services with all customers; (2) must approve any proposal and/or proposed contract with any customer and any accepted contract must conform to the then-current requirements as provided in the Operations Manual, including without limitation using the approved form of contract, terms and conditions, and offering only the pre-approved pricing for Services; (3) manage invoicing, collections, and generally receive and deposit all Gross Sales originated, marketed, and sold by you; (4) pay you monthly or such other frequency as we determine such amount that we determine from time to time in our sole discretion related to the Services you provide to customers; (5) pay you monthly or such other

frequency as we determine a Sales Commission equal to 8% of the Gross Sales actually received by us (or our designee) in the prior month that were originated, marketed and sold by you but are not Services you yourself performed, less deductions for any amounts due to us (or our designee) by you; and (6) pay you monthly or such other frequency as we determine a Production Fee equal to 50% of the Gross Sales actually received by us (or our designee) in the prior month for the specific Services which you yourself performed for customers originated, marketed and sold by you (provided that such Services are provided with our or our designee's prior written approval), less deductions for any amounts due to us (or our designee) by you. You shall receive the Production Fee only on the Gross Sales for the specific Services actually provided by you yourself to customers originated, marketed and sold by you; and no Production Fee is due to you on Services provided by us or anyone else. In the event that we (or our designee) and you provide certain Services together, we shall determine whether you shall receive a Sales Commission or a Production Fee on such Services in our sole discretion. In the event that any customer makes partial payment of amounts due under any invoice, the amount received shall first be applied to satisfy the amount due to us or our designee, and thereafter, the future amounts received from such customer shall be applied to pay us (or our designee) and you as provided the franchise agreement. We may deduct any amounts due to us (or our designee) by you from any amounts otherwise due to you.

ITEM 7. ESTIMATED INITIAL INVESTMENT

YOUR ESTIMATED INITIAL INVESTMENT

AGENCY MODEL

Type of Expenditure	Amount	Method of Payment	When Due	To Whom Payment Is To Be Made
Initial Franchise Fee (1)	$48,000	Lump sum.	Due upon signing the Franchise Agreement.	Us.
Opening Marketing Plan Fee	$10,000	Lump sum.	Due forty-five days before the scheduled opening of the Franchised Business	Franchisor Brand Fund or Other Suppliers.
Initial Book Inventory Fee	$1,200	Lump sum.	Lump sum.	Us.
Travel and Living Expenses During Training for Up to 2 People (6)	$4,300 to $16,000	As incurred.	Before opening.	Airlines, hotels and restaurants.
Initial Inventory (7)	$3,200	As incurred.	Before opening.	Approved suppliers.
Internet Service	$300 to $375	As incurred	Before opening.	Other suppliers.
Technology Hardware Purchases and Initial Set-Up of Select Software (9)	$3,850 to $6,550	As incurred.	Before opening.	Approved suppliers.
Software Fees (3 months)	$1,600	As incurred.	Before opening.	Approved suppliers.
IT Support Fees (3 months)	$1,500	As incurred.	Before opening.	Approved suppliers.
Equipment (8)	$1,350 to $1,650	As incurred.	Before opening.	Approved suppliers.
Furniture & Fixtures (11)	$0 to $2,500	As incurred	Before opening.	Other suppliers.
Office Supplies (10)	$700 to $1,000	As incurred.	Before opening.	Approved suppliers.
Business Licenses & Permits	$750 to $1,000	As incurred.	Before opening.	Other suppliers.
Membership/Association Dues	$900 to $8,000	As incurred	Before opening.	Other suppliers.
Professional Fees	$3,000 to $5,000	As incurred.	Before opening.	Professionals.
Business Insurance	$3,000 to $3,750	As incurred.	Before opening.	Other suppliers.

Type of Expenditure	Amount	Method of Payment	When Due	To Whom Payment Is To Be Made
Vehicle	$25,000 to $45,000	As incurred.	Before opening.	Other suppliers.
Additional Funds – 3 Months (2)	$27,500 to $39,000	As incurred.	As incurred.	Third parties.
TOTAL (3)(4) (5)	$136,150 to $195,325	---		

BRIDGE BUILDER MODEL

Type of Expenditure	Amount	Method of Payment	When Due	To Whom Payment Is To Be Made
Initial Franchise Fee (1)	$16,500	Lump sum.	Due upon signing the Franchise Agreement.	Us.
Opening Marketing Plan Fee	$10,000	Lump sum.	Due forty-five days before the scheduled opening of the Franchised Business	Brand Fund or Other Suppliers.
Initial Book Inventory Fee	$1,200	Lump sum.	Lump sum.	Us.
Travel and Living Expenses During Training for Up to 2 People (6)	$4,300 to $16,000	As incurred.	Before opening.	Airlines, hotels and restaurants.
Initial Inventory (7)	$3,200	As incurred.	Before opening.	Approved suppliers.
Internet Service	$300 to $375	As incurred	Before opening.	Other suppliers.
Technology Hardware Purchases and Initial Set-Up of Select Software (9)	$3,850 to $6,550	As incurred.	Before opening.	Approved suppliers.
Software Fees (3 months)	$1,600	As incurred.	Before opening.	Approved suppliers.
IT Support Fees (3 months)	$1,500	As incurred.	Before opening.	Approved suppliers.
Equipment (8)	$1,350 to $1,650	As incurred.	Before opening.	Approved suppliers.
Furniture & Fixtures (11)	$0 to $2,500	As incurred	Before opening.	Other suppliers.
Office Supplies (10)	$700 to $1,000	As incurred.	Before opening.	Approved suppliers.
Business Licenses & Permits	$750 to $1,000	As incurred.	Before opening.	Other suppliers.
Membership/Association Dues	$900 to $8,000	As incurred	Before opening.	Other suppliers.
Professional Fees	$3,000 to $5,000	As incurred.	Before opening.	Professionals.
Business Insurance	$1,500 to $2,000	As incurred.	Before opening.	Other suppliers.
Vehicle	$25,000 to $45,000	As incurred.	Before opening.	Other suppliers.
Additional Funds - 3 Months (2)	$7,500 to $14,000	As incurred.	As incurred.	Third parties.
TOTAL (3)(4) (5)	$83,150 to $137,075	---		

Explanatory Notes to Tables:

(1) Initial Franchise Fee. The initial franchise fee for a first, non-discounted Agency Model franchise is $48,000. The initial franchise fee for a Bridge Builder Model franchise is $16,500.

(2) Additional Funds – 3 Months. This category estimates any other additional funds you will incur before operations begin and during the 3-month initial period of operations. We relied on our officer's and Affiliate's business experience since 2010 in formulating the amount required for additional funds.

(3) We anticipate that you will operate from a home office and therefore we do not include any estimated costs for a premises security deposit, rent, or leasehold improvements.

(4) We do not offer financing for any part of the initial investment.

(5) Amounts paid to us or the Brand Fund are not refundable. Amounts paid to others may not be refundable.

(6) The estimated "Travel and Living Expenses During Training" range contemplates that up to two people will attend the initial training; the low estimate assumes that you live close to our training location and will not incur much, if any, travel or living expense to attend.

(7) The estimated "Initial Inventory" range contemplates an opening amount of press packages.

(8) The estimated "Equipment" range relates to the costs to acquire a portable projector and binding machine.

(9) The estimated "Technology Hardware Purchases and Initial Set-Up of Select Software" range contemplates the initial expense of a smart phone, laptop computer, printer, router, and other basic hardware, plus the initial set-up expenses estimated for select software. Each additional staff member needs a laptop and other hardware issued and owned by the Franchised Business on which to do their work.

(10) The estimated "Office Supplies" range relates to the costs to acquire office supplies which may include without limitation, printer ink, staplers, hole punchers, folders, copy paper, pens, etc.

(11) The estimated "Furniture & Fixtures" range relates to the costs we anticipate you will have for furniture and fixtures related to the Franchised Business. If you operate from home and believe you have adequate furniture and fixtures in your home work space, your Furniture & Fixtures expenditure may be $0.

ITEM 8. RESTRICTIONS ON SOURCES OF PRODUCTS AND SERVICES

Required Purchases

You must purchase your initial inventory of two books written by our founder, Nicole Martin, from us or a designee pursuant to payment of the Initial Book Inventory Fee. If you operate a Bridge Builder Model franchise, you must only offer the Services available from us or our designee to customers (unless, in our sole discretion, we also authorize you to offer Services) and you must only use us (or our designee) for your billing and collection services. You may be required to purchase the opening marketing plan services from our Brand Fund. Other than these, you have no obligation to purchase or lease goods, services, supplies, fixtures, equipment, inventory, computer hardware and software, real estate, or comparable items related to establishing or operating the Franchised Business from us or our affiliates, currently. In the future we may require you to make additional such purchases or leases.

Required and Approved Suppliers

You must purchase or lease or use only those accounting firms and software, billing and/or collection services, IT support services, architecture services and providers, real estate services and providers, construction and general contractor services and providers, financial analysis and management product(s) or service(s), technology providers and/or platforms, insurance agents, merchant processing, customer loyalty programs, membership programs, other service providers, items of equipment, vehicles, inventory, music provider, audio or visual entertainment provider, decor, payroll processing, worker time tracking, human resources services, employee scheduling services and providers, social media (all aspects including without limitation marketing, advertising, activities, and presence), email platform including without limitation email campaigns provider, computer hardware and software, (including without limitation for workflow management, point of sale (POS), reports, general business operations, and customer relations management (CRM)), phone and security hardware and software, learning management system, appointment booking system, reports, waivers, training, other technology, graphic design services, interior design services, supplies, promotional and marketing services and printing providers, apparel, signs, and other comparable items we have approved for a Franchised Business as meeting our specifications and standards for appearance, function, trade dress, design, quality and performance (if any) related to establishing or operating the Franchised Business and to purchase or lease them only from us, our affiliates or suppliers required or approved by us (if any). Except where we or our Affiliate, HRBoost, LLC, is a required or approved supplier, there is no supplier in which an officer of ours currently owns an interest.

Approval of Alternate Suppliers

To have an alternate supplier approved, you must first notify us in writing, submit sufficient specifications, samples and information, along with our then current fee (which is currently not expected to exceed $5,000 per request, plus reimbursement of our expenses). Our criteria for approving suppliers is confidential and is not available to franchisees. You may contract only with suppliers whom we have approved. We will notify you of our approval or disapproval within six months of our receiving all requested information. We may revoke our approval of a supplier at any time for any reason.

Specifications

We issue specifications to franchisees. We issue and modify the specifications by updating the confidential Manual. We issue specifications regarding your purchase or lease of goods, services, supplies, fixtures, equipment, inventory, computer hardware and software, technology, real estate and comparable items related to establishing or operating the Franchised Business. Our site location and lease requirements are provided in the Franchisor's Assistance, Advertising, Computer Systems and Training part of this disclosure document.

Revenue from Franchisee Purchases

We and our affiliates may derive revenue or other material consideration from your or your customers' required purchases, leases, and/or licenses. We commenced franchising in 2024. We did not derive any revenue or other material consideration from your required purchases or leases in 2024.

We estimate that your required purchases and leases in compliance with the above specifications of goods, services, supplies, fixtures, equipment, inventory, computer hardware and software, technology real estate and comparable items will represent 80 to 90% of your overall purchases and leases in establishing and operating the Franchised Business.

Cooperatives

We do not have any purchasing or distribution cooperatives.

Negotiated prices

We may negotiate purchase price arrangements with suppliers, including price terms, for the benefit of franchisees.

Material benefits

We do not provide any material benefits (for example, renewal or granting of additional franchises) based on your purchase of particular products or services or use of particular suppliers.

ITEM 9. FRANCHISEE'S OBLIGATIONS

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	Item in Disclosure Document
a. Site selection and acquisition/lease	Section 5	Items 6 and 11
b. Pre-opening purchases/leases	Section 5	Items 6, 7, 8 and 11
c. Site development and other pre-opening requirements	Section 5	Items 7, 8 and 11
d. Initial and ongoing training	Sections 4 and 5	Items 6 and 11
e. Opening	Section 5	Item 11
f. Fees	Sections 1, 2, 4, 5, 6, 7, 8 and 9	Items 5, 6, 7, 11 and 17
g. Compliance with standards and policies/Operations Manual	Sections 3 and 5	Items 8 and 11
h. Trademarks and proprietary information	Sections 3, 5 and 7	Items 13 and 14
i. Restrictions on products/services offered	Sections 3 and 5	Items 8, 11 and 16
j. Warranty and customer service requirements	Section 5	Items 6 and 8
k. Territorial development and sales quotas	Sections 3 and 5	Items 11 and 12
l. On-going product/service purchases	Section 5	Items 6 and 8
m. Maintenance, appearance and remodeling requirements	Sections 5, 6 and 8	Items 8 and 17
n. Insurance	Section 5	Items 6 and 7
o. Advertising	Section 5	Items 6, 7 and 11
p. Indemnification	Sections 5, 7, 8 and 10	Items 6 and 13
q. Owner's participation/ management/staffing	Sections 3 and 5	Item 15
r. Records and reports	Section 5	Item 6
s. Inspections and audits	Section 5	Item 6
t. Transfer	Section 8	Items 6 and 17

Obligation	Section in Agreement	Item in Disclosure Document
u. Renewal	Section 6	Items 6 and 17
v. Post-termination obligations	Section 7	Item 17
w. Non-competition covenants	Sections 5 and 7	Item 17
x. Dispute resolution	Section 9	Item 17

ITEM 10. FINANCING

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

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

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

Franchisor's Pre-Opening Obligations. Before you open your Franchised Business, we will:

(1) We anticipate you will operate the Franchised Business from a home office. If you choose to have an office outside of your home, then you are responsible for obtaining your site location. You must obtain our approval of the site location and the lease. The factors which we may (but are not required to) consider for our approval include demographic radius characteristics and growth factors in the area, traffic patterns, ease of access, parking, visibility, allowed signage, competition from other businesses providing similar products and services, the proximity to other businesses, the nature of the businesses in proximity to the proposed site, and other commercial characteristics (including rental obligations and other lease terms for the proposed site) and the size, appearance and other physical characteristics of the proposed site location. We generally do not own the premises and lease it to you. (Franchise Agreement – Section 5.B.)

We recommend that the size of the location be between 150 to 800 square feet.

We approve or reject locations or leases by a written notice which is delivered to you. We use our reasonable best efforts to deliver this notification to you within thirty days after the location evaluation or lease information is available. Additional sites are considered until our approval is reached or the Franchise Agreement terminates.

You must lease the premises for your location in the form and manner required by us and deliver a copy of the signed lease to us immediately after its signing.

You must not sign any lease which has not been approved in writing by us. If your business premises is to be leased, you must submit the lease to us for written approval at least fifteen days before it is scheduled to be executed. If you lease your business premises, the lease must include language contained in the Lease Rider which is attached to your Franchise Agreement as Schedule B. The lease must give us, our agents or designees the right to enter the premises to conduct inspections at any time during regular business hours, the right to receive notices of default directly from the lessor and the right, but not the duty, to assume the lease for all or any part of the term, if you default under the lease, are evicted or if your Franchise Agreement expires or is terminated. You must not lease or sublet all or any part of your business premises to others or use any portion of the premises for any purpose other than conducting business pursuant to your Franchise Agreement without our prior written consent. (Franchise Agreement – 5.B.)

(2) Provide an initial training program for the operation of the Franchised Business. (Franchise

Agreement - Section 4.A.) (See below.)

(3) Provide names of approved suppliers and written specifications for your equipment, signs, fixtures, opening inventory and supplies. (Franchise Agreement – Sections 5.C, F. and G.)

(4) Provide, upon payment of the Initial Book Inventory Fee, the associated initial inventory of books. (Franchise Agreement – Section 4.G.)

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

(1) Provide you a continuing advisory service by telephone or other digital or electronic means, or at our home office concerning the operation of your Franchised Business. (Franchise Agreement - Section 4.D.)

(2) Furnish you, at our option, upon your written request, or upon our determination the Franchised Business is operating below required standards, additional assistance beyond our standard support. (Franchise Agreement - Section 4.E.)

(3) For the Bridge Builder Model, review any proposal and/or proposed contract with any customer within five business days of submission by you to us or our designee, and within such five business days we or our designee shall in its sole discretion (i) modify such proposal or contract to make it acceptable to us or our designee, (ii) accept such proposal or contract, or (iii) reject such proposal or contract. (Franchise Agreement - Section 4.C.1.)

(4) For the Bridge Builder Model, provide Services to customers you originate that we (or our designee) accept subject to our (or our designee's) then-current terms and conditions. (Franchise Agreement - Section 4.C.2.)

(5) For the Bridge Builder Model, provide a billing service for all Services sold that we (or our designee) accept in exchange for the Billing Fee. (Franchise Agreement - Section 4.C.3.)

(6) For the Bridge Builder Model, pay you monthly or such other frequency as we determine, such amount that we determine from time to time in our sole discretion related to the Services you yourself provide to customers. (Franchise Agreement - Section 4.C.4.)

(7) For the Bridge Builder Model, pay you, monthly or such other frequency as we determine, a Sales Commission equal to 8% of the Gross Sales actually received by us (or our designee) in the prior month that were originated, marketed and sold by you, but are not for Services you perform, less deductions for any amounts due to us (or our designee) by you. (Franchise Agreement - Section 4.C.5.)

(7) For the Bridge Builder Model, pay you, monthly or such other frequency as we determine, a Production Fee equal to 50% of the Gross Sales actually received by us (or our designee) in the prior month for Services which you yourself perform for customers originated, marketed, and sold by you (provided that such Services are provided with our or our designee's prior written approval), less deductions for any amounts due to us (or our designee) by you. You shall receive the Production Fee only on the Gross Sales for the specific Services actually performed by you yourself for customers originated, marketed and sold by you; no Production Fee is due to you on Services provided by us or anyone else or for any Services you provide but which you have not originated, marketed, and sold. In the event that we (or our designee) and you provide certain Services together, we shall determine whether you shall receive a Sales Commission or a Production Fee on such Services in our sole discretion. In the event that any customer makes partial payment of amounts due under any invoice, the amount received shall first be applied to satisfy the amount due to us or our designee, and thereafter, the future amounts received from such customer shall be applied to pay you and us (or our designee) as provided in the franchise agreement. We may deduct any amounts due to us (or our designee) by you from any amounts

otherwise due to you. (Franchise Agreement - Section 4.C.5.)

(8) Provide you with access to the advertising and marketing materials we may develop by using the Brand Fund contributions. (Franchise Agreement - Section 5.L.)

(9) Provide up to one day (up to eight hours) of ongoing supervision and assistance by our personnel at your location within six months of opening for business. (Franchise Agreement – Section 4.B.)

(10) Loan to you during the term of the Franchise Agreement one copy of our Operations Manual. The Operations Manual contains mandatory and suggested specifications, standards, and operating procedures which we prescribe occasionally for Franchised Businesses, as well as information relative to other obligations you have in the operation of the Franchised Business. The Operations Manual may be modified periodically to reflect changes in the specifications, standards, operating procedures and other obligations in operating Franchised Businesses. You must keep your copy of the Operations Manual current, and the master copy of the Operations Manual maintained by us controls if there is a dispute regarding the contents of the Operations Manual. (Franchise Agreement - Section 5.H.) The Operations Manual currently has 486 pages and the table of contents is as follows:

MANUAL

Subject	Number of Pages
Preface to Operations Manual	10
Introduction	19
Pre-Opening Procedures	20
Human Resources	62
Client Recruitment	34
Delivering the Client Experience	33
Shared Resources	6
Marketing	21
Administrative Procedures	17
Managing Your Business	22
Marketing	21
Strategic Alliance Partnerships	14
Appendix: Equipment & Inventory	1
Appendix: Financial Statements	1
Appendix: Forms and Samples	92
Appendix: Payroll Process	7
Appendix: SHRM® Toolkit	38
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Brand Fund Contribution. We will administer an advertising and marketing fund (the "Brand Fund") for the advertising and marketing programs. If you operate under the Agency Model, you must contribute to the Brand Fund (i) two percent of the Gross Sales of your Franchised Business if you operate as an Agency Model franchise, or (ii) 0.5% of the Gross Sales of your Franchised Business if you operate as a Bridge Builder Model franchise. Brand Fund contributions are paid together with the Royalty Fee. The obligation of other franchisees and/or our Affiliate to contribute to the Brand Fund may be a different amount or at a different rate or on a different cadence. (Franchise Agreement - Section 5.L.)

We will direct all advertising and marketing programs financed by the Brand Fund, with sole discretion over the creative concepts, materials and endorsements used, and the geographic, market and media placement and allocation. Currently the source of our marketing and advertising programs is our in-house personnel. The Brand Fund may be used to pay the costs of preparing advertising materials and administering national, regional and local advertising programs and public relations activities including creating direct mail and media materials which may include print, television, radio and billboards, formulating advertising and marketing programs, developing and maintaining website and internet based advertising and marketing programs, intranet development and ongoing operation, toll-free locator services, email systems and services, creation and management of loyalty program(s), employing advertising agencies, research and development for future potential products or services, events or charitable sponsorships, memberships in professional and community organizations and other organizations to encourage business development, providing brochures and other advertising and marketing materials, participating in national or regional trade shows, and other activities that we, in our sole discretion, deem appropriate.

The Brand Fund will be accounted for separately from our other funds and will not be used to defray any of our general operating expenses, except for the such reasonable salaries, administrative costs and overhead as we may incur in activities reasonably related to the administration of the Brand Fund, its advertising and marketing programs (including, without limitation, conducting market and product/service research, preparing advertising and marketing materials and collecting and accounting for contributions to the Brand Fund and the marketing, advertising, and sale of franchises). We may spend in any fiscal year an amount greater or less than the aggregate contribution of all HRBoost businesses to the Brand Fund in that year and the Brand Fund may borrow from us or other lenders to cover deficits of the Brand Fund or cause the Brand Fund to invest any surplus for future use by the Brand Fund. A report of receipts and disbursements of the Brand Fund, which may be audited, will be prepared annually by us and will be furnished to you upon written request. Currently we have not determined whether or not the Brand Fund will be audited; we will make that decision at a later date.

We will have the right to cause the Brand Fund to be incorporated or operated through an entity separate from us at the time as we deem appropriate, and the entity will have the same rights and duties as we do. Although we will endeavor to utilize the Brand Fund to develop advertising and marketing materials and programs, and to place advertising that will benefit all HRBoost businesses, we undertake no obligation to ensure that expenditures by the Brand Fund in or affecting any geographic area are proportionate or equivalent to your contributions to the Brand Fund or that any HRBoost business will benefit directly or in proportion to its contribution to the Brand Fund from the development of advertising and marketing materials or the placement of advertising.

We will have the right, in our sole discretion, to suspend contributions to and operation of the Brand Fund for one or more periods that we determine to be appropriate and the right to terminate the Brand Fund upon 30 days written notice to you. All unspent monies on the date of termination will be distributed to us, our affiliates and our franchisees in proportion to their respective contributions to the Brand Fund during the preceding 12-month period. We will have the right to reinstate the Brand Fund upon the same terms and conditions set forth in the Franchise Agreement upon 30 days prior written notice to you. Our Affiliate's HRBoost business will contribute to the Brand Fund at a rate that may be different than what you contribute and may not contribute at the same time as you do.

For the year ending December 31, 2024, we neither collected nor spent any Brand Fund contributions for the HRBoost System. (Franchise Agreement – Section 5.L.). We may use any part of the Brand Fund for advertising that is principally a solicitation for the sale of franchises.

Local Advertising and Promotion. You must spend monthly at least two percent of the Gross Sales from the Franchised Business, but we shall not require you to spend more than $2,000 per month if you operate as an Agency Model franchise or $1,000 per month if you operate as a Bridge Builder franchise, for local advertising and promotion of the Franchised Business and the Marks; we can increase these caps on the amount that must be spent monthly by up to and including ten percent per year on a cumulative basis, such amount to be determined by us in our sole discretion. Expenditures in any fiscal year in excess of such minimum advertising requirement shall not be credited against minimum advertising requirements for any other fiscal year. Amounts contributed to the ad-coverage area advertising and promotions requirement pursuant to the paragraph below will be credited towards your requirement for local advertising and promotions under this paragraph. We may review your books and records periodically to determine your expenditures for advertising and promotion and you shall submit an accounting of your expenditures for such required advertising and promotion within fifteen (15) days of the end of each calendar quarter. If we determine that you have not spent the requisite amount, we may require you to pay the unexpended amounts to the Brand Fund. At any time, we may require you to pay the above local advertising and promotions amount to us or to a designated or approved supplier for spending on local advertising and promotions instead of you spending such amounts directly.

Before your use of them, samples of all local advertising, promotion and public relations materials not prepared or previously approved by us must be submitted to us for approval, which will not be unreasonably withheld. If you do not receive written disapproval within fourteen days after the date of receipt by us of the materials, we will be deemed to have given approval. You may not use any advertising, promotion or public relations materials that we have disapproved. (Franchise Agreement - Section 5.L.)

Within one month before, and one month after, the opening of your Franchised Business, you must spend a minimum of $10,000 on local advertising, marketing and promotion of the opening of the Franchised Business in accordance with an opening marketing plan approved by us. These grand opening expenditures are in addition to the Brand Fund contributions specified above. We may require you to pay to the Brand Fund one month before the scheduled opening of the Franchised Business the total amount due for the opening marketing plan (no less than $10,000) which we will then spend on local advertising, marketing and promotion of the opening of the Franchised Business in accordance with an opening marketing plan we develop.

Provided that a majority of the HRBoost locations in your ad-coverage area agree to participate in the program, you must participate in and contribute your share to additional advertising and promotional programs in your ad-coverage area. The cost of the program will be allocated among the locations in the area and each location's share will be in proportion to its sales during the preceding twelve-month period and/or may be a flat amount. "Ad-coverage area" is defined as the area covered by the advertising medium (television, radio or other media) as recognized in the industry. At the time a program is submitted, we will submit a list of all operating locations within the ad-coverage area.

There are currently no advertising councils or local or regional advertising cooperatives.

We may establish, acquire, or host any website(s) to advertise, market, and promote HRBoost businesses, the products and services that they offer and sell, and/or an HRBoost franchise opportunity (each a "Franchise System Website"). We may (but are not required to) provide you with a webpage on a Franchise System Website that references your Franchised Business for informational purposes only. If we provide you with a webpage on a Franchise System Website, you must: (i) provide us the information and materials we request to develop, update, and modify your webpage; (ii) notify us whenever any information on your webpage is not accurate; and (iii) if, from time to time, we give you permission to modify your webpage, notify us whenever you change the content of your webpage about what has changed and when. We will own all intellectual property and other rights in all Franchise System Websites, including your webpage and all information it contains (including the domain name, any associated URL or email address, any website analytical data, and any personal or business data that visitors supply). We may permit you to sell products and/or services through the Franchise System Website from time to time in our sole discretion. You agree to pay all amounts due to us or any designated vendor related to establishing and maintaining its Franchise System Website and/or other online media (*e.g.* establishing its online ordering, booking or reservations platform).

We may use Brand Fund assets to develop, maintain and update any Franchise System Website. We periodically may update and modify any Franchise System Website (including your webpage). We have final approval rights over all information on any Franchise System Website (including your webpage). We may implement and periodically modify system standards relating to any Franchise System Website.

Except as provided above, or as approved by us in writing, you may not develop, maintain or authorize any website, domain name, URL address, email address, other online presence or other electronic medium that mentions your Franchised Business, links to any Franchise System Website or displays any of the Marks, or engages in any promotional or similar activities, whether directly or indirectly, through or on the internet, or any other similar proprietary or common carrier electronic delivery system. (Franchise Agreement - Section 5.L.)

Training Program. Before the start of your Franchised Business, we will provide an initial training on the operation of a Franchised Business for up to two people including you and the Operating Principal. You shall pay our then-current rate per additional person attending the initial training after the first two persons. The initial training may or may not be provided on consecutive days as we determine in our discretion. Although there are no additional fees for this training for the covered persons, you shall pay for all travel, lodging, meals, and other expenses which you, the Operating Principal, and any of your employees incur in connection with training. You, your Operating Principal, and managers must pass the training program to our satisfaction. If you, your managers, and/or your Operating Principal do not pass the training program, we can terminate your Franchise Agreement. We will not be liable to return any franchise fee, any other amounts, or pay any costs or expenses you incur if we terminate your Franchise Agreement because you, your Operating Principal, or your managers do not pass the training program. In the event (i) your initial training attendee(s) fails to pass the initial training and an additional attendee attends in their place or (ii) you send another Operating Principal, manager, or assistant manager to an initial training course for any reason including without limitation due to turnover in your ongoing operations, then you must pay us our then-current training rate per person plus travel, lodging, meals, and other expenses if we approve your request for us to send a representative to conduct the training of another manager or assistant manager or Operating Principal at your location; this rate is currently $600 per person per day plus the expense reimbursement previously described, provided that we may change this rate at any time in our sole discretion. (Franchise Agreement – Section 4.A.)

Before you attend in-person initial training with us, you must successfully complete approximately thirty to forty hours of home study where you will read books on a required pre-training reading list which we will provide, review the operations manual, and compile your own initial list of potential referral sources/channel partners in your general geographic area that we will use together during in-person training.

The initial training program is the same for the Agency Model and the Bridge Builder Model. It lasts approximately ten days plus there is additional pre-work to be completed before you arrive in-person.

We expect that initial training will be conducted within approximately sixty days after you sign your Franchise Agreement. We plan to be flexible in scheduling training to accommodate our personnel, you and your personnel. There currently are no fixed (i.e., monthly or bimonthly) training schedules. The training program consists of the following:

TRAINING PROGRAM

Subject	Hours of Classroom Training	Hours of On-the-Job Training	Location
Introduction	2.5	0	Libertyville, Illinois
Pre-Opening Procedures	3	0	Libertyville, Illinois
Human Resources	7.5	0	Libertyville, Illinois
Client Recruitment	4.5	0	Libertyville, Illinois
Delivering the Client Experience	5	0	Libertyville, Illinois
Shared Resources	1	0	Libertyville, Illinois
Administrative Procedures	1	0	Libertyville, Illinois
Managing Your Business	8	0	Libertyville, Illinois
Marketing	8	0	Libertyville, Illinois
Strategic Alliance Partnerships	4	0	Libertyville, Illinois
Total	44.5	0	

The training is provided by the following individuals who have the respective experience with our Affiliate that is substantially similar to the Franchised Business: Nicole Martin who has at least fourteen years' experience in all aspects of operations of our Affiliate; Sandy Moran who has at least four years' experience in all aspects of operations of our Affiliate; Nicole Solecki who has at least three years' experience in HR management and virtual services for our Affiliate; and Shenise Cook who has at least three years' experience in HR consulting and as Systems Director for our Affiliate. All trainers have over three years' experience training others in their respective field. The Manual will be used as the principal instructional manual.

In addition to the above training, we provide you with up to one day (up to eight hours) of ongoing supervision and assistance by our personnel at your location within six months of opening for business. (Franchise Agreement – Section 4.B.)

Ongoing Training. You must participate, if we require, in up to seven days per calendar year of refresher training in the operations and marketing of the Franchised Business. The refresher training may or may not take place at an annual convention or business meeting of franchisees which we can require you to attend for up to four days once per calendar year. We or a third party whom we designate may provide the ongoing training. The fee for additional training programs or meetings is provided in Item 6 plus you pay all your travel, lodging, meals, and other expenses or our representative's travel, lodging, meals, and other expenses incurred during the training if we send a representative to train a manager or Operating Principal at your premises. We may terminate the Franchise Agreement if you, any manager, and/or your Operating Principal have two or more unexcused absences in any twelve-month period from mandatory ongoing training, and does not subsequently attend all required meetings and trainings during the following twelve-months.. (Franchise Agreement – Sections 5.P and 5.Q.)

Computer. You will need one portable laptop-style computer, smart phone, multi-function printer, and a router per employee, and one portable projector and binding machine for the Franchised Business; we anticipate you will be the only employee when the Franchised Business begins. The estimated initial investment for this technology hardware equipment to purchase ranges from $4,150 to $6,350. You must keep your books and business records according to our formats. To facilitate your reporting to us and other communications, you must maintain certain systems in operating the Franchised Business. We require that you use (i) QuickBooks for your bookkeeping and accounting, which our Affiliate has used since July 2010 and which costs an estimated $250 to $1,000 to set up initially and approximately $50 per month on an ongoing basis per license and we estimate you will need 1-2 licenses, (ii) ZoHo One for your customer database, reports, and general business operations, which our Affiliate has used since September 2016 and which we estimate costs $300 to $350 to set up initially and approximately $37 to $45 per user per month on an ongoing basis and we estimate you will need 1 – 3 licenses, and we may require additional software or hardware in the future. We do not currently directly license any software or offer any certifications. We and/or our designee will have independent, direct, continuous recurring access to the information and data you maintain including bookkeeping, accounting, and record keeping statements, system, technology, and/or software; and there are no contractual limitations on our right to access the information and data. We are not obligated to repair the computer system. No organization has the contractual right or obligation to provide maintenance, repairs, upgrades or updates. We require that you obtain an information technology ("IT") support contract with our designated third-party IT support provider for your computer system; the current initial setup cost of our designated third-party IT support provider is $500, and on a monthly basis costs approximately $250 per month for the first individual, and increases thereafter by $100 per month per additional individual. You may be required to upgrade or update any computer hardware or software program during the term of the Franchise Agreement. There are no contractual limitations on the frequency or costs associated with this obligation. Upgrades, support and maintenance by third-parties could cost $2,000 to $3,000 or more annually. We and/or our affiliates may condition any purchase, lease, or license of any required or recommended software, technology or hardware to you, and/or your use of technology developed, administered or maintained by or for us, on you signing or consenting to a license agreement or similar document that we and our affiliates periodically specify to regulate your use of, and our (or affiliate's) and your respective rights and responsibilities with respect to, the software or technology. We may, or we may require any designated software, technology, or hardware provider to, terminate your access to and use of any software, technology, or hardware if you are delinquent on any payments due to us or our affiliates, suppliers, or vendors or otherwise in default of this Agreement. You shall execute any required license and/or services agreement for any software program we require and including without limitation for changes or increases to fees and/or changes to any aspects of the software may be made effective upon ten (10) days prior notice to you.

Time for Opening. The typical length of time between the signing of the Franchise Agreement and the start of your Franchised Business is sixty days. Some of the factors affecting this length of time include obtaining a satisfactory site, negotiating a lease, your financing arrangements, completion of leasehold improvements, delivery and installation of equipment and signage, weather conditions, employee hiring and training, and your own timetable.

ITEM 12. TERRITORY

You will not receive an exclusive territory. You may face competition from other franchisees, from outlets that we own, or from other channels of distribution or competitive brands we control. We anticipate you will operate from a home office. If you choose to have an office outside of your home, your Franchised Business will operate from a specific location we approve either at the time you sign your Franchise Agreement or you will select a location to be approved by us and obtain lawful possession of it through a lease before the deadline to commence operating the Franchised Business described in Item 11.

You must focus your marketing efforts on developing the Franchised Business. We reserve the right (but are not required) to restrict where you may conduct marketing and solicitation of customers, including without limitation to only be within certain zip codes, if we believe you are knowingly or intentionally interfering with the marketing efforts of other franchisees.

We may enfranchise or operate any other HRBoost business anywhere. We may operate and enfranchise anywhere any business under different trademarks and shall be allowed to conduct anywhere any business using the Marks or System on the Internet or by any other alternate channel of distribution. You do not receive any options, rights of first refusal or similar rights to acquire additional franchises.

You will not have nor may you claim any rights towards any particular customer or customer lead or referral (collectively referred to as a "Prospect") until and unless you have had an in-person, telephonic, or virtual fifteen (15) consecutive minutes meeting (a "Meeting") with the Prospect. You may pursue any Prospect with which you have had a Meeting in the prior six (6) months without knowing interference from us or any other franchisee. In the event that a particular Prospect does not sign a contract with you after a Meeting within six (6) months of the date of the initial meeting between you and such Prospect, thereafter you shall not have and may not claim any rights from knowing interference towards any particular Prospect. Any alleged Prospect is subject to the terms regarding national and regional accounts pursuant to the Franchise Agreement and the Operations Manual, which may mean you do not have any rights towards such customer, customer lead, or referral.

Notwithstanding the above provisions, we and our affiliates retain, the right, in our sole discretion, to acquire, be acquired by, merge, affiliate with or engage in any transaction with other businesses (whether similar, competitive, or not), with facilities located anywhere, and including arrangements in which (i) other facilities are (or are not) converted to the HRBoost brand or other format (including using the System and/or Marks) and/or (ii) we and/or any of our affiliates are acquired, and/or franchisor-owned, franchised or other businesses are converted to another format, maintained under the System or otherwise. All Franchised Businesses you own will fully participate in any such conversion, at your expense; provided, however, you shall have a period of twelve months to complete the conversion for a Franchised Business, and we will contribute a pro-rated amount up to $5,000, based upon the remaining term of the franchise agreement, toward the costs and expense of replacing exterior and interior signage at the Franchised Business.

As an Agency Model franchise, there is a minimum performance obligation. Your Agency Model franchise rights depend on achieving the minimum Gross Sales stated herein. If you do not meet any of the minimum Gross Sales requirement(s) described in Franchise Agreement Section 5.W, we may require you to receive additional training at your sole cost, may impose other corrective measures and requirements, and/or the we may terminate the Franchise Agreement. As an Agency Model franchise, you must achieve minimum Gross Sales of: $150,000 during the first 12 whole or partial months of operation; $350,000 during months 13 – 24 of operations (whole or partial); $550,000 during months 25 – 36 of operations (whole or partial); $700,000 during months 37 – 48; and $800,000 in any twelve-month period occurring during months 49 and thereafter of operations (whole or partial). Upon any renewal or successor franchise agreement, the minimum performance obligations will begin from your most recent prior obligation and may be increased thereafter; the minimum performance obligation do not reset below the most recent prior obligation. Bridge Builder Model franchises are not subject to any minimum performance obligation.

We will handle any negotiations and contracts for any national or regional accounts, if any. We will have the ability to assign you the responsibility of handling onsite issues for a national or regional client based upon the procedures and fees specified in the Operations Manual.

We have used and reserve the right to use other channels of distribution, such as the Internet, catalog sales, telemarketing, or other direct marketing, to make sales within your territory using our principal trademarks. We have not used but reserve the right to use other channels of distribution, such as the Internet, catalog sales, telemarketing, or other direct marketing, to make sales within your territory of products or services under trademarks different from the ones the franchisees will use under the Franchise Agreement. There is no compensation that we must pay for soliciting or accepting orders from inside your territory. Except as we may permit from time to time in our sole discretion, you are prohibited from selling products or services by the Internet or by mail order or catalog. Except as we may permit from time to time in our sole discretion, you do not have the right to use other channels of distribution, such as the Internet, catalog sales, telemarketing, or other direct marketing, to make sales. Except as we may permit from time to time in our sole discretion, you are prohibited from selling any products or components of the products or services at wholesale.

Neither the franchisor nor any affiliate operates, franchises, or currently has plans to operate or franchise a business under a different trademark which sells or will sell goods or services similar to those the franchisee will offer.

If you want to relocate your HRBoost business, you must notify us in writing and pay us our then-current relocation fee (currently $2,000) at least 60 days before the relocation. In addition, for any supervision or assistance by our personnel at your location around when the Franchised Business re-opens to the public, you shall pay us the then current daily fee for our personnel, plus other actual expenses, including without limitation all travel, lodging, meals and other expenses. We reserve the right to refuse to approve a proposed relocation if we believe that the proposed relocation is for any reason not acceptable to us. Our judgment may be based on factors such as the proximity to existing or proposed locations owned by other franchisees or us, the suitability of the proposed facilities, compliance with our then current franchise location requirements, the competitiveness within the marketplace or other factors.

There are no other circumstances that permit us to modify your territorial rights.

ITEM 13. TRADEMARKS

HRBoost Trademark. The principal trademark to be licensed to you is the design mark shown below that contains the word “HRBoost”. This trademark is owned by our Affiliate, HRBoost, LLC, and the trademark is licensed to us for a perpetual term. Our Affiliate registered this trademark with the United States Patent and Trademark Office (“USPTO”) on September 7, 2021 on the Principal Register under Registration Number 6,474,589.

Mark	**Serial or Registration Number**	**Principal or Supplemental Register**	**Application or Registration Date**
HRBOOST	6,474,589	Principal Register	September 7, 2021

There are no currently effective material determinations of the USPTO, the Trademark Trial and Appeal Board, or any state trademark administrator or court. There is no pending infringement, opposition or cancellation action, nor any pending material federal or state court litigation regarding our use or ownership rights in the trademark. There are no agreements which significantly limit our right to use or license the use of the principal trademark in any manner material to the franchise.

Infringements. You must immediately notify us of any apparent infringement of or challenge to your use of any Mark, or claim by any person of any rights in any Mark, and you may not communicate with any person other than us and our counsel in connection with any infringement, challenge or claim. We and our affiliates will have sole discretion to take action as we deem appropriate and the right to exclusively control any litigation or USPTO or other proceeding arising out of any such infringement, challenge or claim or otherwise relating to any Mark and you must sign any and all instruments and documents, render assistance and actions as may, in the opinion of our or our affiliates' counsel, be necessary or advisable to protect and maintain our interests in any litigation or USPTO or other proceeding or to otherwise protect and maintain our interests in the Marks.

We will indemnify you against, and reimburse you for, all damages for which you are held liable in any proceeding in which your use of any Mark, pursuant to and in compliance with the Franchise Agreement, is held to constitute trademark infringement, unfair competition or dilution, 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 the claim or proceeding and have otherwise complied with the Franchise Agreement. We, in our discretion, will be entitled to defend any proceeding arising out of your use of any Mark pursuant to the Franchise Agreement, and, if we undertake the defense of the proceeding, we will have no obligation to indemnify or reimburse you for any fees or disbursements of counsel you retain.

If it becomes advisable at any time in our sole discretion for us and/or you to modify or discontinue use of any Mark, and/or use one or more additional or substitute trade or service marks, you must comply with our instructions within a reasonable time after notice by us (agreed not to exceed sixty (60) days), and our sole liability and obligation in any event will be to reimburse you for your out-of-pocket costs of complying with this obligation.

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

ITEM 14. PATENTS, COPYRIGHTS, AND PROPRIETARY INFORMATION

No patents or registered copyrights are material to the franchise. We and our affiliates claim copyright protection of our Operations Manual and related materials although these materials have not been registered with the United States Registrar of Copyrights. The Operations Manual and related materials are considered proprietary and confidential and are considered the property of us and our affiliates and may be used by you only as provided in the Franchise Agreement. You may not use our confidential information in any unauthorized manner and must take reasonable steps to prevent its disclosure to others.

You will be entitled to use of the copyrighted and proprietary materials during the term of the franchise. There are no currently effective material determinations of the USPTO, the United States Copyright Office, or a court regarding the copyrighted materials. There are no agreements that significantly limit our rights to use or license the use of the copyrighted or proprietary materials. There is no provision in the Franchise Agreement specifically obligating us to protect your rights to use of the proprietary or copyrighted materials, but we will respond to this information as we deem appropriate. There are no infringing uses known to us which would materially affect your use of the proprietary and/or copyrighted materials.

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

Under the Bridge Builder Model, you may not have any employees or independent contractors that provide Services; instead, you will be an owner-operator only business. You will be the designated "Operating Principal" (as hereinafter defined) under the Bridge Builder Model. To have employees and others work for you, you would have to purchase and convert to an Agency Model Franchised Business (if the Agency Model is available in the future).

If you operate under the Agency Model, you must designate an "Operating Principal" who shall devote full time and best efforts to the Franchised Business and the Operating Principal shall have full authority regarding all operational decisions about the Franchised Business. During at least the first thirty-six consecutive months of operations at the first Agency Model HRBoost business you own, you must be the Operating Principal. After at least the first thirty-six consecutive months of operations at the first Agency Model HRBoost business you own, you may be the Operating Principal or if (a) the Franchised Business has achieved Gross Sales of at least $650,000 received during months 25 through 36 of its operations, and (b) you have not received any notice of default (whether cured or uncured) in the twelve months immediately preceding the date you seek to have an Operating Principal, then you may designate an Operating Principal other than yourself (i) who has successfully completed all training we require including payment for such training at the rates established by us, and (ii) whom we have pre-approved to be the Operating Principal.

In the event the Franchised Business loses its Operating Principal for any reason, a new Operating Principal must be obtained and designated within forty-five days of the date of separation of the immediately prior Operating Principal. The Franchised Business must at all times be under the continuous, direct, on-premises supervision of Franchisee, Operating Principal or Franchisee's designated manager who has attended and passed the training program.

You, your owners, shareholders, members, partners, your spouse, and the spouse of any owner, shareholder, member or partner must sign the Franchise Agreement personally, meaning each will be jointly and severally, personally, bound by and personally liable for the breach of every provision of the Franchise Agreement, including without limitation the confidentiality and non-competition provisions. If an entity operates the Franchised Business or is the Franchisee entity at any point, each owner of such entity and each such owner's spouse shall be deemed to personally guarantee all obligations of the Franchise Agreement; all such owners and spouses must execute a guaranty and assumption of obligations concurrently with when Franchisee is an entity and continuously thereafter, provided however that the lack of execution shall not mean that the owners and spouses are not guarantors.

You may not delegate or subcontract to any other party, or otherwise use resources outside the Franchised Business, to fulfill your obligations to us or to any customer. Your workers must be regular "W-2" employees, not independent contractors.

ITEM 16. RESTRICTIONS ON WHAT THE FRANCHISEE MAY SELL

You must offer and sell only those goods and services which we have approved. You must also offer all goods and services that we designate. All goods and services provided by you must be presented in accordance with our System Standards. We have the right to change the types of authorized goods or services. There are no specific limitations in the Franchise Agreement on this right. We may set days and hours of operation and required days and times for product and service preparation that may change from time to time and we may set minimum and maximum prices for products and services offered or sold by the Franchised Business, to the extent legally permissible; other than this, we do not impose any restrictions or conditions that limit your access to customers.

Unless/until your Franchised Business becomes a certified partner of PS Culture Matters, and maintains such certification, neither you nor the Franchised Business may provide any organizational culture assessments and you agree to refer any such organizational culture assessment requests to us or our designee. You must not (i) offer professional employer organization ("PEO") services such as employing a customer's employees and "leasing" them back to the customer, (ii) broker or otherwise offer any insurance or other benefits; (iii) provide legal advice; (iv) provide any telephone "hotline" or other means of customer support which we have not pre-approved; (v) provide any interim staffing services (*e.g.* placement services for temporary workers); or (vi) supply any software or software as a service tools to customers.

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

THE FRANCHISE RELATIONSHIP

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

Provision	Section in franchise or other agreement	Summary
a. Length of the franchise term	Section 6	10 years
b. Renewal or extension of the term	Section 6	If you have substantially complied with the Franchise Agreement, you can renew for three additional 5-year terms.
c. Requirements for franchisee to renew or extend	Section 6	Written notice of intent to renew, sign new franchise agreement and release, pay renewal fee, refurbish or remodel the premises, and replace furnishings and equipment to be in compliance with our then current standards. If you seek to renew your franchise at the expiration of the initial term or any renewal term, you may be asked to sign a new franchise agreement that contains terms and conditions materially different from those in your previous franchise agreement, such as different fee requirements and territorial rights.
d. Termination by franchisee	Section 7.A	If we breach a material provision of the Franchise Agreement, and do not cure within a reasonable time, which in no event will be less than 90 days, after your notice to us, you may terminate 10 days after delivery of notice of termination.
e. Termination by franchisor	Not applicable.	Not applicable.

Provision	Section in franchise or other agreement	Summary
without cause		
f. Termination by franchisor with cause	Section 7	We can terminate only if you commit any one of several listed violations.
g. "Cause" defined – curable defaults	Sections 7.B and 7.C	You have 10 days to cure for non-payment of sums to us, affiliates, suppliers, lessors or landlords; 30 days for failure to submit reports or financial data; 30 days for all other curable breaches of the Franchise Agreement or the Operations Manual or other operational memoranda or use of bad faith in carrying out terms of these franchise provisions.
h. "Cause" defined – non-curable defaults	Sections 5.G, 5.J.7, and 5.W. Sections 7.B and 7.C	Non-curable defaults: failure by you or your managers or Operating Principal to pass the training program; failure to provide us a copy of your fully signed lease for the Franchised Business (if applicable) or commence operating the Franchised Business within ninety days after the date of the Franchise Agreement; insolvency; abandonment; termination of lease; under reporting Gross Sales twice in a two year period; conviction of a felony; impairment of Marks or System; loss of business license; loss of designated Operating Principal and failure to replace within 45 days of separation; unsafe business operation; unauthorized transfer; unexcused absences from mandatory training twice in a twelve-month period; breach of other agreements with us or our affiliates; repeated non-sufficient funds payments by check or electronic transfer or defaults even if cured; and repeated unfair handling of customer complaints.
i. Franchisee's obligations on termination/non-renewal	Section 5.0; Section 7.E; and Section 11.E	Pay amounts owed; return the Operations Manual and any Software Program and return or destroy all other materials; stop using Marks, System and confidential information; de-identify yourself from us; cancel assumed names; return to us any signs utilizing the Marks; provide us with the names, addresses, telephone numbers, email addresses, copies of agreements and any other data of all

Provision	Section in franchise or other agreement	Summary
		customers; assign to us or our designee your telephone and facsimile numbers, and email and internet addresses, websites, domain names, social media sites and search engine identifiers; assign your customer contracts and/or your lease to us, at our option; grant to us a security interest; pay all actual, liquidated and consequential damages; and adhere to non-disparagement and non-competition provisions. (also see r, below).
j. Assignment of contract by franchisor	Section 8.A	No restriction on our right to assign.
k. "Transfer" by franchisee – defined	Section 8.B	Includes any type of transfer of the Franchise Agreement or assets or any ownership change.
l. Franchisor approval of transfer by franchisee	Section 8.B	We have the right to approve all transfers but will not unreasonably withhold approval.
m. Conditions for franchisor approval of transfer	Section 8.B	Transferee qualifies; all amounts due are paid in full; you are not in default; the transferee complies with training requirements; transferee has received required disclosure documents; then current form of franchise agreement signed; transferee assumes remaining obligations under your agreements; transfer fee paid; referral fee paid, if due; assets have been refurbished, remodeled or replaced; lessor consent to lease assignment, if necessary; general releases signed; guaranty of performance may be required; right of first refusal declined by us; and subordination to our interests of any amounts due by transferee to you and/or any of your principals. (also see r below).
n. Franchisor's right of first refusal to acquire franchisee's business	Section 8.D	We can match any offer for your business, except broker's fees are excluded. Cash may be substituted for any form of payment proposed.
o. Franchisor's option to purchase franchisee's business	Section 7.F	Option to purchase some or all equipment, supplies, inventory, advertising materials and any items with our logo, for cash at fully depreciated book value (also expressly agreed to exclude any value for goodwill), exercisable up to 90 days

Provision	Section in franchise or other agreement	Summary
		after termination or expiration.
p. Death or disability of franchisee	Section 8.E	You must assign franchise to an approved buyer within 180 days. All transfer provisions and management fees of section 8 of the Franchise Agreement apply.
q. Non-competition covenants during the term of the franchise	Section 5.K	No business offering (i) HR consulting, (ii) payroll services or administration of third-party payroll services, (iii) PEO services such as employing a customer's employees and "leasing" them back to the customer, administrative roles, preparing payroll and tax reports, governmental or legal compliance services, and/or offering health insurance; (iv) broker or otherwise offer any insurance or other benefits; (v) provide legal advice and/or employment law review, advice, or consultation; (vi) provide any interim staffing services (e.g. placement services for temporary workers); (vii) other shared employment related services, or (viii) other services or goods offered by the Franchised Business, nor an organization franchising a similar business. Not solicit or employ or contract with any current or former employee or independent contractor of us or any other HRBoost business at any time during the twelve-month period immediately prior thereto.
r. Non-competition covenants after the franchise is terminated or expires	Section 7.G	No business offering (i) HR consulting, (ii) payroll services or administration of third-party of payroll services, (iii) PEO services such as employing a customer's employees and "leasing" them back to the customer, administrative roles, preparing payroll and tax reports, governmental or legal compliance services, and/or offering health insurance; (iv) broker or other otherwise offer any insurance or other benefits; (v) provide legal advice and/or employment law review, advice, or consultation; (vi) provide any interim staffing services (e.g.

Provision	Section in franchise or other agreement	Summary
		placement services for temporary workers); (vii) other shared employment related services, or (viii) other services or goods offered by the Franchised Business for 3 years within 30 miles of your former HRBoost business location, or within 30 miles of any other HRBoost business. No organization franchising a similar business for 3 years. No solicitation or acceptance of business from former customers for 3 years. Not solicit or employ or contract with any current or former employee or independent contractor of you, us or any other HRBoost business at any time during the twelve-month period immediately prior thereto for 3 years.
s. Modification of the agreement	Sections 11.D and 5.H	Modification by written agreement signed by you and us. The Operations Manual can be revised and modified by us.
t. Integration/merger clause	Section 11.D	Only the terms of the Franchise Agreement (including System Standards in the Operations Manual) are binding (subject to state and federal law). Any statements or promises not in the Franchise Agreement and this disclosure document should not be relied upon and may not be enforceable. No claim made in any franchise agreement is intended to disclaim the express representations made in this Franchise Disclosure Document.
u. Dispute resolution by arbitration or mediation	Section 9	Except for certain claims, all parties must make a good faith effort to resolve disputes by non-binding mediation conducted in the Libertyville, Illinois metropolitan area (or, if our headquarters is no longer in Libertyville, Illinois, then in such county where our headquarters is located). Otherwise, except for certain claims, all disputes must be arbitrated in the city where our headquarters is located when the proceedings are conducted.
v. Choice of forum	Section 9.H	Court litigation must be in any state or federal court of general jurisdiction

Provision	Section in franchise or other agreement	Summary
		over Lake county, Illinois (or if our headquarters is no longer in Libertyville, Illinois, then in such county where our headquarters is located when the proceedings are conducted). (subject to applicable state law).
w. Choice of law	Section 9.H	Except for the Federal Arbitration Act and other federal law, Illinois law applies (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.

<u>BACKGROUND, DEFINITIONS, ASSUMPTIONS AND DIFFERENTIATING FACTORS:</u>

This financial performance representation discloses the historical performance of the one HRBoost Company-Owned business that has operated for at least one full calendar year as of December 31, 2024 ("Operating Businesses"). It is a Company-Owned business owned by our Affiliate that is substantially similar to an Agency Model business. The figures below cover the calendar years 2019, 2020, 2021, 2022, 2023, and 2024. There were no Franchisee-Owned businesses. No HRBoost business has closed after being open. Our Company-Owned business has operated since July 2010.

Neither we nor our Affiliate operates or has operated a business similar to the Bridge Builder Model franchise and we do not make any financial performance statements or claims regarding the Bridge Builder Model.

The term "Gross Sales," attributable to an Agency Model franchise means, using an accrual basis, all billed sales or revenues, derived directly or indirectly from the Franchised Business, including on-premises sales and monies derived at or away from the Franchised Business, whether from cash, check, credit and debit card, third-party payment related to a customer of the Franchised Business (e.g. insurance payment or reimbursement), trade credit or credit transactions, including business interruption insurance proceeds and service charges in lieu of gratuity, but excluding (i) sales taxes collected from customers and paid to the appropriate taxing authority and (ii) the amount of all coupons and/or discounts redeemed at the Franchised Business (but only if the coupons and discounts have been previously approved by us as provided in the Franchise Agreement and only if such coupons and discounts have been included in Gross Sales). Under the Agency Model, the Gross Sales are received and deposited by and are deemed to belong to you.

"Company-Owned business" means a business owned by us or our Affiliate, HRBoost, LLC.

"Franchisee-Owned business" means a business operated under a franchise agreement that is not a Company-Owned business.

COMPANY-OWNED OPERATING BUSINESSES:

As of the end of calendar years 2019, 2020, 2021, 2022, 2023, and 2024, 1 out of 1 Company-Owned businesses were Operating Businesses. (100%).

Company-Owned Business Following Agency Model

Calendar Year	**Gross Sales**
2019	$701,713
2020	$582,994
2021	$1,149,843
2022	$1,166,973
2023	$1,132,370
2024	$1,146,860

We do not know of any characteristics of the business that may differ materially from those of the business you may open.

Some units have sold this amount. Your individual results may differ. There is no assurance that you'll sell as much.

Our management prepared this financial performance representation based on information provided by our Affiliate that we believe to be reliable. This financial performance representation was prepared without an audit. Prospective franchisees and sellers of franchises should be advised that no certified public accountant has audited these figures or expressed his/her opinion with regard to their contents or form. Written substantiation for the financial performance representation will be made available to the prospective franchisee upon reasonable request.

Other than the preceding financial performance representation, HRBoost US Franchising LLC does not make any financial performance representations. 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 Nicole Martin at HRBoost US Franchising LLC, 1930 Innovation Way, Suite 231, Libertyville, Illinois 60048, (847) 449-8585, the Federal Trade Commission, and the appropriate state regulatory agencies.

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ITEM 20. OUTLETS AND FRANCHISEE INFORMATION

Table No. 1

Systemwide Outlet Summary
For Years 2022 to 2024

Outlet Type	Year	Outlets at the Start of the Year	Outlets at the End of the Year	Net Change
Franchised	2022	0	0	0
	2023	0	0	0
	2024	0	0	0
Company-Owned	2022	1	1	0
	2023	1	1	0
	2024	1	1	0
Total Outlets	2023	1	1	0
	2023	1	1	0
	2024	1	1	0

Table No. 2

Transfers of Outlets from Franchisees to New Owners
(other than the Franchisor or an Affiliate)
For Years 2022 to 2024

State	Year	Number of Transfers
Florida	2022	0
	2023	0
	2024	0
Illinois	2022	0
	2023	0
	2024	0
Total	2022	0
	2023	0
	2024	0

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Table No. 3

Status of Franchise Outlets
For Years 2022 to 2024

State	Year	Outlets at Start of Year	Outlets Opened	Termina-tions	Non-Renewals	Reacquired by Franchisor	Ceased Operations - Other Reasons	Outlets at the End of the Year
Florida	2022	0	0	0	0	0	0	0
	2023	0	0	0	0	0	0	0
	2024	0	0	0	0	0	0	0
Illinois	2022	0	0	0	0	0	0	0
	2023	0	0	0	0	0	0	0
	2024	0	0	0	0	0	0	0
Total	2022	0	0	0	0	0	0	0
	2023	0	0	0	0	0	0	0
	2024	0	0	0	0	0	0	0

Table No. 4

Status of Company and Affiliate-Owned Outlets
For Years 2022 to 2024

State	Year	Outlets at Start of the Year	Outlets Opened	Outlets Reacquired From Franchisees	Outlets Closed	Outlets Sold to Franchisees	Outlets at End of the Year
Florida	2022	0	0	0	0	0	0
	2023	0	0	0	0	0	0
	2024	0	0	0	0	0	0
Illinois	2022	1	0	0	0	0	1
	2023	1	0	0	0	0	1
	2024	1	0	0	0	0	1
Totals	2022	1	0	0	0	0	1
	2023	1	0	0	0	0	1
	2024	1	0	0	0	0	1

Table No. 5

Projected Openings
As of December 31, 2024

State	Franchise Agreements Signed But Outlet Not Opened	Projected New Franchised Outlets in the Next Fiscal Year	Projected New Company-Owned Outlets in the Next Fiscal Year
Florida	0	1	0
Illinois	0	1	0
Total	0	2	0

The exhibits in Exhibit C provide franchisee information. Exhibit C-1 lists the names of all of our operating franchisees and the addresses and telephone numbers of their Franchised Businesses as of December 31, 2024. Exhibit C-2 lists the franchisees who have signed Franchise Agreements for Franchised Businesses which are not yet operational as of December 31, 2024.

There is no franchisee who 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 has not communicated with us within ten weeks of the issuance of this disclosure document. If you buy this franchise, your contact information may be disclosed to other buyers when you leave the franchise system.

During the last three fiscal years, we have not signed any confidentiality clauses with current or former franchisees which would restrict them from speaking openly with you about their experience with us. We do not restrict your communications with the Federal Trade Commission or any other state or federal law enforcer about potential law violations.

There is no trademark-specific franchisee organization associated with the franchise system which the franchisor has created, sponsored or endorsed. There is no independent trademark-specific franchisee organization which has asked to be included in the disclosure document.

ITEM 21. FINANCIAL STATEMENTS

Exhibit D contains our audited financial statements for the fiscal year ending December 31, 2024, and our audited opening balance sheet dated March 31, 2024, and our unaudited balance sheet and statement of profit and loss as of April 30, 2025. We have not been in business for three years or more and cannot include all the financial statements required by the FTC Franchise Rule. Our fiscal year ends on each December 31st.

ITEM 22. CONTRACTS

Exhibit E contains the Franchise Agreement with State Specific Addenda.
Exhibit F contains the General Release.

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.

ITEM 23. RECEIPTS

Exhibit H contains detachable documents acknowledging your receipt of the disclosure document. The receipt is signed by all prospective franchisees and their spouses.

EXHIBIT A

STATE ADMINISTRATORS

California

Department of Financial Protection and Innovation
2101 Arena Boulevard
Sacramento, California 95834
(916) 327-7585
www.dfpi.ca.gov
toll free number 1-866-275-2677
email Ask.DFPI@dfpi.ca.gov

Hawaii

Hawaii Commissioner of Securities
Department of Commerce and Consumer Affairs
Business Registration Division
State of Hawaii
335 Merchant Street, 2nd Floor
Honolulu, Hawaii 96813
(808) 586-2744

Illinois

Franchise Bureau
Office of Attorney General
500 South Second Street
Springfield, Illinois 62706
(217) 782-4465

Indiana

Franchise Section
Indiana Securities Division
302 West Washington, Room E-111
Indianapolis, Indiana 46204
(317) 232-6681

Maryland

Office of the Attorney General
Securities Division
200 St. Paul Place
Baltimore, Maryland 21202
(410) 576-6360

Michigan

State of Michigan
Department of Attorney General
Consumer Protection
Attention: Franchise Section
525 West Ottawa Street
G. Mennen Williams Building, 1st Floor
Lansing, Michigan 48933
(517) 335-7567

Minnesota

Minnesota Department of Commerce
85 7th Place East, Suite 280
St. Paul, Minnesota 55101-2198
(651) 539-1600

New York

NYS Department of Law
Investor Protection Bureau
28 Liberty St., 21st Fl
New York, New York 10005
(212) 416-8222

North Dakota

North Dakota Securities Department
600 East Boulevard Avenue, 5th Floor
Bismarck, North Dakota 58505-0510
(701) 328-4712

Oregon

Department of Consumer and Business Services
Division of Finance and Corporate Securities
State of Oregon
Labor and Industries Building
350 Winter Street, N.E.
Salem, Oregon 97301
(503) 378-4140

Rhode Island

Securities Division
Department of Business Regulations
State of Rhode Island
1511 Pontiac Avenue, Bldg. 69-1
Cranston, Rhode Island 02920
(401) 462-9527

South Dakota

Director
Division of Securities
Department of Labor and Regulation
State of South Dakota
124 South Euclid, Suite 104
Pierre, South Dakota 57501
(605) 773-4823

Virginia

State Corporation Commission
Division of Securities and Retail Franchising
Commonwealth of Virginia
1300 East Main Street, 9th Floor
Richmond, Virginia 23219
(804) 371-9051

Washington

Director
Department of Financial Institutions
Securities Division
State of Washington
150 Israel Road, S.W.
Tumwater, Washington 98501
(360) 902-8760

Wisconsin

Administrator of Division of Securities
Department of Financial Institutions
345 West Washington Avenue, 4th Floor
Madison, Wisconsin 53703
(608) 266-2801

EXHIBIT B

AGENTS FOR SERVICE OF PROCESS

California

Commissioner of Financial Protection and Innovation
Department of Financial Protection and Innovation
2101 Arena Boulevard
Sacramento, California 95834
www.dfpi.ca.gov
toll free number 1-866-275-2677
email Ask.DFPI@dfpi.ca.gov

Hawaii

Hawaii Commissioner of Securities
Department of Commerce and Consumer Affairs
Business Registration Division
State of Hawaii
335 Merchant Street, 2nd Floor
Honolulu, Hawaii 96813

Illinois

Illinois Attorney General
State of Illinois
500 South Second Street
Springfield, Illinois 62706

Indiana

Secretary of State
State of Indiana
201 Statehouse
Indianapolis, Indiana 46204

Maryland

Maryland Securities Commissioner
Office of the Attorney General
Securities Division
200 St. Paul Place
Baltimore, Maryland 21202

Michigan

State of Michigan
Department of Attorney General
Consumer Protection
Attention: Franchise Section
525 West Ottawa Street
G. Mennen Williams Building, 1st Floor
Lansing, Michigan 48933

Minnesota

Commissioner of Commerce
Minnesota Department of Commerce
Securities Unit
85 7th Place East
St. Paul, Minnesota 55101

New York

New York Department of State
One Commerce Plaza,
99 Washington Avenue, 6th Floor
Albany, New York 12231-0001
(518) 473-2492

North Dakota

North Dakota Securities Department
600 East Boulevard Avenue, 5th Floor
Bismarck, North Dakota 58505-0510

Oregon

Director
Department of Consumer and Business Services
Division of Finance and Corporate Securities
State of Oregon
Labor and Industries Building
350 Winter Street, N.E.
Salem, Oregon 97301

Rhode Island

Director of Business Regulation
Department of Business Regulation
Divisions of Securities
State of Rhode Island
1511 Pontiac Avenue, Bldg. 69-1
Cranston, Rhode Island 02920

South Dakota

Director of the Division of Securities
Department of Labor and Regulation
State of South Dakota
124 South Euclid, Suite 104
Pierre, South Dakota 57501

Virginia

Clerk, Virginia State Corporation Commission
State of Virginia
1300 East Main Street
Richmond, Virginia 23219

Washington

Director of Financial Institutions
Securities Division
State of Washington
150 Israel Road, S.W.
Tumwater, Washington 98501

Wisconsin

Administrator, Division of Securities
Department of Financial Institutions
345 West Washington Avenue, 4th Floor
Madison, Wisconsin 53703

EXHIBIT C

FRANCHISEE INFORMATION
As of December 31, 2024

EXHIBIT C-1: OPERATING FRANCHISES

None

EXHIBIT C-2: FRANCHISES NOT YET OPERATING

None

Exhibit D

HRBOOST US FRANCHISING LLC

FINANCIAL STATEMENTS

UNAUDITED: APRIL 30, 2025

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

AUDITED FINANCIAL STATEMENTS: DECEMBER 31, 2024; MARCH 31, 2024

HRBOOST US FRANCHISING LLC

FINANCIAL STATEMENTS

WITH INDEPENDENT AUDITOR'S REPORT

December 31, 2024

KEZOS & DUNLAVY
Certified Public Accountants
& Business Advisors

HRBOOST US FRANCHISING LLC

Table of Contents

KEZOS & DUNLAVY
Certified Public Accountants
& Business Advisors

Independent Auditor's Report

To the Member
HRBoost US Franchising LLC
Libertyville, IL

Opinion

We have audited the accompanying financial statements of HRBoost US Franchising LLC ("the Company") which comprises the balance sheet as of December 31, 2024, and the related statement of operations, member's deficit, and cash flows for the year 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 HRBoost US Franchising LLC as of December 31, 2024, and the results of its operations and its cash flows for the year the ended, in accordance with accounting principles generally accepted in the United States of America.

Emphasis of Matter

The financial statements of HRBoost US Franchising LLC for the period from January 1, 2024 to March 31, 2024, were previously audited by us, and our report dated June 5, 2024 expressed an unqualified opinion on those financial statements. The financial statements presented in this report cover and supersede those previously issued on June 5, 2024 through the period ended March 31, 2024. Our opinion is not modified in respect of this matter.

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.

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.

Restrictions on Use

The use of this report is restricted to inclusion within the Company's Franchise Disclosure Document (FDD) and is not intended to be, and should not be, used or relied upon by anyone for any other use.

Kezos & Dunlavy

St. George, Utah
May 5, 2025

HRBOOST US FRANCHISING LLC

BALANCE SHEET

As of December 31, 2024

		2024
Assets		
Current assets		
Cash and cash equivalents	$	22,023
Total current assets		22,023
Total assets	$	22,023
Liabilities and Member's Deficit		
Current liabilities		
Accounts payable	$	23,169
Total current liabilities		23,169
Total liabilities		23,169
Member's deficit		(1,146)
Total liabilities and member's deficit	$	22,023

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

HRBOOST US FRANCHISING LLC
STATEMENT OF OPERATIONS
For the year ended December 31, 2024

		2024
Operating revenue		
Operating revenue	$	-
Operating expenses		
General and administrative		1,039
Professional fees		30,908
Total operating expenses		31,947
Net loss	$	(31,947)

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

HRBOOST US FRANCHISING LLC

STATEMENT OF MEMBER'S DEFICIT

For the year ended December 31, 2024

Balance at January 1, 2024	$	-
Member contribution		47,006
Member distribution		(16,205)
Net loss		(31,947)
Balance at December 31, 2024	$	(1,146)

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

HRBOOST US FRANCHISING LLC

STATEMENT OF CASH FLOWS

For the year ended December 31, 2024

		2024
Cash flows from operating activities:		
Net loss	$	(31,947)
Adjustments to reconcile net loss to net cash used in operating activities:		
Changes in operating assets and liabilities:		
Accounts payable and accrued expenses		23,169
Net cash used in operating activities		(8,778)
Cash flows from financing activities:		
Member contributions		47,006
Member distributions		(16,205)
Net cash provided by financing activities		30,801
Net change in cash		22,023
Cash at the beginning of the period		-
Cash at the end of the period	$	22,023
Supplementary disclosures of cash flows		
Cash paid for interest and taxes	$	-

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

(1) Nature of Business and Summary of Significant Accounting Policies

(a) Nature of Business

HRBoost US Franchising LLC (the “Company") was formed as a limited liability company on December 28, 2023, in the state of Illinois for the planned principal purpose of offering and selling franchises that provide outsourced human resource consulting, payroll services, and other shared services for employers. The Company’s activities are subject to the typical risks and uncertainties of the markets in which they operate.

The Company uses the accrual basis of accounting for financial statement purposes, 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, 2024, the Company had cash and cash equivalents of $22,023.

(e) Income Taxes

The Company has elected to be treated as a limited liability company under the provisions of the Internal Revenue Code for income tax purposes. Accordingly, taxable income and losses of the Company are reported on the income tax returns of its member and no provision for federal or state income taxes has been recorded in the accompanying balance sheet.

The Company follows the guidance under ASC Topic 740, Accounting for Uncertainty in Income Taxes. ASC Topic 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 member 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.

(f) 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.

(g) Advertising Costs

The Company's policy is to expense advertising costs when incurred. The Company had no advertising expenses for the period ended December 31, 2024.

(2) Member's Equity

The Company has a single member who made contributions of $47,006 in the period ended December 31, 2024.

(3) Commitments and Contingencies

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 involving such amounts of unfavorable disposition, if any, would not have a material effect on the financial position of the Company.

(4) Subsequent Events

Management has reviewed and evaluated subsequent events through May 5, 2025, the date on which the financial statements were available to be issued.

Balance Sheet

HRBoost US Franchising LLC

As of April 30, 2025

DISTRIBUTION ACCOUNT	TOTAL
Assets	
Current Assets	
Bank Accounts	
101001 Huntington Checking #1977	1,233.14
Total for Bank Accounts	**$1,233.14**
Accounts Receivable	
Other Current Assets	
109002 Investment in Franchise	-2,000.00
Total for Other Current Assets	**-$2,000.00**
Total for Current Assets	**-$766.86**
Fixed Assets	
Other Assets	
Total for Assets	**-$766.86**
Liabilities and Equity	
Liabilities	
Current Liabilities	
Accounts Payable	
201001 Trade Accounts Payable	13,657.50
Total for Accounts Payable	**$13,657.50**
Credit Cards	
Other Current Liabilities	
203001 Sales Tax Payable	-4.53
Total for Other Current Liabilities	**-$4.53**
Total for Current Liabilities	**$13,652.97**
Long-term Liabilities	
Total for Liabilities	**$13,652.97**
Equity	
Retained Earnings	-31,947.04
Net Income	-13,273.63
301001 Common Stock	30,800.84
Total for Equity	**-$14,419.83**
Total for Liabilities and Equity	**-$766.86**

Profit and Loss

HRBoost US Franchising LLC

January 1-April 30, 2025

DISTRIBUTION ACCOUNT	TOTAL
Income	
Cost of Goods Sold	
500000 Cost of Services Sold	0
510000 Direct Labor	0
510013 Marketing Labor Expense	75.60
Total for 510000 Direct Labor	**$75.60**
Total for 500000 Cost of Services Sold	**$75.60**
Total for Cost of Goods Sold	**$75.60**
Gross Profit	**-$75.60**
Expenses	
General & Administrative	0
605801 Dues and Subscriptions	240.00
613100 Office Supplies	0
613101 Printing and Reproduction Expense	5,875.00
Total for 613100 Office Supplies	**$5,875.00**
615000 Professional Fees	$6,725.00
615003 Legal Fees	111.25
Total for 615000 Professional Fees	**$6,836.25**
617001 Telephone Expense	246.78
Total for General & Administrative	**$13,198.03**
Total for Expenses	**$13,198.03**
Net Operating Income	**-$13,273.63**
Other Income	
Other Expenses	
Net Other Income	**0**
Net Income	**-$13,273.63**

HRBOOST US FRANCHISING LLC

FINANCIAL STATEMENTS

WITH INDEPENDENT AUDITOR'S REPORT

MARCH 31, 2024

KEZOS & DUNLAVY
Certified Public Accountants
& Business Advisors

HRBOOST US FRANCHISING LLC

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KEZOS & DUNLAVY
Certified Public Accountants
& Business Advisors

Independent Auditor's Report

To the Member
HRBoost US Franchising LLC
Libertyville, IL

Opinion

We have audited the accompanying financial statement of HRBoost US Franchising LLC ("the Company") which comprises the balance sheet as of March 31, 2024, and the related income statement, statement of member's equity, and cash flows for the period ended March 31, 2024, 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 HRBoost US Franchising LLC as of March 31, 2024, and the results of its operations and its cash flows for the period ended March 31, 2024, 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.

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.

Restrictions on Use

The use of this report is restricted to inclusion within the Company's Franchise Disclosure Document (FDD) and is not intended to be, and should not be, used or relied upon by anyone for any other use.

Kezos & Dunlavy

St. George, Utah

June 5, 2024

HRBOOST US FRANCHISING LLC

BALANCE SHEET

As of March 31, 2024

		2024
Assets		
Current assets:		
Cash and cash equivalents	$	20,001
Total current assets		20,001
Total assets	$	20,001
Current liabilities:		
Accrued expenses	$	1,000
Total current liabilities		1,000
Total liabilities		1,000
Member's equity		
Member's equity		19,001
Total member's equity		19,001
Total liabilities and member's equity	$	20,001

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

HRBOOST US FRANCHISING LLC
INCOME STATEMENT
For the period ended March 31, 2024

	2024
Operating revenue	
Franchise fees	
Total operating revenue	-
Operating expenses	
Professional fees	1,000
Other expenses	
Total operating expenses	1,000
Net loss	$ (1,000)

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

HRBOOST US FRANCHISING LLC

Statement of Member's Equity

For the period ended March 31, 2024

Balance at January 1, 2024	$	-
Contribution from member		20,001
Net loss		(1,000)
Balance at March 31, 2024	$	19,001

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

HRBOOST US FRANCHISING LLC
STATEMENT OF CASH FLOWS
For the period ended March 31, 2024

		2024
Cash flows from operating activities:		
Net loss	$	(1,000)
Adjustments to reconcile net income to		
Net cash provided by operating activities:		
Changes in operating assets and liabilities:		
Other assets		-
Accounts payable and accrued expenses		1,000
Net cash provided by operating activities		-
Cash flows from financing activities:		
Note payable, net		
Member's contributions		20,001
Net cash from in financing activities		20,001
Net change in cash		20,001
Cash at the beginning of the period		-
Cash at the end of the period	$	20,001
Supplementary disclosures of cash flows		
Cash paid for interest and taxes	$	-

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

(1) Nature of Business and Summary of Significant Accounting Policies

(a) Nature of Business

HRBoost US Franchising LLC (the "Company") was formed as a limited liability company on December 28, 2023, in the state of Illinois for the planned principal purpose of offering and selling franchises that provide outsourced human resource consulting, payroll services, and other shared services for employers. The Company's activities are subject to the typical risks and uncertainties of the markets in which they operate.

The Company uses the accrual basis of accounting for financial statement purposes, 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 March 31, 2024, the Company had cash and cash equivalents of $20,001.

(e) Revenue Recognition

The Company's revenues consist of initial franchise fees and royalty fees (which are based on a percentage of franchisee gross revenues).

Upon commencement of operations, the Company adopted ASC 606, *Revenue from Contracts with Customers.* 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 Company evaluates 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 franchised location, the Company enters into a formal franchise agreement that clearly outlines the transaction price, which includes an initial franchise fee, ongoing royalties, tech fees, advertising fees and the Company's performance obligations.

Upon evaluation of the five-step process, the Company has determined that this standard does not impact the recognition of royalty and other fees which are based on a percentage of gross revenue and recognized at the time the underlying sales occur. ASC 606 does have an effect on the process management uses to evaluate the recognition of the initial franchise.

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. ASC 952-606 identifies the following general pre-opening services (which the Company may or may not provide) as eligible for inclusion in the single distinct performance obligation:

- 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.
- 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 the provision of these pre-opening services, which is generally the commencement of operations.

(f) Income Taxes

The Company has elected to be treated as limited liability company under the provisions of the Internal Revenue Code for income tax purposes. Accordingly, taxable income and losses of the Company are reported on the income tax returns of its member and no provision for federal or state income taxes has been recorded in the accompanying balance sheet.

The Company follows the guidance under Accounting Standards Codification ("ASC") Topic 740, Accounting for Uncertainty in Income Taxes. ASC Topic 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 member 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.

(g) 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.

(h) Advertising Costs

The Company's policy is to expense advertising costs when incurred. The Company had no advertising expenses for the period ended March 31, 2024.

(2) Member's Equity

The Company has a single member who made contributions of $20,001 in the period ended March 31, 2024.

(3) Commitments and Contingencies

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 involving such amounts of unfavorable disposition, if any, would not have a material effect on the financial position of the Company.

(4) Subsequent Events

Management has reviewed and evaluated subsequent events through June 5, 2024, the date on which the financial statements were available to be issued.

EXHIBIT E

FRANCHISE AGREEMENT

HRBOOST US FRANCHISING LLC

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FRANCHISE AGREEMENT

This Agreement ("Agreement") is made as of the date the Company signed this Agreement (as noted on Schedule A), between HRBoost US Franchising LLC an Illinois limited liability company located at 1930 Innovation Way, Suite 231, Libertyville, Illinois 60048 (hereinafter called the "Company") and the party(ies) listed on Schedule A (hereinafter called the "Franchisee"), for one HRBoost business to be located in the State listed on Schedule A.

RECITALS

A. Under the "HRBoost" and "HRBoost US" trade names and trade and service marks (the "Marks") and using certain procedures, techniques, business methods, business forms, business policies and a body of knowledge pertaining to the establishment and operation of the Franchised Businesses (the "System"), the Company offers the following two franchised business models (referred to separately and collectively in this Agreement as the "Franchised Business"):

(1) the "Agency Model" whereby Franchisee's business markets, sells, and provides (subject to certain limitations) outsourced human resources ("HR") consulting, administration of third-party payroll services, customer account oversight, and other shared services for employers (collectively "Services"). The Franchisee receives and deposits all Gross Sales; or

(2) the "Bridge Builder Model" whereby Franchisee's business functions as a sales office to conduct marketing and offers permitted Services to customers, typically provided with Company's (or its designee's) assigned team members; a Bridge Builder Model Franchisee only provides Services to customers for whom the Company has provided its prior written approval; and Company shall decide in its sole discretion whether to accept a customer and for Company (or its designee) and/or Franchisee to provide the Services to customers; provided however, that if the Company agrees to provide Services to any customer, the Franchisee must provide the Services the Company requires to this same customer as well. Franchisee agrees that under the Bridge Builder Model, Franchisee may not have any employees or independent contractors that provide Services; instead, it is agreed that the Bridge Builder Model Franchisee will be an owner-operator only business. The Company receives and deposits all Gross Sales.

The Franchisee acknowledges that Franchisee does not presently know these procedures, techniques, business methods or business policies, nor does the Franchisee have these business forms or access to the Company's body of knowledge.

B. The Franchisee intends to enter the Franchised Business and desires access to the Company's System pertaining to the operation of the Franchised Business. In addition, the Franchisee desires access to information pertaining to new developments and techniques in the Company's Franchised Business.

C. The Franchisee desires to participate in the use of the Marks in connection with one Franchised Business location to be located solely at a site approved by the Company and the Franchisee.

D. The Franchisee understands that information received from the Company or from any of its officers, managers, members, employees, agents or franchisees is confidential and has been developed with a great deal of effort and expense. The Franchisee acknowledges that the information is being made available to Franchisee so that Franchisee may more effectively establish and operate a Franchised Business.

E. The Company has granted, and will continue to grant, to others access to its System.

F. The Company has licensed, and will continue to license, others to use the Marks in connection with the operation of Franchised Businesses.

AGREEMENT

Acknowledging the above recitals, the parties hereto agree as follows:

1. Initial Fees.

A. Franchise Fees. On Schedule A, check one box below to select the Franchise Fee applicable to this Agreement:

(i) Agency Model Franchise Fee.

1. First Agency Model Franchise. For a first Agency Model franchise for Franchisee, Franchisee shall pay to Company a Franchise Fee of $48,000 which shall not be refunded in any event. The Franchise Fee is due upon the signing of this Agreement.

2. First Agency Model Franchise for Affiliate Employee. For a first Agency Model franchise for Franchisee and where Franchisee has been an employee of Company's affiliate, HRBoost, LLC in an accepted leadership position, for at least the immediate past 48 consecutive months, Franchisee shall pay to Company a Franchise Fee equal to fifty percent of the then-current Franchise Fee for a non-discounted First Agency Model Franchise (currently totaling of $24,000) which shall not be refunded in any event. The Franchise Fee is due upon the signing of this Agreement.

3. First Agency Model Franchise for Female Individual. For a first Agency Model franchise for Franchisee and where Franchisee is female, Franchisee shall pay to Company a Franchise Fee equal to 85% of the then-current Franchise Fee for a non-discounted First Agency Model Franchise (currently totaling of $40,800) which shall not be refunded in any event. The Franchise Fee is due upon the signing of this Agreement.

4. First Agency Model Franchise for Honorably Discharged Veteran. For a first Agency Model franchise for Franchisee and where Franchisee is an honorably discharged veteran of the United States Armed Forces (provable by a Form DD 256 providing for honorable discharge), Franchisee shall pay to Company a Franchise Fee equal to 85% of the then-current Franchise Fee for a non-discounted First Agency Model Franchise (currently totaling of $40,800) which shall not be refunded in any event. The Franchise Fee is due upon the signing of this Agreement.

5. Additional Agency Model Franchise. For an additional Agency Model franchise for Franchisee who already owns a HRBoost Agency Model franchise, Franchisee shall pay to Company a Franchise Fee equal to 80% of the then-current Franchise Fee for a non-discounted First Agency Model Franchise (currently totaling of $38,400) which shall not be refunded in any event. The Franchise Fee is due upon the signing of this Agreement.

(ii) Bridge Builder Model Franchise Fee.

For any Bridge Builder Model franchise, Franchisee shall pay to Company a Franchise Fee of $16,500 which shall not be refunded in any event. The Franchise Fee is due upon the signing of this Agreement.

(B) Initial Book Inventory Fee. Franchisee shall pay $1,200 to Company or its designee to purchase an initial inventory of 50 copies of each of the books "Talent Emergency" and "Human Side of Profitability" written by Company founder, Nicole Martin, through Company or its designee; this is the "Initial Book Inventory Fee." The Initial Book Inventory Fee is paid to Company or its designee as a lump sum upon signing the Franchise Agreement and is not refundable.

2. Ongoing Fees.

A. Royalty Fee for Agency Model Franchise.

1. If Franchisee operates under the Agency Model, the Franchisee shall pay to the Company, semi-monthly on the 20th and 5th of each month, or more frequently as the Company may designate, a Royalty Fee equal to the greater of:

(i) 7% of the Gross Sales from the Franchised Business which Franchisee operates throughout the term of this Agreement, or

(ii) during Franchisee's:

a. first 12 months of operations (whole or partial), $450, totaling not less than $10,800 due in such 12-month period;
b. months 13 through 24 of operations (whole or partial), $1,000, totaling not less than $24,000 due in such 12-month period;
c. months 25 through 36 of operations (whole or partial), $1,600, totaling not less than $38,400 due in such 12-month period;
d. months 37 through 48 of operations (whole or partial), $2,000, totaling not less than $48,000 due in such 12-month period; and
e. months 49 and thereafter of operations (whole or partial), $2,300, totaling not less than $55,200 in any 12-month period occurring during such months.

"Gross Sales" means, using an accrual basis, all billed sales or revenues, derived directly or indirectly from the Franchisee's Franchised Business, including on-premises sales and monies derived at or away from the Franchised Business, whether from cash, check, credit and debit card, third-party payment related to a customer of the Franchised Business (*e.g.* insurance payment or reimbursement), trade credit or credit transactions, including without limitation business interruption insurance proceeds and service charges in lieu of gratuity, but excluding (i) sales taxes collected from customers and paid to the appropriate taxing authority and (ii) the amount of all coupons and/or discounts redeemed at the Franchised Business (but only if the coupons and discounts have been previously approved by the Company as provided in this Agreement and only if such coupons and discounts have been included in Gross Sales). Under the Agency Model, the Gross Sales are deemed to belong to Franchisee; under the Bridge Builder Model, the Gross Sales are deemed to belong to the Company.

2. The Gross Sales attributable to the Bridge Builder Model Franchisee are those associated with customers it originated, marketed and sold that are engaged with Company or its designee (which may include Franchisee if Company so approves), for Services which Company or its designee provides (which may include Franchisee if Company so approves).

B. Royalty Fee for Bridge Builder Model Franchise. If Franchisee operates under the Bridge Builder Model, Franchisee shall pay to Company, semi-monthly on the 20th and 5th of each month, or more frequently as Company may designate, a Royalty Fee of the following amount during Franchisee's:

1. first 12 months of operations (whole or partial), $100, totaling not less than $2,400 due in such 12-month period;
2. months 13 through 24 of operations (whole or partial), $200, totaling not less than $4,800 due in such 12-month period;
3. months 25 through 36 of operations (whole or partial), $300, totaling not less than $7,200 due in such 12-month period;
4. months 37 through 48 of operations (whole or partial), $400, totaling not less than $9,600 due in such 12-month period; and
5. months 49 and thereafter of operations (whole or partial), $450, totaling not less than $10,800 in any 12-month period occurring during such months.

C. Services Fee. An Agency Model Franchisee shall pay to the Company or its designee, semi-monthly or more frequently as the Company may designate, a Services Fee equal to the amount invoiced for payment by Franchisee to Company for Services provided to customers on Franchisee's behalf by Company or its designees.

D. **<u>Amounts Due in Excess of Gross Sales; Amounts Due Related to Changes in Customer Payment</u>**. In the event that in any given period, Franchisee is determined to owe Company or its designee(s) amounts that exceed the Gross Sales of the Franchised Business in the same period, Franchisee shall timely remit such excess amounts due to Company or its designee(s) as Company may direct from time to time. In the event that any customer account, including without limitation one under any national account, is unpaid for whatever reason for more than forty-five days after the initial invoice was sent for such amounts (or thereafter) or if any prior payment is no longer available (*e.g.* due to a stop-payment order, bank reversal, chargeback, non-sufficient funds, etc.), the amounts Company does not have in its possession may be charged to Franchisee for payment by Franchisee, including any fees Company has incurred related to these changes in customer payment.

3. <u>Grant.</u> The Company hereby grants to the Franchisee:

A. Access to the System pertaining to the operation of the Franchised Business;

B. Access to information pertaining to new developments and techniques in the Franchised Business; and

C. A limited non-exclusive license to use of the Company's rights in and to the Marks according to this Agreement and the Company's Operations Manual in connection with the operation of one Franchised Business to be located at a site approved by the Company and the Franchisee. Except as the Company may permit from time to time in its sole discretion, the Company and Franchisee agree that Franchisee shall not sell products or services by the Internet or by mail order or catalog, nor shall Franchisee sell any products or components of the products or services at wholesale.

D. Franchisee shall at all times faithfully, honestly and diligently perform Franchisee's obligations under this Agreement, continuously exert Franchisee's best efforts to promote and enhance the Franchised Business and not engage in any other business or activity that conflicts with Franchisee's obligations to operate the Franchised Business in compliance with this Agreement. Franchisee shall focus Franchisee's marketing efforts on developing the Marks and System. Company reserves the right (but is not required) to restrict where Franchisee may conduct marketing and solicitation of customers in the future, including without limitation to only be within certain zip codes, if Company believes Franchisee is knowingly or intentionally interfering with the marketing efforts of other franchisees. Franchisee must designate an "Operating Principal," who shall devote full time and best efforts to the Franchised Business, supervise the Franchised Business during all operating hours, and the Operating Principal shall have full authority to bind Franchisee regarding all operational decisions about the Franchised Business and to communicate on behalf of Franchisee with the Company. The Operating Principal is designated on Schedule A which is attached hereto. Notwithstanding anything to the contrary, the Operating Principal in a Bridge Builder Model Franchised Business must be the Franchisee. In an Agency Model Franchised Business, during at least the first thirty-six consecutive months of operations at the first HRBoost Agency Model business Franchisee owns, Franchisee must be the Operating Principal. After at least the first thirty-six consecutive months of operations at the first HRBoost Agency Model business Franchisee owns, Franchisee may be the Operating Principal, or if (a) Franchisee has achieved Gross Sales of at least six hundred fifty thousand dollars received during months twenty-five through thirty-six of its operations, and (b) Franchisee has not received any notice of default (whether cured or uncured) in the twelve months immediately preceding the date Franchisee seeks to have an Operating Principal, then Franchisee may designate an Operating Principal other than Franchisee (i) who has successfully completed all training Company requires including payment for such training at the rates established in this Agreement, and (ii) whom Company has pre-approved to be the Operating Principal. In the event the Franchised Business loses its Operating Principal for any reason, a new Operating Principal must be obtained and designated within forty-five (45) days of the date of separation of the immediately prior Operating Principal. The Franchised Business shall at all times be under the continuous, direct, on-premises supervision of Franchisee, Operating Principal or Franchisee's designated manager who has attended and passed the training program.

1. Company may enfranchise or operate any other HRBoost business anywhere. Company shall be allowed to operate and enfranchise anywhere any business under different trademarks and shall be allowed to conduct anywhere any business using the Marks or System on the Internet or by any other alternate channel of distribution.

E. Franchisee shall not have and may not claim any rights towards any particular customer or customer lead or referral (collectively referred to as a "Prospect") until and unless Franchisee has had an in-person, telephonic, or virtual fifteen (15) consecutive minute meeting (a "Meeting") with the Prospect. Franchisee may pursue any Prospect with which it has had a Meeting in the prior six (6) months without knowing interference from Company or any other franchisee. In the event that a particular Prospect does not sign a contract with Franchisee after a Meeting within six (6) months of the date of the initial meeting between Franchisee and such Prospect, thereafter Franchisee shall not have and may not claim any rights from knowing interference towards any particular Prospect. Any alleged Prospect is subject to the terms regarding national and regional accounts pursuant to this Agreement and the Operations Manual, which may mean Franchisee does not have any rights towards such customer, customer lead, or referral.

F. Franchisee expressly acknowledges and agrees that the Company and its affiliates retain, the right, in its sole discretion, to acquire, be acquired by, merge, affiliate with or engage in any transaction with other businesses (whether similar, competitive, or not), with facilities located anywhere, and including arrangements in which (i) other facilities are (or are not) converted to the HRBoost brand or other format (including using the System and/or Marks) and/or (ii) the Company and/or any of the Company's affiliates are acquired, and/or company-owned, franchised or other businesses are converted to another format, maintained under the System or otherwise. All Franchised Businesses owned by Franchisee will fully participate in any such conversion, at Franchisee's expense; provided, however, Franchisee shall have a period of twelve (12) months to complete the conversion for a Franchised Business, and the Company will contribute a pro-rated amount up to $5,000, based upon the remaining term of the Franchise Agreement, toward the costs and expense of replacing exterior and interior signage at the Franchised Business.

4. <u>Company Obligations.</u> The Company agrees to:

A. Provide an initial training program for the operation of the Franchised Business for up to two people, including at least the Franchisee and the Operating Principal; Franchisee shall pay Company's then-current rate per additional person attending the initial training after the first two persons. The Franchisee, Franchisee's Operating Principal, and the Franchisee's managers, presently and in the future, must attend and pass the training program before operating Franchisee's Franchised Business. The Franchisee shall pay all travel, lodging, meals, and other expenses incurred by the Franchisee, Operating Principal, and the Franchisee's managers in attending the initial training program. If the Company determines, in its sole discretion, that Franchisee, its Operating Principal, and/or its managers do not pass the training program, the Company shall have the right to terminate this Agreement, effective upon delivery of written notice thereof to Franchisee. Company will not be liable to return any franchise fee, training fee(s), other amounts, or pay any costs or expenses Franchisee incurs if Company terminates this Agreement because Franchisee, its Operating Principal, or its managers do not pass the training program. In the event (i) Franchisee's initial training attendee(s) fail to pass the initial training and an additional attendee attends in their place or (ii) Franchisee sends another Operating Principal, manager or assistant manager to an initial training course, for any reason, including without limitation due to turnover in Franchisee's ongoing operations, then Franchisee shall pay the Company the then-current training fee at Company's then-current rate, plus travel, lodging, meals, and other expenses if Company approves Franchisee's request for Company to send a representative to conduct the training of another manager or assistant manager or Operating Principal at Franchisee's location.

B. Provide up to one day (up to eight hours) of ongoing supervision and assistance by Company's personnel at Franchisee's location within six months of opening for business.

C. If Franchisee operates under the Bridge Builder Model:

1. The Company agrees to review (or have its designee review) any proposal and/or proposed contract with any customer within five (5) business days of submission by Franchisee to Company or its designee, and within such five (5) business days Company or its designee shall in its sole discretion (i) modify such proposal or contract to make it acceptable to Company or its designee, (ii) accept such proposal or contract, or (iii) reject such proposal or contract. Any contract not fully accepted by Company or its designee in writing within five (5) business days of its submission by Franchisee is deemed rejected. Any contract Company accepts must provide that Company or its designee will be party to the contract for Services with all customers, must conform to Company's then-current contract requirements as provided in the Operations Manual, including without limitation using the Company's or its designee's form of contract and must follow and offer only the pre-approved pricing for Services.

2. The Company (or its designee) agrees to provide Services to customers Franchisee originates that Company (or its designee) accepts subject to Company's (or its designee's) then-current terms and conditions.

3. The Company agrees to provide a billing service for all Services sold to customers whom Franchisee originates, markets and sells that Company (or its designee) accepts in exchange for the Billing Fee (as defined hereinafter). Company (or its designee) shall generate all bills / invoices for any Services provided to customers by Company (or its designee) or Franchisee. Company (or its designee) shall send up to two invoices to customers of the Franchised Business. Customers shall remit to Company (or its designee) payment of such invoices; and Company (or its designee) shall deposit into the Company's (or its designee's) bank account all such payments received. If such invoice(s) remains unpaid after forty-five (45) days from the date of the initial invoice, then Company (or its designee) is no longer obligated to pursue collection of such amounts; this does not permit Franchisee to pursue collection of such amounts. If any invoice(s) remains unpaid after forty-five (45) days from the date of the initial invoice, then Company (or its designee) may decline to provide further Services to such customer. Franchisee shall pay to Company, monthly or such other frequency as Company determines, a Billing Fee for this billing service of up to ten percent of the Gross Sales, provided, however, Company can increase this cap by up to and including an additional ten percent per year on a cumulative basis after the initial ten percent is established, all such amounts to be determined by the Company in its sole discretion (the "Billing Fee"). Company may deduct the amount of the Billing Fee from any amounts otherwise due to Franchisee hereunder.

4. The Company shall pay to Franchisee, monthly or such other frequency as Company determines, such amount as determined by Company, from time to time, in its sole discretion related to the Services Franchisee itself provides to each customer.

5. Other Amounts Due to Franchisee:

(i)The Company (or its designee) shall pay to Franchisee, monthly or such other frequency as Company (or its designee) determines:

(1) a Sales Commission equal to 8% of the Gross Sales actually received by Company (or its designee) in the prior month that were originated, marketed and sold by Franchisee but not for Services Franchisee itself performs, less deductions for any amounts due to Company (or its designee) by Franchisee, and/or

(2) a Production Fee equal to 50% of the Gross Sales actually received by Company (or its designee) in the prior month for Services which the Bridge Builder Model Franchisee itself performs for customers originated, marketed and sold by Franchisee (provided that such Services are provided with Company's or its designee's prior written approval), less

deductions for any amounts due to Company (or its designee) by Franchisee. Franchisee shall receive the Production Fee only related to the Gross Sales for the specific Services actually provided by Franchisee itself to customers originated, marketed and sold by Franchisee; no Production Fee is due to Franchisee on Services provided by Company or anyone else or for any Services Franchisee provides but which Franchisee has not originated, marketed, and sold.

(ii) In the event that Franchisee and Company (or its designee) provide certain Services together, Company shall determine whether Franchisee shall receive a Sales Commission or a Production Fee on such Services in Company's sole discretion. In the event that any customer makes partial payment of amounts due under any invoice, the amount received shall first be applied to satisfy the amount due to Company or its designee, and thereafter, the future amounts received from such customer shall be applied to pay Company (or its designee) and Franchisee as provided herein. Company may deduct any amounts due to Company (or its designee) by a Bridge Builder Model Franchisee from any amounts otherwise due to the Bridge Builder Model Franchisee.

D. Provide a continuing advisory service by telephone or other digital or electronic means or at Company's home office concerning the operation of Franchisee's Franchised Business.

E. Provide, at Company's option, additional assistance upon the written request of the Franchisee, or upon Company's determination the Franchised Business is operating below required standards, at a cost to the Franchisee based on the Company's then-current fee for the Company's personnel performing such assistance, plus other reasonable expenses, including without limitation all travel, lodging, meals, and other expenses.

F. Franchisee acknowledges and agrees that any duty, right, or obligation imposed on the Company by this Agreement may be performed or received by any designee, employee, agent or contractor, as Company may direct.

G. Provide, upon payment of the Initial Book Inventory Fee, the associated initial inventory of books.

5. Franchisee Obligations. The Franchisee agrees to:

A. Commence Operation. Commence operating within ninety days after the date of this Agreement. If Franchisee has not commenced operating the Franchised Business by ninety days after the date of this Agreement, this Agreement shall automatically terminate. Franchisee acknowledges that Company anticipates Franchisee will operate from a home office, and agrees that if Franchisee desires to have an office outside the home, Franchisee is responsible for obtaining a location for the Franchised Business acceptable to the Company. If Franchisee has not located and the Company has not approved a location for the Franchised Business (outside Franchisee's residence if Franchisee so desires) as of the date of this Agreement, Franchisee agrees that, before the deadline to commence operating the Franchised Business described herein, Franchisee will select a location to be approved by the Company and obtain lawful possession of it through a lease. Upon approval of the location outside Franchisee's residence for the Franchised Business, the Company will, in accordance with its standard practices, complete Schedule A to this Agreement describing the location. The Company's acceptance or approval of any location is not a representation or warranty of any kind, express or implied, as to the success or profitability of the Franchised Business. The Company does not guarantee the sales, profits or success of the Franchised Business.

B. Lease the Premises. Franchisee, acknowledges that Company anticipates Franchisee will operate from a home office, and agrees that if Franchisee desires to have an office outside the home, Franchisee will lease the premises of the Franchised Business in the form and manner prescribed by the Company and deliver a copy of the executed lease to the Company immediately after its execution. The Franchisee agrees not to execute any lease which has not been approved in writing by the Company. If the Franchisee's business premises is to be leased, the lease shall be submitted to the Company for written approval at least fifteen days before it is scheduled to be executed. Such approval shall not be unreasonably withheld. If the Franchisee leases the Franchisee's business premises, the lease must include language contained in the Lease Rider which is attached hereto as Schedule B. If Franchisee has an office in the home, Franchisee gives Company the right to enter the home and inspect the office and any other areas where Franchised Business records or materials are kept. The lease shall give the Company, its agents or designees the right to enter the Premises to conduct inspections at any time during regular business hours, the right to receive notices of default directly from the lessor and the right, but not the duty, to assume the lease for all or any part of the term, if the Franchisee defaults under the lease, is evicted or if this Agreement expires or is terminated. The Franchisee further agrees it shall not lease or sublet all or any part of the Franchisee's business premises to others or use any portion of the premises for any purpose other than conducting business pursuant to this Agreement without the Company's prior written consent. If the Franchisee wants to relocate the Franchised Business, the Franchisee must notify Company in writing and pay to the Company its then-current relocation fee, and which shall be paid in full at least 60 days prior to the relocation. In addition, for any supervision or assistance by Company's personnel at Franchisee's location around when the Franchised Business re-opens to the public, Franchisee shall pay Company the then-current daily fee for the Company's personnel, plus other reasonable expenses, including without limitation, all travel, lodging, meals and other expenses. Company reserves the right to refuse to approve a proposed relocation if Company believes that the proposed relocation is for any reason not acceptable to Company. Company's judgment may be based on factors such as the proximity to existing or proposed locations owned by other franchisees or Company, the suitability of the proposed facilities, compliance with Company's then-current franchise location requirements, the competitiveness within the marketplace or other factors. Company's approval of the location and/or the lease does not constitute a guaranty or a representation of the likelihood of success of the location or the viability of the lease terms. Franchisee is encouraged to employ the services of a real estate attorney for legal advice regarding the terms of the lease.

C. <u>Construct the Franchised Business</u>. If the location of the Franchised Business will be outside Franchisee's residence, Franchisee shall promptly after obtaining possession of the site for the Franchised Business: (i) cause to be prepared and submit for approval by Company a site survey, architectural plans, specifications, and including, if made available by Company in its sole discretion, any modifications to Company's basic plans, layouts, and/or specifications (not for construction) for the Franchised Business (including requirements for dimensions, exterior design, materials, interior design and layout, equipment, fixtures, furniture, signs and decorating) required for the development of the Franchised Business at the site leased or purchased therefore, provided that Franchisee may modify Company's basic plans, layouts, and/or specifications (if any are provided, in Company's sole discretion) only to the extent required to comply with all applicable ordinances, building codes and permit requirements and with prior notification to and approval by Company (such approval shall not be construed as a guaranty, representation or warranty concerning the likelihood of success of such location); (ii) obtain all required zoning changes, building, utility, health, sanitation and sign permits and licenses and any other required permits and licenses; (iii) purchase or lease equipment, fixtures, furniture and signs provided herein; (iv) complete the construction and/or remodeling, equipment, furniture and sign installation and decorating of the Franchised Business in full and strict compliance with plans and specifications theretofore approved by Company and all applicable ordinances, building codes and permit requirements; (v) obtain all customary contractors' sworn statements and partial and final waivers of lien for construction, remodeling, decorating and installation services; (vi) purchase in accordance with the Company's specifications and requirements, an initial inventory of products and supplies required for the Franchised Business; (vii) establish filing, accounting and inventory control systems conforming to the requirements presented by the Company; and (viii) otherwise complete development of and have the Franchised Business ready to open and commence the conduct of its business in accordance with the terms of this Agreement. The Franchisee agrees it will not open the Franchised Business for business without the Company's prior written approval. Within one hundred twenty (120) days of Franchisee's opening the Franchised Business to the public, Franchisee agrees to submit information, in the format prescribed by the Company, regarding all of its costs incurred to construct and open the Franchised Business and all costs and expenses incurred during the first three (3) months after it opened to the public.

D. <u>Lease Renewal, New Lease, and Other Lease Related Matters</u>. Prior to renewal of the lease or execution or adoption of any new lease or any amendment, assignment, sublease, rider, etc. if the location of the Franchised Business is outside Franchisee's residence, Company must review and approve the lease renewal, new lease, or any amendment, assignment, sublease, rider, etc. Company's approval of the lease renewal, new lease, or any amendment, assignment, sublease, rider, etc. shall be conditioned upon the inclusion of terms in the lease acceptable to Company, including but not limited to those provisions required to be included in a lease for a location as specified in this Agreement. Company's approval of the lease renewal, new lease, or any amendment, assignment, sublease, rider, etc. does not constitute a guaranty or a representation of the likelihood of success of the location or of the viability of the lease terms. Franchisee is encouraged to employ the services of a real estate attorney for legal advice regarding the terms of the lease. As a condition to approving the lease renewal, any new lease, or any amendment, assignment, sublease, rider, etc., Franchisee may be required to remodel, modernize, and redecorate the premises of the Franchised Business at Franchisee's cost so that the Franchised Business reflects the then-current image intended to be portrayed by Franchised Businesses. Upon receiving a request for a lease renewal, any new lease, or any amendment, assignment, sublease, rider, etc., Company shall furnish Franchisee with a written notice of any deficiencies or other matters which require correction and a schedule for corrections by Franchisee relating to the image, appearance, decoration, furnishings, equipment and stocking of the Franchised Business and a schedule for effecting upgrading or modifications in order to bring the Franchised Business in compliance with the Company's then-current standards. The fee for Company's services in connection with the lease renewal, any new lease, or any amendment, assignment, sublease, rider, etc., and the process for evaluating the necessary upgrades is based upon the costs incurred by the Company and is due and payable to Company upon the execution of the lease renewal, any new lease, or any amendment, assignment, sublease, rider, etc. by the landlord for the Franchised Business premises. Franchisee shall also reimburse Company's associated reasonable attorneys' fees and costs, and all such amounts are due and payable to Company upon the execution of the lease renewal or, new lease amendment, assignment, sublease, or rider, etc. by the landlord for the Franchised Business premises.

E. <u>Remodel the Premises</u>. Franchisee shall be required to periodically make reasonable capital expenditures to re-equip, remodel, modernize and/or redecorate the operation and/or premises (if the location of the Franchised Business will be outside Franchisee's residence) of the Franchised Business so that the Franchised Business will reflect the then-current image and offerings intended to be portrayed by Franchised Businesses. All remodeling, modernization, or redecoration of the premises of the Franchised Business and all re-equipping and replacing of vehicles, equipment, signs or other assets of the Franchised Business must be done in accordance with the standards and specifications as prescribed by Company from time to time and with the prior written approval of Company. All replacements must conform to Company's then-current quality standards and specifications and must be approved by Company in writing.

F. <u>Conduct the Franchised Business According to System Standards</u>. Conduct the Franchised Business offering only such services and products as Company authorizes from time to time. During the development and operation of the Franchised Business, Franchisee agrees to follow Company's specifications, standards, methods and operating procedures (the "System Standards"). Franchisee acknowledges and agrees Franchisee and the Franchised Business may not (i) offer professional employer organization ("PEO") services such as employing a customer's employees and "leasing" them back to the customer, (ii) broker or otherwise offer any insurance or other benefits; (iii) provide legal advice; (iv) provide any telephone "hotline" or other means of customer support which Company has not pre-approved; (v) provide any interim staffing services (*e.g.* placement services for temporary workers); or (vi) supply any software or software as a service tools to customers. Franchisee agrees to develop and operate the Franchised Business in accordance with each and every System Standard, as periodically modified or supplemented by the Company. System Standards may govern all aspects of the development and operation of the Franchised Business including, without limitation, the following: (1) performance, quality and other relevant characteristics of the services and products offered by the Franchised Business; (2) use of the Marks and protection of confidential information; (3) types of authorized equipment, vehicles, supplies and products; (4) designated and approved suppliers including, without limitation, Company or its affiliates for the purchase of services and/or equipment and the Company's proprietary services and/or products; (5) minimum hours of operation and required days and times for product and service preparation that may change from time to time; (6) participation in market research and testing and product and service development programs prescribed by Company; (7) qualifications, training, appearance and attitude of the Franchised Business' employees; (8) use and retention of standard forms; (9) use of standard formats; (10) use of computer or other hardware and software; (11) adoption of technological developments or advances; (12) the addition or deletion of new products and/or services; and (13) minimum and maximum prices for products and services offered or sold by the Franchised Business, to the extent legally permissible. All products and services shall be sold only in the forms and manners approved by the Company. Franchisee shall bear all costs and expenses pertaining to the development, operation, and maintenance of the Franchised Business and Franchisee's compliance with the System Standards as periodically modified or supplemented by Company. Franchisee acknowledges and agrees that it will be required to continuously update, upgrade, and/or add to its equipment, technology, hardware, and software at its sole cost and expense as Company may direct, advise, or require from time to time. Franchisee may not delegate or subcontract to any other party, or otherwise use resources outside the Franchised Business, to fulfill its obligations under this Agreement or to any customer. Franchisee's workers must be regular W-2 employees not independent contractors. National and regional accounts, if any, will be negotiated solely by Company and in Company's sole discretion, may not qualify as a Prospect, even after a Meeting; Company then has the ability to assign Franchisee the responsibility of handling a national or regional client based upon fees and procedures as specified in the Operations Manual. The types of accounts that qualify as a national and/or regional account shall be specified in the Operations Manual. Franchisee may not engage in any community fundraisers or community events (whether non-profit or for profit) that use the "HRBoost" brand, Marks, or premises without the prior written consent of Company.

G. <u>Operating and Maintaining the Franchised Business</u>. Operate and maintain the Franchised Business in accordance with Company's specifications and procedures contained in the Operations Manual. All costs and expenses pertaining to operating and maintaining the Franchised Business shall be borne solely by the Franchisee. For the Bridge Builder Model Franchisee, the Company or its designee is the sole, designated (mandatory) supplier of what Franchisee may market and sell to customers, *e.g.* Services (unless, in its sole discretion, Company also authorizes Franchisee to offer Services). Franchisee agrees to use only those accounting firms and software, billing and/or collection services, IT support services, architecture services and providers, real estate services and providers, construction and general contractor services and providers, financial analysis and management product(s) or service(s), technology providers and/or platforms, insurance agents, merchant processing, customer loyalty programs, membership programs, other service providers, items of equipment, vehicles, inventory, music provider, audio or visual entertainment provider, decor, payroll processing, worker time tracking, human resources services, employee scheduling services and providers, social media (all aspects including without limitation marketing, advertising, activities, and presence), email platform including without limitation email campaigns provider, computer hardware and software, (including without limitation for workflow management, point of sale (POS), reports, general business operations, and customer relations management (CRM)), phone and security hardware and software, learning management system, appointment booking system, reports, waivers, training, other technology, graphic design services, interior design services, supplies, promotional and marketing services and printing providers, apparel, signs, and comparable items that the Company has approved for a Franchised Business as meeting its specifications and standards for appearance, function, trade dress, design, quality and performance (if any) related to establishing or operating the Franchised Business and to purchase or lease them only from the Company, its affiliates or suppliers approved by the Company (if any). If the Franchisee proposes to purchase, lease, license, or otherwise use any accounting firm or software, billing and/or collection services, IT support services, architecture services and providers, real estate services and providers, construction and general contractor services and providers, financial analysis and management product(s) or service(s), technology providers and/or platforms, insurance agents, merchant processing, customer loyalty programs, membership programs, other service providers, items of equipment, vehicles, inventory, music provider, audio or visual entertainment provider, decor, payroll processing, worker time tracking, human resources services, employee scheduling services and providers, social media (all aspects including without limitation marketing, advertising, activities, and presence), email platform including without limitation email campaigns provider, computer hardware and software, (including without limitation for workflow management, point of sale (POS), reports, general business operations, and customer relations management (CRM)), phone and security hardware and software, learning management system, appointment booking system, reports, waivers, training, other technology, graphic design services, interior design services, supplies, promotional and marketing services and printing providers, apparel, signs, or comparable item which is not then approved by the Company or from a supplier not then approved by the Company, the Franchisee shall first notify the Company in writing and shall submit to the Company sufficient specifications, photographs, drawings, samples, and information, along with the Company's then-current fee for each person which the Company provides for this determination plus reasonable expenses, for a determination by the Company of whether such proposed supplier and/or goods or services complies with its specifications and standards relating to among other factors quality, price, consistency, reliability, financial capability, and customer relations, which determination shall be made and communicated in writing to the Franchisee within six months of receiving all requested information; the maximum fee would be $5,000. Franchisee acknowledges, agrees and accepts that Company and its affiliates may be making a profit on Franchisee's and Franchisee's customers' purchases, leases, or license when Franchisee or its customers purchase, lease, or license any goods or services from the Company or its affiliates or a designated supplier or an approved supplier. The Franchisee shall maintain the Franchised Business, equipment, vehicles, and furnishings in good repair, attractive appearance, and sound operating condition. The Franchisee, at Franchisee's expense, shall do the repairs, re-equipping, and remodeling requested by Company. The Franchisee shall make no material replacements of or alterations to the vehicles, equipment, signs or other assets of the Franchised Business without prior written approval by the Company.

H. <u>Operate in Compliance with Law and Manual</u>. Operate the Franchised Business in compliance with applicable laws and governmental regulations, including without limitation, government regulations relating to occupational hazards, offering outsourced human resources consulting, payroll administration services, and other shared services for employers, state and federal privacy laws (including without limitation the Health Insurance Portability and Accountability Act (HIPAA) that may require HIPAA specific audits, policies, and other initial and ongoing compliance methods), health, workers' compensation and unemployment insurance, and the withholding and payment of federal and state income taxes, social security taxes and sales and service taxes. The Franchisee will obtain at Franchisee's expense, and keep in force, any permits, licenses or other consents required for the leasing, construction or operation of the Franchised Business. Franchisee agrees that it will comply not only with the terms of this Agreement, but also all of the laws and regulations (the "Industry Regulations") that apply to System services and Franchised Businesses, and to comply with all codes of professional and ethical conduct (as each may be updated, changed, or replaced from time to time) of organizations(s) Company designates and any successor organizations (the "Professional Standards"). Without limitation, Franchisee agrees to become a certified partner of PS Culture Matters (or such other organization(s) as Company designates) within six months of opening for business and to retain such certified partner status for as long as Company requires; in the event Franchisee is not a certified partner of PS Culture Matters (or such other organization(s) as Company designates), Franchisee shall refer and provide any organizational culture assessment requests solely to the Company or its designee. Franchisee must complete all requirements as Company may periodically specify in the Manuals including without limitation requiring background checks and illegal drug screening on individuals employed or contracted by the Franchisee before any such individual may provide services to clients of the Franchised Business, all as permitted by applicable law. In addition, the Franchisee shall operate the Franchised Business in accordance with the Company's Operations Manual which may be amended from time to time as a result of experience, changes in the law or changes in the marketplace. The Franchisee agrees to conform to such amendments, and to make all reasonable expenditures necessitated by the amendments, within the time periods reasonably established by the Company. The Operations Manual as amended is intended to further the purposes of this Agreement and is specifically incorporated into this Agreement such that it shall constitute provisions of this Agreement as if fully set forth herein. Company shall loan Franchisee one copy of the Company's Operations Manual either as a hard paper copy or an electronic copy. The Franchisee must keep its copy of the Operations Manual current, and the master copy of the Operations Manual maintained by the Company controls if there is a dispute regarding the contents of the Operations Manual. Franchisee shall not copy any part of the Operations Manual, nor permit any part of it to be copied, nor disclose it to anyone not having a need to know its contents for purposes of operating the Franchised Business without Company's permission. The Franchisee shall refrain from conducting any business or selling any services or products other than those approved by the Company. The Franchisee shall use Franchisee's best efforts to promote and enhance the Franchised Business for the full term of this Agreement. The Company may operate for the benefit of franchisees who are in compliance with the System Standards a system of fines which Franchisee would pay for violations of some policies of the Operations Manual. For example, if the Franchisee's employees do not wear the proper attire, then the Franchisee would pay a fine. The system of fines would be described and updated in the Operations Manual. The Company reserves the right to utilize the electronic funds transfer system to implement the operational fine system and any other payments due. Additionally, Franchisee agrees to comply with the Privacy and Security Regulations of the Health Insurance Portability and Accountability Act and will, if applicable, execute a Business Associate Agreement with Company using the form of Business Associate Agreement that Company may provide in the Operations Manual, subject to any adjustments as may be needed to reflect state or local laws applicable to the Franchised Business. In the event that Company will be a party to any customer agreement(s) (*e.g.*, a Business Associate Agreement prepared by a customer instead of Company's form Business Associate Agreement), Franchisee agrees it will reimburse Company for any and all legal fees and other costs Company incurs related to such agreement(s) and relationship. In addition to other remedies available to the Company and not in lieu of any others, if Franchisee is not in compliance with the terms of the Agreement, the Company may require Franchisee to pay its then-current non-compliance fee per incident or per day, whichever is applicable.

I. **Purchase and Maintain Insurance.** Purchase and maintain at all times during the term of this Agreement at Franchisee's sole expense such insurance coverage as Company may, in its sole discretion, prescribe from time to time including, but not limited to, workers' compensation, comprehensive public liability and property damage, vehicle liability, cyber risk, business interruption and general and umbrella coverages. Such insurance coverage shall be maintained under one or more policies of insurance of the types and containing such terms and conditions and minimum liability protection in such amounts, as are specified from time to time by Company and issued by insurance carriers and insurance agents approved by Company. Company may from time to time increase the minimum amount of coverage required under any policy, and require different or additional kinds of insurance to reflect inflation, identification of new risks, changes in law or standards of liability, higher damage awards or other relevant changes in circumstances. All insurance policies required hereunder shall name Company (and its affiliates, officers, directors, managers, shareholders, members and employees) as additional insureds, shall contain a waiver by the insurance carrier of all subrogation rights against Company (and the above additional insureds) and shall provide that Company will receive thirty (30) days advance written notice of termination, expiration or cancellation or modification of any such policy. Prior to Franchisee's commencement of operations, and annually thereafter, Franchisee shall furnish to Company a copy of the certificate, or other evidence of the insurance, renewal, or extension of each such insurance policy, together with evidence of payment of premiums, evidencing the required limits. If Franchisee does not maintain such insurance as required, the Company may, at its option and in addition to its other rights and remedies hereunder, but shall not be obligated to, obtain such insurance and keep the same in full force and effect on Franchisee's behalf, and Franchisee shall reimburse the Company for all premiums incurred by the Company in connection with obtaining such insurance plus a fifteen percent service charge. In addition, the Franchisee shall defend, indemnify and save the Company harmless from any liability or claim of any type that arises in connection with the operation of the Franchised Business.

J. **Use the Accounting and Records System.** Use the bookkeeping, accounting, and record keeping system software, services, and vendors prescribed by the Company and submit to the Company such periodic reports, forms, tax returns, and records as specified, and in the manner and at the time specified, in the Operations Manual. To ensure uniform financial statements are submitted by Franchisee, the Franchisee agrees to use the Company's standard chart of accounts, balance sheet format, and profit and loss report format for tracking income and expense items for the Franchised Business, and the Company may also require Franchisee to provide Company or a designee continuous, direct, recurring access to its bookkeeping, accounting, and record keeping statements, system, technology, and/or software upon notice from the Company. For a period of five years from their date of preparation, the Franchisee will keep on file at the Franchisee's principal office and make available to the Company all such records, including, without limitation, the following: receipts, invoices, payroll records, check stubs, bank deposit receipts, sales tax records and returns, business and personal tax returns, and such journals and transactions which properly summarize the transactions of the Franchised Business. The Franchisee hereby grants permission to the Company to examine all records of any supplier pertaining to Franchisee's purchases.

1. The Franchisee shall furnish to the Company the following reports among others: (i) for the first through fifteenth day of each month, by the nineteenth day after the beginning of the month, a telephonic or other electronic report (as the Company designates) of the Gross Sales of the Franchised Business for the preceding first through fifteenth days; (ii) for the sixteenth through the end of each month, by the fourth day of the following month, a telephonic or other electronic report (as Company designates) of the Gross Sales of the Franchised Business for the preceding days (sixteenth through month's end); (iii) by the fifth day after the end of the month, a written report of the Gross Sales of the Franchised Business for the preceding month; (iv) by the fifteenth day after each calendar month, a profit and loss statement for the preceding calendar month and a year-to-date profit and loss statement and balance sheet; and (v) within seventy-five days after the end of each calendar year, a calendar year end balance sheet and an annual profit and loss statement for the calendar year reflecting all year-end adjustments. The Franchisee must verify and sign all reports submitted to the Company; if Franchisee submits any report to Company, it shall be deemed conclusive evidence of Franchisee's verification of the report contents. If the Franchisee fails to report Franchisee's Gross Sales on a timely basis, the Company may estimate Franchisee's Gross Sales; the Company may then deposit any unpaid Royalty Fee, brand fund contribution, or other amount due by use of the electronic funds transfer system. The Franchisee authorizes the Company to utilize the Franchisee's name, business address and telephone number, home address and telephone number, revenues, expenses, profits and/or any other data supplied by Franchisee in such manner and for such purposes as the Company may desire, including but not limited to, operations reports, advertising reports, other business reports and in any publication, disclosure document, or advertisement related to the sale of franchised businesses or related entities by Company, anywhere, at any time, without specific compensation therefore. Company may use the electronic funds transfer system (*e.g.* EFT or ACH) for any amounts due and Franchisee agrees to comply with Company's payment instructions, and to sign any and all documents and forms necessary to effectuate the automatic bank drafts and payments.

2. The Company may require the Franchisee to utilize a computer system, including without limitation a customer order processing and invoicing system and/or payment/point of sale and credit/debit card system, customer relations management (CRM) system, the Software Program, and/or software, payment and invoicing, POS, merchant processor, and business management, and other hardware, software, and system(s) that are fully compatible with any programs or system that the Company, in its discretion, employs from time to time. All Gross Sales and sales related information shall be recorded on such equipment. The Company shall have full access to all of Franchisee's data, system and related information by means of direct access whether in person or by telephone/modem or other electronic means.

3. The Franchisee shall allow the Company's representatives to enter, without prior notice, Franchisee's business premises during business hours to inspect and audit Franchisee's business operations, records, and reports. In the event any such inspection or audit shall disclose an understatement of the Gross Sales of the Franchised Business for any period, the Franchisee shall pay to the Company or its designee within ten days after receipt of the inspection or audit report, the royalty fee, brand fund contribution, and other fees or amounts due plus interest and late fees due on the amount of the understatement. Further, in the event such audit is made necessary by the failure of the Franchisee to furnish reports, financial statements, tax returns or schedules as herein required, or if an understatement of Gross Sales for any period is determined by any such inspection or audit to be greater than two percent, the Franchisee shall reimburse the Company for the cost of such inspection or audit including without limitation the charges of attorneys and independent accountants and the travel expenses, room and board,

and compensation of employees or agents of the Company and the Company shall have the right to require the Franchisee to furnish, at the Franchisee's sole cost and expense, audited financial statements thereafter. In addition, the Franchisee shall pay for all costs, as specified above, of the inspection and audit if Franchisee's books and records are not produced at the time of the inspection and audit, provided that the Company notified the Franchisee at least five days prior to the scheduled inspection and audit date. The Company shall have the right to review the operation and administration of the Franchised Business by quality control testing, periodic field reviews and such other tests, reviews and inspections and other reasonable actions deemed desirable by the Company.

4. The Franchisee acknowledges that to assure compliance with this Agreement, Company shall have the unrestricted right to enter the Franchised Business to examine the operations and facilities including, but not limited to, testing, sampling, inspecting and observing the rendering of the services and products sold by Franchisee in order to ascertain compliance or noncompliance with this Agreement. Franchisee shall be under an affirmative duty to cooperate with Company or its duly authorized representatives in any such inspection by rendering any assistance as may be reasonably requested. Company shall have the right to observe, photograph, record and video tape the Franchisee's business operations for such consecutive or intermittent periods as Company deems necessary. Company shall have the right to interview personnel and customers of the Franchised Business.

5. The Company shall have the right to implement a third-party mystery shopper program at the Franchised Business. The Company may require the Franchisee to pay the cost of the program to the third-party mystery shopper firm directly or to remit the monies to the Company which will then pay the third-party mystery shopper firm.

6. The Company may contract with third-party firms to perform periodic quality assurance audits of the Franchised Business. The Company may require the Franchisee to pay the cost of the quality assurance audits to the quality assurance firm directly or to remit the monies to the Company which will then pay the quality assurance firm.

7. Franchisee acknowledges that the quality of customer service, and every detail of appearance and demeanor of Franchisee and its employees, is material to this Agreement and the relationship created hereby. Therefore, Franchisee shall endeavor to maintain high standards of quality and service in the operation of the Franchised Business. Franchisee shall at all times give prompt, courteous and efficient service to customers of the Franchised Business. The Franchised Business shall in all dealings with its customers, vendors and the general public adhere to the highest standards of honesty, fair dealing and ethical conduct. If Company deems that Franchisee did not fairly handle a customer complaint, Company has the right to intervene and satisfy the customer. Company has the right to terminate this Agreement for repeated violation of this Section. Franchisee must respond within forty-eight (48) hours to each and every customer complaint. Franchisee must respond within, at most, one (1) business day to all customer inquiries for services from the Franchised Business. Franchisee shall pay to Company the Company's then-current customer resolution fee and reimburse Company for all costs incurred by Company in servicing a customer of the Franchised Business pursuant to this Section.

8. Upon the occurrence of a Crisis Management Event, Franchisee agrees to immediately inform Company of such event and to cooperate fully with Company and with the appropriate authorities with respect to the investigation of the Crisis Management Event. In an effort to mitigate possible damages to the Marks and the System, Franchisee must cooperate fully with Company with respect to managing statements and other responses to the Crisis Management Event. "Crisis Management Event" means any event that occurs at or about the Franchised Business premises or in connection with the operation of the Franchised Business that has or may cause harm or injury to customers or employees, such as injury to a customer or worker, unlawful release of medical or employment records or other personally identifiable information in violation of any privacy or other laws, tampering, sabotage, infection, contagious diseases, natural disasters, terrorist acts, shootings or other acts of violence, data incidents and/or breaches, all real or threatened, or any other circumstance which may materially and adversely affect the System or the goodwill symbolized by the Marks.

K. <u>Refrain from Owning Conflicting or Competing Interests</u>. Not be directly or indirectly associated as an employee, proprietor, stockholder, partner, member, agent, officer, or director, consultant, representative, manager, spouse, parent, sibling or in any other capacity with, or operate, engage, own, invest in, or participate in any other business offering (i) HR consulting, (ii) payroll services or administration of third-party payroll services, (iii) PEO services such as employing a customer's employees and "leasing" them back to the customer, administrative roles, preparing payroll and tax reports, governmental or legal compliance services, and/or offering health insurance; (iv) broker or otherwise offer any insurance or other benefits; (v) provide legal advice and/or employment law review, advice, or consultation; (vi) provide any interim staffing services (*e.g.* placement services for temporary workers); (vii) other shared employment related services, or (viii) other services or goods offered by the Franchised Business, during the term of this Agreement, except as a duly licensed HRBoost franchisee. Franchisee shall not own, engage or participate in any other business, directly or indirectly, during the term of this Agreement, which franchises or otherwise grants to others the right to operate a business offering (i) HR consulting, (ii) payroll services or administration of third-party payroll services, (iii) PEO services such as employing a customer's employees and "leasing" them back to the customer, administrative roles, preparing payroll and tax reports, governmental or legal compliance services, and/or offering health insurance; (iv) broker or otherwise offer any insurance or other benefits; (v) provide legal advice and/or employment law review, advice, or consultation; (vi) provide any interim staffing services (e.g. placement services for temporary workers); (vii) other shared employment related services, or (viii) other services or goods offered by the Franchised Business. Franchisee shall operate the Franchised Business in a manner which maximizes Franchisee's Gross Sales consistent with sound marketing and business practices, and Franchisee shall not engage in any business practice which reduces Franchisee's Gross Sales. Franchisee shall not solicit or employ or contract with any person who is a current or former employee or independent contractor of Company or any other HRBoost business at any time during the twelve-month period immediately prior thereto.

L. <u>Contribute to the Brand Fund</u>. Franchisee shall contribute to the brand fund ("Brand Fund") for such advertising and marketing programs as the Company in its sole discretion from time to time deems appropriate up to (i) two percent (2%) of an Agency Model Franchise's Gross Sales, or (ii) one half of one percent (0.5%) of a Bridge Builder Model Franchise's Gross Sales; such amounts to be determined by the Company. The Company shall direct all advertising and marketing programs financed by the Brand Fund, with sole discretion over the creative concepts, materials and endorsements used therein, and the geographic, market and media placement and allocation thereof. Brand Fund contributions shall be paid together with the Royalty Fee due hereunder.

1. Franchisee agrees that the Brand Fund may be used to pay the costs of preparing advertising materials and administering national, regional and local advertising programs and public relations activities. These programs and activities may include, without limitation, creating direct mail and media materials, formulating advertising and marketing programs, developing and maintaining website and internet-based advertising and marketing programs, intranet development and ongoing operation, toll-free locator services, email systems and services, creation and management of loyalty and membership program(s), employing advertising agencies to assist therewith, research and development for future potential products or services, events or charitable sponsorships, memberships in professional and community organizations and other organizations to encourage business development, and providing brochures and other advertising and marketing materials for HRBoost businesses, and participating in any national or regional trade shows or other activities that Company, in its sole discretion, deems appropriate. Through the Brand Fund, the Company may furnish Franchisee with approved advertising and marketing materials on the same terms and conditions as such materials are furnished to other HRBoost businesses. The Brand Fund shall be accounted for separately from the other funds of the Company and shall not be used to defray the Company's general operating expenses, except for such reasonable salaries, administrative costs and overhead as the Company may incur in activities reasonably related to the administration of the Brand Fund and its advertising and marketing programs (including, without limitation, conducting market and product/service research, preparing advertising and marketing materials and collecting and accounting for contributions to the Brand Fund and the marketing, advertising, and sale of

franchises). The Company shall be authorized to spend in any fiscal year an amount greater or less than the aggregate contribution of all HRBoost businesses to the Brand Fund contributions in that year; and the Brand Fund may borrow from the Company or other lenders to cover deficits of the Brand Fund or cause the Brand Fund to invest any surplus for future use by the Brand Fund. A report of the receipts and disbursements of the Brand Fund, which may be audited, shall be prepared annually and shall be made available to Franchisee upon written request. The cost of preparing the report shall be paid by the Brand Fund. Franchisee understands and acknowledges that the Brand Fund is intended to maximize general public recognition and patronage of the Marks and HRBoost businesses for the benefit of all HRBoost businesses and that the Company undertakes no obligation in administering the Brand Fund to ensure that expenditures which are proportionate or equivalent to Franchisee's contributions are made for the market area of the Franchised Business or that any HRBoost business benefits directly or pro rata from the conduct of marketing programs or the placement of advertising. Except as expressly provided in this Section, the Company assumes no direct or indirect liability or obligation to Franchisee with respect to the maintenance, direction or administration of the Brand Fund.

2. The Company shall also be allowed to cause the Brand Fund to be incorporated or operated through an entity separate from the Company at such time as the Company deems appropriate; such entity shall have the same rights and duties as the Company does pursuant to this Section. Upon thirty days prior written notice to Franchisee, the Company shall have the right, in its sole discretion, (i) to suspend contributions to and operation of the Brand Fund for one or more periods that Company determines to be appropriate or (ii) to terminate the Brand Fund. The Company shall distribute all unspent monies of the Brand Fund which was terminated to the Company, its affiliates and franchisees in proportion to their respective contributions to the Brand Fund during the preceding twelve-month period. The Company shall have the right to reinstate the Brand Fund upon the same terms and conditions as set forth in this Agreement, upon thirty days prior written notice to Franchisee.

3. Franchisee shall spend within one month before, and one month after, the opening the Franchised Business a minimum of $10,000 on local advertising, marketing, and promotion of the opening of the Franchised Business, in accordance with an opening marketing plan approved by the Company. These grand opening expenditures are in addition to the Brand Fund contributions specified above. Company may require Franchisee to pay to the Brand Fund one month before the scheduled opening of the Franchised Business the total amount due for the opening marketing plan (no less than $10,000) which the Company will then spend on local advertising, marketing, and promotion of the opening of the Franchised Business in accordance with an opening marketing plan developed by the Company.

4. Provided that a majority of the HRBoost business locations in Franchisee's ad-coverage area agree to participate in the program, Franchisee shall participate in and contribute its share to additional advertising and promotional programs in Franchisee's ad-coverage area. The cost of the program shall be allocated among the locations in such area and each location's share shall be in proportion to its sales during the preceding twelve (12) month period and/or may be a flat amount. "Ad-coverage area" shall be defined as the area covered by the advertising medium (television, radio or other media) as recognized in the industry. At the time a program is submitted, Company shall submit a list of all operating locations within the ad-coverage area.

5. In addition to Franchisee's obligations to pay into the Brand Fund and to pay for the grand opening expenditures, as set forth above, Franchisee agrees to expend monthly on local advertising and promotions of the Franchised Business and the Marks up to two percent (2%) of Franchisee's Gross Sales per month, such amount shall be determined by Company in its sole discretion but Company shall (i) not require more than $2,000 per month for an Agency Model franchise and (ii) not require more than $1,000 per month for a Bridge Builder Model franchise; provided, however, Company can increase this cap on the amount that must be spent monthly by up to and including ten percent per year on a cumulative basis, such amount to be determined by the Company in its sole discretion. Amounts contributed to the ad-coverage area advertising and promotions requirement pursuant to the prior paragraph shall be credited towards Franchisee's requirement for local advertising and promotions under this paragraph. Expenditures in any fiscal year in excess of such minimum advertising requirement shall

not be credited against minimum advertising requirements for any other fiscal year. The Company shall have the right to review Franchisee's books and records from time to time to determine Franchisee's expenditures for such required advertising and promotion, and Franchisee shall submit an accounting of its expenditures for such required advertising and promotion within fifteen (15) days of the end of each calendar quarter. If the Company determines that Franchisee has not spent the requisite amount, the Company may require Franchisee to pay such unexpended amounts to the Brand Fund. At any time, Company may require Franchisee to pay the above local advertising and promotions amount to the Company or to a designated or approved supplier for spending on local advertising and promotions instead of Franchisee spending such amounts directly.

6. For purposes of the foregoing minimum advertising requirements, advertising expenditures shall include contributions to Company-approved advertising cooperatives, and amounts expended for advertising media such as television, radio, newspaper, billboards, magazines, posters, direct mail, social media marketing if approved by the Company, program booklet advertising, collateral promotional and novelty items, advertising on public vehicles, and, if not provided by the Company, the cost of producing approved materials necessary to participate in these media, including advertising agency commissions related to the production of such advertising. Advertising expenditures shall not include payments for items which the Company, in its reasonable judgment, deems inappropriate for meeting the minimum advertising requirements, including, without limitation, payments in connection with permanent on-premises signs, lighting, purchasing or maintaining vehicles, even though such vehicles may display the Marks, and other payments.

7. Prior to their use by Franchisee, samples of all local advertising, promotion and public relations materials not prepared or previously approved by the Company shall be submitted to the Company for approval, which shall not be unreasonably withheld. If written disapproval is not received by Franchisee within fourteen (14) days from the date of receipt by the Company of such materials, the Company shall be deemed to have given the required approval. Franchisee shall not use any advertising, promotion or public relations materials that the Company has disapproved. Franchisee shall not use the name, photo(s), likeness, or other image(s) or other identifiable information of any customer the Franchised Business serves or served in its advertising, promotion, or public relations materials unless (i) Franchisee has secured the prior written consent of the individual depicted to the use of their respective name, image, and/or likeness and (ii) Franchisee's use complies with all applicable laws.

8. Company may establish, acquire, or host any website(s) to advertise, market, and promote HRBoost businesses, the products and services that they offer and sell, and/or a HRBoost franchise opportunity (each a "Franchise System Website"). Company may (but is not required to) provide Franchisee with a webpage on a Franchise System Website that references Franchisee's Franchised Business for informational purposes only. If Company provides Franchisee with a webpage on a Franchise System Website, Franchisee must: (i) provide Company the information and materials Company requests to develop, update, and modify Franchisee's webpage; (ii) notify Company whenever any information on Franchisee's webpage is not accurate; and (iii) if, from time to time, Company gives Franchisee permission to modify Franchisee's webpage, notify Company whenever Franchisee changes the content of Franchisee's webpage about what was changed and when. Company will own all intellectual property and other rights in all Franchise System Websites, including Franchisee's webpage and all information it contains (including the domain name, any associated URL or email address, any website analytical data, and any personal or business data that visitors supply). Company may permit Franchisee to sell products and/or services through the Franchise System Website from time to time in Company's sole discretion. Franchisee agrees to pay all amounts due to Company or any designated vendor related to establishing and maintaining its Franchise System Website and/or other online media (*e.g.* establishing its online ordering, booking or reservations platform).

Company may use Brand Fund assets to develop, maintain and update any Franchise System Website. Company periodically may update and modify any Franchise System Website (including Franchisee's webpage). Franchisee acknowledges that Company has final approval rights over all information on any Franchise System Website (including Franchisee's webpage). Company may implement and periodically modify system standards relating to any Franchise System Website.

Even if Company provides Franchisee a webpage on a Franchise System Website, Company will only maintain this webpage while Franchisee is in full compliance with this Agreement and all system standards which Company implements (including without limitation those relating to Franchise System Websites). If Franchisee is in default of any obligation under this Agreement or Company's system standards, then Company may temporarily remove Franchisee's webpage from any Franchise System Website (or all Franchise System Websites) until Franchisee fully cures the default. Company will permanently remove Franchisee's webpage from all Franchise System Websites upon this Agreement's expiration or termination.

Company may require Franchisee to provide notice of any Franchise System Website in the advertising, marketing, and promotional materials that Franchisee develops for Franchisee's Franchised Business in the manner Company designates. Company reserves the sole right to sell the products and services sold in connection with the Marks on the internet through Franchise System Websites; Company may permit Franchisee to sell products and services through the Franchise System Websites from time to time in its sole discretion. Franchisee agrees that Franchisee will not sell any HRBoost products or services to customers on a website through the internet or through any alternative channels of distribution without the Company's prior written consent, which Franchisee acknowledges and agrees Company may withdraw at any time.

Company reserves the right to require Franchisee to obtain from Company and use an email address associated with Company's registered domain name. If Company requires Franchisee to obtain and use such an email address, Franchisee must do so according to Company's then-current terms and conditions.

Except as provided above, or as approved by Company in writing, Franchisee may not develop, maintain or authorize any website, domain name, URL address, email address, other online presence or other electronic medium that mentions Franchisee's Franchised Business, links to any Franchise System Website or displays any of the Marks, or engage in any promotional or similar activities, whether directly or indirectly, through or on the internet, or any other similar proprietary or common carrier electronic delivery system. If Company approves the use of any such websites, other online presences or electronic mediums, including social networking websites (such as LinkedIn®, X®, Instagram®, Facebook®, or YouTube®) in the operation of Franchisee's Franchised Business, or the posting of messages relating to Franchisee's Franchised Business on other websites, Franchisee will do so only in accordance with Company's guidelines, which may include without limitation that Company shall receive access credentials (username and password or similar that provide the ability to author, delete, and respond to any posts or messages) to such social networking websites, and notwithstanding anything to the contrary, Company shall be the sole owner of all such posts, messages, content, etc. Company reserves the right to require Company's pre-approval of any message Franchisee composes for a social networking website or commentary for any other website before Franchisee posts such message or commentary. Company reserves the right to manage and implement all social media content and messages related to the Franchised Business and may do so itself or through a designated third-party.

M. **<u>Use the Marks Properly</u>.** Use the Marks as the sole identification of the Franchised Business, provided that Franchisee shall identify himself as the independent owner thereof in the manner prescribed by the Company. Franchisee shall not use any Marks as part of any company or trade name or with any prefix, suffix or other modifying words, terms, designs or symbols, or in any modified form, nor may Franchisee use any Marks in connection with the sale of any unauthorized service or product or in any other manner not expressly authorized in writing by the Company. Franchisee shall pay to Company an unauthorized products or services fee equal to the greater of $250 per day per use, or the amount stated in the Operations Manual, when Franchisee sells, offers for sale or uses an unauthorized product or service. Franchisee agrees to display the Marks in the manner prescribed by the Company on or in connection with signs, posters, displays, service contracts, stationery and other forms Company designates. Further, Franchisee agrees to give such notices of trademark or service mark registrations and copyrights as the Company specifies and to obtain such fictitious or assumed name registrations as may be required under applicable law. All bank accounts, licenses, permits or other similar documents shall contain the actual name of the person or entity owning the Franchised Business and may contain "d/b/a HRBoost". Any sign face bearing the Marks shall remain the property of the Company even though the Franchisee may have paid a third party to make the sign faces.

1. Franchisee shall immediately notify the Company in writing of any apparent infringement of or challenge to Franchisee's use of any Marks, or claim by any person of any rights in any Marks or any similar trade name, trademark or service mark of which Franchisee becomes aware. Franchisee shall not communicate with any person other than the Company and its counsel in connection with any such infringement, challenge or claim. The Company and its affiliates shall have sole discretion to take such action as they deem appropriate and the right to exclusively control any litigation, U.S. Patent and Trademark Office proceeding or other administrative proceeding arising out of any such infringement, challenge or claim or otherwise relating to any Marks. Franchisee agrees to execute any and all instruments and documents, render such assistance and do such acts and things as may, in the opinion of the Company's counsel, or the counsel of the Company's affiliates, be necessary or advisable to protect and maintain the interests of the Company and its affiliates in any such litigation, U.S. Patent and Trademark Office proceeding or other administrative proceeding or to otherwise protect and maintain the interests of the Company and its affiliates in the Marks.

2. The Company agrees to indemnify Franchisee against, and to reimburse Franchisee for, all damages for which Franchisee is held liable in any proceeding in which Franchisee's use of any Marks, pursuant to and in compliance with this Agreement, is held to constitute trademark infringement, unfair competition or dilution, and for all costs reasonably incurred by Franchisee in the defense of any such claim brought against Franchisee or in any such proceeding in which Franchisee is named as a party, provided that Franchisee has timely notified the Company of such claim or proceeding and has otherwise complied with this Agreement and that the Company shall have the right to defend any such claim. If the Company does undertake to defend such claim, then the Company shall have no obligation to indemnify or reimburse Franchisee for any fees or disbursements of counsel Franchisee retains.

3. If it becomes advisable at any time, in the Company's sole discretion, for the Company and/or Franchisee to modify or discontinue use of any Marks, and/or use one or more additional or substitute trademarks or service marks, Franchisee agrees to comply therewith a reasonable time after notice thereof by the Company (agreed not to exceed sixty (60) days), and the sole liability and obligation of the Company and its affiliates in any such event shall be to reimburse Franchisee for the out-of-pocket costs of complying with this obligation.

4. Franchisee acknowledges the Company's prior rights in and to the Marks and that Franchisee's right to use the Marks is derived solely from this Agreement and is limited to the conduct of Franchisee's business pursuant to and in compliance with this Agreement and all applicable specifications, standards and operating procedures prescribed by the Company from time to time during the term of this Agreement. Any unauthorized use of the Marks by Franchisee shall constitute an infringement of the rights of the Company in and to the Marks. Franchisee agrees that all usage of the Marks by Franchisee and any goodwill established thereby shall inure to the exclusive benefit of the Company, and Franchisee acknowledges that this Agreement does not confer any goodwill or other interest in the Marks upon Franchisee. All provisions of this Agreement applicable to the Marks shall apply to any additional trademarks, service marks, logo forms and commercial symbols hereafter authorized for use by and licensed to Franchisee pursuant to this Agreement.

5. Any improvements or additions to the System, website or any other documents or information pertaining to or relating to the System or the Franchised Business, or any new trade names, trade and service marks (whether claimed under common law or from federal or state agencies), logos, or commercial symbols related to the Franchised Business or any advertising and

promotional ideas or inventions related to the Franchised Business (collectively, the "Improvements") conceived or developed or used by Franchisee shall become Company's property. Franchisee agrees to assign and does hereby assign to Company, all right, title and interest in and to the Improvements, including the right to grant sublicenses to any such Improvement. Franchisee shall fully disclose the Improvements to Company, without disclosure of the Improvements to others, and shall obtain Company's written approval prior to using such Improvements. Any such Improvement may be used by Company and all of Company's other businesses without any obligation to Franchisee for royalties or other fees. Company may, at Company's discretion, apply for and own copyrights, patents, trade names, trademarks and service marks relating to any such Improvement and Franchisee shall cooperate with Company in securing such rights. Company may also consider such Improvements as Company's property and trade secrets. In return, Company shall, in accordance with the other terms of this Agreement, authorize Franchisee to utilize any Improvement that may be developed by other franchisees and is authorized generally for use by other franchisees. All Improvements created by Franchisee or any other person or entity retained or employed by Franchisee are Company's property, and Company shall be entitled to use and license others to use such Improvements unencumbered by moral rights. If any of the Improvements are copyrightable materials, they shall be works made for hire within the meaning of the United States Copyright Act and, to the extent the copyrightable materials are not works made for hire or rights in the copyrightable materials do not automatically accrue to Company, Franchisee irrevocably assigns and agrees to assign to Company, and Company's successors and assigns, the entire right, title, and interest in perpetuity throughout the world in and to any and all rights, including all copyrights and related rights, in such copyrighted materials, which Franchisee and the author of such copyrighted materials warrant and represent as being created by and wholly original with the author. Where applicable, Franchisee agrees to obtain any other assignments of rights in the Improvements from another person or entity necessary to ensure Company's right in the Improvements as required in this Section.

6. Company shall be entitled to use and publish in printed and digital publications and on websites the name, likeness and voice of Franchisee and its Agents for purposes of promoting the franchise, the Franchisee, the Company and its services and products, including all photos and audio and video recordings of Franchisee and its Agents, and Franchisee hereby irrevocably consents thereto. Franchisee acknowledges that Company will own all right, title and interest, to the extent allowed by law, in all rights of integrity, disclosure and publication and any other rights that may be known as or referred to as "moral rights," "artist's rights," "publicity rights" or the like associated with such photos and audio and video recordings, and assigns and transfers unto Company the full and exclusive right, title and interest to such rights. Franchisee agrees and irrevocably authorizes Company to edit, alter, copy, exhibit, publish or distribute any photograph or audio or video of Franchisee for any lawful purpose. Franchisee agrees and waives any rights to royalties or any other compensation related to Company's use of any photograph, audio or video of Franchisee. Franchisee agrees to hold harmless and forever discharges Company from all claims, demands, and causes of action which Franchisee may have in connection with this authorization. For purposes of this Agreement, the term "Agents" means Franchisee's principals, directors, officers, shareholders, members, managers and employees.

N. Methods of Payment and Data Security. Maintain, at all times, credit-card relationships with the credit and debit card issuers or sponsors, check or credit verification services, gift card providers, financial-center services, merchant service providers, and electronic-funds-transfer systems (together, "Credit Card Vendors") that Company may periodically designate as mandatory. The term "Credit Card Vendors" includes, among other things, companies that provide services for electronic payment, such as near field communication vendors (for example, "Apple Pay" and "Google Pay"). Franchisee agrees not to use any Credit Card Vendor for which Company has not given Franchisee Company's prior written approval or as to which Company has revoked Company's earlier approval. Company has the right to modify Company's requirements and designate additional approved or required methods of payment and vendors for processing such payments, and to revoke Company's approval of any service provider. Franchisee must also accept checks and other methods of payment which Company specifies. Company may require Franchisee to obtain such services through Company or Company's affiliates.

Franchisee must at all times ensure that Franchisee is in compliance with the applicable regulations and requirements issued by the credit card processing companies and banking industries. Franchisee agrees to comply with the then-current Payment Card Industry Data Security Standards as those standards may be revised and modified by the PCI Security Standards Council, LLC (see www.pcisecuritystandards.org), or any successor organization or standards that Company may reasonably specify. Among other things, Franchisee agrees to implement the enhancements, security requirements, and other standards that the PCI Security Standards Council (or its successor) requires of a merchant that accepts payment by credit and/or debit cards.

O. Make Prompt Payment of All Amounts Due. Make prompt payment of all amounts due to the Company and its affiliates and to suppliers, vendors, lessors, utilities and any landlord of the Franchised Business. Royalty Fees, Services Fees, Brand Fund Contributions, Ad-Coverage Area Contributions, Technology Fees, Billing Fees, Training Fees, and any other amounts Franchisee owes to the Company or its affiliates shall bear interest, compounded from the date due until fully paid, at the rate of two percent per month; provided however, that in the event such rate exceeds the maximum rate allowable by applicable law, such amounts will bear interest at such maximum rate. Franchisee shall also pay the Company and its affiliates a late fee of the greater of $250 or the amount stated in the Operations Manual for every notification or demand for payment, or for non-sufficient funds payments by check or electronic transfer, or for failure to timely provide required reports and financial statements, or for any other violation of this Agreement. Franchisee acknowledges that the interest and late fee do not constitute the Company's agreement to accept payments after they are due and are in addition to any other remedy available to the Company, including without limitation default and termination of this Agreement. Time is of the essence of this Agreement. The Company may require, currently or in the future, all Royalty Fees, Services Fee, Brand Fund Contributions, Ad-Coverage Area Contributions, Technology Fees, Billing Fees, Training Fees, and any other amounts which Franchisee owes to the Company or its affiliates to be paid by or through an electronic depository transfer account as further described in the Operations Manual. Payments for all amounts shall be in accordance with the procedures set forth in the Operations Manual. The Company shall have sole discretion to apply any payments made by Franchisee to any of Franchisee's amounts due to the Company or its affiliates, including, without limitation, any amounts Franchisee may owe as Brand Fund contributions or other advertising fees. Franchisee agrees that Franchisee will not, for any reason whatsoever, including without limitation on grounds of the alleged nonperformance by the Company or its affiliates of any obligations hereunder, set off against or withhold payment of any Royalty Fee, Brand Fund contribution, or any other amounts due to the Company or its affiliates.

1. To secure Franchisee's performance under this Agreement, Franchisee hereby grants to Company a security interest in and to all of Franchisee's tangible and intangible property used to operate the Franchised Business including without limitation all Franchisee's equipment, accounts, deposit accounts, inventory, investment property, general intangibles, and money. Company shall record appropriate financing statements to protect and perfect its rights as a secured party. Except with Company's prior written consent, which it shall not unreasonably withhold, Franchisee will not grant any person or business entity a security interest in Franchisee's tangible or intangible assets of the Franchised Business. Company agrees to subordinate its security interest if requested by a lender providing financing to Franchisee provided that such lender: (i) agrees to provide Company with written notice in the case of Franchisee's default at the same time that the lender serves Franchisee with such notice of default; (ii) provides Company the right, but not the obligation, to cure the default under the loan or financing agreement; (iii) notifies Company if the lender assigns its interest in the loan or financing to a third party, who the lender must require to take subject to these restrictions; (iv) provides Company with a copy of the loan or financing documents which may not be materially modified at any time without Company's prior written consent so that Company may confirm that any changes do not materially impair its rights provided this section; and (v) does not take a primary security interest in Company's Marks or intellectual property or any equipment or materials bearing the Company's Marks or intellectual property. It will be Franchisee's obligation to ensure that any loan or financing arrangements contain the above conditions and no such failure will constitute a waiver of Company's rights in this section.

P. **Ongoing Training.** Shall participate, if Company requires, in up to seven days per calendar year of refresher training in the operations and marketing of the Franchised Business at Franchisee's expense. The refresher training would be at a location which the Company selects, including without limitation telephonically, via virtual meeting, and other means. The refresher training may or may not take place at an annual convention of franchisees. The Company or a third party whom the Company designates may provide the ongoing training. In the event that Franchisee requests or the Company determines in its sole discretion that Franchisee would benefit from the Company training a new manager or Operating Principal who replaces the prior manager or Operating Principal (provided Franchisee qualifies to have an Operating Principal other than Franchisee), Franchisee shall make such new manager or Operating Principal available for training and shall remit to the Company its then-current fee for new manager or Operating Principal training along with payment by Franchisee for either (i) its new manager's or Operating Principal's travel, lodging, meals, and other expenses incurred during the training if the manager or Operating Principal travels to attend the training, or (ii) Company representative's(es') travel, lodging, meals, and related expenses incurred during the training if the Company sends a representative to train the manager or Operating Principal at Franchisee's premises. Company may terminate this Agreement if Franchisee, any manager, and/or Operating Principal have two or more unexcused absences in any twelve-month period from mandatory ongoing training required by the Company, and does not subsequently attend all Company required meetings and trainings during the following twelve-months.

Q. **Convention.** Shall attend, if Company requires, a national business meeting or convention of franchisees for up to four days once per calendar year at Franchisee's expense. Franchisee shall pay to Company the then-current fees and costs for attending the convention or national business meeting. The convention would be at a location which the Company selects.

R. **Advisory Council.** Franchisee shall participate actively in a Regional Advisory Franchisee Council ("Council") and participate in all Council programs, for Franchisee's particular Council, approved by Company. Such Council may be formed by Company, in its sole discretion, at any time that more than one franchisee conducts a Franchised Business in any given region, the boundaries of which will be determined by Company in its sole discretion. The Council shall be governed by bylaws or other governing documents prepared by the Company. The purposes of the Council(s) include, but are not limited to, exchanging ideas and problem-solving methods, advising Company on expenditures for system-wide marketing, public relations and advertising, and coordinating franchisee efforts. Franchisee shall pay all assessments levied by the Council, and Company has the right to enforce this obligation. Amounts and expenditures may vary from time to time due to variations in Council participation and costs as determined by a particular Council and as approved by Company.

S. **Software Program.** If Company or any affiliate develops and custom designs or designates or requires a software program and/or hardware system, and/or other technology for conducting accounting, scheduling, billing, invoicing, collections, payment, inventory or point-of-sale functions, business management, customer relations management (CRM), payroll management, and/or other activities related to the Franchised Business (hereinafter "Software Program"), Franchisee agrees to implement the Software Program into the Franchised Business, and to comply with all specifications and standards prescribed by Company regarding the Software Program as provided from time to time in the Company manuals including remitting payment of all amounts for such Software Program at the then-current rates for such Software Program whether to Company, an affiliate, or a third-party as Company may so direct. At such time as Company requires the implementation of such Software Program, Franchisee shall only utilize the Software Program as prescribed by Company. At such time as Company requires the implementation of such Software Program, Franchisee shall be required to purchase, lease or license the designated Software Program, to purchase or lease specified computer hardware compatible with Company's Software Program requirements and contract for on-going service, maintenance and support for such hardware and Software Program at terms designated by Company or its suppliers. Company and/or its affiliates may condition any purchase, lease, or license of any required or recommended Software Program to Franchisee, and/or Franchisee's use of technology developed, administered or maintained by or for Company, on Franchisee signing or consenting to a license agreement or similar document that Company and its affiliates periodically specify to regulate Franchisee's use of, and Company's (or affiliate's) and Franchisee's respective rights and responsibilities with respect to, the software or technology. Company itself may, or Company may require any designated Software Program provider to, terminate Franchisee's access to and use of any Software Program if Franchisee is delinquent on any payments due to Company or its affiliates, suppliers, or vendors or otherwise in default of this Agreement. Franchisee shall execute any required license and/or services agreement for such Software Program and acknowledges and agrees that future modifications to such license or services agreement (including without limitation changes or increases to fees and/or changes to any aspects of the software) may be made effective upon ten (10) days prior notice to Franchisee.

1. COMPANY HEREBY DISCLAIMS ALL WARRANTIES, WHETHER EXPRESS, IMPLIED OR STATUTORY, AS TO ANY ASPECT OF THE SOFTWARE PROGRAM, ANY OTHER SOFTWARE, AND ANY COMPUTER EQUIPMENT MADE AVAILABLE TO FRANCHISEE BY COMPANY OR SUGGESTED OR REQUIRED TO BE USED BY FRANCHISEE PURSUANT TO THIS AGREEMENT, THEIR OPERATION OR THE SERVICES TO BE PERFORMED BY COMPANY HEREUNDER, INCLUDING WITHOUT LIMITATION, WARRANTIES OF MERCHANTABILITY, FITNESS FOR A PARTICULAR PURPOSE, DESIGN, CONDITION, CAPACITY, PERFORMANCE, TITLE, AND NON-INFRINGEMENT OF THIRD PARTY RIGHTS. IT IS SPECIFICALLY UNDERSTOOD AND AGREED THAT THE SOFTWARE PROGRAM, ANY OTHER SOFTWARE, TECHNOLOGY, AND ANY COMPUTER EQUIPMENT MADE AVAILABLE BY COMPANY TO FRANCHISEE PURSUANT TO THIS AGREEMENT ARE MADE AVAILABLE ON AN AS-IS BASIS. IN NO EVENT SHALL COMPANY BE LIABLE (WHETHER IN CONTRACT, WARRANTY, TORT OR OTHERWISE) TO FRANCHISEE, THIRD PARTIES OR ANY OTHER PERSON CLAIMING THROUGH OR UNDER FRANCHISEE, FOR ANY DAMAGES OR EXPENSES, INCLUDING BUT NOT LIMITED TO, LOSS OF PROFITS, LOSS OF REVENUES, LOSS OF SAVINGS, LOSS OF USE, LOSS OR CORRUPTION OF DATA OR ANY INDIRECT, INCIDENTAL, SPECIAL, EXEMPLARY, PUNITIVE OR CONSEQUENTIAL DAMAGES, ARISING OUT OF OR IN CONNECTION WITH ANY USE, OR INABILITY TO USE, THE SOFTWARE PROGRAM, ANY OTHER SOFTWARE AND ANY COMPUTER EQUIPMENT MADE AVAILABLE BY COMPANY TO FRANCHISEE PURSUANT TO THIS AGREEMENT, WHETHER CAUSED BY DEFECT, NEGLIGENCE, BREACH OF WARRANTY, DELAY IN DELIVERY OR OTHERWISE, EVEN IF COMPANY HAD BEEN ADVISED OF THE POSSIBLITY OF SUCH DAMAGES OR EXPENSES. FURTHER, NO OBLIGATION OR LIABILITY SHALL ARISE OR FLOW OUT OF COMPANY'S OR COMPANY'S DESIGNATED SUPPLIER'S RENDERING OF TECHNICAL OR OTHER ADVICE OR SERVICE IN CONNECTION WITH THE SOFTWARE PROGRAM, ANY OTHER SOFTWARE AND ANY COMPUTER EQUIPMENT MADE AVAILABLE BY COMPANY TO FRANCHISEE PURSUANT TO THIS AGREEMENT. FRANCHISEE EXCLUSIVELY BEARS FULL AND COMPLETE LIABILITY AND RESPONSIBILITY FOR ITS USE AND RELIANCE ON THE SOFTWARE PROGRAM, ANY OTHER SOFTWARE AND ANY COMPUTER EQUIPMENT MADE AVAILABLE BY COMPANY TO FRANCHSIEE PURSUANT TO THIS AGREEMENT, EVEN IF SUCH USE WERE TO PRODUCE INCORRECT INFORMATION OR ERRONEOUS RESULTS. IN NO EVENT SHALL COMPANY'S TOTAL LIABILITY FOR FRANCHISEE'S USE OF THE SOFTWARE PROGRAM, ANY OTHER SOFTWARE AND ANY COMPUTER EQUIPMENT MADE AVAILABLE BY COMPANY TO FRANCHISEE PURSUANT TO THIS AGREEMENT EXCEED TWO THOUSAND DOLLARS.

T. Approved Products, Distributors and Suppliers. The reputation and goodwill of Franchised Businesses is based upon, and can be maintained only by, the sale of distinctive, high quality services and products and the presentation, service and delivery of such products and services in an efficient and appealing manner. Company has or may develop various services, products, standards, specifications, methods, systems, equipment, inventory, materials, signage and displays which will be offered according to Company's instruction and requirement. Company has and will periodically approve suppliers and distributors that meet its standards and requirements, including, without limitation, standards and requirements relating to product quality, prices, consistency, reliability, financial capability, labor relations and customer relations. Franchisee agrees that the Franchised Business will: (1) purchase Company's required goods and services either from Company or from a third party licensed, designated, or approved by Company and (2) purchase from distributors and other suppliers approved by Company all other goods and services that meet Company's standards and specifications for the same, if so directed. Company may from time to time modify the list of approved brands and/or suppliers, and Franchisee shall not, after receipt in writing of such modification, reorder any brand from any supplier which is no longer approved. Company may approve a single distributor or other supplier for any product and may approve a distributor or other supplier only as to certain products. Company may concentrate purchases with one or more distributors or suppliers to obtain lower prices and/or the best advertising support and/or services for any group of locations franchised or operated by Company. Approval of a distributor or other supplier may be conditioned on requirements relating to the frequency of delivery, standards of service, including prompt attention to complaints, or other criteria, and concentration of purchases, as set forth above, and may be temporary pending a further evaluation of such distributor or other supplier by Company. Franchisee shall notify Company and submit to Company along with the Company's then-current fee for each person which the Company provides for this determination plus reasonable expenses, not to exceed $5,000, such information, specifications, and samples as Company requests if the Franchised Business proposes to purchase any goods or services from a distributor or other supplier who has not been previously approved by Company. Company shall notify Franchisee within six months of Company's receiving all requested information whether the Franchised Business is authorized to purchase such products from such distributor or other supplier. Company may impose reasonable inspection and supervision fees on approved suppliers.

U. Technology Services. Franchisee shall pay to Company its then-current Technology Fee, such amount to be determined by the Company. The Technology Fee shall be paid together with the Royalty Fee due hereunder or as otherwise specified in the Operations Manual from time to time. The Technology Fee is currently used to provide Franchisee with technology related services including without limitation website maintenance and email address costs. Company may increase the amount of the Technology Fee as necessary to compensate for the ongoing technology related services and benefits provided to Franchisee. In addition to the services provided by the Technology Fee, Franchisee agrees to pay the providers of other required or recommended technology services and products on time and according to the terms provided by such suppliers.

V. Customer Information. Franchisee may only use Customer Information (as defined below) to the extent necessary to perform Franchisee's obligations under this Agreement during the term hereof and subject to such restrictions as Company may from time to time impose and in compliance with all data privacy, security and other applicable laws. "Customer Information" means any contact information (including name, address, phone and fax numbers, and e-mail addresses), sales and payment history, and all other information about any customer, including any information deemed "personal information" under applicable law. As used in this Agreement, the term "customer" refers to any person or entity (i) included on any marketing or customer lists Franchisee develops or uses; (ii) who has purchased or purchases services or products at or from the Franchised Business; or (iii) whom Franchisee has solicited to purchase any services or products at or from the Franchised Business. Company owns all Customer Information and may use the Customer Information as Company deems appropriate, including sharing it with Company's affiliates.

Without limiting the foregoing, Franchisee agrees to comply with applicable law in connection with Franchisee's collection, storage and Franchisee's use and Company's use of such Customer Information, including, if required under applicable law, obtaining consents from customers to Company's and its affiliates' use of the Customer Information. Franchisee must comply with all laws and regulations relating to data protection, privacy and security, including data breach response requirements ("Privacy Laws"), as well as data privacy and security policies, procedures and other requirements Company may periodically establish. Franchisee must notify Company immediately of any suspected data breach at or in connection with the Franchised Business or the business operated at the Franchisee's premises. Franchisee must fully cooperate with Company and its counsel in determining the most effective way to meet Company's standards and policies pertaining to Privacy Laws within the bounds of applicable law. Franchisee is responsible for any financial losses it incurs or remedial actions that it must take as a result of breach of security or unauthorized access to Customer Information in Franchisee's control or possession.

If the California Consumer Privacy Act ("CCPA"), Cal. Civ. Code § 1798.100, et seq., or any federal or state privacy law applies to the Franchised Business or the business operated at Franchisee's premises, whenever and to the extent Franchisee operates as a "Service Provider" under the CCPA or in a similar capacity under any federal or state privacy law, Franchisee represents, warrants, and covenants that: (1) Franchisee will not sell, make available or otherwise disclose any Customer Information to any third party for valuable consideration; (2) Franchisee will retain, use, or disclose Customer Information only for the specific purpose of performing the services specified in this Agreement, and not any commercial or noncommercial purpose other than providing the services specified in this Agreement; (3) Franchisee will not retain, use, or disclose Customer Information outside of the direct business relationship between Franchisee and Company; (4) Franchisee will delete any Customer Information upon Company's request unless Franchisee can prove that such request is subject to an exception under applicable law; and (5) If Franchisee receives a Customer Information data request directly from a California resident under the CCPA (e.g. a request to delete Customer Information), Franchisee shall inform Company of that request within one business day and cooperate with Company to ensure that the consumer receives an appropriate and timely acknowledgement and response. Typically, an acknowledgement is required within 10 calendar days and a final response is required within 45 calendar days. Franchisee certifies that it understands the restrictions in subparts (1) – (5) of this section and will comply with them. Franchisee also acknowledges and agrees that Company may modify the restrictions by written notice to Franchisee, including adding other similar privacy restrictions that may be required under other state or federal privacy laws.

W. Minimum Performance Obligation.

1. A Franchisee operating under the Agency Model agrees it must achieve the minimum Gross Sales stated below during Franchisee's relevant months of operations:

A. first twelve (12) months of operations (whole or partial), one hundred fifty thousand dollars ($150,000) in such twelve-month period;

B. months thirteen (13) through twenty-four (24) of operations (whole or partial), three hundred fifty thousand dollars ($350,000) in such twelve-month period;

C. months twenty-five (25) through thirty-six (36) of operations (whole or partial), five hundred fifty thousand dollars ($550,000) in such twelve-month period;

D. months thirty-seven (37) through forty-eight (48) of operations (whole or partial), seven hundred thousand dollars ($700,000) in such twelve-month period; and

E. month forty-nine (49) of operations and thereafter (whole or partial), eight hundred thousand dollars ($800,000) in any twelve-month period occurring after month forty-eight of operations.

2. The franchise rights of a Franchisee operating under the Agency Model depend on achieving the minimum Gross Sales stated above. If an Agency Model Franchisee does not meet any of the minimum Gross Sales requirement(s), the Company may require the Agency Model Franchisee to receive additional training at the Agency Model Franchisee's sole cost, may impose other corrective measures and requirements, and/or the Company may terminate this Agreement. Upon any renewal or successor franchise agreement for an Agency Model franchise, the minimum performance obligations will begin from the Agency Model Franchisee's most recent prior obligation and may be increased thereafter; the minimum performance obligations do not reset below that most recent prior obligation.

6. Term. Commencing upon the date of this Agreement, the term of this Agreement is ten (10) years, unless terminated prior thereto pursuant to the provisions hereof. Franchisee may, at Franchisee's option, renew this franchise term for three additional five (5) year terms subject to the following conditions which must be met prior to each renewal: (i) Franchisee shall have delivered to the Company written notice of Franchisee's desire to exercise Franchisee's option to renew at least eleven (11) months, but no more than twelve (12) months prior to the expiration of the term of this Agreement; (ii) Franchisee shall have during the entire term of this Agreement substantially complied with all of its provisions and the provisions of any other agreement between Franchisee and the Company and/or its affiliates; (iii) the Company and Franchisee (and Franchisee's shareholders or partners or members, if Franchisee is a corporation or partnership or limited liability company) shall execute the form of franchise agreement and such ancillary agreements as are then customarily used by Company in the grant of franchises (with appropriate modifications to reflect the fact that the agreement relates to the grant of a renewal franchise); (iv) Franchisee shall refurbish and remodel the premises of the Franchise Business and replace the vehicles and equipment of the Franchised Business to be in compliance with the then-current standards and specifications utilized in the granting of franchises; and (v) Franchisee (and Franchisee's shareholders or partners or members, if Franchisee is a corporation or partnership or limited liability company) shall execute general releases, in form satisfactory to Company, of any and all claims against the Company and its affiliates, and their officers, directors, managers, shareholders, members, employees and agents. The franchise agreement and ancillary agreements at the time of renewal may contain materially different terms from those contained in this Agreement. Franchisee shall pay to Company a renewal fee of $5,000. Failure by Franchisee (and Franchisee's shareholders or partners or members, if Franchisee is a corporation or partnership or limited liability company) to sign such agreement(s) and releases within thirty (30) days after delivery thereof to Franchisee shall be deemed an election by Franchisee not to renew. If Franchisee, for any reason, abandons, surrenders, or suffers revocation or non-renewal of all or part of Franchisee's rights and privileges under this Agreement, then all such rights and privileges shall revert to the Company. Irrespective of if Franchisee (and Franchisee's shareholders or partners or members, if Franchisee is a corporation or partnership or limited liability company) signs the general releases described above, Franchisee shall, upon the execution of any renewal or extension agreement, be deemed to have released and discharged Company from and against all claims and demands not at issue in mediation or litigation proceedings at the time of renewal or extension, whether or not contingent, which Franchisee may have against Company arising from this Agreement or in any way out of the relationship between Company and Franchisee.

If Franchisee does not sign a new franchise agreement prior to the expiration of this Agreement and continues to accept the benefits of this Agreement after the expiration of this Agreement, then at Company's option, this Agreement may be treated either as (i) expired as of the date of expiration with Franchisee's then operating without a franchise to do so and in violation of Company's rights; or (ii) continued on a month-to-month basis ("Interim Period") until one party provides the other with written notice of such party's intent to terminate the Interim Period, in which case the Interim Period will terminate thirty days after receipt of the notice to terminate the Interim Period. In the latter case, all obligations of Franchisee shall remain in full force and effect during the Interim Period as if this Agreement had not expired, and all obligations and restrictions imposed on Franchisee upon expiration of this Agreement shall be deemed to take effect upon termination of the Interim Period.

7. Termination.

A. Termination by Franchisee. If Franchisee is in substantial compliance with this Agreement and the Company materially breaches this Agreement and fails to cure such breach within a reasonable time, which in no event shall be less than ninety (90) days, after written notice thereof is delivered to the Company, Franchisee may terminate this Agreement. Such termination shall be effective ten (10) days after delivery to the Company of notice that such breach has not been cured and Franchisee elects to terminate this Agreement. Except as described in this Section, Franchisee has no right to terminate this Agreement.

B. Termination by Company. In addition to the other provisions of this Agreement allowing termination, the Company may terminate this Agreement effective upon delivery of notice of termination to Franchisee in the following circumstances:

1. Franchisee becomes insolvent; makes an assignment for the benefit of creditors; files a voluntary petition in bankruptcy; files any pleading seeking any reorganization, liquidation or dissolution under any law; admits or fails to contest the material allegations of any such pleading filed against Franchisee; is adjudicated a bankrupt; a receiver is appointed for a substantial part of Franchisee's assets; or the claims of creditors of Franchisee or the Franchised Business are abated or subject to a moratorium under any law;

2. If Franchisee or its manager(s) or its Operating Principal fails to pass the training program for franchisees, or if Franchisee fails to provide Company with a copy of the fully executed lease for the Franchised Business (if applicable) or commence operating the Franchised Business within ninety days after the date of this Agreement, or if Franchisee abandons, surrenders or transfers control of the operation of the Franchised Business without the Company's prior written consent;

3. If Franchisee loses possession of the Franchised Business premises, or fails to make rental payments when due, or suffers termination of the lease;

4. If Franchisee submits to the Company on two or more separate occasions at any time during any two year period during the term of this Agreement a report, financial statement, tax return, schedule or other information or supporting record which understates the Gross Sales of the Franchised Business for any period by more than two percent;

5. If Franchisee is convicted of or pleads guilty to or no contest to a felony or other crime which substantially impairs the goodwill associated with the Marks or the System or engages in any misconduct which affects the reputation of the Franchised Business or the goodwill associated with the Marks or the System, as determined by the Company;

6. If Franchisee loses any permit or license which is a prerequisite to the operation of the Franchised Business, or if Franchisee operates the Franchised Business in a manner that presents a health or safety hazard to customers, employees, or the public;

7. If Franchisee makes a transfer or assignment of this Agreement, the assets of the Franchised Business, or Franchisee's ownership interest, which is not authorized as provided in the transferability section of this Agreement;

8. If Franchisee has received three or more notices of default during any twelve-month period, whether or not such defaults were cured;

9. If Franchisee delivers to Company three or more non-sufficient funds payments by check or electronic transfer within any twelve-month period, whether or not such checks or electronic transfers were subsequently paid;

10. If Franchisee fails to pay any amount owed to the Company or its affiliates or to Franchisee's suppliers, providers, lessors, landlords, or vendors, when the same is due and payable and does not correct such failure within ten days after written notice of such failure to comply is delivered to the Franchisee;

11. If Franchisee fails to submit reports or financial data which Company requires under this Agreement, when the same are due and does not correct such failure within thirty days after written notice of such failure to comply is delivered to Franchisee; or

12. If Franchisee fails to perform any of the terms and conditions in this Agreement not otherwise covered in Section 7.B. Paragraphs 1 through 11 above, or in the Operations Manual, or in other operational memoranda issued by the Company, or use bad faith in carrying out terms of these franchise provisions and does not correct such failure within thirty days after written notice of such failure to comply is delivered to Franchisee.

Upon the occurrence of any of the above events of default which would allow the Company to terminate this Agreement (which termination Company may or may not choose to do), Company may authorize its suppliers to (and may itself) withhold shipment or other provision to the Franchisee of the Company's proprietary equipment, Software Program(s), products and services and approved equipment, products and services until such time as Franchisee has cured the event of default.

C. Cross Default. Any default by Franchisee of any other agreement between the Company and Franchisee shall be deemed a default under this Agreement, and any default by Franchisee of this Agreement shall be deemed a default under any and all other agreements between Company and Franchisee. If the nature of such default under any other agreement would have permitted the Company to terminate this Agreement had said default occurred hereunder, the Company shall have the right to terminate this Agreement as if such default has occurred hereunder. For purposes of this Section, an agreement between the Company or an affiliate of the Company and Franchisee or Franchisee's partner, shareholder, member, manager, executive officer or affiliate shall be deemed an agreement between the Company and Franchisee.

D. Appointment of Manager. Notwithstanding the provisions of Sections 7.B. and 7.C. above, in the event that Franchisee does not comply with any provision of this Agreement, the Company may, at its sole option, assign a manager to the Franchised Business on a daily basis, whose function will be to ensure compliance by Franchisee, Franchisee's employees and agents with the provisions of this Agreement, including without limitation, adherence to the standards, methods, procedures and specifications of the System and the rights and duties upon termination or expiration of this Agreement. Franchisee shall pay the Company for the services and expenses of such manager at such reasonable rate as may be established by the Company, which currently is the greater of nine hundred dollars per day or ten percent of the Franchised Business' Gross Sales for the duration of the management, plus reimbursement of other reasonable expenses, including without limitation, all travel, lodging, meals, and other expenses. Franchisee agrees to defend, indemnify and hold harmless the Company and its agents and employees who may act hereunder.

E. Rights and Duties Upon Termination or Expiration. Upon termination or expiration of this Agreement, all of Franchisee's rights hereunder shall terminate. Franchisee shall forthwith discontinue use of the Marks, the System, and all trade names, trademarks, service marks, trade dress, signs, colors, structures, interior and exterior decor, business methods, products and/or services available from suppliers designated or approved by the Company, confidential information, printed goods and forms of advertising indicative of the Franchised Business and return the Operations Manual and the Software Program to the Company. Franchisee shall pay all amounts including without limitation all actual, liquidated and consequential damages due the Company or its affiliates, cancel Franchisee's assumed name registration, return to the Company any signs utilizing the Marks, and not represent that Franchisee formerly did business under the Marks. Franchisee shall provide the Company with the names, addresses, telephone numbers, email addresses, copies of the agreements and any other data of Franchisee's customers during the preceding three years. Franchisee shall promptly notify the telephone company and all listing agencies of the termination or expiration of Franchisee's right to use any telephone number and any regular, classified or other telephone directory listings associated with the Marks and to authorize transfer of same to or at the direction of the Company. Franchisee acknowledges that as between the Company and Franchisee, the Company has the sole rights to and interest in all e-mail and internet addresses, websites, domain names, social media sites and search engine identifiers, and all telephone and facsimile numbers and directory listings associated with the Marks, and Franchisee authorizes the Company, and hereby appoints the Company and any officer of the Company as Franchisee's attorney-in-fact, to direct the telephone company, internet service providers, domain name registrars, social media hosts and all listing agencies to transfer same to the Company or at its direction, should Franchisee fail or refuse to do so, and the telephone company, internet service providers, domain name registrars, social media hosts and all listing agencies may accept such direction or this Agreement as conclusive of the exclusive rights of the Company in such e-mail and internet addresses, websites, domain names, social media sites and search engine identifiers, and all telephone and facsimile numbers and directory listings and its authority to direct their transfer. Upon termination or expiration of this Agreement, the Franchisee shall, at the Company's option, and without paying compensation to the Franchisee, assign to the Company, or to the Company's designee, (i) the Franchisee's customer contracts and/or (ii) the Franchisee's interest in any lease then in effect for the Franchise's business premises. The Company shall notify the Franchisee of its intent to exercise this option and the identity of the designee within thirty days after termination or expiration of this Agreement. Franchisee shall furnish to the Company within thirty days after the effective date of the termination or expiration evidence satisfactory to the Company of Franchisee's compliance with the foregoing obligations.

F. Option to Purchase Assets. Upon the termination or expiration of this Agreement, the Company shall have a ninety-day option to purchase from Franchisee some or all of the equipment, supplies, inventory, advertising materials and any items with Company's Marks for cash at fully depreciated book value (also expressly agreed to exclude any value for goodwill). The Company has an unrestricted right to assign this option to a third party.

G. Covenant Not to Compete. In the event of termination or expiration of this Agreement, Franchisee shall not, for a period of three (3) years after the later of (i) the date of the termination or expiration or (ii) the date on which Franchisee ceases to conduct the business conducted pursuant to this Agreement, be directly or indirectly associated as an employee, proprietor, stockholder, partner, member, agent, officer, director, consultant, representative, manager, spouse, parent, sibling or in any other capacity with, or operate, engage, own, invest in, or participate in, (1) any business offering (i) HR consulting, (ii) payroll services or administration of third-party payroll services, (iii) PEO services such as employing a customer's employees and "leasing" them back to the customer, administrative roles, preparing payroll and tax reports, governmental or legal compliance services, and/or offering health insurance; (iv) broker or otherwise offer any insurance or other benefits; (v) provide legal advice and/or employment law review, advice, or consultation; (vi) provide any interim staffing services (e.g. placement services for temporary workers); (vii) other shared employment related services, or (viii) other services or goods offered by the Franchised Business within thirty (30) miles of Franchisee's former business location or (2) any business offering (i) HR consulting, (ii) payroll services or administration of third-party payroll services, (iii) PEO services such as employing a customer's employees and "leasing" them back to the customer, administrative roles, preparing payroll and tax reports, governmental or legal compliance services, and/or offering health insurance; (iv) broker or otherwise offer any insurance or other benefits; (v) provide legal advice and/or employment law review, advice, or consultation; (vi) provide any interim staffing services (e.g. placement services for temporary workers); (vii) other shared employment related services, or (viii) other services or goods offered by the Franchised Business within thirty (30) miles of any other HRBoost business or (3) any entity which franchises or otherwise grants to others the right to operate any business offering (i) HR consulting, (ii) payroll services or administration of third-party payroll services, (iii) PEO services such as employing a customer's employees and "leasing" them back to the customer, administrative roles, preparing payroll and tax reports, governmental or legal compliance services, and/or offering health insurance; (iv) broker or otherwise offer any insurance or other benefits; (v) provide legal advice and/or employment law review, advice, or consultation; (vi) provide any interim staffing services (e.g. placement services for temporary workers); (vii) other shared employment related services, or (viii) other services or goods offered by the Franchised Business. In addition, in the event of the termination or expiration of the Agreement, Franchisee shall not for the three-year period as defined above (i) solicit or accept business from any former customers of the Franchised Business or (ii) solicit or employ or contract with any person who is a current or former employee or independent contractor of Franchisee, Company or any other HRBoost business at any time during the twelve months immediately prior thereto. The three-year period referred to above shall be tolled during any period of Franchisee's noncompliance with the terms of this Agreement. In the event the duration, scope and/or geographic area set forth in this paragraph and Agreement are held to be unreasonable and therefore unenforceable by any court of competent jurisdiction, then the duration, scope and/or geographic area of the foregoing restrictions and agreements shall remain in full force and effect as to such maximum duration, scope and/or geographic area as the court shall allow.

H. Confidential Information. Franchisee acknowledges that if Franchisee discloses any aspect of the System, or the Operations Manual, or the System Standards, or any other aspect of the franchise system that it could substantially harm the Company, Franchisee and other franchisees, and that such information is proprietary and confidential and a Trade Secret of Company. Franchisee agrees to secure, keep secret, and lock away the Operations Manual and any other System confidential materials. Franchisee agrees that Franchisee will maintain the absolute confidentiality of all, and not disclose any, such information during and after the term of this Agreement and that Franchisee will not use any such information in any other business or in any manner not specifically authorized or approved in writing by the Company. Franchisee agrees to require all of Franchisee's personnel to sign a confidentiality and non-competition agreement in the form prescribed by the Company. Franchisee shall not use any Confidential Information for the purpose of machine learning, augmented human intelligence development, training any artificial intelligence model, algorithm improvement, or similar data aggregation activities without Company's prior written consent. Franchisee may not use Confidential Information in generative artificial intelligence services without Company's prior written consent.

"Trade Secret" as used herein shall also include the definition of "trade secret" adopted in Illinois law and in the Defend Trade Secrets Act of 2016 ("DTSA") as may be amended from time to time. Pursuant to the DTSA's required notification of immunity for qualified whistleblowers, the following notice is provided:

This notice is pursuant to 18 U.S.C. §1833 et al. and is intended to inform you as the Franchisee of the protections afforded to you by the Defend Trade Secrets Act of 2016 (DTSA), S. 1890, 114th Cong. § 2 (2016). While it is a violation of this Agreement and Federal law to disclose trade secrets or any confidential information in violation of a nondisclosure agreement, confidentiality agreement, and/or any other agreement between Franchisee and the Company, the DTSA was intended to provide protections for whistleblowers in the event they need to disclose information defined as a Trade Secret under 18 U.S.C. §1839.

The DTSA provides that an individual shall not be held criminally or civilly liable under any Federal or State trade secret law for the disclosure of a trade secret that (A) is made (i) in confidence to a Federal, State, or local government official, either directly or indirectly, or to an attorney; and (ii) solely for the purpose of reporting or investigating a suspected violation of law; or (B) is made in a complaint or other document filed in a lawsuit or other proceeding, if such filing is made under seal. 18 U.S.C. §1833(b)(1). Furthermore, an individual who files a lawsuit for retaliation by an employer for reporting a suspected violation of law may disclose the trade secret to the attorney of the individual and use the trade secret information in the court proceeding, if the individual (A) files any document containing the trade secret under seal; and (B) does not disclose the trade secret, except pursuant to court order. 18 U.S.C. §1833(b)(2). Any such reporting of a suspected violation of law must be done in accordance with the Company's policies, as may be adopted, modified, or rescinded from time to time.

I. Non-Disparagement. Franchisee hereby agrees not to take any action or make any statement the effect of which would be to directly or indirectly materially impair Company's goodwill or Company's rights to its intellectual property or the goodwill of its affiliates, or be materially detrimental to Company, its affiliates or its franchisees, including, but not limited to any action or statement intended, directly or indirectly, to benefit any of Company's competitors. This provision survives forever. Notwithstanding the above provision, Company and Franchisee agree that the Company shall not restrict Franchisee's communications with the Federal Trade Commission or any other state or federal law enforcer about potential law violations.

J. Continuing Obligations. All obligations of the Company and Franchisee which expressly or by their nature survive the expiration or termination of this Agreement shall continue in full force and effect subsequent to and notwithstanding the expiration or termination of this Agreement and until they are satisfied in full or by their nature expire.

8. Transferability of Interest.

A. Transfer by the Company. The Company shall have the right, in its sole discretion, to transfer or assign this Agreement and all or any part of its rights or obligations to any person or legal entity, and any designated assignee of Company shall become solely responsible for all obligations of Company under this Agreement from the date of assignment. Franchisee shall execute such documents consenting to such a transfer as Company shall request.

B. <u>Transfer by Franchisee</u>. Franchisee understands and acknowledges that the rights and duties set forth in this Agreement are personal to Franchisee, and that Company has granted this franchise in reliance on Franchisee's business skill, financial capacity, and personal character. Accordingly, neither Franchisee nor any immediate or remote successor to any part of Franchisee's interest in this Agreement, nor any individual, partnership, corporation, limited liability company, or other legal entity which directly or indirectly owns any interest in Franchisee or in the Franchised Business shall sell, assign, transfer, convey, pledge, encumber, merge, or give (collectively "transfer") away any direct or indirect interest in this Agreement, in Franchisee, or in all or substantially all of the assets of the Franchised Business without the prior written consent, as set forth below, of Company. Any purported assignment or transfer not having the written consent of Company required by this Section shall be null and void and shall constitute a material breach of this Agreement, for which Company may immediately terminate without opportunity to cure pursuant to the terms of this Agreement. The Company shall not unreasonably withhold its written approval of an assignment or transfer, provided: (1) Franchisee has properly offered the Company the opportunity to exercise the right of first refusal as provided in the right of first refusal section of this Agreement, and the Company declined to exercise it; (2) The assignee or transferee has sufficient business experience, aptitude, financial resources, meets the Company's then applicable standards for franchisees; is of good moral character; will comply with the Company's standard training requirements; has received the required disclosure documents in accordance with law; and executes the then-current form of franchise agreement and other agreements (which may contain materially different terms than those set forth herein) being used by the Company; (3) Upon Company's request, the assignee or transferee agrees in a form approved by the Company to be personally bound jointly and severally by all the provisions of this Agreement and assume and guarantee all of Franchisee's obligations hereunder and all other agreements between Franchisee and the Company or its affiliates to the same extent as if they had been original parties to the original agreements; (4) Upon Company's request, Franchisee shall enter into an agreement with the Company, in a form satisfactory to Company, guaranteeing full payment and performance of the obligations of Franchisee's transferee; (5) All of Franchisee's money obligations owed to the Company, its affiliates, and the Brand Fund are fully paid and Franchisee is not otherwise in default under this Agreement; (6) The assets of the Franchised Business must be refurbished, remodeled or replaced in order to be in compliance with the then-current standards and specification utilized in the granting of franchises; (7) The lessor has consented to the assignment of the lease for the Franchised Business premises to the assignee or transferee if the lease requires such a consent; (8) Franchisee pays the Company a transfer fee in an amount equal to (i) two thousand dollars ($2,000) (subject to increases in the Consumer Price Index, as provided in Section 11 of this Agreement and the Operations Manual) if shares or other ownership rights of a business entity are being exchanged between existing owners of the entity, or if new shareholder(s) or other owners of a business entity are to be added, and such exchange or addition does not change the majority direct or beneficial owner; (ii) seventy-five percent of the then-current initial franchise fee for a non-discounted first franchise if Franchisee is transferring to another existing HRBoost franchisee, and in such case, $5,000 of the total amount due to Company shall be paid to Company when Franchisee submits the transfer for approval and such $5,000 payment is non-refundable for any reason, and the balance is due upon Company's approval of the transfer; or (iii) the full then-current initial franchise fee for a non-discounted first franchise if Franchisee is transferring to a new franchisee who does not own any other HRBoost business(es), and in such case, $5,000 of the total amount due to Company shall be paid to Company when Franchisee submits the transfer for approval and such $5,000 payment is non-refundable for any reason, and the balance is due upon Company's approval of the transfer; (9) Franchisee shall pay any and all third-party broker fees that are due in connection with the proposed transfer regardless of whether the buyer is an existing HRBoost franchisee or not; (10) In addition, for any supervision or assistance by Company's personnel at Franchisee's location around when the Franchised Business re-opens to the public, Franchisee shall pay Company the then-current daily fee for the Company's personnel, plus other reasonable expenses, including without limitation, all travel, lodging, meals and other expenses; (11) Franchisee (and each of Franchisee's shareholders or partners or members, if Franchisee is a corporation or a partnership or limited liability company) shall execute general releases of all claims against the Company, its affiliates, and their officers, directors, managers, shareholders, members, employees and agents; and (12) If Franchisee or any principal finances any part of the consideration due by the transferee to Franchisee or any principal, then all such obligations of the transferee to Franchisee and/or its principal (including without limitation under any notes, agreements or security interests) will be subordinate to the transferee's obligations to the Company. In the event Company no longer offers the Agency Model and/or the Bridge Builder Model franchise at the time Franchisee wants to transfer, Franchisee may be required to determine the transfer fee based off of the then-current, non-discounted initial franchise fee for a non-discounted first franchise of whatever franchise model is available at such time, in Company's sole discretion.

(i) At Franchisee's request, Company may, but has no obligation to, refer to Franchisee potential buyers of Franchisee's Franchised Business. If Company refers to Franchisee the buyer of Franchisee's Franchised Business or the assets of the Franchised Business or an ownership interest in Franchisee or this Agreement, Franchisee shall pay Company a referral fee in the amount of $10,000 at the time of closing such sale regardless of whether the buyer is an existing HRBoost franchisee or not.

C. Assignment to Partnership, Corporation or Limited Liability Company. If Franchisee is in full compliance with this Agreement, the Company shall not unreasonably withhold its consent to a transfer of this Agreement and the assets of the Franchised Business to a partnership or corporation or limited liability company, provided: (1) the partnership or corporation or limited liability company name does not include any of the word "HRBoost" or the word "HR" or the word "Boost" or the word "human" or the word "resources" and its activities are confined exclusively to operating Franchisee's Franchised Business; (2) Franchisee owns and controls all of the general partnership interests, stock, membership interests, or the equity and voting power, and provided that, in a form approved by the Company, the partnership or corporation or limited liability company assumes all of Franchisee's obligations hereunder and the partners or shareholders or members agree to be personally bound jointly and severally by all the provisions of this Agreement and assume and guarantee all of Franchisee's obligations hereunder and all other agreements to the same extent as if they had been parties to the original agreements; (3) any subsequent transfer or issuance of partnerships interests or of shares of the corporation or membership interests in the limited liability company shall be subject to Company's consent and agreement; (4) the partnership's Partnership Agreement and each partnership interest certificate, or the corporation's Articles of Incorporation and Bylaws and each stock certificate, or the limited liability company's Articles of Organization and Operating Agreement and each membership certificate shall clearly indicate that any transfer of partnership interests, shares of stock or membership interests is restricted and may be transferred subject to Company's consent and agreement only in accordance with the terms of this Agreement; and (5) Franchisee shall pay to the Company all legal expenses and other charges incurred by the Company in connection with such transfer.

D. Right of First Refusal. If Franchisee shall at any time determine to sell Franchisee's rights under this Agreement, or the assets of the Franchised Business, or Franchisee's ownership interest, in whole or part, Franchisee shall obtain a bona fide, executed written offer from a responsible and fully disclosed purchaser and shall submit an exact copy of such offer to the Company. The Company or its designee shall, for a period of thirty days from the date of delivery of such offer to the Company, have the right, exercisable by written notice to Franchisee, to purchase the interest for the price and on the terms and conditions contained in the offer, provided that any brokers', agents', or finders' fees shall be deducted from the purchase price and the Company or its designee may substitute cash for any form of payment proposed in such offer. If the Company or its designee does not exercise this right of first refusal, Franchisee may, subject to the same conditions for transfers contained in this Agreement, complete the sale to such purchaser on the terms of the bona fide offer. If the sale to such purchaser is not completed within one hundred twenty days after delivery of such offer to the Company, or if there is a material change in the terms of the sale, the Company or its designee shall again have the right of first refusal herein provided.

E. Death or Disability. Upon the death or permanent disability of Franchisee (or Franchisee's managing shareholder, partner, or member, if Franchisee is a corporation, partnership or limited liability company), the executor, administrator, conservator, or other personal representative of such person shall transfer his interest to the heirs or beneficiaries of such person or to a third party approved by the Company within a period of one hundred eighty (180) days, so long as arrangements satisfactory to the Company are made for the continued active management of the Franchised Business.

Such transfers, including without limitation, transfers by devise or inheritance or trust provisions, shall be subject to the same conditions for transfers contained in this Agreement. Franchisee shall be deemed to have a "permanent disability" if Franchisee's ability to operate or oversee the operation of the Franchised Business on a regular basis is for any reason curtailed for a continuous period of six months. In addition to the foregoing, in order to prevent any interruption of the Franchised Business and to protect the goodwill associated with the Marks and System, if Franchisee dies or becomes disabled so that Franchisee is not able to operate or oversee the operation of the Franchised Business on a regular basis, the Company may at its option operate the Franchised Business on Franchisee's behalf for so long as the Company deems necessary under the circumstances. All revenues received from the operation of the Franchised Business during such period of operation by the Company shall be kept in a separate account by the Company and the expenses of the Franchised Business including, without limitation, reasonable compensation (currently, the greater of nine hundred dollars per day or ten percent of the Franchised Business' Gross Sales for the duration of the management and expenses of the Company and its agents and employees in operating the Franchised Business (including without limitation all travel, lodging, meals and other expenses, shall be charged to such account. Franchisee agrees to defend, indemnify and hold harmless the Company and its agents and employees who may act hereunder.

9. <u>ENFORCEMENT</u>.

A. <u>INJUNCTIONS</u>. THE COMPANY SHALL HAVE THE RIGHT TO ENFORCE BY JUDICIAL PROCESS ANY RIGHTS IT MAY HAVE AND PURSUANT TO THE COVENANT NOT TO COMPETE PROVISIONS OF THIS AGREEMENT. FURTHER, THE COMPANY SHALL BE ENTITLED WITHOUT BOND TO THE ENTRY OF TEMPORARY, PRELIMINARY, AND PERMANENT INJUNCTIONS AND ORDERS OF SPECIFIC PERFORMANCE ENFORCING THE PROVISIONS OF THIS AGREEMENT OR ANY OTHER RELATED AGREEMENT RELATING TO FRANCHISEE'S USE OF THE MARKS, FRANCHISEE'S OBLIGATIONS UPON TERMINATION OR EXPIRATION OF THIS AGREEMENT, AND ASSIGNMENTS OR ATTEMPTED ASSIGNMENTS OF THE FRANCHISE AND FRANCHISEE'S OWNERSHIP INTEREST. IF THE COMPANY SECURES ANY SUCH INJUNCTION OR ORDER OF SPECIFIC PERFORMANCE, FRANCHISEE AGREES TO PAY TO THE COMPANY AN AMOUNT EQUAL TO THE AGGREGATE OF COMPANY'S COSTS OF OBTAINING SUCH RELIEF, INCLUDING WITHOUT LIMITATION, REASONABLE ATTORNEYS' FEES, COSTS, AND EXPENSES AS PROVIDED IN THIS SECTION, AND ANY DAMAGES INCURRED BY THE COMPANY AS A RESULT OF THE BREACH OF ANY SUCH PROVISION.

B. <u>MANDATORY MEDIATION</u>. EXCEPT AS PROVIDED IN SECTION 9.C. BELOW, PRIOR TO THE INITIATION OF LITIGATION OR ARBITRATION BY EITHER PARTY PURSUANT TO THIS AGREEMENT, THE PARTIES MUST MAKE A GOOD FAITH EFFORT TO RESOLVE ANY CONTROVERSIES BETWEEN THEM BY NON-BINDING MEDIATION EITHER THROUGH A MUTUALLY ACCEPTABLE MEDIATOR OR THROUGH AN ESTABLISHED MEDIATION SERVICE SELECTED BY COMPANY (IN EITHER CASE, "MEDIATOR"). MEDIATION SHALL TAKE PLACE IN THE LIBERTYVILLE, ILLINOIS METROPOLITAN AREA (OR, IF COMPANY'S HEADQUARTERS IS NO LONGER IN LIBERTYVILLE, ILLINOIS, THEN IN SUCH COUNTY WHERE COMPANY'S HEADQUARTERS IS LOCATED WHEN THE MEDIATION OCCURS). PRIOR TO MEDIATION, EACH PARTY INVOLVED IN MEDIATION SHALL SIGN THE STANDARD CONFIDENTIALITY AGREEMENT REASONABLY REQUIRED BY MEDIATOR OR A CONFIDENTIALITY AGREEMENT REASONABLY REQUIRED BY COMPANY IF THE MEDIATOR DOES NOT HAVE A STANDARD CONFIDENTIALITY AGREEMENT. NO LITIGATION OR ARBITRATION PROCEEDING MAY BE COMMENCED UNTIL THE EARLIER OF THIRTY (30) DAYS FROM THE SELECTION OF THE MEDIATOR, OR THE MUTUAL AGREEMENT BY BOTH PARTIES THAT MEDIATION HAS BEEN UNSUCCESSFUL, OR IF THE NOTIFIED PARTY FAILS TO RESPOND TO THE REQUESTING PARTY WITHIN THIRTY (30) DAYS OF THE DELIVERY OF NOTICE REQUESTING MEDIATION. THE PARTIES WILL SHARE EQUALLY ALL FEES AND EXPENSES OF THE MEDIATOR, AND EACH PARTY SHALL BEAR ITS OWN COSTS OTHERWISE. EACH PARTY HEREBY AGREES THAT ALL STATEMENTS MADE IN THE COURSE OF MEDIATION SHALL BE STRICTLY CONFIDENTIAL, AND SHALL NOT BE DISCLOSED TO OR SHARED WITH ANY THIRD

PARTIES, OTHER THAN THE MEDIATOR. EACH PARTY ALSO AGREES THAT ANY DOCUMENTS OR DATA SPECIFICALLY PREPARED FOR USE IN GOOD FAITH NEGOTIATIONS AND/OR MEDIATION SHALL NOT BE DISCLOSED TO OR SHARED WITH ANY THIRD PARTY EXCEPT THOSE PARTIES WHOSE PRESENCE IS NECESSARY TO FACILITATE THE MEDIATION PROCESS. THE PARTIES AGREE NOT TO MAKE COPIES OF ANY SUCH DOCUMENTS, AND TO RETURN THEM TO THE OTHER PARTY UPON THE CONCLUSION OF THE MEDIATION. EACH PARTY AGREES AND ACKNOWLEDGES THAT NO STATEMENTS MADE IN, OR EVIDENCE SPECIFICALLY PREPARED FOR, MEDIATION SHALL BE ADMISSIBLE FOR ANY PURPOSE IN ANY SUBSEQUENT PROCEEDINGS.

C. <u>EXCEPTIONS TO MANDATORY MEDIATION</u>. NOTWITHSTANDING SECTION 9.B ABOVE, COMPANY SHALL HAVE NO OBLIGATION TO MEDIATE BEFORE COMMENCING LITIGATION OR ARBITRATION IN THE FOLLOWING CIRCUMSTANCES:

1. IN THE EVENT COMPANY SEEKS THE ENTRY OF TEMPORARY AND PERMANENT INJUNCTIONS AND ORDERS OF SPECIFIC PERFORMANCE IN A COURT OF COMPETENT JURISDICTION TO: (1) ENFORCE THE PROVISIONS OF THIS AGREEMENT RELATING TO FRANCHISEE'S USE OF THE MARKS AND/OR FRANCHISEE'S NON-DISCLOSURE AND NON-COMPETITION OBLIGATIONS UNDER THIS AGREEMENT; (2) PROHIBIT ANY ACT OR OMISSION BY FRANCHISEE OR FRANCHISEE'S EMPLOYEES THAT CONSTITUTES A VIOLATION OF ANY APPLICABLE LAW, ORDINANCE OR REGULATION, CONSTITUTES A DANGER TO THE PUBLIC, OR MAY IMPAIR THE GOODWILL ASSOCIATED WITH THE MARKS OR CAUSE IRREPARABLE HARM TO COMPANY OR THE HRBOOST FRANCHISES. FRANCHISEE AGREES TO WAIVE ANY CLAIMS FOR DAMAGES IN THE EVENT THERE IS A LATER DETERMINATION THAT AN INJUNCTION OR SPECIFIC PERFORMANCE ORDER WAS ISSUED IMPROPERLY;

2. IN THE EVENT COMPANY IS COMMENCING A PROCEEDING TO ENFORCE FRANCHISEE'S OBLIGATIONS TO PAY COMPANY UNDER THIS AGREEMENT AND TO SEEK COLLECTION OF SUCH FEES DUE AND OWING TO COMPANY, INCLUDING ATTORNEYS' FEES AND COSTS; OR

3. IN THE EVENT FRANCHISEE HAS ABANDONED THE HRBOOST FRANCHISED BUSINESS OR HAS LOST FRANCHISEE'S RIGHT TO POSSESS THE PREMISES SO THAT THE HRBOOST FRANCHISED BUSINESS IS NO LONGER OPERATING.

D. <u>ARBITRATION</u>. EXCEPT INSOFAR AS THE COMPANY AS PROVIDED IN SECTION 9.A. OR 9.B. ABOVE ELECTS TO ENFORCE THIS AGREEMENT OR ANY OTHER RELATED AGREEMENT, ALL CONTROVERSIES, DISPUTES, OR CLAIMS ARISING BETWEEN THE COMPANY, ITS AFFILIATES, AND THEIR RESPECTIVE OFFICERS, DIRECTORS, MANAGERS, AGENTS, SHAREHOLDERS, MEMBERS, EMPLOYEES AND ATTORNEYS (IN THEIR REPRESENTATIVE CAPACITY) AND FRANCHISEE (FRANCHISEE'S OWNERS, GUARANTORS, AFFILIATES AND EMPLOYEES, IF APPLICABLE) ARISING OUT OF OR RELATED TO: (1) THIS AGREEMENT OR ANY PROVISION THEREOF OR ANY RELATED AGREEMENT; (2) THE RELATIONSHIP OF THE PARTIES HERETO; (3) THE VALIDITY OF THIS AGREEMENT OR ANY RELATED AGREEMENT, OR ANY PROVISION THEREOF; OR (4) ANY SPECIFICATION, STANDARD, OR OPERATING PROCEDURE RELATING TO THE ESTABLISHMENT OR OPERATION OF THE FRANCHISE SHALL BE SUBMITTED FOR CONFIDENTIAL ARBITRATION TO BE ADMINISTERED BY THE CHICAGO, ILLINOIS OFFICE OF THE AMERICAN ARBITRATION ASSOCIATION ON DEMAND OF EITHER PARTY. SUCH ARBITRATION PROCEEDINGS SHALL BE CONDUCTED IN THE CITY WHERE COMPANY'S HEADQUARTERS ARE LOCATED WHEN THE PROCEEDINGS ARE CONDUCTED AND, EXCEPT AS OTHERWISE PROVIDED IN THIS AGREEMENT, WILL BE HEARD BY THREE (3) ARBITRATORS EACH QUALIFIED BY HAVING AT LEAST FIVE (5) YEARS EXPERIENCE IN FRANCHISING AND IN ACCORDANCE WITH THE THEN-CURRENT COMMERCIAL ARBITRATION RULES OF THE AMERICAN ARBITRATION

ASSOCIATION. EACH PARTY SHALL SELECT ONE QUALIFIED ARBITRATOR, AND THE TWO SO DESIGNATED SHALL SELECT A THIRD QUALIFIED ARBITRATOR. IF EITHER PARTY SHALL FAIL TO DESIGNATE A QUALIFIED ARBITRATOR WITHIN SEVEN (7) DAYS AFTER ARBITRATION IS REQUESTED, OR IF THE TWO QUALIFIED ARBITRATORS SHALL FAIL TO SELECT A THIRD QUALIFIED ARBITRATOR WITHIN FOURTEEN (14) DAYS AFTER ARBITRATION IS REQUESTED, THEN A QUALIFIED ARBITRATOR SHALL BE SELECTED BY THE AMERICAN ARBITRATION ASSOCIATION UPON APPLICATION OF EITHER PARTY.

EXCEPT AS LIMITED BY THIS AGREEMENT, THE ARBITRATORS SHALL HAVE THE RIGHT TO AWARD OR INCLUDE IN THE AWARD ANY RELIEF WHICH THEY DEEM PROPER IN THE CIRCUMSTANCES, INCLUDING WITHOUT LIMITATION, MONEY DAMAGES (WITH INTEREST ON UNPAID AMOUNTS FROM DATE DUE), SPECIFIC PERFORMANCE, INJUNCTIVE RELIEF, ATTORNEYS' FEES AND COSTS IN ACCORDANCE WITH THE TERMS OF THIS AGREEMENT, PROVIDED THAT THE ARBITRATORS WILL NOT HAVE THE RIGHT TO DECLARE ANY MARK GENERIC OR OTHERWISE INVALID OR TO AWARD EXEMPLARY OR PUNITIVE DAMAGES. THE AWARD AND DECISION OF THE MAJORITY OF THE ARBITRATORS SHALL BE CONCLUSIVE AND BINDING UPON ALL PARTIES HERETO AND JUDGMENT UPON THE AWARD MAY BE ENTERED IN ANY COURT OF COMPETENT JURISDICTION, AND EACH PARTY HERETO WAIVES ANY RIGHT TO CONTEST THE VALIDITY OR ENFORCEABILITY OF SUCH AWARD.

THE PARTIES FURTHER AGREE TO BE BOUND BY THE PROVISIONS OF ANY APPLICABLE LIMITATION ON THE PERIOD OF TIME IN WHICH CLAIMS MUST BE BROUGHT UNDER APPLICABLE LAW OR THIS AGREEMENT, WHICHEVER EXPIRES EARLIER. THE PARTIES FURTHER AGREE THAT IN CONNECTION WITH ANY SUCH ARBITRATION PROCEEDING EACH SHALL FILE ANY COMPULSORY COUNTERCLAIM (AS DEFINED BY RULE 13 OF THE FEDERAL RULES OF CIVIL PROCEDURE) WITHIN THE SAME PROCEEDING AS THE CLAIM TO WHICH IT RELATES WITHIN THIRTY DAYS OF THE DATE OF THE FILING OF THE CLAIM TO WHICH IT RELATES. ANY SUCH CLAIM WHICH IS NOT SUBMITTED OR FILED AS DESCRIBED ABOVE WILL BE FOREVER BARRED. THIS PROVISION SHALL CONTINUE IN FULL FORCE AND EFFECT SUBSEQUENT TO AND NOTWITHSTANDING EXPIRATION OR TERMINATION OF THIS AGREEMENT.

THE COMPANY AND FRANCHISEE AGREE THAT ARBITRATION SHALL BE CONDUCTED ON AN INDIVIDUAL, NOT CLASS-WIDE BASIS, AND THAT AN ARBITRATION PROCEEDING BETWEEN THE COMPANY AND ITS AFFILIATES AND THEIR RESPECTIVE SHAREHOLDERS, MEMBERS, MANAGERS, OFFICERS, DIRECTORS, AGENTS AND EMPLOYEES AND FRANCHISEE (AND/OR FRANCHISEE'S OWNERS, GUARANTORS, AFFILIATES AND EMPLOYEES, IF APPLICABLE) MAY NOT BE CONSOLIDATED WITH ANY OTHER ARBITRATION PROCEEDING BETWEEN THE COMPANY AND ITS AFFILIATES AND ANY OTHER PERSON, NOR SHALL THE ARBITRATOR OR COURT BE EMPOWERED TO ORDER SUCH CONSOLIDATION.

E. <u>COSTS AND ATTORNEYS' FEES</u>. IF A CLAIM FOR AMOUNTS OWED BY FRANCHISEE TO THE COMPANY OR ITS AFFILIATES IS ASSERTED IN ANY LEGAL PROCEEDING BEFORE A COURT OF COMPETENT JURISDICTION OR AN ARBITRATOR, OR IF THE COMPANY ENFORCES OR FRANCHISEE IS REQUIRED TO ENFORCE THIS AGREEMENT IN A JUDICIAL OR ARBITRATION PROCEEDING, THE PARTY PREVAILING IN SUCH PROCEEDING SHALL BE ENTITLED TO RECOVER FROM THE OTHER ITS COSTS AND EXPENSES, INCLUDING WITHOUT LIMITATION, ARBITRATION FEES, COURT COSTS, FEES FOR IN-HOUSE OR OUTSIDE ATTORNEYS AND PARALEGALS, MANAGEMENT PREPARATION TIME, WITNESS FEES, COLLECTION AGENCY FEES, ACCOUNTING FEES AND ARBITRATOR FEES, WHETHER INCURRED PRIOR TO, IN PREPARATION FOR OR IN CONTEMPLATION OF THE FILING OF SUCH PROCEEDING. IF THE COMPANY ENGAGES A COLLECTION AGENCY OR LEGAL COUNSEL IN CONNECTION WITH ANY FAILURE BY FRANCHISEE TO PAY WHEN DUE AMOUNTS DUE THE COMPANY, OR TO SUBMIT WHEN DUE ANY REPORTS, INFORMATION, OR SUPPORTING RECORDS, OR IN CONNECTION WITH ANY FAILURE TO OTHERWISE COMPLY WITH THIS

AGREEMENT, FRANCHISEE SHALL REIMBURSE THE COMPANY FOR ANY OF THE ABOVE LISTED COSTS AND EXPENSES INCURRED BY IT. IF COMPANY ENGAGES AN ATTORNEY'S ASSISTANCE TO ENFORCE ITS RIGHTS UNDER THIS AGREEMENT AGAINST FRANCHISEE OR ANY GUARANTOR, COMPANY SHALL BE ENTITLED TO RECOVER ITS COSTS AND EXPENSES, INCLUDING WITHOUT LIMITATION, FEES FOR REASONABLE IN-HOUSE OR OUTSIDE ATTORNEYS AND PARALEGALS, MANAGEMENT PREPARATION TIME, EXPERT WITNESS FEES, COLLECTION AGENCY FEES, ACCOUNTING FEES, WHETHER INCURRED PRIOR TO, IN PREPARATION FOR OR IN CONTEMPLATION OF THE ENFORCEMENT EFFORT, REGARDLESS OF IF IT IS THE PREVAILING PARTY OR IF ANY LEGAL ACTION IS FILED, NOTWITHSTANDING ANYTHING TO THE CONTRARY.

F. <u>WAIVER OF PUNITIVE DAMAGES AND JURY TRIAL</u>. THE COMPANY AND FRANCHISEE HEREBY WAIVE TO THE FULLEST EXTENT PERMITTED BY LAW, ANY RIGHT TO OR CLAIM FOR ANY PUNITIVE OR EXEMPLARY DAMAGES AGAINST THE OTHER AND AGREE THAT IN THE EVENT OF A DISPUTE BETWEEN THEM EACH SHALL BE LIMITED TO THE RECOVERY OF ANY (I) ACTUAL DAMAGES SUSTAINED BY IT AND (II) TRADEMARK LAW TREBLE DAMAGES. THE COMPANY AND FRANCHISEE IRREVOCABLY WAIVE TRIAL BY JURY IN ANY ACTION, PROCEEDING OR COUNTERCLAIM, WHETHER AT LAW OR IN EQUITY, BROUGHT BY EITHER OF THEM.

G. <u>LIMITATION OF CLAIMS</u>. EXCEPT FOR CLAIMS ARISING FROM UNDERREPORTING OF GROSS SALES BY FRANCHISEE OR NONPAYMENT OF AMOUNTS OWED BY FRANCHISEE TO THE COMPANY OR ITS AFFILIATES PURSUANT TO THIS AGREEMENT, ANY AND ALL CLAIMS ARISING OUT OF OR RELATING TO THIS AGREEMENT OR THE RELATIONSHIP OF THE COMPANY AND FRANCHISEE IN CONNECTION WITH FRANCHISEE'S OPERATION OF THE BUSINESS SHALL BE BARRED UNLESS AN ACTION OR PROCEEDING IS COMMENCED WITHIN ONE YEAR FROM THE DATE OF THE OCCURRENCE OF THE FACTS GIVING RISE TO SUCH CLAIMS.

H. <u>GOVERNING LAW/CONSENT TO JURISDICTION</u>. EXCEPT TO THE EXTENT GOVERNED BY THE UNITED STATES TRADEMARK ACT OF 1946 (LANHAM ACT, 15 U.S.C. SECTION 1051 ET. SEQ.) AND EXCEPT THAT ALL ISSUES RELATING TO ARBITRABILITY OR THE ENFORCEMENT OR INTERPRETATION OF THE AGREEMENT TO ARBITRATE SET FORTH ABOVE IN THIS SECTION SHALL BE GOVERNED BY THE UNITED STATES ARBITRATION ACT (9 U.S.C. SECTION 1 ET. SEQ.) AND THE FEDERAL COMMON LAW RELATING TO ARBITRATION, THIS AGREEMENT AND THE FRANCHISE SHALL BE GOVERNED BY THE INTERNAL LAWS OF THE STATE OF ILLINOIS (WITHOUT REFERENCE TO ITS CHOICE OF LAW AND CONFLICT OF LAW RULES), EXCEPT THAT ANY LAW REGULATING THE SALE OF FRANCHISES OR GOVERNING THE RELATIONSHIP OF A FRANCHISOR AND ITS FRANCHISEE SHALL NOT APPLY UNLESS ITS JURISDICTIONAL REQUIREMENTS ARE MET INDEPENDENTLY WITHOUT REFERENCE TO THIS PARAGRAPH. FRANCHISEE AGREES THAT THE COMPANY MAY INSTITUTE ANY ACTION AGAINST FRANCHISEE ARISING OUT OF OR RELATING TO THIS AGREEMENT (WHICH IS NOT REQUIRED TO BE ARBITRATED HEREUNDER OR AS TO WHICH ARBITRATION IS WAIVED) IN ANY STATE OR FEDERAL COURT OF GENERAL JURISDICTION OVER LAKE COUNTY, ILLINOIS (OR, IF COMPANY'S HEADQUARTERS IS NO LONGER IN LIBERTYVILLE, ILLINOIS, THEN IN SUCH COUNTY WHERE COMPANY'S HEADQUARTERS IS LOCATED WHEN THE PROCEEDINGS ARE CONDUCTED), AND FRANCHISEE IRREVOCABLY SUBMITS TO THE JURISDICTION OF SUCH COURTS AND WAIVES ANY OBJECTION FRANCHISEE MAY HAVE TO EITHER THE JURISDICTION OR VENUE OF SUCH COURT.

I. <u>WAIVER OF CONSUMER RIGHTS</u>. FRANCHISEE HEREBY WAIVES ANY RIGHTS FRANCHISEE MAY HAVE UNDER THE TEXAS DECEPTIVE TRADE PRACTICES CONSUMER PROTECTION ACT, SECTION 17.41, ET SEQ., BUSINESS AND COMMERCE CODE, AND UNDER ANY OTHER SIMILAR LAW OF TEXAS OR ANY OTHER JURISDICTION THAT GIVES CONSUMERS SPECIAL RIGHTS AND PROTECTIONS.

10. Independent Contractor. The Company and Franchisee are independent contractors. This Agreement does not create a fiduciary relationship between the Company and Franchisee.

A. Franchisee is not and shall not represent himself to be the agent, joint venturer, partner or employee of the Company, or to be related to the Company other than as its independent franchisee. The Company is not a joint employer of the Franchisee's employees. Franchisee shall conspicuously identify himself at the Franchised Business and on the vehicles of the Franchised Business and in all dealings with employees, suppliers and customers, as the owner of the Franchised Business. No representations shall be made or acts taken by Franchisee which could establish any apparent relationship of agency, joint venture, partnership or employment, and the Company shall not be bound in any manner whatsoever by any agreements, warranties or representations made by Franchisee to any other person nor with respect to any other action of Franchisee.

B. The Company shall have no liability for any sales, use, excise, income, property, employment or other taxes levied upon the Franchised Business or its assets or in connection with the sales made or business conducted by the Franchised Business. All Royalty Fees, Services Fees, Brand Fund Contributions, Ad-Coverage Area Contributions, Technology Fees, Billing Fees, Training Fees, and other charges or amounts due referred to in this Agreement are quoted exclusive of any value added, sales or other tax chargeable thereon, and Franchisee shall pay any such tax as required by law. The Company shall not be obligated or liable for any injury or death of any person or damage to any property caused by Franchisee's action, failure to act, negligence or willful conduct, nor for any liability of Franchisee. In the event Franchisee fails to timely pay any tax due as required by law or if Company must pay any taxes due to the operation of the Franchised Business or due to payments Franchisee makes to Company (excluding traditional income tax), Company at its option may make such payment and Franchisee shall reimburse Company for the amount paid plus fifteen percent as an administrative fee.

C. Franchisee shall defend, indemnify and save the Company and its affiliates and their shareholders, members, managers, directors, officers, employees and agents harmless from all fines, taxes, suits, proceedings, claims, demands or actions of any nature or kind whatsoever, directly or indirectly arising out of, or in any manner whatsoever associated or connected with Franchisee's operation of the Franchised Business and against any and all damages, costs, expenses and fees (including without limitation, attorneys', accountants', and experts' fees, costs of investigation and proof of facts, court costs, other litigation expenses and travel and living expenses) incurred by or on behalf of any of the foregoing in the investigation or defense of any and all such fines, taxes, suits, proceedings, claims, demands or actions. The Company shall have the option to defend any such claim against it. This indemnity shall continue in full force and effect subsequent to and notwithstanding the expiration or termination of this Agreement.

11. General Provisions.

A. This Agreement shall be binding upon the parties and their respective executors, administrators, heirs, assigns and successors in interest. All notices, requests, demands, and other communications required or permitted hereunder shall be in writing and shall be deemed to have been duly given when tendered for delivery if delivered by hand, or one day after the date of deposit if deposited with a commercial delivery service which guarantees next day delivery, or two days after deposit if mailed certified mail, return receipt requested, postage prepaid, addressed to the appropriate party at their respective addresses above or at such other place as the party entitled to notice may designate by notice given in the same manner to the other. Time is of the essence of this Agreement and all provisions shall be so interpreted. If any applicable law or rule requires a greater prior notice of the termination of or election not to renew this Agreement, or the taking of some other action than is required under this Agreement, the prior notice or other requirements required by this law or rule shall be substituted for the requirements of this Agreement. The obligations and authorizations hereunder shall be joint and several. The invalidity of any provision of this Agreement shall not impair the validity of any other provision. If any provision of this Agreement is determined by a court of competent jurisdiction to be unenforceable, that provision will be deemed severable and this Agreement may be enforced with that provision severed or as modified by the court. In the case of any questions of ambiguity relating to any provisions contained herein, there shall not be any construction against the drafter of the document. The preamble and recitals set forth above are hereby incorporated into and made a contractual part of the covenants of this Agreement. The exhibits and schedules referred to in this Agreement are attached hereto, made a part hereof, and are incorporated herein by reference.

B. The headings and captions in this Agreement are inserted for convenience only and shall not constitute a part hereof or affect the construction or interpretation of any provision of this Agreement. Whenever required by context, the masculine pronouns shall include the feminine and neuter genders and the singular shall include the plural and vice versa. No waiver of or failure to enforce any of the provisions, terms, conditions, or obligations herein by any party shall be construed as a waiver of any subsequent breach of such provision, term, condition, or obligation of this Agreement or of any other provision, term, condition, or obligation hereunder, whether the same or different nature. Subsequent acceptance by the Company of the payments due it hereunder shall not be deemed to be a waiver by the Company of a preceding breach by Franchisee. If there develops a custom or practice which is at variance with the terms of this Agreement, the Company will not be deemed to have waived its right to demand exact compliance with any of the terms of this Agreement at a later time. Franchisee acknowledges that the Company has, and will in the future enter into license or franchise agreements with third parties pursuant to which such third parties are licensed to use the Marks and otherwise receive the benefits of the System (the "Other Agreements"). Franchisee acknowledges that the provisions of the Other Agreements have or may vary substantially from those contained in this Agreement. No action taken by Company with respect to any one or more of the Other Agreements or any party thereto shall create a course of conduct which may be relied upon or asserted by Franchisee under this Agreement as a modification to this Agreement or otherwise. Company shall not bear any liability whatsoever to Franchisee under this Agreement by reason of Company's failure to waive any of the provisions of this Agreement, or to give a consent or approval hereunder even though Company may have waived such provisions or similar provisions or given similar consents or approvals under any one or more of the Other Agreements. The rights of the Company and Franchisee hereunder are cumulative and no exercise or enforcement by the Company or Franchisee of any right or remedy hereunder shall preclude the exercise or enforcement by the Company or Franchisee of any other right or remedy hereunder or which the Company or Franchisee are entitled by law to enforce. No implied covenant of good faith and fair dealing shall be used to alter the express terms of this Agreement. The parties agree to do or cause to be done all acts or things necessary to implement and carry into effect this Agreement to its full extent.

C. If by virtue of the community property laws of any state, Franchisee's spouse is deemed to have any property interest in this Agreement, Franchisee's ownership interest, or the Franchised Business, the Company will have the right to require Franchisee's spouse to consent and join in all of the terms and conditions of this Agreement, any related agreements and any amendments thereto. If Franchisee is an entity at any point, this Agreement must be and shall be deemed personally guaranteed by each owner of such entity and each such owner's spouse; all such owners and spouses shall execute a guaranty and assumption of obligations concurrently with when Franchisee becomes an entity and continuously thereafter, provided however that the lack of execution shall not mean that the owners and spouses are not guarantors.

D. This Agreement contains the sole and only agreement between the parties as to the matters, privileges, rights, titles, interests, duties, obligations, and performances herein set forth; provided, however, that nothing in this Agreement or any related agreement is intended to disclaim any representation made in the Franchise Disclosure Document provided to Franchisee. All prior negotiations, verbal or written, being integrated herein and hereby, and same shall only be changed, altered, modified, amended, supplemented or novated by a writing signed by all the parties hereto. This Agreement may be executed in more than one counterpart, each of which shall be deemed an original, but all of which together shall constitute one and the same instrument. Further, the parties agree that this Agreement may be executed by electronic signature, which shall be considered as an original signature for all purposes and shall have the same force and effect as an original signature. Without limitation, in addition to electronically produced signatures, "electronic signatures" shall include faxed versions of an original signature or electronically scanned and transmitted versions (e.g. via pdf) of an original signature.

E. The parties acknowledge and agree that Franchisee does not have the right to terminate this Agreement except as provided in Section 7.A. or as otherwise agreed by the parties. Franchisee further acknowledges and agrees that, in the event of any termination of this Agreement by Franchisee that is not in accordance with the terms of Section 7.A., or any termination of this Agreement by Company in accordance with the terms of Section 7.B. prior to its expiration date, such termination may result in lost future revenue and profits to Company, harm to the goodwill associated with the Marks, and increased costs to Company to re-develop or re-franchise the market in which the Franchised Business is located. Accordingly, in the event that Franchisee terminates this Agreement other than in accordance with the terms of Section 7.A., or if Company terminates this Agreement pursuant to the terms of Section 7.B., then:

(i) <u>an Agency Model Franchise</u> shall pay to Company by the effective date of such termination, as liquidated damages, that amount which is calculated by multiplying the average semi-monthly amount of Royalty Fees (which may be the applicable minimum Royalty Fees, if greater) for an Agency Model franchisee, due and payable during the twelve months prior to the termination (either by Franchisee or if Franchisee has not been in operation for at least 12 months as of the date of termination, then based on the average semi-monthly Royalty Fees of all HRBoost Agency Model businesses during the twelve-month period immediately preceding Franchisee's termination date) by the lesser of twenty-four (24) or the number of semi-monthly periods then remaining in the term of this Agreement; or

(ii) <u>a Bridge Builder Model Franchise</u> shall pay to Company by the effective date of such termination, as liquidated damages, that amount which is calculated by multiplying seven percent of the average semi-monthly amount the Bridge Builder Model Franchisee produces in Gross Sales for the Company or its designee, due and payable during the twelve months prior to the termination (if Franchisee has not been in operation for at least 12 months as of the date of termination, then based on seven percent of the average semi-monthly amount of Gross Sales for all HRBoost Bridge Builder Model businesses during the twelve-month period immediately preceding Franchisee's termination date) by the lesser of twenty-four (24) or the number of semi-monthly periods then remaining in the term of this Agreement.

The parties hereby acknowledge and agree that the actual damages that would be incurred by Company in the event of any breach or early termination of this Agreement would be difficult to calculate and that the liquidated damages provided for in this Agreement are fair and reasonable under the circumstances and are not a penalty. The parties further acknowledge and agree that the liquidated damages specified in this paragraph are only intended to compensate Company for the early termination of this Agreement and Company's loss of revenue resulting therefrom, but not for any other breach of this Agreement by Franchisee or any other damages incurred by Company, and all remedies applicable thereto remain available to Company.

F. Each party to this Agreement states that he has no legal claims against the Company or any of its affiliates and releases the Company and its affiliates and their respective officers, directors, managers, members, agents and employees from any damage, expense, claim or actions of the past.

G. Franchisee and its owners agree to comply, and to assist Company to the fullest extent possible in its efforts to comply with Anti-Terrorism Laws (defined below). In connection with that compliance, Franchisee and its owners certify, represent, and warrant that none of Franchisee's property or interests is subject to being blocked under, and that Franchisee and its owners otherwise are not in violation of, any of the Anti-Terrorism Laws. "Anti-Terrorism Laws" mean Executive Order 13224 issued by the President of the United States, the USA PATRIOT Act, and all other present and future federal, state, and local laws, ordinances, regulations, policies, lists, and other requirements of any governmental authority addressing or in any way relating to terrorist acts and acts of war. Any violation of the Anti-Terrorism Laws by Franchisee or its owners, or any blocking of Franchisee or its owners' assets under the Anti-Terrorism Laws, shall constitute good cause for immediate termination of this Agreement.

H. The terms and conditions of the State Specific Addenda attached hereto are incorporated herein.

I. Franchisee and Company acknowledge and agree that for any amounts due hereunder that are a fixed dollar amount (*e.g.* a fee is $200 per month or $3,000 per occurrence) or that are calculated in a way that includes a fixed dollar amount (*e.g.* five percent of Gross Sales between $5,000 - $50,000 is the amount due by Franchisee), Company may adjust these dollar amounts proportionately by the amount of the increase in the Consumer Price Index, effective upon notice to Franchisee, as provided in the Operations Manual. As used herein, the term "Consumer Price Index" shall mean the United States Department of Labor's Bureau of Labor Statistics' Consumer Price Index, All Urban Consumers (CPI-U), All-Items, not seasonally adjusted, for the Chicago-Naperville-Elgin, IL-N-WI Core Based Statistical Area (1982-84=100), or the successor of such index, or if no successor index is designated, then such other index as Company reasonably shall designate. Notwithstanding the foregoing, during the first sixty months of the Term of this Agreement, this section shall not function to increase the figures in the minimum performance obligation (Gross Sales) requirements, the Royalty Fee, or the minimum Royalty Fee amounts.

J. Franchisee authorizes Company to conduct a credit and/or background check(s) to confirm Franchisee's financial and legal ability to purchase, develop, and operate the Franchised Business, both before the execution of this Agreement, as well as during the Term at any time, and always to Company's satisfaction in Company's sole discretion. Acquisition of the Franchised Business and Franchisee's right to continue to operate the Franchised Business under this Agreement are dependent upon passing such credit and/or background check(s) to Company's satisfaction in Company's sole discretion.

12. Acknowledgments.

A. Franchisee acknowledges that in all of Franchisee's dealings with Company, the officers, directors, managers, members, employees and agents of Company act only in a representative capacity, not in an individual capacity. Franchisee further acknowledges that this Agreement and all business dealings between Franchisee and such persons as a result of this Agreement are solely between Franchisee and Company. Franchisee acknowledges that Company reserves the right, without accountability to Franchisee, to receive and retain commissions, rebates, allowances and other similar amounts received by Company from any supplier who has been approved by Company from time to time in connection with the supply of goods, fixtures, furnishings, equipment, signs, supplies, and other products or services for the Franchised Business. Franchisee acknowledges that the covenants not to compete set forth in this Agreement are fair, reasonable and will not impose any undue hardship on Franchisee, since Franchisee has other considerable skills, experience and education which afford Franchisee the opportunity to derive income from other endeavors.

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

(*Signature Page Follows*)

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be duly executed on the date first above written.

HRBOOST US FRANCHISING LLC	FRANCHISEE	FRANCHISEE
By: ___________________________ **Nicole Martin, Manager**	**By: X** ____________________ **Print Name:** ____________________	**By: X** ____________________ **Print Name:** ____________________

Date Signed By Franchisee: _____________

Date Signed By Company: _____________

As provided in the above franchise agreement, the following information is now available and is hereby specified for inclusion in the franchise agreement.

A. **Franchisee Name(s), Name(s) of any Spouse, and Home Address:**

Individual Name:	Spouse or Legal Partner Name:	Complete Home Address:
Individual Name:	Spouse or Legal Partner Name:	Complete Home Address:
Individual Name:	Spouse or Legal Partner Name:	Complete Home Address:

B. **Operating Principal.** The name of the Operating Principal designated by Franchisee is:

____.
(*Note: If Franchisee is operating under the Bridge Builder Model, then the Operating Principal is Franchisee. If this is Franchisee's first Agency Model franchise, then during at least the first thirty-six months of operation, the Operating Principal is Franchisee.*)

C. **Franchise Location.** The franchise location is in:

City: ______________________________

State: ______________________________
(*Note: This may be completed after signing the Franchise Agreement if the Franchise Location is unknown when the Franchise Agreement is signed. Regardless of the Franchise Location city and state listed, Company may choose, in its sole discretion, to have the Franchised Business be identified by the name of another city, neighborhood, other metropolitan area, etc. for example, "South Loop" instead of "Chicago".*)

D. **Franchise Fees.** Check one box below to select the Franchise Fee applicable to this Agreement:

Agency Model Franchise Fee.

☐ **1.** **First Agency Model Franchise.** For a first Agency Model franchise for Franchisee, Franchisee shall pay to Company a Franchise Fee of **$48,000** which shall not be refunded in any event. The Franchise Fee is due upon the signing of this Agreement.

☐ **2.** **First Agency Model Franchise for Affiliate Employee.** For a first Agency Model franchise for Franchisee and where Franchisee has been an employee of Company's affiliate, HRBoost, LLC in an accepted leadership position, for at least the immediate past 48 consecutive months, Franchisee shall pay to Company a **Franchise Fee equal to fifty percent of the then-current Franchise Fee for a non-discounted First Agency Model Franchise** (currently totaling $24,000) which shall not be refunded in any event. The Franchise Fee is due upon the signing of this Agreement.

☐ 3. **<u>First Agency Model Franchise for Female Individual</u>.** For a first Agency Model franchise for Franchisee and where Franchisee is female, Franchisee shall pay to Company a Franchise Fee equal to **85% of the then-current Franchise Fee for a non-discounted First Agency Model Franchise** (currently totaling <u>$40,800</u>) which shall not be refunded in any event. The Franchise Fee is due upon the signing of this Agreement.

☐ 4. **<u>First Agency Model Franchise for Honorably Discharged Veteran</u>.** For a first Agency Model franchise for Franchisee and where Franchisee is an honorably discharged veteran of the United States Armed Forces (provable by a Form DD 256 providing for honorable discharge), Franchisee shall pay to Company a Franchise Fee equal to **85% of the then-current Franchise Fee for a non-discounted First Agency Model Franchise** (currently totaling <u>$40,800</u>) which shall not be refunded in any event. The Franchise Fee is due upon the signing of this Agreement.

☐ 5. **<u>Additional Agency Model Franchise.</u>** For an additional Agency Model franchise for Franchisee who already owns a HRBoost Agency Model franchise, Franchisee shall pay to Company a Franchise Fee equal to **80% of the then-current Franchise Fee for a non-discounted First Agency Model Franchise** (currently totaling <u>$38,400</u>) which shall not be refunded in any event. The Franchise Fee is due upon the signing of this Agreement.

OR

<u>Bridge Builder Model Franchise Fee</u>.

☐ For any Bridge Builder Model franchise, Franchisee shall pay to Company a Franchise Fee of **$16,500** which shall not be refunded in any event. The Franchise Fee is due upon the signing of this Agreement.

IN WITNESS WHEREOF, the parties hereto have caused this Schedule A to be duly executed as of the Company's date signed.

HRBOOST US FRANCHISING LLC	**FRANCHISEE**	**FRANCHISEE**
By: ______________________	**By:** ______________	**By:** ______________
Nicole Martin, Manager	**Print Name:** _________	**Print Name:**__________

SCHEDULE B
LEASE RIDER

This Lease Rider is executed as of this _____ day of _________, 20____, by and between ______________________ (the ”Tenant”) and ______________________________ (”Landlord”) as a Rider to the lease (as amended, renewed, and/or extended from time to time, the “Lease”) for the Premises located at _________________________, in the City of ____________, State of ___________ (the ”Premises”), dated as of ___________________.

WHEREAS, the Tenant’s principals, _______________ and ________________, have executed a franchise agreement (the “Franchise Agreement”) with HRBoost US Franchising, LLC, an Illinois limited liability company (the “Franchisor”), for the operation of an HRBoost business at the Premises, and as a requirement thereof, the Lease for the Premises must include the provisions contained in this Rider; and

WHEREAS, Landlord, Franchisor and the Tenant agree that the terms contained herein shall supersede any terms to the contrary set forth in the Lease;

NOW THEREFORE, in consideration of mutual covenants set forth herein, the execution and delivery of the Lease, and other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, Landlord, Franchisor and the Tenant hereby agree as follows:

1. The Premises may be used only for the operation of an HRBoost business.

2. Landlord shall deliver to the Franchisor (or its affiliate/designee or to a company with which Franchisor may merge or consolidate) a copy of any notice of default or termination of the Lease at the same time such notice is delivered to the Tenant, but no later than thirty (30) days before a termination of the Lease would become effective.

3. The Franchisor (or its affiliate/designee) shall have the right, but not the obligation, upon giving prior written notice of its election to the Tenant and Landlord, to enter the Premises to cure any breach of the Lease, and if so stated in the notice, to also succeed to the Tenant’s rights, title, and interests thereunder.

4. Notwithstanding anything to the contrary contained in the Lease, and subject to Paragraph 1 of this Rider, the Tenant shall have the absolute right to sublet, assign or otherwise transfer its interest in the Lease to the Franchisor or its affiliate/designee, or to a company with which the Tenant or the Franchisor may merge or consolidate, without Landlord’s approval, written or otherwise, without any increase in rent (except as provided in the Lease), without a material change in any other terms of the Lease, and without execution of any additional guaranty of the obligations under the assigned Lease.

5. Subject to Paragraph 1 of this Rider, the Tenant shall, if requested by the Franchisor (or its affiliate/designee), assign to the Franchisor (or its affiliate/designee or to a company with which the Tenant or the Franchisor may merge or consolidate), and Landlord hereby irrevocably and unconditionally consents to such assignment, all of the Tenant’s rights, title, and interest to and under the Lease upon (i) any termination of the Lease or the Franchise Agreement or (ii) if no subsequent Franchise Agreement is executed; but no such assignment shall be effective unless: (a) the Franchise Agreement is terminated or expires without execution of a renewal Franchise Agreement; and (b) the Franchisor (or its affiliate/designee or a company with which the Tenant or the Franchisor may merge or consolidate), notifies the Tenant and Landlord in writing that it assumes the Tenant’s obligations under the Lease.

6. In addition to any prior written consent of the Landlord that may be required by the terms of the Lease: (a) the Lease may not be modified, amended, renewed or extended in any manner or assigned by the Tenant without the Franchisor’s prior written consent; (b) the Premises may not be altered or

modified in any way without the Franchisor's prior written consent; and (c) the Premises may not be sublet, subdivided or used for any purpose other than for the operation of a HRBoost business without the Franchisor's prior written consent.

7. The Tenant and Landlord acknowledge and agree that the Franchisor (or its affiliate/designee or a company with which the Tenant or the Franchisor may merge or consolidate) shall have no liability or obligation whatsoever under the Lease unless and until the Franchisor (or its affiliate/designee or a company with which the Tenant or the Franchisor may merge or consolidate) assumes the Lease in writing pursuant to Paragraphs 3, 4 or 5 above. The Franchisor (or its affiliate/designee or a company with which the Tenant or the Franchisor may merge or consolidate) shall assume all of the Tenant's obligations under the Lease from and after the date of assignment, but shall have no obligation to pay any delinquent rent or to cure any other default under the Lease that occurred or existed prior to the date of the assignment.

8. If the Franchisor (or its affiliate/designee or a company with which the Tenant or the Franchisor may merge or consolidate) assumes the Lease, as above provided, the Franchisor (or its affiliate/designee or a company with which the Tenant or the Franchisor may merge or consolidate) may further assign or sublet the Lease to another person or entity to operate the HRBoost business at the Premises, subject to Landlord's prior written consent which consent shall not be unreasonably withheld or delayed. No such consent shall be required if the Lease is assigned or sublet to another HRBoost business franchisee. The Franchisor (or its affiliate/designee or the company with which the Franchisor may merge or consolidate) shall be fully released from any and all liability to Landlord in the event that the Lease is assigned or sublet to another HRBoost business franchisee/operator. Landlord agrees to execute such further documentation to confirm its consent to the assignments permitted under this Rider as the Franchisor (or its affiliate/designee or a company with which the Tenant or the Franchisor may merge or consolidate) may request.

9. If the Franchise Agreement expires or is terminated during the Term of the Lease, Landlord shall be able to exercise its right to terminate the Lease and/or to exercise its other remedies under the Lease, unless the Lease is assumed by the Franchisor (or its affiliate/designee or a company with which the Tenant or the Franchisor may merge or consolidate) within thirty (30) days of the termination or expiration of the Franchise Agreement.

10. If the Lease expires or is terminated for any reason, the Franchisor (or its affiliate/designee or a company with which Tenant or Franchisor may merge or consolidate) may, upon prior written notice to Landlord, enter the Premises and remove any signs or other articles bearing any trade names, logos, trade-marks that are part of the System and de-identify the leased Premises as a HRBoost business (including, without limitation, removing any HRBoost business trade dress features and/or fixtures), without legal process and without being guilty of trespass.

11. Landlord and the Franchisor may rely upon any notice from either of them regarding the status of the Lease or of the Franchise Agreement; they shall have no duty to perform any independent investigation to verify the Tenant's rights under the Lease or the Franchise Agreement; and, the Tenant agrees to indemnify and hold the Franchisor (and its affiliates/designees and companies with which the Franchisor may merge or consolidate) harmless from any and all claims, expenses and attorneys' fees arising out of the Lease and the reliance upon the Franchisor's or Landlord's representations regarding the Tenant's status, the status of the Franchisor or the status of the Franchise Agreement.

12. Landlord shall make available to the Franchisor all information which it collects or produces related to sales of the HRBoost business and the way in which the HRBoost business is operated. The Tenant consents to Landlord providing all such information to the Franchisor.

13. Copies of any and all notices required or permitted hereby or by the Lease shall also be sent to the Company at 1930 Innovation Way, Suite 231, Libertyville, Illinois 60048, Attn: President or

such other address as the Franchisor (or its affiliate/designee or a company with which Franchisor may merge or consolidate) shall specify by written notice to Landlord. Any and all notices to Landlord shall be to the address contained in the Lease or such other address as the Landlord shall specify by written notice to Franchisor.

14. Landlord and Tenant acknowledge that Franchisor (or its affiliate/designee or a company with which the Tenant or the Franchisor may merge or consolidate) is an intended third party beneficiary of the Lease and shall be entitled to enforce any provisions set forth herein benefiting Franchisor (or its affiliate/designee or a company with which the Tenant or the Franchisor may merge or consolidate), subject to the conditions set forth in this Rider.

15. Under the Franchise Agreement, any lease or any modification or renewal of the Lease for the Premises of the HRBoost business is subject to the Franchisor's approval (or the approval of Franchisor's affiliate/designee or company with which Franchisor may merge or consolidate).

IN WITNESS WHEREOF, the undersigned parties have executed this Lease Rider.

LANDLORD:	FRANCHISOR:
______________________________	HRBOOST US FRANCHISING LLC
By: ___________________________	By: ___________________________
Name: _________________________	Name: Nicole Martin
Title: __________________________	Title: Manager
Date: __________________________	Date: __________________________

TENANT:

____

By: ___________________________

Name: _________________________

Date: __________________________

RECEIPT OF FRANCHISE-RELATED DOCUMENTS

HRBOOST FRANCHISE SYSTEM

The undersigned does hereby acknowledge receipt of the following documents, in form for execution, relating to a HRBOOST franchise of HRBOOST US Franchising LLC.

THE PROPOSED FRANCHISEE MUST INITIAL ON THE LINE NEXT TO THE FOLLOWING APPLICABLE DOCUMENT(S):

X__________ **X**___________ [_X__] Franchise Agreement with State Specific Addenda

_______________ _______________ [___] Other, Specify _______________.

I further acknowledge that it is my responsibility to review all such documents personally or to have my attorney review such documents so that I am fully familiar with the transaction contemplated by these documents prior to the execution of any document.

A FEDERAL TRADE COMMISSION RULE REQUIRES THAT WE PROVIDE FRANCHISEE WITH THE FRANCHISE-RELATED DOCUMENTS NOTED ABOVE AT LEAST SEVEN CALENDAR DAYS PRIOR TO THE DATE THEY ARE TO BE EXECUTED. PLEASE DO NOT SIGN OR RETURN THESE DOCUMENTS UNTIL SEVEN CALENDAR DAYS HAVE ELAPSED FROM THE DATE OF THIS RECEIPT.

Signed: **X** ______________________ Signed: **X** ______________________

Print Name:________________________ Print Name:______________________

Date Received: **X** _________________ Date Received: **X** ________________

STATE SPECIFIC ADDENDA TO
FRANCHISE DISCLOSURE DOCUMENT AND FRANCHISE AGREEMENT

The following modifications are made to the HRBoost US Franchising LLC Franchise Disclosure Document and may supersede, to the extent required by valid applicable state law, certain portions of the Franchise Agreement.

ILLINOIS

Illinois law governs the Agreements.

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

Item 17 of the Franchise Disclosure Document and sections of the Franchise Agreement are amended as follows:

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

Any release of claims or acknowledgments of fact contained in the Agreement that would negate or remove from judicial review any statement, misrepresentation or action that would violate the Act, or a rule or order under the Act shall be void and are hereby deleted with respect to claims under the Act.

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

Illinois Franchise Disclosure Act paragraph 705/27 provides that no action shall be maintained under Section 26 of the Act to enforce any liability created by the Act unless brought before the expiration of three years after the act or transaction constituting the violation upon which it is based, the expiration of one year after franchisee becomes aware of facts or circumstances reasonably indicating that franchisee may have a claim for relief in respect to conduct governed by the Act, or 90 days after delivery to the franchisee of a written notice disclosing the violation, whichever shall first expire. If this Agreement contains a provision that is inconsistent with the Act, the Act will control.

Illinois Franchise Disclosure Act paragraph 705/41 provides that any condition, stipulation, or provision purporting to bind any person acquiring any franchise to waive compliance with any provision of the Act or any other law of the State of Illinois is void. This Section shall not prevent any person from entering into a settlement agreement or executing a general release regarding a potential or actual lawsuit filed under any of the provisions of the Act, nor shall it prevent the arbitration of any claim pursuant to the provisions of Title 9 of the United States Code. If this Agreement contains a provision that is inconsistent with the Act, the Act will control.

(*Signature Page Follows*)

ACKNOWLEDGMENT:

It is agreed that the applicable foregoing state specific addenda, if any, supersedes any inconsistent portion of the Franchise Agreement dated the ______ day of ____________________, 20____, and of the Franchise Disclosure Document, but only to the extent they are then valid requirements of an applicable and enforceable state law, and for only so long as such state law remains in effect.

Dated this ______ day of ____________________, 20____.

HRBoost US Franchising LLC	**FRANCHISEE**	**FRANCHISEE**
By:____________________________	**By:**____________________	**By:**_________________
Print Name: Nicole Martin	**Print Name:**___________	**Print Name:**________
Title: CEO & Manager		

Exhibit F

GENERAL RELEASE

The Franchisee, jointly and severally, for Franchisee and each and all of Franchisee's officers, directors, shareholders, members, employees, agents, successors and assigns does hereby remise, release, forever discharge, and covenant not to sue Franchisor and its respective representatives, officers, directors, shareholders, members, employees, agents, attorneys, affiliated entities, successors and assigns from any actions, causes of action, claims, demands, statutes, arbitrations, expenses, damages and liabilities, whether at law or in equity, existing or arising prior to the date hereof, known as well as unknown, which the Franchisee has ever had.

Notwithstanding any terms of this General Release to the contrary, this General Release hereby expressly excludes claims arising from representations in the Franchise Disclosure Document and its exhibits and amendments.

Date:__________________

______________________ Franchisee	HRBoost US Franchising LLC Franchisor
By:___________________________ Name: _______________________	By:____________________________ Name: ________________________ Title: __________________________

Exhibit G

HRBOOST

State Effective Dates

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

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

State	Effective Date
Illinois	

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

EXHIBIT H **RECEIPT**

This disclosure document summarizes certain provisions of the franchise agreement and other information in plain language. Read this disclosure document and all agreements carefully.

If HRBoost US Franchising LLC offers you a franchise, it must provide this disclosure document to you 14 calendar days before you sign a binding agreement with, or make a payment to, the franchisor or an affiliate in connection with the proposed franchise sale.

New York and Rhode Island require that we give you this disclosure document at the earlier of the first personal meeting or 10 business days before the execution of the franchise or other agreement or the payment of any consideration that relates to the franchise relationship.

Michigan, Oregon and Wisconsin require that we give you this disclosure document at least 10 business days before the execution of any binding franchise or other agreement or the payment of any consideration, whichever occurs first.

If HRBoost US Franchising LLC does not deliver this disclosure document on time or if it contains a false or misleading statement, or a material omission, a violation of federal law and state law may have occurred and should be reported to the Federal Trade Commission, Washington, D.C. 20580 and the state agency identified on Exhibit A.

The franchisor is HRBoost US Franchising LLC located at 1930 Innovation Way, Suite 231, Libertyville, Illinois 60048. Its telephone number is (847) 449-8585.

Issuance Date: June 10, 2025.

The name, principal business address and telephone number of each franchise seller offering the franchise: C. Nicole Martin and Sandy Moran, HRBoost US Franchising LLC, located at 1930 Innovation Way, Suite 231, Libertyville, Illinois 60048, (847) 449-8585
and ____
[Any broker or other franchise seller involved in a particular franchise transaction must be disclosed here before the disclosure document is given to the prospective franchisee.]

HRBoost US Franchising LLC authorizes the respective state agencies identified in Exhibit B to receive service of process for it in the particular state.

I have received a disclosure document dated June 10, 2025 that included the following Exhibits:

Exhibit A	State Administrators
Exhibit B	Agents for Service of Process
Exhibit C	Franchisee Information
Exhibit D	Financial Statements
Exhibit E	Franchise Agreement
Exhibit F	General Release
Exhibit G	State Effective Dates
Exhibit H	Receipts

______________	______________________________	____________________________
Date	Signature	Printed Name
______________	______________________________	____________________________
Date	Signature	Printed Name

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______________	______________________________	____________________________
Date	Signature	Printed Name
______________	______________________________	____________________________
Date	Signature	Printed Name