FRANCHISE DISCLOSURE DOCUMENT

Interpreters Licensing International, Inc., a Delaware corporation
10650 Treena Street, Suite 308
San Diego, CA 92131
Phone: (858) 451-7490
Website: www.interpretersunlimited.com

As a franchisee, you will operate a business specializing in language translation and interpretation services for individuals and businesses under the name INTERPRETERS UNLIMITED®.

The total investment necessary to begin operation of an INTERPRETERS UNLIMITED® business is between $37,250 to $84,800. This includes between $29,500 and $30,500 that must be paid to the franchisor or its affiliate(s).

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 Sayed Ali, 10650 Treena Street, Suite 308, San Diego, CA 92131, Phone: (858) 451-7490, or at sayed.ali@iugroup.com.

The terms of your contract will govern your franchise relationship. Don't rely on the disclosure document alone to understand your contract. Read your entire 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: April 17, 2017

STATE COVER PAGE

Your state may have a franchise law that requires a franchisor to register or file with a state franchise administrator before offering or selling in your state. REGISTRATION OF A FRANCHISE BY A STATE DOES NOT MEAN THAT THE STATE RECOMMENDS THE FRANCHISE OR HAS VERIFIED THE INFORMATION IN THIS DISCLOSURE DOCUMENT.

Call the state franchise administrator listed in **Exhibit A** for information about the franchisor, or about franchising in your state.

MANY FRANCHISE AGREEMENTS DO NOT ALLOW YOU TO RENEW UNCONDITIONALLY AFTER THE INITIAL TERM EXPIRES. YOU MAY HAVE TO SIGN A NEW AGREEMENT WITH DIFFERENT TERMS AND CONDITIONS IN ORDER TO CONTINUE TO OPERATE YOUR BUSINESS. BEFORE YOU BUY, CONSIDER WHAT RIGHTS YOU HAVE TO RENEW OUR FRANCHISE, IF ANY, AND WHAT TERMS YOU MIGHT HAVE TO ACCEPT IN ORDER TO RENEW.

Please consider the following RISK FACTORS before you buy this franchise:

1. THE FRANCHISE AGREEMENT REQUIRES YOU TO RESOLVE DISPUTES WITH US BY MEDIATION, ARBITRATION OR LITIGATION ONLY IN SAN DIEGO, CALIFORNIA. OUT-OF-STATE MEDIATION, ARBITRATION OR LITIGATION MAY FORCE YOU TO ACCEPT A LESS FAVORABLE SETTLEMENT FOR DISPUTES. IT MAY ALSO COST YOU MORE TO MEDIATE, ARBITRATE OR LITIGATE WITH US IN CALIFORNIA THAN IN YOUR OWN STATE.

2. THE FRANCHISEE WILL BE REQUIRED TO MAKE AN ESTIMATED INITIAL INVESTMENT RANGING FROM $37,250 TO $84,800. THIS AMOUNT EXCEEDS THE FRANCHISOR'S STOCKHOLDERS EQUITY AS OF DECEMBER 31, 2015, WHICH IS -$457.

3. THERE MAY BE OTHER RISKS CONCERNING THIS FRANCHISE.

We use the services of one or more FRANCHISE BROKERS or referral sources to assist us in selling our franchise. A franchise broker or referral source represents us, not you. We pay this person a fee for selling our franchise or referring you to us. You should be sure to do your own investigation of the franchise.

Please see the next page for the effective dates of this Disclosure Document for the states in which we are registered to sell franchises.

STATE EFFECTIVE DATES

The following states 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 Franchise Disclosure Document is registered, on file or exempt from registration in the following states having franchise registration and disclosure laws, with the following effective dates:

California Effective Date: ____________
Hawaii Effective Date:______________
Illinois Effective Date: _____________
Indiana Effective Date: ______________
Maryland Effective Date:________________
Michigan Effective Date: ______________
Minnesota Effective Date: ______________
New York Effective Date: ______________
North Dakota Effective Date: ___________
Rhode Island Effective Date: ____________
South Dakota Effective Date: ____________
Virginia Effective Date: ___________
Washington Effective Date: ___________
Wisconsin Effective Date; ___________

In all the other states, the effective date of this Franchise Disclosure Document is the issuance date of April 17, 2017.

MICHIGAN SPECIFIC-NOTICE

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

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

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

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

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

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

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

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

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

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

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

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

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

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

The fact that there is a notice of this offering on file with the attorney general does not constitute approval, recommendation, or endorsement by the attorney general.

Any questions regarding this notice should be directed to the Attorney General's Department for the State of Michigan, Consumer Protection Division, Franchise Section, 670 Law Building, 525 W. Ottawa Street, Lansing, Michigan 48913, (517) 373-7117.

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ITEM 1

THE FRANCHISOR, AND ANY PARENTS, PREDECESSORS, AND AFFILIATES

The franchisor is Interpreters Licensing International, Inc. ("we," "us," or "our"). "You" or "your" means the person to whom we grant a franchise, whether you are an individual or a corporation, partnership, limited liability company or other legal entity, and includes all owners and partners of the person who buys the franchise.

The Franchisor, its Parent, and Affiliates

We are a Delaware corporation that was incorporated on April 29, 2011. Our principal business address is 10650 Treena Street, Suite 308, San Diego, CA 92131. We do business under the name INTERPRETERS UNLIMITED®, and other trademarks we designate (the "Marks"). We do not do business or intend to do business under any other names. We do not conduct any business activities other than franchising.

We began offering franchises in July 2012. We do not have any predecessors. We have never offered franchises in any other line of business.

Our parent is IUI Enterprises, Inc., a California corporation that was formed in July 2011 and which has its principal place of business at 10650 Treena Street, Suite 308, San Diego, CA 92131. Our parent does not provide any products or services to our franchisees. IUI Enterprises, Inc. does not offer, and has never offered, franchises in any line of business.

Our affiliate is Interpreters Unlimited, Inc., a California corporation, which has its principal place of business at 10650 Treena Street, Suite 308, San Diego, CA 92131. You will be required to use the software licensed by our affiliate. Our affiliate also provides the facilities at which you will be required to attend training. Our affiliate has operated an INTERPRETERS UNLIMITED® System Office since January 2007.

Interpreters Unlimited, Inc. has never offered franchises in any line of business. Interpreters Unlimited, Inc. did previously sell 2 licenses to operate language translation and interpretation services under our Marks. The licenses sold by Interpreters Unlimited, Inc. were materially different than the franchises we offer under this offering.

The Franchise

We offer franchises that specialize in language translation and interpretation services for individuals and businesses under the Marks ("System Offices"). System Offices are operated under a business format and system that includes our valuable know-how, information, trade secrets, training methods, Operating Manual, standards, designs, methods of trademark usage, copyrights, sources and specifications, confidential electronic and other communications, methods of Internet usage, marketing programs, and research and development connected with the operation and promotion of System Offices, all of which may be changed, improved, and further developed by us from time to time (the "System").

As a franchisee, you will operate a System Office (your "Franchised Business") under our System. We will work with you to determine the top languages for which there will likely be a demand in the area where your Franchised Business is located. Based on our experience, these languages are likely to include Spanish, Sign Language, Arabic, Mandarin, Vietnamese, and Korean. Once these are determined you will, based on our advice, determine a number of linguists to recruit for each language. We will provide training to you regarding how and where to recruit linguists.

Each linguist that you recruit will enter into a contract with you to work as an independent contractor performing translation and interpretation services. Our proprietary software will assist you in managing each of your linguists and customer translation or interpretation requests. You generally will only recruit linguists in each of the languages in which you identify high potential demand in your area. If you receive a request for a language for which you do not have a linguist under contract, you can use our database to contact a linguist who is skilled in that language. If you are not satisfied with a particular linguist that you have recruited or that you have hired based on our database, you can recruit another linguist skilled in the language of need.

You are obligated to service customers that are located within your Area of Responsibility. Unless you receive written permission from us to do so, you do not have the right to solicit or accept orders from consumers outside of your Area of Responsibility.

Market and Competition

The market for language interpretation and translation services is well-developed. You will be competing with other businesses that offer language translation and interpretation services, some of which may be national or regional chains or franchises. The market for the services you will offer is generally year-round. In our Franchise Agreement, we reserve the right to establish other franchises or company-owned locations offering the same or similar services under a different trade name or trademark within your franchise Area of Responsibility.

Changes in local and national economic conditions and population density affect this industry and are generally difficult to predict. You will face other business risks that could have an adverse effect on your business, including pricing policies of competitors, changes to laws or regulations, changes in supply and demand, regional or national economic health, neighborhood demographic and traffic patterns, new technologies, and competition that provides related products.

Industry-Specific Regulations

In addition to laws and regulations that apply to businesses generally, most states and local jurisdictions have enacted laws, rules, regulations and ordinances which may apply to the operation of your business, including occupational health and safety; labor; licensing and bonding; insurance; and advertising. You may need to obtain licensing and certifications (as required by your state or local law) to provide services from your Franchised Business. Some jurisdictions have passed laws that require businesses to pay their employees a higher minimum wage than what is required under federal law, which laws may disproportionately affect franchised businesses.

Agents for Service of Process

If we have an agent in your state for service of process, we disclose that agent in Exhibit A.

ITEM 2

BUSINESS EXPERIENCE

Owner and President: Sayed Ali

Sayed Ali is our owner and currently serves as our President, and has done so since our inception. Mr. Ali is also the owner of our affiliate, Interpreters Unlimited, Inc., and has served as its President since its inception in January 2007.

Vice President of Sales and Marketing: Shamroze "Shamus" Sayed

Shamroze Sayed serves as our Vice President, and has done so since our inception. Mr. Sayed is also the Vice President of our affiliate, Interpreters Unlimited, Inc. and has served in that capacity since its inception in January 2007.

ITEM 3

LITIGATION

No litigation is required to be disclosed in this Item.

ITEM 4

BANKRUPTCY

No bankruptcy information is required to be disclosed in this Item.

ITEM 5

INITIAL FEES

Initial Franchise Fee

You must pay us an initial franchise fee ("Initial Fee") in a lump sum when you sign the Franchise Agreement. Our Initial Fee is currently $29,500.

If, after your Franchised Business has been in operation for twelve months, you have not achieved sales of least $100,000 in your Franchised Business, we will refund to you 50% of your Initial Fee and release you from your obligations under the franchise agreement. The availability of this refund is conditioned upon your notifying us of your intent to exercise your right of early termination within thirty (30) days after the first anniversary of the commencement of operations of your Franchised Business. Second, to obtain the refund you must sign a general release of claims against us and our affiliate(s). Third, the obtain the refund you must complete our standard form Closing Checklist, in which you will confirm that you have ceased operation of the Franchised Business and that you have assisted us in transitioning existing clients of the Franchised Business to us or to our designee(s). This limited right of refund should not be considered, and is not, a financial performance representation or guarantee that you will reach any particular level of sales in any amount of time. The Initial Fee is not refundable under any other circumstances.

Training Fees

We will provide initial training and training materials for you and up to two other individuals that you designate at no extra charge to you. If you wish to have more than three people at training, we will charge you a training fee of $1000 for each additional person. Similarly, if you ask us for additional individual training, we will charge you $1000 per person for that individual training, and the dates and times for such additional individual training will be determined by us in our sole discretion (and subject to our schedule for training). For any training that you undergo, you must pay for your and any other trainee's travel, meal and lodging expenses. The training fee is not refundable under any circumstances.

The initial fees listed above are uniform to all franchisees under this offering.

ITEM 6

OTHER FEES[1]

Type of Fee	Amount	Due Date	Remarks
Royalty Fee[2]	5.5% of your Gross Revenue[3]	The first and third Wednesday of each month.	Gross Revenue includes all revenue from your Franchised Business, not including sales or use taxes.
Brand Awareness Fee	1% of your Gross Revenue	The first and third Wednesday of each month	You must pay us monthly to support our national or regional advertising efforts for the System. We do not currently charge a Brand Awareness Fee, but we have the right to institute the fee at any time.
Local Advertising Payment	The difference between the amount you spent on local advertising and 1% of your Gross Revenue	Upon invoice	If you fail to spend at least 1% of your Gross Revenue on local advertising, you must pay us the difference between the amount you spent and 1% of your Gross Revenue, which amount will be contributed to the Brand Awareness Fund.
Project Management Fee	10% of total contract amount for each project	Upon demand	Payable only if you elect to use our project management services for your translation projects
Late Fees	5% of the past due amount or $100, whichever is greater	Upon demand	Payable only if you do not pay your bills on time, if any check, electronic payment or other payment you tender to us is not honored for any reason.

Type of Fee	Amount	Due Date	Remarks
Interest on Past Due Accounts	Daily equivalent of 1.5% per month simple interest of the delinquent amount or the highest rate permitted by law, whichever is less.	Payable when any payment is overdue.	Payable only if you do not pay your bills on time. Interest begins from the date of underpayment.
Audit Expenses	Actual cost of audit fees, plus the underreported fees, late charges on those fees, and interest on the fees you did not pay at 1.5% per month.	Upon demand	Payable only if the audit shows an understatement greater than 3% of reported amounts.
Insurance	Our cost of premiums, plus an administrative fee equal to 20% of the cost of the premiums.	Upon demand	Payable only if you fail to maintain required insurance coverage and we elect to obtain coverage for you.
Additional E-Mail Account Fee	$100 per additional user (one-time fee)	Upon demand	We provide an e-mail address at our domain for each person who attends training. This fee is payable only if you obtain additional e-mail addresses for your personnel.
Transfer Fee	$10,000	With submission of request for approval of transfer	Applicable only if you choose to transfer your Franchise Agreement. Our consent is required for any transfer.
Successor Franchise Fee	$15,000	Upon signing your successor franchise agreement	Payable only if you choose to obtain a successor franchise your franchise for another term
Additional Training	$1000 for each additional person attending training.	Two weeks prior to training,	We conduct initial training for you and two additional people at no additional charge. You must pay for additional training if you request it and we agree to provide it.
Additional Operational Assistance	Rates as published in the Operating Manual; currently $400 per day, plus our out-of-pocket expenses	Upon demand	We provide training for operations during our initial training; additional training will be arranged if we agree to provide it. Expenses to be reimbursed include travel, lodging and meals.

Type of Fee	Amount	Due Date	Remarks
Meetings, conferences, or conventions	Price determined three months prior to scheduled conference; will not exceed $1,000 per person, per conference	Two weeks prior to scheduled conference	The conference fee is payable to us; you must pay your own travel costs to third party.
Operating Manual Replacement Fee	$500 per Operating Manual	As invoiced	Payable only if you lose your copy of the Operating Manual
Costs, administrative expenses, and attorneys' fees[4]	Will vary under circumstances	Upon settlement or conclusion of a claim or action; in resolution of our efforts to collect past-due fees from you; or when we take action against you in response to your default of the Franchise Agreement.	If there is a dispute between us, the prevailing party is entitled to attorney fees and costs. You will also be required to reimburse us for any legal or accounting fees that we incur as a result of any breach or termination of your Franchise Agreement.
Supplier Approvals	Our costs of inspecting your proposed supplier facility and/or product and equipment and all product testing costs paid by us to third parties, which we estimate to be between $500 and $1000.	On demand	Applies to the costs we expend in our evaluation of new suppliers you wish to purchase from or products you wish to purchase.
Interpreter / Translator Approvals	A reasonable fee to reimburse us for our time in reviewing information from the proposed interpreter or translator and conducting an interview, which we estimate to be between $100 and $500.	On demand	Payable by you or the proposed interpreter or translator only if you ask us to approve an interpreter or translator.
Indemnification	Will vary under circumstances	Upon demand	Payable to indemnify us, our affiliates and owners, officers, employees, agents, successors, and assigns against all claims related to your ownership and operation of your Franchised Business.

Notes:

[1] All fees paid to us are uniform and non-refundable under any circumstances once paid. Fees paid to vendors or other suppliers may or may not be refundable depending on the vendors and suppliers. All fees listed in this Item 6 are uniformly imposed by us as to all franchisees.

[2] Royalty Fees are calculated on your Gross Revenue and are due twice monthly, on the first and third Wednesday of each month. On the first and third Wednesday of each month, you will be required to pay us Royalty Fees on your Gross Revenue for the immediately preceding two week period.
[3] "Gross Revenue" means all consideration, whether by cash, credit, in kind, checks, gift certificates, scrip, coupons, services, property or other means of exchange, or otherwise, derived directly or indirectly from your operation of the Franchised Business, and includes, but is not limited to, the amounts received from the sale of all products and performance of services of every kind and nature, promotional or otherwise, from, at, upon, or through the Franchised Business, including the credit value given for all merchandise trades, as well as insurance proceeds and/or condemnation awards for loss of sales, profits or business. Gross Revenue does not include: any sales taxes imposed by a governmental entity or customer refunds, valid discounts and coupons, and credits.

[4] If we prevail in any action against you to secure or protect our rights under the Franchise Agreement, or to enforce the terms of the Franchise Agreement, we will be entitled to recover from you reasonable attorneys' fees and court costs.

In addition, if we become a party to any action or proceeding concerning the Franchise Agreement, or any agreement between us and you, or your Franchised Business, as a result of any claimed or actual act, error or omission of you or your Franchised Business, then you will be liable for our reasonable attorneys' fees incurred by us in the action or proceeding.

If we are required to engage a collection agency, use legal counsel, or hire any third party in connection with any failure by you to pay us amounts when they are due, or your failure to submit when due any reports, information, or supporting records, or in connection with any failure by you to otherwise comply with the Franchise Agreement, you must reimburse us for all costs and expenses of enforcement and collection, including our reasonable: (a) legal fees; (b) investigation fees; (c) travel expenses of our employees or agents; and (d) hourly charges of our employees or agents.

ITEM 7

ESTIMATED INITIAL INVESTMENT

YOUR ESTIMATED INITIAL INVESTMENT

Type of Expenditure	Amount	Method of Payment	When Due	To Whom Payment is Made
Initial Fee	$29,500	Lump Sum	Upon signing Franchise Agreement	Us
Real Estate, Deposit, Fixtures, and Improvements[1]	$0 to $25,000	As Agreed	As Incurred	Landlord, outside vendors and suppliers
Travel to Training	$500 to $1,500	As Incurred	As Agreed	Outside Suppliers

Type of Expenditure	Amount	Method of Payment	When Due	To Whom Payment is Made
Computer, Telephone, & Office Equipment[2]	$0 to $4,000	As Incurred	As Agreed	Outside Suppliers
Software and Programs	$1,000 to $1,500	As Incurred	As Agreed	Outside Suppliers Approved by us
Marketing Materials and Inventory[3]	$500 to $3,000	As Incurred	As Agreed	Outside suppliers approved by us
Insurance	$3,000 to $5,000 for year	As Incurred	As Agreed	Outside Suppliers Approved by us
Business Permits and Licenses	$750 to $1,800	As Incurred	As Agreed	State or municipality
Legal & Accounting	$0 to $3,500	As Incurred	As Agreed	Outside Suppliers
Additional Funds (3 months)[4]	$2,000 to $10,000	As Incurred	As Agreed	Outside Suppliers, taxing authorities, and employees
TOTAL ESTIMATED INITIAL INVESTMENT	$37,250 to $84,800	As Incurred	As Agreed with each Supplier	Us and other Approved Outside Suppliers, Landlord, state or municipality, taxing authorities, and miscellaneous vendors

These estimated initial expenses are our best estimate of the costs you may incur in establishing and operating your Franchised Business. We do not offer financing directly or indirectly for any part of the initial investment. The availability and terms of financing from third parties depend on many factors, including the availability of financing generally, your creditworthiness and collateral, and the lending policies of financial institutions from which you request a loan.

The factors underlying our estimates may vary depending on a number of variables, and the actual investment you make in developing and opening your Franchised Business may be greater or less than the estimates given depending upon the location of your franchise, and current relevant market conditions. We will refund a portion of your Initial Fee under the circumstances described in Item 5. Other than the Initial Fee, we do not refund any money that you pay us. We do not know whether any of the money you pay to third parties will be refundable. In compiling this chart, we relied on the experience of our affiliate, Interpreters Unlimited, Inc. as the owner and operator of a System Office similar to the franchise being offered to you.

Other than the Initial Fee, which is refundable under the circumstances described in Item 5, none of the fees you pay us are refundable. We do not know whether any of the money you pay to third parties will be refundable.

[1] Real Estate. There is no requirement to purchase or lease separate real estate in connection with ownership of your Franchised Business; we permit you to operate your Franchised Business from your home office. If you decide to locate your Franchised Business in commercial premises, a typical lease location is a commercial office with approximately 600 – 1200 square feet of space.

The figures listed in this Item may vary substantially from location to location, and may vary based on whether you purchase or lease the space for the Franchised Business. You may be required to make a security deposit as a condition of leasing the location for the Franchised Business. Typically (but not in every case), a landlord will require a security deposit equal to one month's rent and payment of one month's rent before giving you possession of the leased premises. Depending on the specific improvements you choose to make, this amount may be higher.

[2] Equipment. This line item is for computer and communications equipment that will be used in your Franchised Business including computer hardware and software, a fax machine, printer, scanner, and telephone system. There are a number of computer systems which can be used in connection with the Franchised Business, and you are allowed to choose whatever computer system you prefer as long as it meets our requirements and is approved by us. We may approve a computer you currently own, or you can purchase a new computer for this purpose. We will require you to have specific software on your computer system.

[3] Marketing Materials. This figure includes marketing materials and ad placements for your initial and for ongoing advertising. We require that you spend at least one percent (1%) of your Gross Revenue on advertising each month. You may spend even more if you wish to grow the Franchised Business faster. The amounts spent on initial promotion and marketing can vary widely.

[4] Additional Funds. Additional funds is an estimate of the funds needed to cover pre- and post-opening expenses including fuel for traveling to work sites, cellular phone service, utility deposits, sales taxes, and dues (including dues for belonging to such entities as Better Business Bureau, and Chamber of Commerce; you may choose to affiliate with other trade associations as you desire), as well as additional operating capital for other variable costs (for example, electricity, telephone, heat, Internet service, Internet setup, etc.), paper, cleaning, and other supplies. Additional funds are also an estimate of the monies you will need on hand during the initial phase of Franchised Business operations. We estimate that for the initial phase of three months, you will need about $2,000 to $10,000 to cover expenses.

[5] Figures May Vary. This Estimated Initial Investment Item 7 includes our estimates of your initial startup expenses and funds for additional inventory and additional funds for the operation of the Franchised Business. These expenses include payroll costs. These figures are estimates and we cannot guarantee that you will not have additional expenses starting the Franchised Business. Your costs will depend on factors such as: how much you follow our methods and procedures; your skill, experience and business acumen; local economic conditions; the local market demand for your product; the prevailing wage rate; competition; and the sales level reached during the initial period. You should conduct your own independent investigation of the costs of opening a language translation and interpretation business. Additional funds for the operation of the Franchised Business will be required after the first three months of operation if sales produced by the Franchised Business are not sufficient to produce positive cash flow. You should also

review the figures listed in this Estimated Initial Investment Item 7 carefully with a business advisor, like an attorney, banker or an accountant, before making any decision to purchase a franchise.

ITEM 8

RESTRICTIONS ON SOURCES OF PRODUCTS AND SERVICES

Standards and Specifications

You must operate your Franchised Business according to our System Standards. System Standards may regulate, among other things, the types, models, and brands of equipment, and signs; products and supplies you must use in operating the Franchised Business; insurance and employee bonding, employee testing and background checking; operating procedures; computer programs; and advertising materials.

In order to maintain our standards of consistent, high quality products and services, customer recognition, advertising support, value and uniformity in System Offices, you must purchase all of your required décor, inventory, goods, equipment, supplies, forms, products, services, and advertising materials used in or sold through your Franchised Business, per our specifications and standards, only from us or our approved or designated suppliers and distributors. You also must construct your Franchised Business in a manner consistent with our standards, and use only contractors that we have approved in doing so. If we do not authorize a product, service, or supplier, you are prohibited from using it in your Franchised Business.

We formulate and modify our System Standards based on the market for language interpretation and translation services in general, as well as competitive and economic conditions, based on the experience of our affiliate's operation of a System Office. We will communicate our standards and specifications to you in writing through the Operating Manual. We do not provide any material benefits to you based on your use of designated or approved suppliers.

Supplier Approvals

If you want to purchase or lease any products, equipment, supplies, forms, marketing, supplies, advertising or services from a supplier, other than from us or our authorized supplier, you must first notify us and obtain our written approval. We will provide you with our specifications and standards for approval. We will review your request and we will respond within 30 days after we have had the opportunity to test the item or supplier. We have no obligation to approve any request for a new supplier, product, or service, but we will not unreasonably withhold our approval.

You will be required to pay our costs of testing. If the supplier proposed by you meets our criteria, we will permit you to contract with that approved supplier. We reserve the right to re-inspect the facilities and to retest the product of any approved supplier and to revoke any approval if the supplier fails to continue to meet our high standards. Our approval will be revoked if we determine, in our reasonable discretion, that an approved supplier has not continued to meet our standards. In that case, we will inform you in writing of our decision to revoke our approval, and you will be required to cease contracting with that supplier immediately after your receipt of our notice of revocation. Other than our costs of testing, we do not charge a fee for approval.

If you wish to use obtain approval for your purchase of services from an interpreter or translator who is not an Approved Interpreter, you will have the right to notify us of your request to have such individual authorized by us as an Approved Interpreter. We will have the right to request from you reasonable information and materials regarding the proposed interpreter or translator. We will have five (5) calendar days from the receipt of any such information and materials to approve or disapprove the proposed interpreter or translator, in our sole and absolute discretion. If you do not receive from us an approval of a proposed interpreter within the five calendar day period, then the proposed interpreter or translator will be deemed approved. We have the right to charge you a reasonable fee (as published in our Operating Manual) to compensate us for reviewing any and all information and materials and interviewing any proposed interpreter.

We do not make our criteria for selecting approved suppliers available to our franchisees, nor do we make our specifications known to suppliers. We do not issue specifications and standards to franchisees or approved suppliers. Supplier approval might depend on product quality, delivery frequency and reliability, service standards, financial capability, customer relations, concentration of purchases with limited suppliers to obtain better prices and service, and/or a supplier's willingness to pay us or our affiliates for the right to do business with our System.

Required Purchases or Leases

Neither we nor our affiliate are currently approved suppliers or the only approved supplier of any products or services other than the Software, logo-bearing items, email addresses, and project management services, as we describe below.

Interpreters and Translators

We assign interpreters or translators that we have reviewed, qualified, and contracted with to perform language translation and/or interpretation services (each, an "Approved Interpreter") to certain geographic zones to provide applicable services and products to our franchisees within those zones. If an Approved Interpreter is able to offer services and / or products within your geographic area, you must use that Approved Interpreter to provide Authorized Products and Services for those language(s) offered by the Approved Interpreter.

If there is no Approved Interpreter able to offer a specific service within your geographic area, you will have the right to use an interpreter that has not been approved by us (an "Unapproved Interpreter"), provided that you promptly notify us of the identity of such Unapproved Interpreter and the economic terms of the transaction. We will have the right, within two (2) business days of receiving such notice from you, to disapprove of an Unapproved Interpreter based on our reasonable business judgment (in which case you may propose an alternative Unapproved Interpreter, subject to our approval). If we do not reject the Unapproved Interpreter, we will contract (or permit you to contract) with the Unapproved Interpreter only for the completion of the job for which you proposed the Unapproved Interpreter.

We are the only approved supplier of Approved Interpreters, but we are not the only approved supplier of Unapproved Interpreters.

Project Management Services

You will have the option of outsourcing project management aspects of translation work to us, but you will not be required to do so. If you elect to use this service, we will coordinate the location and retention of a qualified, licensed translator for a language designated by you, as well as the scheduling of services with that translator.

In addition, we will make available as part of our project management services a telephone back-up service to support the translation project. We are not the only approved supplier of project management services.

Supplies and Equipment

You are permitted only to sell or offer only services and products which we approve in writing. Generally, you must purchase all of your supplies, equipment, logo-bearing items, and marketing materials from suppliers approved by us, which may include us or our affiliate(s). Currently, however, neither we nor our affiliates are approved suppliers or the only approved suppliers of equipment. A list of the materials that you can, or will be required to, purchase from suppliers approved by us, and the names of those approved suppliers, will be listed in our Operating Manual.

Computer System, Software and E-mail Address

We require you to purchase your Computer System from our designated suppliers, which will include certain software. Upgrades to the Computer System may be required periodically. We reserve the right to be the only approved suppliers of the Computer System, but presently, we are not a supplier of the Computer System. We will supply you with one e-mail address at our domain. If you want more, you can purchase them from us.

We are not an approved supplier of the Computer System. We are the only approved supplier of e-mail addresses for our domain.

Advertising

All advertising and promotion by you, in any manner or medium, must be conducted in a dignified manner and must conform to our standards and specifications. You must display the Marks in the manner required by us on all signs and other advertising and promotional materials used in your Franchised Business.

You are responsible for all costs of such advertising and promotion. You must submit to us, for our prior written approval, samples of all advertising and promotional plans and materials that you desire to use that have not been prepared or previously approved by us. We have fifteen days from the date that we receive your proposed advertising materials to indicate whether we approve or disapprove of your use of the materials. If we do not respond to you within fifteen days of our receipt of your advertising materials, those materials are deemed approved. You may not use any advertising, promotional, or marketing materials that we have not approved or have disapproved.

You must purchase or lease and install, at your expense, all fixtures, signs / emblems, and equipment as we may direct in writing, and you must refrain from installing or permitting to be installed on (if you choose to operate from a location other than your residence) or about your Franchised Business, without our prior written consent, any fixtures, signs / emblems, equipment, or other alterations to your Franchised Business not previously approved as meeting our standards and specifications.

We are not an approved supplier or the only approved supplier of advertising.

Insurance

The Franchise Agreement requires you to furnish to us copies of all insurance policies required by the Franchise Agreement, or such other evidence of insurance coverage and payment of premiums as we request or permit. Insurance coverage must meet our minimum requirements. We have the right to approve insurance contract provisions. We have the right to obtain insurance coverage for you, at your expense, if you fail to obtain required coverage and retain the right to defend claims and similar matters relating to insured and uninsured claims.

You currently must have employer's liability, disability, and workers' compensation as prescribed by law in your state. You also must have:

(1) A broad form comprehensive general and professional liability policy with limits of no less than $1,000,000 per occurrence and $2,000,000 aggregate limit, with an endorsement specifically covering cyber liability risks;

(2) Business interruption insurance of not less than Fifty Thousand Dollars ($50,000) per month for loss of income and other expenses with a limit of not less than six (6) months of coverage;

(3) Errors and omissions insurance in an amount of $100,000 per occurrence or as otherwise stated in our Operating Manual;

(4) Any other insurance required by the state or local municipality where your Franchised Business operates and is located; and

(5) Such insurance and types of coverage as may be required by the terms of any lease for the Franchised Business, or as we may require periodically.

You must maintain all required policies in force during the entire term of the Franchise Agreement and any renewal terms. We may periodically increase or decrease the amounts of coverage required under these insurance policies and require different or additional kinds of insurance at any time to reflect inflation, identification of new risks, changes in law or standards of liability, higher damage awards, or other relevant changes in circumstances. Each insurance policy must name us (and, if we request, our directors, employees or shareholders) as additional insureds and must provide us with 30 days' advance written notice of any material modification, cancellation or expiration of the policy.

We are not an approved supplier of the required insurance policies.

<u>Proportion of Required Purchases and Leases to All Purchases and Leases</u>

We estimate that the purchase of goods, services, supplies, fixtures, equipment, inventory, computer hardware and software, real estate, or comparable items related to establishing or operating Franchised Business, from us or our designated or approved suppliers and distributors, or those meeting our standards and specifications, will be between 60% and 90% of your total cost to establish a System Office, and between 15% and 30% of your total cost of operating a System Office.

Purchasing Cooperatives, Purchasing Arrangements, Rebates, Payments, and Derived Revenue

We do not have purchasing and distribution co-operatives as of the issuance date of this Franchise Disclosure Document; however, we may negotiate alternative purchase arrangements with suppliers and distributors of approved products for the benefit of our franchisees and we reserve the right to receive rebates on volume discounts from our purchase of products that we may re-sell to you. We reserve the right to negotiate prices in the future for various products for the benefit of the System, but not on behalf of or for the specific benefit of individual franchisees, but we currently do not do so.

We reserve the right to derive a profit from our arrangements with certain approved suppliers. There are no caps or limitations on the maximum amount of payments we may receive from our suppliers as the result of franchisee purchases. Some of our officers own an equity interest in us (the franchisor) and our affiliates, and we may be an approved supplier.

In 2016, our total revenues were $2,414. Of that revenue, eighty-seven percent (87%) were rebates from required purchases or leases of products or services by our franchisees.

ITEM 9

FRANCHISEE'S OBLIGATIONS

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

Obligation	Section in Franchise Agreement	Disclosure Document Item
(a) Site selection and acquisition/lease	Section 3.2	Items 7, 8, 11, and 12
(b) Pre-opening purchases/leases	Not applicable	Items 5, 7, 8, and 11
(c) Site development and other pre-opening requirements	Section 3.3	Items 7, 8, and 11
(d) Initial and ongoing training	Section 9.7	Items 6, 7, and 11
(e) Opening	Sections 3, 4.1	Item 11
(f) Fees	Section 6	Items 5, 6, and 7
(g) Compliance with standards and policies/Operating Manual	Section 9, 10, and 12	Items 8 and 11
(h) Trademarks and proprietary information	Section 8	Items 11, 13, 14, and 16
(i) Restrictions on products/services offered	Sections 3.1, 5, 9, 10	Items 8, 11, 12, and 16

Obligation	Section in Franchise Agreement	Disclosure Document Item
(j) Warranty and customer service requirements	Section 9	Item 11
(k) Territorial development and sales quotas	Section 5	Not applicable
(l) Ongoing product/service purchases	Section 10	Items 6 and 8
(m) Maintenance, appearance and space requirements	Section 9.2, 9.5	Items 8, 11, 16, and 17
(n) Insurance	Section 16	Items 7 and 8
(o) Advertising	Section 12	Items 6, 7, 8, and 11
(p) Indemnification	Section 16	Item 6
(q) Owner's participation/management/staffing	Sections 9, 15	Items 11 and 15
(r) Records and reports	Section 7	Item 11
(s) Inspections and audits	Sections 7 and 9.13	Items 6 and 11
(t) Transfer	Section 14	Item 17
(u) Renewal	Section 4	Item 17
(v) Post-termination obligations	Sections 13, 18	Item 17
(w) Non-competition covenants	Section 13	Items 15 and 17
(x) Dispute resolution	Section 19	Item 17
(y) Other	Not applicable.	Not applicable.

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 any assistance to you.

Pre-Opening Assistance. Before you open the Franchised Business, we will provide the following initial services:

1. We do not select your Area of Responsibility for you. However, at your request, we will advise you in determining appropriate factors and considerations for selecting an appropriate Area of Responsibility for your Franchised Business. (Franchise Agreement, Section 5).

2. Not unreasonably withhold our acceptance of an Area of Responsibility for your Franchised Business that meets our requirements and does not infringe on another franchisee's Area of Responsibility. We describe our process and requirements for selecting an Area of Responsibility later in this Item. (Franchise Agreement, Section 5).

3. If you decide to open an office instead of operating your Franchised Business from your residence, approve or reject the site you select. We describe the site selection process later in this Item. (Franchise Agreement, Section 3).

4. Before the opening of your Business, you and your Manager (if you have one) are required to attend an introductory training program at our corporate training facility located in San Diego, California, or other designated location (the "Training Program") on the operation of a System Offices. We describe the Training Program later in this Item.

5. Loan to you, or provide you with electronic access to, one or more manuals and other written materials (collectively, the "Operating Manual"). We describe the Operating Manual later in this Item. (Franchise Agreement, Section 9.)

6. We will establish an approved web site for your business as well as an e-mail account at our Internet domain. (Franchise Agreement, Sections 9 and 12).

Site Selection

If you do not elect to operate your Franchised Business out of your home, you will need to obtain our approval for the location you select for the business office of your Franchised Business (the "Business Office"). Finding a suitable office location that conforms to local ordinances and building codes is your responsibility.

We do not select the location of the location for your Business Office. We generally do not own the premises or lease it to you. Finding a suitable location that conforms to local ordinances, building codes, and our guidelines is your responsibility. However, we will provide you with guidance regarding our standards for selecting a site, and you are required to obtain our approval for any site you choose.

You select the site of the Business Office within the Area of Responsibility provided in the Franchise

Agreement. We will either accept or reject the site in our sole discretion. Acceptance by us of a location is conditioned upon our determination, in our judgment, that the site that you have submitted for your Business Office is within your Area of Responsibility and is a suitable site based upon criteria we establish from time to time.

We must feel that your proposed location meets or exceeds our standards. We evaluate each proposed site and accept or do not accept each one on a case-by-case basis. We will approve or disapprove your proposed site within 15 days after you present the information described above to us. The factors that we consider in acceptance of the site include population demographics, population density, neighborhood, proximity to competitors, and physical characteristics of the premises, such as size and layout. If you and we disagree about the proposed location, you must locate another acceptable site for your Business Office. We will give you reasonable opportunities to select alternative locations for your Franchised Business if we reject your proposed site(s). If you fail to find a site that we approve within six months of signing the Franchise Agreement, the Franchise Agreement will be terminated, and we will not refund your initial franchise fee. (Franchise Agreement, Section 3)

Time to Open.

We estimate that there will be an interval of time of one to two months between the execution of the Franchise Agreement and the date that you open for business. The factors that may affect this length of time include time for obtaining local licenses, weather conditions, training, obtaining marketing materials, materials shortages, hiring as needed, obtaining financing arrangements, and delayed shipping of equipment. You must open your Franchised Business within 6 months of signing the Franchise Agreement. (Franchise Agreement, Article 3).

Post-Opening Obligations. During your operation of the Franchised Business, we will:

1. At your written request, provide additional training, which will be scheduled subject to our availability. In the event that you request such additional training, we will require you to reimburse us for our training time at the rate of $1000 per session. You will be responsible for paying the living and travel expenses of you and those of your personnel who attend training. (Franchise Agreement, Section 11).

2. Make a representative reasonably available to speak with you by telephone during normal business hours. (Franchise Agreement, Section 11).

3. At your request, send a representative to your Franchised Business for additional on-site assistance. We reserve the right to charge you a reasonable fee for our services, as is published in the Operating Manual, and you must reimburse us for the additional food, lodging, and transportation expenses incurred by us during our site visit. (Franchise Agreement, Section 11.2).

4. Approve or disapprove samples of all local advertising and promotional materials not prepared or previously approved by us which are submitted by you. (Franchise Agreement, Section 12).

5. Allow you to use our Software, which will reside on our servers, so long as you are in compliance with the terms of the Agreement. We will use commercially reasonable efforts to keep our servers online 24 hours per day, seven days per week. Our Software will provide you with access to our database of independent contractors that provide interpretation and translation services to customers. We will, in our sole discretion, update the Software to provide bug fixes, improve performance or add functionality, at

times and in a manner reasonably selected by us to minimize disruption of your business. (Franchise Agreement, Section 10).

6. We will provide you technical support for the Software, by providing telephone support to Purchaser between the hours of 9:00 a.m. and 5:00 p.m. Pacific Time, Monday through Friday. Telephone support services will be staffed by qualified technical representatives with a working knowledge of the Software. (Franchise Agreement, Section 10).

7. At your request (and subject to your payment of the Project Management Fee), provide you with project management services for your translation projects. If you elect to use this service, we will coordinate the location and retention of a qualified, licensed translator for a language designated by you, as well as the scheduling of services with that translator. (Franchise Agreement, Section 11).

8. Provide you with specifications and standards, and provide general guidance. (Franchise Agreement, Section 11).

Post-Opening Optional Assistance. During the operation of your Franchised Business, we may:

9. Institute, maintain and administer a central advertising account (the "Brand Awareness Fund") for such advertising or public relations programs, as we, in our sole discretion, may deem appropriate to promote the Marks. We describe the Brand Awareness Fund later in this Item.

10. Conduct annual, semi-annual, or quarterly meetings at locations designated by us. Attendance by you or your manager is required. Such meetings may have a registration charge to you, and you are responsible for costs associated with attending the meetings such as travel, lodging and meals. We may conduct an annual convention at such place as is designated by us. You must pay a registration fee (which will not exceed $1,000 per person) to us for each participant and you will be responsible for other costs associated with attending the convention such as travel, lodging and meals (Franchise Agreement, Section 11).

11. Coordinate the presence of the Marks and the System on the Internet, including but not limited to e-commerce, web site use, social media and networking sites, and cyberspace applications. This includes all national, regional, state, and local websites regarding System Offices and our franchisees. Other than the website that we set up for you, you will not be permitted to have your own website for the Franchised Business without our prior written approval. (Franchise Agreement, Sections 9 and 12).

12. Advise you of operating problems found at your Franchised Business by disclosing them through reports submitted to or inspections made by us. We may furnish to you such guidance and assistance in connection with the operation of your Franchised Business as we deem appropriate. Guidance may be provided in the form of intranet communications, periodic telephone communications, or scheduled visits. Additional guidance may be made available at your written request and in our sole discretion. (Franchise Agreement, Section 11).

13. Prepare and respond to a Request for Proposal for the provision of services and products by a company, a governmental or institutional customer within your Area of Responsibility. The manner of performance, price, and terms contained in our response will be determined by us in our sole and absolute discretion. We will coordinate and conduct the service of any awarded business anywhere, including within your Area of Responsibility. If we do conduct service as a result of a Request for Proposal within your Area

of Responsibility, we will pay to you a fee equal to five percent (5%) of the total fees received by us under the contract, in exchange for your service as a local representative of, and point of contact for, the System. (Franchise Agreement, Section 11).

There is no specified date or period of time for us to complete our obligations stated above. Other than those mentioned above, we do not provide other supervision, guidance, or services during the operation of your Franchised Business.

Advertising

Brand Awareness Fund.

We reserve the right to create a fund for marketing the System, the Marks, and System Offices (the "Brand Awareness Fund"). If established, you must pay up to one percent (1%) of your Gross Revenue for the Brand Awareness Fund. The fee is payable monthly or at other times that we designate in the Manuals. The advertising requirements are uniform to all franchisees. The fees you pay to the Brand Awareness Fund are not refundable.

Your contribution to the Brand Awareness Fund will be in addition to all other advertising requirements set out in this Item 11. Each franchisee will be required to contribute to the Brand Awareness Fund but certain franchisees may contribute on a different basis depending on when they signed their Franchise Agreement. System Offices owned by us will not be required to contribute to the Brand Awareness Fund on the same basis as franchisees.

The Brand Awareness Fund will be administered by us, or our affiliate or designees, at our discretion, and we may use a professional advertising agency or media buyer to assist us. The Brand Awareness Fund will be in a separate bank account, commercial account or savings account.

We have complete discretion on how the Brand Awareness Fund will be utilized. We may use the Brand Awareness Fund for local, regional or national marketing, advertising, sales promotion and promotional materials, public and consumer relations, website development and search engine optimization, the development of technology for the System and any other purpose to promote the Marks. We may use any media for disseminating Brand Awareness Fund advertisements, including direct mail, print ads, the Internet, radio, billboards, and television. We may reimburse ourselves, our authorized representatives or our affiliates from the Brand Awareness Fund for administrative costs, independent audits, reasonable accounting, bookkeeping, reporting and legal expenses, taxes and all other direct or indirect expenses associated with the programs funded by the Brand Awareness Fund. We do not guarantee that advertising expenditures from the Brand Awareness Fund will benefit you or any other franchisee directly, on a pro rata basis, or at all. We are not obligated to spend any amount on advertising in the geographical area where you are or will be located. We will not use the Brand Awareness Fund contributions for advertising that is principally a solicitation for the sale of franchises, but we reserve the right to include a notation in any advertisement or website indicating "Franchises Available" or similar phrasing.

We assume no fiduciary duty to you or other direct or indirect liability or obligation to collect amounts due to the Brand Awareness Fund or to maintain, direct or administer the Brand Awareness Fund. Any unused funds that were collected in any calendar year will be applied to the following year's funds, and we reserve the right to contribute or loan additional funds to the Brand Awareness Fund on any terms we deem reasonable.

The Brand Awareness Fund is not audited. Upon your written request, we will provide to you an annual accounting for the Brand Awareness Fund that shows how the Brand Awareness Fund proceeds have been spent for the previous year. We did not collect or spend any Brand Awareness Fund Contributions during our last fiscal year. (Franchise Agreement, Sections 6 and 12).

We do not have an advertising council comprised of franchisees, but we reserve the right to create one. implementation and development of such programs

Local Advertising

We have the right to require you to spend one percent (1%) of your Gross Revenue on your local advertising and marketing efforts. The specific amount of your advertising requirement will depend on the level of Gross Revenue you have achieved for the year. All of your advertising, promotion, and marketing must be completely clear, factual, and not misleading, and must conform to both the highest standards of ethical advertising and marketing and the advertising and marketing policies that we periodically require. Before you use them, you must send us or our designated agency for review samples of all advertising, promotional, and marketing materials that we have not prepared or previously approved. If you do not receive written disapproval from us within fifteen (15) days after we receive the materials from you, they are deemed to be disapproved. You may not use any advertising, promotional, or marketing materials that we have not approved or that we have disapproved. (Franchise Agreement, Sections 12.1 – 12.3).

Cooperatives

You will not be required to participate in a local or regional advertising cooperative. We do not have the power to require cooperatives to be formed, changed, dissolved, or merged.

<u>Computer System</u>.

You must obtain and use in your Franchised Business an approved computer system with high speed Internet access (the "Computer System"). Your Computer System must meet our minimum specifications, and you must have the communication equipment and internet access we specify. Your computer system must be Windows-based and include the hardware and software components that we specify. Our detailed specifications for your computer system are included in our Operating Manual. The minimum software you will need includes Microsoft® Office, QuickBooks®, our proprietary software, Norton® antivirus software, Adobe® Acrobat, and software necessary to allow us access to your computer system.

There are a number of computer systems which can be used in connection with the Franchised Business, and you are allowed to choose whatever computer system you prefer as long as it meets our requirements and is approved by us. We may approve a computer you currently own, or you can purchase a new computer for this purpose. The cost of purchasing a computer system will depend on the system you choose (subject to the specifications stated above), and can vary between $700 and $2,500.

The Computer System will operate our proprietary software and application (collectively, the "Software"), and will generate or store information regarding your clients, your open translation or interpretation orders, and the translators or interpreters that you use. You will be solely responsible for the acquisition, operation, maintenance, and upgrading of the Computer System. Neither we, nor any affiliate or third party, is obligated to provide ongoing maintenance, repairs, upgrades, or updates for the Computer System.

We reserve the right to change the Computer System at any time. You will be solely responsible for the upgrading of the computer system. There are no contractual limitations on the frequency and cost of this obligation. We need not reimburse you for any of these costs. We have independent, unlimited access to the information generated by the Computer System through QuickBooks®. We or our affiliates may condition any license of proprietary software to you, or your use of technology that we or our affiliates develop and maintain, on your signing of a Software License Agreement or similar document that we or our affiliates prescribe to regulate your use of, and our and your respective rights concerning, the software or technology, We or our affiliates may charge you a monthly or other fee for any proprietary software or technology that we or our affiliates later develop and license to you and for other maintenance and support services that we or our affiliates provide during the franchise term.

We currently do not require that you purchase a maintenance, repair, upgrade or update service contract for the computer system, but we reserve the right to do so in the future. The current annual cost of a service contract is about $1,500.

Operating Manual.

We will loan you one copy of the Operating Manual after you sign the Franchise Agreement. Any required standards in the Operating Manual exist to protect our interests in the System and the Marks and not for the purpose of establishing any control or duty to take control over those matters that are reserved to you. The required standards generally will be set forth in the Operating Manual or other written materials. The Operating Manual also will include guidelines or recommendations in addition to required standards. In some instances, the required standards will include recommendations or guidelines to meet the required standards. You may follow the recommendations or guidelines or some other suitable alternative, provided you meet and comply with the required standards. In other instances, no suitable alternative may exist. In order to protect our interests in the System and Marks, we reserve the right to determine if you are meeting a required standard and whether an alternative is suitable to any recommendations or guidelines.

We may modify the Operating Manual at any time. The total number of pages of the Operating Manual is 21. The number of pages devoted to each topic are reflected in the Table of Contents. We will notify you if there are any changes made to the policies or procedures so that you can comply. The Table of Contents of the Operating Manual as of the date of this Disclosure Document is attached as Exhibit C to this Disclosure Document.

Training Program.

The Training Program typically lasts for at least 5 days and approximately 44 total hours, depending on your progress and your desire to spend additional time observing the operations of a System Office. We will not train or assist in training your employees or independent contractors. You will be responsible for training your employees and independent contractors. You will be responsible for hiring, training, directing, scheduling, and supervising your employees and independent contractors in the day-to-day operations of the Business. You and your Manager (if you have one) must attend the Training Program. You are permitted to bring two additional people with you to the Training Program.

All training will take place in our corporate training facility in San Diego, California. In setting the specific date for training, we will attempt to accommodate your schedule, but you must attend prior to opening your Franchised Business, absent any extensions that are requested by you and agreed to by us in writing. There is no specific length of time after you sign the Franchise Agreement that we require you to attend training, but generally, you should try to attend the Training Program within 1 month of signing the Franchise Agreement.

The fee for attending the Training Program is included in the Initial Franchise Fee. You will be responsible for purchasing and providing for your own airfare, lodging, meals, and personal expenses for you and any other trainees you bring to the Training Program. If you wish to have more than three people attend our Training Program, you must pay an additional training fee of $1,000 per additional person attending training.

You must complete the training program to our reasonable satisfaction, as determined by the specific program instructors listed in the training schedule below. If we determine that any Manager proposed by you is not qualified to manage your Franchised Business, we will notify you, and you may then select and enroll a substitute Manager in such training program. You are required to have a trained Manager on site at all times at each project that you conduct as part of your Franchised Business.

We plan to provide the training listed in the table below. This training schedule is fully detailed in the Operating Manual and will change from time to time. (Franchise Agreement, Section 9).

TRAINING PROGRAM

Subject	Hours of Classroom Training	Hours of On the Job Training	Location
Introduction to Industry	3.5	0	San Diego, California
Company Overview	1	0	
Competition	3	0	
Services	.5	0	
Industry Terms and Language	3	0	
Clients/Marketing	5	0	
Sales Cycle	2	0	
IUX/Scheduling/Billing	6	16	
Web / SEO	2	0	
Training Overview	2	0	
Totals	28	16	

Materials we use in the Training Program are included in the Operating Manual, our proprietary Software, and such other materials that we believe will be beneficial in the training process.

Our Trainers

Sayed Ali is an instructor for all training topics. Mr. Ali has been our owner and President since our inception, and has served as the owner and President of our affiliate, Interpreters Unlimited, Inc., since

2007. Immediately prior to acquiring Interpreters Unlimited, Mr. Ali was the founder, Chief Executive Officer, and Chairman of the Board of Directors of Creative Host Service, Inc. Mr. Ali has over 30 years of experience in operating businesses, which experience he brings to our training programs.

Shamroze (Shamus) Sayed is an instructor for all training topics. Mr. Sayed has been our Vice President, and has done so since our inception. Mr. Sayed is also the Vice President of our affiliate, Interpreters Unlimited, Inc. and has served in that capacity since its inception in January 2007. Prior to becoming involved with Interpreters Unlimited, Inc., Mr. Sayed was the Regional Sales Manager for Hach Company in Loveland, Colorado, where Mr. Sayed worked from April 2005 to January 2007. Mr. Sayed has over 10 years of experience working in sales positions for a variety of companies in technology-related industries.

After the opening of your Franchised Business, we have the right to require that you (and, if you have one, your Manager) attend and complete supplemental and refresher training programs during the term of the franchise, to be furnished at locations designated by us and at times and frequencies chosen by us, at no charge. Such training may be held on a national or regional basis. If held, such refresher training will be conducted at a location we designate. You are responsible for costs associated with attending training such as travel, lodging and meals. If we conduct optional additional training and you wish to attend, we have the right to charge a reasonable attendance fee, which will not exceed $1000, to you and to each additional person you bring with you to this optional training program. (Franchise Agreement, Section 11).

ITEM 12

TERRITORY

You will receive an exclusive territory. We grant franchises that are defined by boundaries to the area in which you will operate, which we call your "Area of Responsibility." Your exclusive territory will be your Area of Responsibility. Provided that you are in full compliance with the Franchise Agreement, we and our affiliates will not operate or grant a franchise for the operation of another System Office at a location within your Area of Responsibility during the term of the Franchise Agreement.

We must approve your proposed Area of Responsibility even if the area is identified by us in advance. The Area of Responsibility that you select, if approved by us, will be known as your Area of Responsibility. The size of your Area of Responsibility will depend on several factors, including but not limited to the geographic location of your System Office and the population density in the area of your System Office. Generally, the size of your Area of Responsibility will be between 500,000 to 2,000,000 people, and will be delineated by zip codes, county lines, state lines or area codes as we deem appropriate. When determining the boundaries of your Area of Responsibility, we generally use demographic statistics provided by the U.S. Census Bureau.

We and our affiliates retain all rights, including but not limited to the rights listed below.

(1) The right to establish and operate, and to grant to others the right to establish and operate, businesses that are similar to, the same as, or dissimilar to your System Office, or any other businesses offering similar or dissimilar products and services, through similar or dissimilar channels of distribution including the Internet, under the Marks or trademarks or service marks other than the Marks, anywhere outside of your Area of Responsibility on any terms and conditions we deem appropriate.

(2) The right to provide, offer and sell, and to grant others the right to provide, offer and sell, goods or services that are identical or similar to and/or competitive with those provided at System Offices, identified by trademarks or service marks that are different than the Marks, through similar channels of distribution including the Internet both inside and outside your Area of Responsibility and on any terms and conditions we deem appropriate.

(3) The right to operate, and to grant others the right to operate, System Offices located anywhere outside your Area of Responsibility under any terms and conditions we deem appropriate and regardless of proximity to your Business.

(4) The right to use the Marks in connection with the provision of dissimilar products and services, or in or through alternative channels of distribution including the Internet, at or from any location including within your Area of Responsibility.

(5) The right to be acquired (whether through acquisition of assets, ownership interests or otherwise, regardless of the form of transaction), by a business providing products and services similar to those provided at System Offices, or by another business, even if such business operates, franchises and/or licenses competitive businesses in your Area of Responsibility.

(6) The right to acquire the assets or ownership interests of one or more businesses providing products and services similar to those provided at System Offices, and franchising, licensing or creating similar arrangements with respect to these businesses once acquired, wherever these businesses (or the franchisees or licenses of these businesses) are located or operating, including in your Area of Responsibility.

(7) The right to operate, use, or operate, or license or franchise the right to others to operate, any websites utilizing a domain name incorporating the words "Interpreters Unlimited" or similar derivatives, and the sole right to market Mark-bearing products and services on the Internet and use the Marks on the Internet, including all use of websites, domain names, URL's, directory addresses, metatags, linking, advertising, and co-branding and other arrangements.

(8) The right to coordinate any response to a Request for Proposal for the provision of services and products by a business, governmental or institutional customer, and conduct any and all service of any awarded business, within your Area of Responsibility. We will pay to you a fee equal to five percent (5%) of the total fees received by us, in exchange for your service as a local representative of, and point of contact for, the System within your Area of Responsibility.

We are not required to pay you if we exercise any of the rights specified above inside your Area of Responsibility. The only exception to this is if we agree to pay you a fee for representing us in connection with service we conduct inside of your Area of Responsibility in response to a Request for Proposal.

Your Area of Responsibility will not be altered if there is a population increase or decrease. We have the right to terminate our grant, or reduce the size, of your Area of Responsibility if you default under the Franchise Agreement for, among other things, failing to maintain our standards or failure to pay royalty and other fees when they become due. Otherwise, your maintaining limited exclusivity in your Area of Responsibility is not dependent upon your achievement of a certain sales volume, market penetration or any other contingency. On renewal, acquiring a successor franchise, or transferring your franchise, your Area of Responsibility may be modified. Depending on the then-current demographics of your Area of

Responsibility, and on our then-current standards for such areas, if the Area of Responsibility is larger than our then-current standard area of responsibility, we may require you or the transferee to accept a successor franchise area of responsibility or a transfer area of responsibility smaller than the Area of Responsibility.

You are permitted to market and sell services in your Area of Responsibility and to conduct customary marketing and advertising activities in connection with the operation of your Franchised Business. You may place advertisements in printed media, on television and radio that are targeted to customers and prospective customers located within your Area of Responsibility, as determined and approved by us, and will not be deemed to be in violation of the Franchise Agreement if those advertisements, because of the natural circulation of the printed media or reach of television and radio, are viewed by prospective customers located outside of your Area of Responsibility. However, you are not permitted to direct any advertisements to people located outside of your Area of Responsibility.

Unless you ask us and you receive written permission from us to do so, you do not have the right to solicit or accept orders from consumers outside of your Area of Responsibility. You do not have the right to use other channels of distribution, such as the Internet, mail order sales, telemarketing, or other direct marketing, to make sales outside your Area of Responsibility.

Once you sign the Franchise Agreement, you will not have the right to relocate your Area of Responsibility. If you operate or direct your Business operations from a specific office/retail location, that location must be inside of your Area of Responsibility. You are permitted to relocate your office/retail location within your Area of Responsibility with our written consent, which we will not unreasonably withhold.

Right of First Refusal

You will not have the right of first refusal to acquire additional franchises within your Area of Responsibility. We do not customarily grant to franchise owners options, rights of first refusal or similar rights to acquire additional franchises outside of their respective territories.

Other Franchise Systems

Although we and our affiliates have the right to do so (as described above), we and our affiliates have not operated or franchised, and have no plans to operate or franchise, other businesses selling or leasing similar products or services under different trademarks. If we or our affiliates purchase, merge, acquire, are acquired by or affiliate with an existing competitive franchise network, chain or any other business, then we or our affiliates will have the right to operate, franchise or license those businesses and/or facilities as System Offices in your general area.

ITEM 13

TRADEMARKS

Under the Franchise Agreement, we grant you the nonexclusive right to use our mark in connection with the operation of your Franchised Business. You may also use our other current or future trademarks to operate your Franchised Business. We have the right to license the following trademarks and design marks:

Trademark	Application Number Application Date	Registration Number Registration Date	International Class of Goods	Registered? Principal or Supplemental Register?
INTERPRETERS UNLIMITED (Standard character mark)	74701835 July 17, 1995	1972027 April 30, 1996	041	Registered on Supplemental Register
(Design)	86364392 August 12, 2014	4715503 April 7, 2015	041	Registered on Principal Register
(Design)	86364374 August 12, 2014	4715500 April 7, 2015	041	Registered on Principal Register
INTERPRETERS UNLIMITED MAKING CONNECTIONS WORLDWIDE (Standard character mark)	86364379 August 12, 2014	4712043 April 7, 2015	041	Registered on Principal Register
LIFE TAKES COMMUNICATION (Standard character mark)	85512872 January 10, 2012	4190728 August 14, 2012	041	Registered on Principal Register

We have filed all necessary affidavits relating to the marks shown above.

There are presently no effective determinations by the United States Patent and Trademark Office, the Trademark Trial And Appeal Board, the Trademark Administrator of any state or any court, nor any pending interference, opposition or cancellation proceeding or material litigation involving the Marks. We are unaware of any infringing uses that could materially affect your use of the Marks.

All Marks are owned by our affiliate, Interpreters Unlimited, Inc., who has granted to us, under a royalty-free trademark license (the "Trademark License"), the exclusive right to use and franchise the Marks and associated trade names, trademarks, service marks, logotypes and other commercial symbols and copyrights and proprietary materials in the United States by and to operators of System Offices. The Trademark License does not contain any significant limitations on our right to use or license the Marks to you, and will continue for a term of 20 years, with the right to renew the Trademark License for additional consecutive periods of 10 years. If the Trademark License were to be terminated, we will have the right to change the name under which we and our franchisees operate and continue to operate and license the existing System Offices under a different name. Except as described above, no currently effective agreements significantly limit our rights to use or license the use of the Marks.

You will have the right to use all of our marks in the operation of the Franchised Business. However, you must use the marks only for the operation of your Franchised Business and in the manner authorized by us. You cannot use the names or Marks as part of a corporate name or with modifying words, designs or symbols except for those which we license to you. You may not use our Marks in connection with the sale of unauthorized goods or services, or in a manner not authorized in writing by us.

If it becomes advisable at any time, in our sole discretion, to modify or discontinue use of any Marks, and/or use one or more additional or substitute trademarks or service marks, you must comply with our directions with respect to the changes we require within a reasonable time after you receive notice from us. You, in connection with the use of a new or modified mark, may be required, at your own expense, to remove existing signs from your Franchised Business, and to purchase and install new signs. We have no liability to you in connection with any such changes.

You must notify us immediately in writing of any apparent infringement or challenge to your use of our trademarks. We have the sole discretion to take such action as we deem appropriate. We are not obligated by the Franchise Agreement or other agreement to participate in your defense or to indemnify you if you are a party to any administrative or judicial proceeding involving our Marks.

You may not, without our written consent, in our sole discretion, commence or prosecute, or seek leave to intervene in any litigation or other proceeding, including any arbitration proceeding, in which you purport to enforce any right or recover any element of damage arising from the use or infringement of any of the marks or unfair competition resulting there from.

ITEM 14

PATENTS, COPYRIGHTS AND PROPRIETARY INFORMATION

Patents and Copyrights

No patents are material to the franchise.

We claim copyright protection of the Operating Manual and related materials and other brand identity/marketing/advertisement/promotional materials, although such materials may not have been registered with the United States Copyright Business. We also claim copyright protection for our proprietary software and application. These materials are considered proprietary and confidential and are considered our property and may be used by you only as provided in the Franchise Agreement. We reserve the right to register any of our copyrighted materials at any time we deem appropriate.

There currently are no effective determinations of the Patent and Trademark Business, the Copyright Business (Library of Congress), or any court regarding any of the copyrighted materials. There are no agreements in effect that significantly limit our right to use or license the copyrighted materials. There are no infringing uses actually known to us, which could materially affect your use of the copyrighted materials in any state. We are not required by any agreement to protect or defend any patent, trademark, or copyright.

Improvements

If you make or acquire any improvements, including any enhancements, adaptations, derivative works, modifications or new processes ("Improvements") in the operation of the Franchised Business, you will grant-back exclusive rights in these Improvements to us in consideration of the grant of the franchise and without the payment of additional consideration. We may include any Improvements we made or acquired in the System, including any and all intellectual property rights of ours and affiliate or services and products of the Franchised Business, Operating Manual and the System for use by all franchisees, us or any affiliate. If we seek patent protection or copyright registration for any Improvements, we will do so at our own expense. You will sign or have the creator sign all documents necessary to enable us to apply for intellectual property rights protection and to secure all rights to these Improvements. You will have each of your employees sign an agreement requiring employee cooperation with these requirements. You agree that this does not constitute our consent to your modification of any of our products or services or the creation of any derivative work based on any copyright we own and you must obtain our express written consent before making the modification or derivative work.

Confidential Information

We possess certain confidential information including the methods, techniques, formats, specifications, procedures, information, systems and knowledge of and experience in the operation and franchising of the System (the "Confidential Information"). We will disclose certain of the Confidential Information to you during the training programs, seminars and conventions, in the Operating Manual and in guidance furnished to you during the term of the Franchise Agreement.

The Franchise Agreement provides that you will not acquire any interest in the Confidential Information other than the right to utilize it in the development and operation of a System Office during the term of the Franchise Agreement, and that the use or duplication of the Confidential Information in any other business would constitute unfair competition. You also agree that the Confidential Information is proprietary to us and is disclosed to you solely on the condition that you (1) will not use the Confidential Information in any other business or capacity; (2) will maintain the absolute confidentiality of the Confidential Information during and after the term of the Franchise Agreement; (3) will not make unauthorized copies of any portion of the Confidential Information disclosed in written form; and (4) will adopt and implement all reasonable procedures required by us to prevent unauthorized use or disclosure of the Confidential Information, including without limitation, restrictions on disclosure of Confidential Information to employees of your System Office.

The Operating Manual will at all times remain our property exclusively. We may revise the Operating Manual, and you must comply with each new or changed standard, although these new and changed standards will not materially affect your rights and responsibilities under the Franchise Agreement.

ITEM 15

OBLIGATION TO PARTICIPATE IN THE ACTUAL OPERATION OF THE FRANCHISE BUSINESS

You must personally and directly supervise the operation of your Franchised Business, unless we otherwise permit in writing. You must devote the amount of your time, attention and best efforts to the performance of your duties under the Franchise Agreement that is necessary for the proper and effective operation of your Franchised Business. If you are an individual, you must either serve as or designate a Manager. If you are an entity, then you must designate a Manager. Your Manager must have successfully completed our Training Program. If your Manager is unable to complete (or pass) our Training Program, we will require you to designate an alternative manager that must attend and pass the Training Program. We do not require your Manager to have any equity interest in your business.

If you are a legal entity, then all your directors, members, partners, and/or officers and any individual that owns an interest in you or the Franchise Agreement must sign a guarantee agreement assuming and agreeing to be personally responsible for all of the obligations of the Franchise Agreement, and agree to be bound by the confidentiality provisions and non-competition provisions of the Franchise Agreement and agree to certain restrictions on their ownership interests. The required Guaranty of Obligations is attached to the Franchise Agreement as "Addendum D." If you have a spouse, he or she must sign the Guaranty of Obligations.

You must take all necessary precautions to ensure that the persons listed in the Franchise Agreement as owners of an equity interest, and any representatives and beneficial owners of the Franchise Agreement, sign the Confidentiality/Non Competition Agreement ("Addendum E" to the Franchise Agreement (Exhibit B to this Disclosure Document), and you must forward a copy of these signed agreements to us. You also must ensure that your Manager and any of your employees that have access to our trade secrets and confidential information each sign the Confidentiality/Non Competition Agreement. Finally, if you have a spouse, he or she must sign the Confidentiality/Non Competition Agreement.

ITEM 16

RESTRICTIONS ON WHAT THE FRANCHISEE MAY SELL

You are required to offer for sale only products and services that have been approved and specified by us in the Operating Manual and any updates that are incorporated in the Operating Manual from time to time. You may not offer for sale any products or services not specifically approved by us in writing and you may not use your Franchised Business premises for any other purpose than the operation of a System Office and the sale of products or services approved by us. You must offer any products and/or services that we designate as required products and/or required services in the Operating Manual. There are no limits on our ability to make changes to the products or services we require you to sell.

You may not advertise to sell Interpreters Unlimited services to customers located outside of your Area of Responsibility. If you receive any inquiries from potential customers located outside of your Area of Responsibility and within the Area of Responsibility of another System Office, you must refer the customer to the applicable System Office. In the event a customer wishes to obtain product(s) or service(s) in your Area of Responsibility and you have a conflict or are otherwise unable to provide the product or service, you must promptly notify us and we may, in our sole discretion, provide the product or service ourselves or designate another party to do so (including another System Office or another franchisee).

You may not sell products through other channels of distribution such as wholesale, Internet or mail order sales. We may, however, require you to establish a website, subdomain or an electronic mail address that meets our requirements, and we may require you to establish a link to our website.

You will not have the right to respond to a request for proposal for the provision of Authorized Services and Products by a business, governmental or institutional customer within your Area of Responsibility. We have the sole and exclusive right to prepare and respond to a Request For Proposal by a business, governmental or institutional customer seeking Authorized Services and Products in your Area of Responsibility. The manner, price, and terms contained in our response will be determined by us in our sole discretion. If a response by us results in the proposal being awarded, we will coordinate and conduct the service of the awarded business within your Area of Responsibility. We will pay you a fee equal to five percent (5%) of the total fees received by us under the contract, in exchange for your service as a local representative of, and point of contact for, the System, so long as you respond promptly to any customer inquiries and make yourself available within three business days of a request for a personal meeting.

ITEM 17

RENEWAL, TERMINATION, TRANSFER AND DISPUTE RESOLUTION

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.

THE FRANCHISE RELATIONSHIP

Provision	Section in Franchise Agreement	Summary
a. Length of the term of the franchise	Section 4.1	Agreement starts on Effective Date and ends 5 years later.
b. Renewal or extension of the term	Section 4.2	You are permitted to acquire a successor franchise 3 times for successive 5-year periods (15 years in total) if you meet the requirements listed in Section 4.2 of the Franchise Agreement
c. Requirements for franchisee to renew or extend	Section 4.2	6 month advance written notice to acquire successor franchise; sign most current form of Franchise Agreement which may contain substantially different terms and conditions than your current Franchise Agreement, including a smaller Area of Responsibility; not be in default of any of your obligations under the Franchise Agreement, including obligation to be current in payment of all monetary obligations to us; and provide proof that your licenses and permits are current. If you seek to acquire a successor 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	Sections 4.4 and 17.4	You may terminate the Franchise Agreement if you notify us within thirty (30) days of the end of your first 12 months of operation that you have not realized at least one hundred thousand dollars ($100,000) in Gross Revenue during your first 12 months in operation. To properly exercise this option, you must follow the notice and additional provisions listed in Section 4.4. You may also terminate the Franchise Agreement by notice to us if we fail to perform material obligations. You must give us notice, and 30 days to cure or commence cure.
e. Termination by franchisor without cause	Not applicable.	Not applicable.

Provision	Section in Franchise Agreement	Summary
f. Termination by franchisor with "cause"	Section 17.2 – 17.3	We can terminate the Agreement by notice to you, with or without a cure period, if you breach a material provision of the Franchise Agreement.
g. "Cause" defined - curable defaults	Section 17.3	You will have 10 days after notice to pay past due fees owed to us. You will have 30 days after notice to cure: (a) Your failure to comply with or maintain our then-current operating procedures and standards, as listed in the Franchise Agreement, Operating Manual, or as otherwise communicated to you; (b) Your failure to obtain our prior written approval or consent as required by the Franchise Agreement; (c) Your default under any term of any other franchise agreement with us or any other agreement material to the Franchised Business, and such default is not cured within the time specified in the applicable agreement; (e) Your failure to comply with any other provision of the Franchise Agreement, or any specification, standard or operating procedure prescribed by us. If a cure is not possible to cure even with due diligence in thirty (30) days, you must commence to cure and complete such cure with diligence.
h. "Cause" defined - defaults which cannot be cured	Section 17.2	You will not have an opportunity to cure defaults, and we are entitled to terminate the Franchise Agreement upon notice, if you: (a) Open the Franchised Business and begin operating it without our permission; (b) abandon the franchise or fail to keep it open for a period of five (5) consecutive days, unless it is for a reason beyond your control; (c) are adjudicated bankrupt or insolvent, admit to an inability to meet financial obligations as they become due, or make a disposition for the benefit of your creditors; (d) have your assets seized, foreclosed, or taken over; (e) or any of your managers, officers, members, directors, or owners are convicted of or plead no contest to a felony or other criminal misconduct relevant to the operation of the Franchised Business; (f) make an unauthorized transfer of the Franchised Business; (g) fail to comply with any material federal, state, or local law or regulation applicable to the operation of the Franchised Business; (h) Make any material misrepresentations relating to your acquisition of the franchise or in connection with the operation of the franchise including any intentional understatement of revenue or failure to report revenue; (i) Violate any covenant not to compete or relating to confidential information; (j) Submit on two or more occasions during the term financial information which understates your Gross Revenue by more than

Provision	Section in Franchise Agreement	Summary
		2%, unless you demonstrate that such understatement resulted from inadvertent error; (k) Fail or refuse, to submit any required financial information or submits it more than 5 days late on more than 2 occasions during the term unless due to circumstances beyond your control; (l) Fail to pay any amount due to us or any of our affiliates within 10 days after receiving written notice that such payment is past due; (m) engage in any activity that has a material adverse effect on the System or the Marks; (n) Engage in dishonest or unethical conduct; (o) Fail to discharge any valid lien that exceeds $10,000 placed against the Franchised Business; (p) If execution is levied against the Franchised Business or against any ownership interest in you (if you are a legal entity), or if any real or personal property of your Franchised Business is sold after levy thereupon by any sheriff, marshal, or constable against your interest in such property; (q) you receive from us more than 2 notices of default under the Franchise Agreement within a 12 month period, regardless of whether you cured those defaults; (r) you receive from us more than 3 notices of default during the term of the Franchise Agreement, regardless whether such notices of default relate to the same or different defaults, or whether you cured those defaults; or (s) you or any of your owners, officers, directors, managers, members, agents, or employees make any misrepresentation relating to, or violate the United States' laws against terrorism.
i. Franchisee's obligations on termination/non-renewal	Section 18.1	Upon termination you must cease operating as a Interpreters Unlimited® franchise, pay all sums due us, cease to use the Marks, cancel any fictitious name which contains the Marks, turn over all manuals, records, files and any materials relating to the operation of the Franchised Business, cancel or transfer all telephone numbers and directory listings to us, and comply with all covenants.
j. Assignment of contract by franchisor	Section 14.1	We may transfer all or any part of the System, the Franchise Agreement, or the Marks without your consent.
k. "Transfer" by franchisee – defined	Section 14.2	Includes transfer of contract, premises of the Franchised Business, assets, or change of any portion of your ownership (if you are a legal entity).
l. Franchisor approval of transfer by franchisee	Section 14.3	You cannot transfer the Franchise Agreement without our consent.
m. Conditions for franchisor approval of transfer	Section 14.3	We have the right to condition our approval of any transfer proposed by you upon the following:

Provision	Section in Franchise Agreement	Summary
		(a) The assets of the Franchised Business and the Franchise Agreement must be transferred to the same person, persons, or legal entity, who must have been approved in writing by us; (b) You must be in full compliance with the Franchise Agreement and pay all outstanding fees owed to us or our affiliates; (c) We must have declined our right of first refusal; (d) Your transferee must execute our then-current form of franchise agreement, the term of which shall be altered so that the term will not be greater than the remaining term of your Franchise Agreement, and which may differ materially from your Franchise Agreement, including a higher Royalty and Brand Awareness Fee, and a smaller Area of Responsibility; (e) You must pay us a non-refundable transfer fee of ten thousand dollars ($10,000); (f) You and your owners must execute a general release of all claims against us, our affiliates, and shareholders, officers, directors, employees, agents, successors, and assigns; (g) You must (at your expense or your transferee's) upgrade, remodel, or replace the assets used in the Franchised Business to conform with our then-current standards and specifications for new franchisees; (h) You must be current in your payment obligations to third party suppliers and/or vendors; (i) You must execute a written agreement not to compete in favor of us and your transferee, with terms the same as those contained in your Franchise Agreement; (j) If any part of the sale price of the transferred interest is financed, you must agree that all obligations of the transferee under any promissory note, other payment agreement, or financing statement will be subordinate to the obligations of the transferee to pay the royalty and advertising fees, and other amounts due to us and our affiliates; and (k) You and your transferee must work out a transition plan to address the needs of your current and prospective customers
n. Franchisor's right of first refusal to acquire franchisee's business	Section 14.8	You must give us written notice of intent to sell or otherwise transfer the Franchise Agreement. We have 30 days from the date that you give us written notice to determine whether we will exercise our right of first refusal. We can match any bona fide written offer for the Franchised Business.
o. Franchisor's option to purchase franchisee's business	Section 14.8	At termination or expiration of the Franchise Agreement, we have the option to purchase your assets for fair market value. If we are unable to agree with you regarding the fair market value, it will be determined by an independent appraiser

Provision	Section in Franchise Agreement	Summary
p. Death or disability of franchisee	Section 14.7	The deceased or mentally incapacitated person must transfer his or her interest in the Franchised Business to an approved individual or entity within 6 months of death or incapacity. We must approve all transfers.
q. Non-competition covenants during the term of the franchise	Section 13.3	You must not be in a competing business anywhere and must not attempt to divert customers of the Franchised Business to any competitive business.
r. Non-competition covenants after the franchise is terminated or expires	Section 13.4	You will not engage in a competing business within your Area of Responsibility, or within the Area of Responsibility of any other System Office, for a period of three years. You must completely disassociate yourself from the Marks and return the Operating Manual and other confidential materials provided to you by us. You may not divert any business from us or seek to employ any of our employees or franchisees. You must also cancel or transfer all telephone numbers and directory listings to us.
s. Modification of the agreement	Section 20.9	Changes to the Franchise Agreement must be made in writing and agreed to by both parties.
t. Integration/merger clause	Section 20.7	Only the terms of the Franchise Agreement are binding (subject to state law). Nothing in the agreement or in any related agreement is intended to disclaim the representations we made in the Franchise Disclosure Document. Any representations or promises outside the Franchise Disclosure Document and Franchise Agreement may not be enforceable.
u. Dispute resolution by arbitration or mediation	Sections 19.1 and 19.2	Subject to federal and your state's law, all disputes, except as explicitly stated in the Franchise Agreement, must be submitted to mediation and, if unsuccessful in resolving the dispute, must be submitted to binding arbitration in San Diego, California accordance with the commercial arbitration rules of the Judicial Arbitration and Mediation Service.
v. Choice of forum	Section 20.5	Litigation or arbitration must be in the courts of the state of California located in San Diego, California, and the United States District Court for the Southern District of California (subject to your state's law; see any state-specific addendum attached in "Exhibit E.")
w. Choice of law	Section 20.4	Federal law governs trademark issues. Otherwise, the law of the state where your Franchised Business is located governs the Franchise Agreement and all other issues between (i) us (and our affiliates) and (ii) you and your owners, except where individual state laws supersede, as reflected in any state-specific attachment to the Franchise Agreement, subject to state law.

ITEM 18

PUBLIC FIGURES

We do not use any public figures 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 business, 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 business you are considering buying; or (2) a franchisor supplements the information provided in this Item 19, for example, by providing information about possible performance at a particular location or under particular circumstances.

We do not make any representation about a franchisee's future financial performance or the past financial performance of company-owned or franchised outlets. We also do not authorize our employees or representatives to make any such representations either orally or in writing. If you are purchasing an existing outlet, however, we may provide you with the actual records of that outlet. If you receive any other financial performance information or projections of your future income, you should report it to the franchisor's management by contacting our President, Sayed Ali, 10650 Treena Street, Suite 308, San Diego, CA 92131, Phone: (858) 451-7490, or at sayed.ali@iugroup.com; the Federal Trade Commission; and the appropriate state regulatory agencies.

ITEM 20

OUTLETS AND FRANCHISEE INFORMATION

TABLE NO. 1.

Systemwide Outlet Summary for Years 2014 through 2016

Outlet Type	Year	Outlets at the Start of the Year	Outlets at the End of the Year	Net Change
Franchised	2014	1	1	0
	2015	1	1	0
	2016	1	1	0
Licensed*	2014	1	0	0
	2015	1	0	0
	2016	1	0	-1
Company-Owned	2014	3	4	+1
	2015	5	5	0
	2016	5	5	0
Total Outlets	2014	5	6	+1
	2015	5	7	0
	2016	5	6	-1

* Prior to offering franchises, our affiliate, Interpreters Unlimited, Inc., offered a limited license agreement as a business opportunity. We no longer offer licenses as business opportunities.

TABLE NO. 2

Transfers of Outlets from Franchisees to New Owners (Other than Franchisor or an Affiliate) for Years 2014 through 2016

State	Year	Number of Transfers
Total*	2014	0
	2015	0
	2016	0

TABLE NO. 3-1

Status of Franchised Outlets for Years 2014 through 2016

State	**Year**	**Outlets at Start of Year**	**Outlets Opened**	**Termin-ations**	**Non-Renewals**	**Reacquired by Franchisor**	**Ceased Operations -Other Reasons**	**Outlets at End of the Year**
Maryland	2014	1	0	0	0	0	0	1
	2015	1	0	0	0	0	0	1
	2016	1	0	0	0	0	0	1
Totals	2014	1	0	0	0	0	0	1
	2015	1	0	0	0	0	0	1
	2016	1	0	0	0	0	0	1

TABLE NO. 3-2

Status of Licensed Outlets for Years 2014 through 2016

State	**Year**	**Outlets at Start of Year**	**Outlets Opened**	**Termin-ations**	**Non-Renewals**	**Reacquired by Franchisor**	**Ceased Operations -Other Reasons**	**Outlets at End of the Year**
North Carolina	2014	1	0	0	0	0	0	1
	2015	1	0	0	0	0	0	1
	2016	1	0	0	1	0	0	0
Totals	2014	1	0	0	0	0	0	1
	2015	1	0	0	0	0	0	1
	2016	1	0	0	1	0	0	0

TABLE NO. 4

Status of Company-Owned Outlets for 2014 through 2016

State	Year	Outlets at Start of Year	Outlets Opened	Reacquired from Franchisees	Outlets Closed	Outlets Sold to Franchisees	Outlets at End of the Year
Arkansas	2014	1	0	0	0	0	1
	2015	1	0	0	0	0	1
	2016	1	0	0	0	0	1
California	2014	1	0	0	0	0	1
	2015	1	0	0	0	0	1
	2016	1	0	0	0	0	1
Florida	2014	2	0	0	0	0	2
	2015	2	1	0	0	0	3
	2016	3	0	0	0	0	3
Totals	2014	4	0	0	0	0	4
	2015	4	1	0	0	0	5
	2016	5	0	0	0	0	5

TABLE NO. 5

Projected Openings for the Upcoming Fiscal Year as of December 31, 2016

State	Franchised Agreements Signed But Not Opened	Projected New Franchised Outlets in the next Fiscal Year	Projected New Company-Owned Outlets in the Current Fiscal Year
California	0	1	0
Totals	0	1	0

If you buy this franchise, your contact information may be disclosed to other buyers when you leave the franchise system.

Some former licensees have signed confidentiality clauses with us in settlement other agreements which would restrict them from speaking openly with you about their experience with us.

Our affiliate, Interpreters Unlimited, Inc., did previously sell two licenses, under contracts that are materially different than the franchise agreement we are offering you in this Franchise Disclosure Document. Those licensees are no longer operating.

List of Current Franchisees

We currently have one franchisee, as listed below.

Dr. Marvin Davis and Mariebel Davis (franchisee)
30 Corporate Center, Suite 300
10440 Little Patuxent Parkway
Columbia, MC 21044
(443) 996-0014

List of Former Licensees

We currently have one former licensee, as listed below.

Dr. Carl Smart and Ms. Alia Paige (licensee)
11508 Providence Road, Ste. H-220
Charlotte, NC 28277
Phone: (704) 972-8343

ITEM 21

FINANCIAL STATEMENTS

Our audited financial statements dated December 31, 2016, December 31, 2015, and December 31, 2014 are attached to this Franchise Disclosure Document as Exhibit D.

ITEM 22

CONTRACTS

The contracts following this Item 22 are listed in the order in which they appear as exhibits to this Franchise Disclosure Document and/or to the Franchise Agreement (which appears as Exhibit B to this Franchise Disclosure Document). At this time, these are the only contracts that we expect that we will enter into with a franchisee in any state, although we reserve the right to enter into different types of contracts with its franchisees as its business develops. As a prospective franchisee, you should obtain independent legal and financial advice concerning this franchise offering as you deem appropriate before making any commitment.

Exhibit B:	The Franchise Agreement	
	Addendum A:	Location and Area of Responsibility
	Addendum B:	Assignment of Telephone Numbers, Internet Listings, and Social Media Identities
	Addendum C:	EFT Authorization
	Addendum D:	Personal Guaranty, Covenants, and Assumption of Obligations
	Addendum E.	Confidentiality and Non-Competition Agreement
	Addendum F.	Acknowledgements and Representations
	Addendum G.	Form of General Release
	Addendum H.	Franchisee Ownership Addendum

ITEM 23

RECEIPTS

Two copies of an acknowledgment of your receipt of this Franchise Disclosure Document are attached to this Franchise Disclosure Document as Exhibit F. Please complete both copies, detach and return the copy marked "Our Copy" to us ,and keep the other copy in the Franchise Disclosure Document for your own records.

INTERPRETERS LICENSING INTERNATIONAL, INC.

EXHIBIT A

List of State Agencies and Agents for Service of Process

EXHIBIT A

LIST OF STATE AGENTS FOR THE SERVICE OF PROCESS AND STATE ADMINISTRATORS

Listed here are the names, addresses and telephone numbers of the state agencies having responsibility for franchising disclosure/registration laws and for service of process. We may not yet be registered to sell franchises in any or all of these states.

If a state is not listed, we have not appointed an agent for service of process in that state in connection with the requirements of franchise laws. There may be states in addition to those listed below in which we have appointed an agent for service of process. There may also be additional agents appointed in some of the states listed.

State	Agents for Service of Process	Administrators
California	California Department of Business Oversight: Los Angeles: 320 West 4th Street, Suite 750 Los Angeles, CA 90012-2344 San Diego: 1350 Front Street, Suite 2034 San Diego, CA 92101-3697 San Francisco: One Sansome Street, #600 San Francisco, CA 94104	Commissioner Department of Business Oversight Department of Business Oversight One Sansome Street, #600 San Francisco, CA 94104 (866) 275-2677
Connecticut	Connecticut Department of Banking 260 Constitution Plaza Hartford, CT 06103-1800 (860) 240-8230	Banking Commissioner 260 Constitution Plaza Hartford, CT 06103-1800 (860) 240-8230
Florida	Division of Consumer Services Attn: Business Opportunities Florida Department of Agriculture and Consumer Affairs Mayo Building Tallahassee, FL 32399-0800	Senior Consumer Complaint Analyst Florida Department of Agriculture and Consumer Affairs Mayo Building, Second Floor Tallahassee, FL 32399-0800 (850) 922-2966 or (850) 488-2221
Georgia	Office of the Governor Office of Consumer Affairs 2 Martin Luther King Jr. Drive SE Plaza Level – East Tower Atlanta, GA 30334	Office of Consumer Affairs 2 Martin Luther King Jr. Drive SE Plaza Level – East Tower Atlanta, GA 30334
Hawaii	Department of Commerce and Consumer Affairs Business Registration Division 1010 Richards Street Second Floor Honolulu, HI 96813 (808) 548-2021	Commissioner of Securities 1010 Richards Street Second Floor Honolulu, HI 96813 (808) 548-2021

State	Agents for Service of Process	Administrators
Illinois	Illinois Attorney General Attorney General's Office 500 South Second Street Springfield, IL 62706	Chief, Franchise Bureau Illinois Attorney General 500 South Second Street Springfield, IL 62706 (217) 782-4465
Indiana	Secretary of State Administrative Offices of the Secretary of State 201 State House Indianapolis, IN 46204	Chief Deputy Commissioner Securities Divisions 302 West Washington Street Room E-111 Indianapolis, Indiana 46204 (317) 232-6681
Iowa	Securities Division Lucas State Office Building Des Moines IA 50319	Director of Regulated Industries Unit Iowa Securities Bureau 340 East Maple Des Moines, IA 50319-0066 (515) 281-4441
Kentucky	Attorney General's Office Consumer Protection Division Capital Building Frankfort, KY 40601-01875	Attorney General's Office Consumer Protection Division Capital Building Frankfort, KY 40601-01875
Louisiana	[Not applicable]	Department of Justice Consumer Protection Office P.O. Box 94095 Baton Rouge, LA 70804-9095
Maine	[Not applicable]	Securities Division State House – Station 121 Augusta, ME 04333
Maryland	Maryland Securities Commissioner Securities Division 200 Saint Paul Place Baltimore, MD 21202-2020 (410) 576-6360	Office of the Attorney General Securities Division 200 St. Paul Place Baltimore, MD 21202 (410) 576-6360
Michigan	Michigan Department of Commerce Corporations and Securities Bureau 6546 Mercantile Way Lansing, MI 48909	Consumer Protection Division Antitrust and Franchising Unit Michigan Department of Attorney General 670 Law Building Lansing, MI 48913
Minnesota	Minnesota Commissioner of Commerce 85 7th Place East, Suite 500 St. Paul, MN 55101-2198 (651) 296-6328	Deputy Commissioner Minnesota Department of Commerce 85 7th Place East, Suite 500 St. Paul, MN 55101-2198 (651) 296-6328

State	Agents for Service of Process	Administrators
Nebraska	[Not applicable]	Staff Attorney Department of Banking and Finance 1200 N. Street., Suite 311 PO Box 95006 Lincoln, NE 68509-5006 (402) 471-3445
New Hampshire	[Not applicable]	Office of the Attorney General Consumer Protection and Antitrust Bureau 25 Capitol Street State House Annex Concord, NH 03301
New York	Attention: Uniform Commercial Code New York Department of State One Commerce Plaza, 99 Washington Avenue, 6th Floor Albany, NY 12231-0001 (518) 473-2492	Attention: Barbara Lasoff Office of the New York State Attorney General Investor Protection Bureau, Franchise Section 120 Broadway, 23rd Floor New York, NY 10271-0332 (212) 416-8236 Phone (212) 416-6042 Fax
North Carolina	Securities Division Room 302 300 North Salisbury Street Raleigh, NC 27611	
North Dakota	North Dakota Securities Commissioner 5th Floor 600 East Boulevard Bismarck, ND 58505 (701) 328-4712	Franchise Examiner Office of Securities Commissioner 600 East Boulevard 5th Floor Bismarck, ND 58505 (701) 328-4712
Oklahoma	[Not applicable]	Oklahoma Department of Securities The Journal Record Building 621 N. Robinson Street Suite 400 Oklahoma City, OK 73102
Oregon	Director of Oregon Department of Insurance and Finance Corporate Securities Section Labor and Industries Building Salem, OR 97310 (503) 378-4387	Department of Consumer and Business Services Division of Finance and Corporate Securities Labor and Industries Building Salem, OR 97310 (503) 378-4387
Rhode Island	State of Rhode Island and Providence Plantations Department of Business Regulation 1511 Pontiac Avenue, Bldg. 69-1 Cranston, Rhode Island 02920	State of Rhode Island and Providence Plantations Department of Business Regulation 1511 Pontiac Avenue, Bldg. 69-1 Cranston, Rhode Island 02920
South Carolina	Secretary of State Capitol Complex Brown Building 1205 Pendleton Street	[Not applicable]

State	Agents for Service of Process	Administrators
	Room 510 Columbia, SC 29210	
South Dakota	Director of South Dakota Division of Securities C/o 500 East Capitol Pierre, SD 57501 (605) 773-4823	Franchise Administrator Division of Securities C/o 118 West Capitol Pierre, SD 57501-3185 (605) 773-4013
Texas	[Not applicable]	Secretary of State Statutory Document Section P.O. Box 12887 Austin, TX 78711 (512) 475-1769
Utah	[Not applicable]	Consumer Protection Division Utah Department of Commerce 160 East 300 South P.O. Box 48504 Salt Lake City, UT 84145-0804 (801) 530-6601
Virginia	Clerk of the State Corporation Commission 1300 E. Main Street Richmond, VA 23219 (804) 371-9672	Chief Examiner/Investigator State Corporation Commission Division of Securities and Retail Franchising 1300 E. Main Street Richmond, VA 2319 (804) 371-9051
Washington	Securities Administrator 150 Israel Rd. SW Tumwater, WA 98501 (360) 902-8760	Administrator Department of Financial Institutions Securities Division P.O. Box 9033 Olympia, WA 98507-9033 (360) 902-8760
Wisconsin	Commissioner of Securities 345 W. Washington Street, 4th Floor Madison, WI 53703	Division of Securities Department of Financial Institutions P.O. Box 1768 Madison, WI 53701
Federal Trade Commission		Franchise Rule Coordinator Division of Marketing Practices Bureau of Consumer Protection Pennsylvania Avenue at 6th Street NW Washington, DC 20580 (202) 326-3128

AGENT FOR SERVICE OF PROCESS IN CALIFORNIA:

Rob Peddycord, Esq.
Knight & Peddycord
169 Saxony Road
Encinitas, CA 92024

INTERPRETERS LICENSING INTERNATIONAL, INC.

EXHIBIT B

Franchise Agreement

FRANCHISE AGREEMENT BETWEEN

INTERPRETERS LICENSING INTERNATIONAL, INC.
10650 Treena Street, Suite 308
San Diego, CA 92131
858-451-7490

AND

____
____
____

Interpreters Licensing International, Inc. Franchise Agreement

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Addenda:

FRANCHISE AGREEMENT

This Franchise Agreement ("**Agreement**") is entered into on the _______ day of _________, 201__ the ("**Effective Date**") between Interpreters Licensing International, Inc., a company organized under the laws of Delaware ("**Interpreters Unlimited**"), and the Franchisee identified in **Addendum H** to this Agreement ("**Franchisee**").

RECITALS

A. Interpreters Unlimited owns a System for the establishment and operation of language interpretation and translation businesses operated under the System.

B. Interpreters Unlimited has the right to license the Marks and the System in connection with the operation of those businesses.

C. Franchisee wants to obtain the rights to use the Marks and wants to be assisted, trained, and licensed by Interpreters Unlimited, as its franchisee, to use the System and the Marks in the operation of the Franchised Business, and Interpreters Unlimited is willing to grant Franchisee such rights under the terms and conditions of this Agreement.

Franchisee and Interpreters Unlimited therefore agree as follows:

SECTION 1. CERTAIN DEFINITIONS

As used herein, the following terms shall have the following meanings:

1.1 Affiliate. Any Person (other than a natural person) controlled by, controlling or under common control with either party.

1.2 Anti-Terrorism Laws. Executive Order 13224 issued by the President of the United States, the Terrorism Sanctions Regulations (Title 31, Part 595 of the 15.S. Code of Federal Regulations), the Foreign Terrorist Organizations Sanctions Regulations (Title 31, Part 597 of the 15.S. Code of Federal Regulations), the Cuban Assets Control Regulations (Title 31, Part 515 of the 15.S. Code of Federal Regulations), the USA PATRIOT Act, and all other present and future federal, state and local laws, ordinances, regulations, policies lists and any other requirements of any governmental authority (including without limitation, the United States Department of Treasury Office of Foreign Assets Control) addressing or in any way relating to terrorist acts and acts of war.

1.3 Application. The specific application that provides the features and functions as more fully described in the Operating Manual, including but not limited to event scheduling, interpreter search and ratings, contact database and sear editing, billing, time management, interpreter records and contract rates programming.

1.4 Application Services. Certain Software-related application services that support the provision of interpretation and translation services, which Franchisee must purchase only from Interpreters Unlimited, its designated Affiliate, or other supplier designated by Interpreters Unlimited.

1.5 Area of Responsibility. The geographic area in which Franchisee is obligated to serve through its Franchised Business, as described in **Addendum A** hereto.

1.6 Authorized Services and Products. Those products and services that have been approved by Interpreters Unlimited for sale in the Franchised Business, as identified on a list published by Interpreters Unlimited, as such list may be amended from time to time by Interpreters Unlimited, in the Operating Manual or otherwise, including but not limited to the Software and Application.

1.7 Confidential Information. All information, knowledge, trade secrets or know-how utilized or embraced by the System or which otherwise concerns Franchisee's or our systems of operation, programs, services, products, customers, practices, materials, books, records, manuals, computer files, databases or software. Confidential Information includes (without limitation): all elements of the System and all products, services, equipment, technologies, policies, standards, requirements, criteria and procedures that now or in the future are a part of the System; the Operating Manual (including Supplements to the Manual); all specifications, sources of supply, all procedures, systems, techniques and activities employed by Interpreters Unlimited or by Franchisee in the offer and sale of products and/or services at or from the Franchised Business; all pricing paradigms established by Interpreters Unlimited or by you; all of Interpreters Unlimited's and/or Franchisee's sources (or prospective sources) of supply and all information pertaining to same (including wholesale pricing structures, the contents of sourcing agreements and the identity of suppliers); the identity of, and all information relating to, the computer hardware and software utilized by Interpreters Unlimited and Franchisee; all information pertaining to Interpreters Unlimited's and/or Franchisee's advertising, marketing, promotion and merchandising campaigns, activities, materials, specifications and procedures; all customer lists and records generated and/or otherwise maintained by the Franchised Business; the economic and financial characteristics of the System and its franchisees, including without limitation: pricing policies and schedules, profitability, earnings and losses, capital and debt structures; Interpreters Unlimited's (and, if in the future Interpreters Unlimited permits, Franchisee's) internet/web protocols, procedures and content; Interpreters Unlimited's training and other instructional programs and materials; all elements of Interpreters Unlimited's recommended staffing, staff training and staff certification policies and procedures; all communications between Interpreters Unlimited and Franchisee (including the financial and other reports Franchisee is required to submit to Interpreters Unlimited under this Agreement); additions to, deletions from and modifications and variations of the components of the System and the other systems and methods of operations which Interpreters Unlimited employs now or in the future; and, all other information, knowledge and know-how which either Interpreters Unlimited or its Affiliates, now or in the future, designate as confidential.

1.8 Franchised Business. A business operated by the Franchisee selling the Authorized Services and Products using the System pursuant to this Agreement.

1.9 Gross Revenue. All consideration, whether by cash, credit, in kind, checks, gift certificates, scrip, coupons, services, property or other means of exchange, or otherwise, derived directly or indirectly from the operation of the Franchised Business, and includes, but is not limited to, the amounts received from the sale of all products and performance of services of every kind and nature, promotional or otherwise, from, at, upon, or through the Franchised Business, including the credit value given for all merchandise trades, as well as insurance proceeds and/or condemnation awards for loss of sales, profits or business; provided, however, that "Gross Revenue" does not include:

(i) the amount of any tax imposed by any federal, state, municipal or other governmental authority directly on sales and collected from customers, provided that the amount of any such tax is shown separately and, in fact, paid by Franchisee to the appropriate governmental authority; or

(ii) all customer refunds, valid discounts and coupons, and credits made by the Franchised Business (exclusions will not include any reductions for credit card user fees, returned checks or reserves for bad credit or doubtful accounts).

Gross Revenue consisting of property, products or services will be valued at the retail prices applicable and in effect at the time that they are received.

1.10 Hardware. The standard personal computer configuration requirements necessary to operate the Software, as set forth in the Operating Manual.

1.11 Interpreters Unlimited Business. An Interpreters Unlimited-branded business operated by Interpreters Unlimited, its Affiliates, or under a franchise or license agreement with Interpreters Unlimited, the terms of which may vary materially from those set forth herein.

1.12 Legal Requirements. Any law, code, ordinance, order, rule or regulation, of any governmental entity, and any political or other subdivision of any governmental entity, and any agency, department, commission, board, bureau, court or instrumentality of any of them, which, at any time, has competent jurisdiction over Franchisee, Interpreters Unlimited, or any part of the Franchised Business.

1.13 Marks. Trademarks, including but not limited to the mark "Interpreters Unlimited", and such other names, trademarks, emblems, slogans, logos, commercial symbols, signs, trade dress and all other visual identification, as are now designated, and may hereafter be designated by Interpreters Unlimited, for use in connection with its System.

1.14 Operating Manual. Collectively, all directives, books, pamphlets, bulletins, memoranda, order forms, packing slips, invoices, letters, e-mail, Internet or intranet data, or other publications, documents, software programs, video tapes, transmittances or communications, in whatever form (including electronic form) prepared by or on behalf of Interpreters Unlimited for use by franchisees generally or for Franchisee in particular, setting forth information, advice and standards, requirements, marketing information and procedures, standards and specifications and suppliers for equipment, inventory, Hardware and Software, operating procedures, instructions or policies relating to the operation of the Franchised Business or the operation of franchises, as same may be added to, deleted or otherwise amended by Interpreters Unlimited from time to time in its sole discretion. The form and content of the Operating Manual maintained by Interpreters Unlimited will prevail in the event of any dispute regarding the form of or content of the Operating Manual between Interpreters Unlimited and Franchisee.

1.15 Reporting Period. A period consisting of fourteen days, beginning on the first and third Mondays of each month and ending on the fourteenth day (Sunday) thereafter. Franchisee's payment of Royalty and Brand Awareness Fees to Interpreters Unlimited will be based on Franchisee's Gross Revenues during each Reporting Period.

1.16 Software. Certain server based software, as more particularly described in the Operating Manual, hosted on Interpreters Unlimited's servers, which can be accessed through a standard web browser and provides the Application.

1.17 System. A uniform system for the establishment and operation of Interpreters Unlimited-brand businesses specializing in providing language interpretation and translation services to a diverse range of clientele and operating under a unique system with high standards of service, including valuable know-how, information, Trade Secrets, Confidential Information, training methods, standards, designs, methods of trademark usage, copyrights, sources and specifications, confidential electronic and other communications, methods of Internet usage, and research and development all of which may be changed, improved, and further developed by Interpreters Unlimited, from time to time.

SECTION 2. COVENANTS, UNDERSTANDINGS, AND REPRESENTATIONS OF FRANCHISEE

Franchisee understands, represents, and agrees to the following:

2.1 Success Depends Upon Franchisee. Franchisee is an independently owned and operated business whose success is dependent on its own efforts, those of its management and employees and business conditions in general.

2.2 System Modifications. Interpreters Unlimited reserves the right to modify the Trade Dress and other elements of the System. This includes, but is not limited to, its right to: (1) modify, change or abandon the strategy on which Interpreters Unlimited Businesses are currently based; (2) add or change the standards for customer service and products; and (3) require the use of new or different electronic instructional devices and electronic data processing and communications equipment and facilities. Such changes will generally be communicated to Franchisee through the Operating Manual. Franchisee agrees to promptly accept and comply with any such addition, subtraction, revision, modification or change and to make such reasonable expenditures as may be necessary to comply.

2.3 System Variations. Because complete uniformity under various market circumstances may not always be possible or desirable, Interpreters Unlimited, in its discretion, reserves the absolute and exclusive right to vary the standards for any Interpreters Unlimited Business based upon the customs or circumstances of a particular market area, density of population, existing business practices or any condition that Interpreters Unlimited deems to be of importance to the operation of such franchisee's Interpreters Unlimited Business. Further, Interpreters Unlimited, in its discretion, may enter into agreements with other Persons for the operation of other Interpreters Unlimited Businesses, which agreements may contain provisions that vary materially from this Agreement.

2.4 No Business Opportunity Representations. Interpreters Unlimited will not designate for Franchisee potential locations for the Franchised Business, will not provide financial assistance to Franchisee, and has made no representation that it will buy back from Franchisee any products, supplies or equipment purchased by Franchisee in connection with the Business.

2.5 Approvals. Whenever Interpreters Unlimited's approval is required, such approval, unless specifically stated otherwise, must be obtained in advance, in writing and not be unreasonably withheld or delayed. Interpreters Unlimited's approval of any matter is permission only and not a representation, warranty or assurance.

2.6 Independent Investigation. Franchisee has conducted its own investigation of all financial requirements, business and legal risks with respect to the Franchised Business in general and operating the Franchised Business in particular. Franchisee has had a full and adequate opportunity to read and review Interpreters Unlimited's Franchise Disclosure Document, which Franchisee received at least 14 calendar days prior to the Effective Date, and this Agreement, and to be thoroughly advised by legal counsel or a personal advisor, or has chosen not to do so without any influence by Interpreters Unlimited.

2.7 No Representations Regarding Success or Profitability. Neither Interpreters Unlimited, nor anyone acting on its behalf, has made any statements, representations, warranties or guarantees (express or implied, written or oral) to Franchisee, including any statements regarding the potential financial or business success of the Franchised Business or with respect to the Franchised Business's gross revenue, Gross Revenue, income, profits, earnings or expenses, other than any such statements that are contained in Interpreters Unlimited's Franchise Disclosure Document. Franchisee has not relied upon any guarantee, warranty, projection, forecast or earnings claim, whether express, implied, purported or alleged, in entering into this Agreement, other than that contained in Item 19 of Interpreters Unlimited's Franchise Disclosure Document (if any).

2.8 Accuracy of Information. Franchisee has ensured that all information it has submitted to Interpreters Unlimited in connection with Franchisee's application for this Franchise Agreement was complete and accurate when made. There have been no material changes in that information or other changes in material circumstances with respect to Franchisee between the time of the submittal and the Effective Date. Franchisee further acknowledges that the acknowledgments signed by Franchisee in **Addendum F** are truthful and accurate.

2.9 Permits, Licenses, and Legal Requirements. Franchisee understands that it may be required, under applicable state law, to secure permission from the appropriate government authority to operate the business franchised hereunder. It is Franchisee's responsibility to familiarize itself with all Legal Requirements, and Interpreters Unlimited has made no representations as to the nature of such laws or Franchisee's ability to qualify or comply with them.

2.10 Anti-Terrorism Laws. Franchisee certifies that neither Franchisee, nor Franchisee's Owners, principals, employees or anyone associated with Franchisee is listed in the Annex to Executive Order 13224. Franchisee agrees not to hire or have any dealings with a person listed in the Annex (The Annex is available at http://www.treasury.gov/resource-center/sanctions/Programs/Documents/terror.pdf). Franchisee certifies that Franchisee has no knowledge or information that, if generally known, would result in Franchisee, Franchisee's Owners, principals, employees, or anyone associated with Franchisee being listed in the Annex to Executive Order 13224. Franchisee agrees to comply with and/or assist Interpreters Unlimited to the fullest extent possible in Interpreters Unlimited's efforts to comply with Anti-Terrorism Laws. In connection with such compliance, Franchisee certifies, represents, and warrants that none of Franchisee's property or interests are subject to being "blocked" under any of the Anti-Terrorism Laws and that Franchisee and Franchisee's Owners or principals are not otherwise in violation of any of the Anti-Terrorism Laws. Franchisee is solely responsible for ascertaining what actions must be taken by Franchisee to comply with all such Anti-Terrorism Laws, and Franchisee specifically acknowledges and agrees that Franchisee's indemnification responsibilities as provided in this Agreement pertain to Franchisee's obligations under this Section.

2.11 No Warranty or Guarantee. Under this Agreement, Franchisee will have the opportunity to retain, hire, or use the services of interpreters or translators that have been screened by Interpreters Unlimited and have been approved for use by or available to Franchisees by Interpreters Unlimited or are otherwise available through the Software or Application. Franchisee acknowledges that Interpreters Unlimited's approval or inclusion in the Software or Application of a translator or interpreter by Interpreters Unlimited does not constitute an endorsement or recommendation by Interpreters Unlimited of that interpreter or translator, and that Interpreters Unlimited does not warrant or guarantee the work of any interpreter or translator. Franchisee further acknowledges and agrees that it is Franchisee's sole and exclusive responsibility to fully investigate any interpreter or translator that Franchisee intends to use, and to negotiate the terms of any possible refund, warranty, or guarantee of that person's work directly with such interpreter or translator.

SECTION 3. GRANT OF FRANCHISE

3.1 Grant of Franchise. Subject to all of the terms and conditions of this Agreement, Interpreters Unlimited grants Franchisee the right, and Franchisee undertakes the obligation, to operate one Interpreters Unlimited Business. Franchisee agrees to open and operate, under the terms of this Agreement, an Interpreters Unlimited Business specializing in offering specific Authorized Products and Authorized Services (collectively, "**Authorized Products and Services**") as specified by Interpreters Unlimited in its Operating Manual or otherwise in writing, or subsequently added in accordance with Supplements to the Manual (or otherwise in writing), only under the Marks at the Location, and only within the Area of Responsibility.

3.2 Office Location. The Franchised Business can only be operated from a location inside the Area of Responsibility. Franchisee is not required to operate the Franchised Business at a formal office location, but instead can do so from Franchisee's (or one of Franchisee's Owner's) personal residence. If Franchisee intends to operate from an office other than his or her residence, Franchisee must first obtain Interpreters Unlimited's advance consent and approval of any site which Franchisee proposes to use as its business office (the "**Business Office**"). Franchisee may not establish, construct, maintain or operate a physical office, or any type of sales or Business Office outside of the Area of Responsibility. Franchisee must submit to Interpreters Unlimited such information regarding the proposed site(s) and neighboring areas as Interpreters Unlimited shall require, in the form(s) prescribed by Interpreters Unlimited. Interpreters Unlimited may accept or reject a proposed site in its sole discretion. If Franchisee fails to find a Business Office acceptable to Interpreters Unlimited within six months of the Effective Date, the Agreement will be terminated.

3.2.1 Relocation. Franchisee may not relocate the Business Office without Interpreters Unlimited's prior written consent. If Interpreters Unlimited does consent to any relocation, Franchisee must de-identify the former Business Office in the manner described in this Agreement with respect to Franchisee's obligations upon termination and expiration, and shall reimburse and indemnify and hold Interpreters Unlimited harmless from any direct and indirect losses, costs and expenses, including attorneys' fees, arising out of Franchisee's failure to do so.

3.2.2 Required Lease Terms. The Lease for the Business Office must name Franchisee as the sole lessee thereunder and may not be assigned or sublet without Interpreters Unlimited's prior written consent; and Interpreters Unlimited will have the right to review and accept or reject the Lease, a true and correct copy of which must be delivered by Franchisee to Interpreters Unlimited prior to its execution. Interpreters Unlimited may require the Lease to provide that Interpreters Unlimited or its designee an option, without cost or expense to Interpreters Unlimited or such designee, to assume the Lease, or execute a substitute lease on the same terms, in the event of termination or expiration of this Agreement for any reason, and any sum expended by Interpreters Unlimited or such designee to cure Franchisee's breach of the Lease shall be deemed additional sums due Interpreters Unlimited hereunder and Franchisee must pay such amount to Interpreters Unlimited upon demand. The covenants of Franchisee contained in this Section 3 shall survive the termination of this Agreement.

3.2.3 No Warranty. Interpreters Unlimited's review and acceptance of the Lease is solely for Interpreters Unlimited's benefit and is solely an indication the Lease meets Interpreters Unlimited's Policies at the time of acceptance for the Lease (which may be different than the requirements of this Agreement) such review and acceptance shall not be construed as any express or implied representation or warranty that the Lease complies with Applicable Law or represents a transaction that is fair or in Franchisee's best interest.

3.3 Restrictions on Franchise. Franchisee does not have any right to grant franchises to any other party, nor does Franchisee have the right to operate anywhere outside of its Area of Operations, unless otherwise provided herein or by separate agreement. No part of the Franchised Business may be offered for sale or lease, nor will Franchisee allow any part of the Franchised Business to be used for any other purpose other than that explicitly set forth in this Agreement or the Operating Manual, or conduct any business at the Location other than authorized under this Agreement, without the prior written approval of Interpreters Unlimited.

SECTION 4. TERM; RIGHT TO ACQUIRE SUCCESSOR FRANCHISE

4.1 Term. The term of this Agreement commences on the Effective Date, and, unless sooner terminated in accordance with Section 17, will expire on the fifth (5^{th}) anniversary of the Effective Date.

4.2 Right to Acquire Successor Franchise. Franchisee may, at its option, acquire a successor franchise for three (3) additional five (5) year periods, provided that:

4.2.1 Notice. Franchisee gives Interpreters Unlimited written notice of such election to acquire a successor franchise not less than six (6) months nor more than twelve (12) months prior to the end of the initial term;

4.2.2 Successor Agreement. Franchisee executes Interpreters Unlimited's then-current standard form of Franchise Agreement, which may, at Interpreters Unlimited's sole and absolute discretion, include substantially different terms than those contained in this Agreement, including but not limited to a higher advertising contribution, and the term of which will be and the term of which shall be the term specified and contain further rights to acquire additional successor franchise agreements, if applicable, as specified in this Paragraph 4.2. Franchisee's failure or refusal to execute the successor agreement and documents within thirty (30) days after their delivery to Franchisee will be deemed an election by Franchisee not to acquire a successor franchise;

4.2.3 General Release. Franchisee executes a general release in Interpreters Unlimited's then-current form (the current form is attached as **Addendum G**) of any and all claims, known or unknown, that may exist at the time of renewal against Interpreters Unlimited and its subsidiaries, and Affiliates, and their respective officers, directors, agents, and employees;

4.2.4 Not in Default. Franchisee is not then in default of any provision of this Agreement, or any amendment hereof or successor hereto, or any other agreement between Franchisee and Interpreters Unlimited, or any subsidiary or affiliate of Interpreters Unlimited, and Franchisee has not committed and received notice of three or more breaches of this Agreement in the twenty-four (24) months prior to the end of the Term, even if such breaches were timely remedied;

4.2.5 Timely Payment of Monetary Obligations. Franchisee has paid or otherwise satisfied all monetary obligations owed by Franchisee to Interpreters Unlimited and its Affiliates, and Franchisee has timely paid or otherwise satisfied these obligations throughout the term of this Agreement;

4.2.6 Current Licenses and Permits. Franchisee must provide proof that Franchisee has all required current licenses, insurance, and permits; and

4.2.7 Payment of Successor Franchise Fee. Franchisee will pay to Interpreters Unlimited a successor franchise fee of fifteen thousand dollars ($15,000).

4.3 Interim Period. If Franchisee does not sign a successor 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 the option of Interpreters Unlimited, this Agreement may be treated either as (i) expired as of the date of expiration with Franchisee then operating without a franchise to do so and in violation of Franchisor'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 30 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.

4.4 Early Termination by Franchisee. In the event that the Franchised Business does not achieve at least one hundred thousand dollars ($100,000) in Gross Revenue during the first twelve months of operation, Franchisee may, if Franchisee is not in default of the Agreement, elect to terminate this Agreement by providing written notice to Interpreters Unlimited as specified below. The early termination right will expire effective on the thirty-first day after the first anniversary of commencement of operation of the Franchised Business, and, beginning on that day and thereafter, Franchisee will have no right to the early termination specified herein.

4.4.1 Manner of Exercise. To exercise the early termination right, Franchisee must provide to Interpreters Unlimited the documents set forth below within thirty (30) days of the first anniversary of commencement of operation of the Franchised Business:

4.4.1.1 Written notice of its election to terminate under this section, in a form required by Interpreters Unlimited (as made available to Franchisee in the Operating Manual);

4.4.1.2 A general release of claims in favor of Interpreters Unlimited in Interpreters Unlimited's then-current form (the current form is attached as **Addendum G)** that has been fully executed by Franchisee and each of the individuals identified on **Addendum H** (Franchisee Ownership Information); and

4.4.1.3 A completed closing checklist, in a form required by Interpreters Unlimited (as made available to Franchisee in the Operating Manual), signed by Franchisee and confirming that the Franchised Business has ceased operations.

4.4.2 Refund by Interpreters Unlimited. Within ten (10) calendar days of receipt by Interpreters Unlimited of each of the required documents set forth in this Section 4.4, Interpreters Unlimited will return to Franchisee fifty percent (50%) of the Initial Franchise Fee received by Interpreters Unlimited from Franchisee. The refund will be accompanied by a notice from Interpreters Unlimited that this Agreement has been terminated.

4.4.3 Interim Operation and Client Transition. Franchisee will be obligated to continue operating the Franchised Business in good faith until receiving from Interpreters Unlimited the refund and notice contemplated in Paragraphs 4.4.1 and 4.4.2. Further, Franchisee will be obligated to work with Interpreters Unlimited in good faith to ensure the orderly transition of clients serviced by the Franchised Business from Franchisee to Interpreters Unlimited or its designee (which may be another franchisee of Interpreters Unlimited), such that Interpreters Unlimited or its designee can service those clients of the Franchised Business after this Agreement has been terminated.

4.4.4 Effect of Termination. Upon properly exercising its right of early termination, Franchisee will have no further rights to use the Marks, the System, the Software, or the Application, but will continue to be bound by those terms in this Agreement that expressly, or by their nature, survive termination of this Agreement (including but not limited to the covenants set forth in Section 13).

4.4.5 Acknowledgement by Franchisee. Franchisee that the refund set forth in this Paragraph 4.4 is offered as an incentive for Franchisee and not as an estimation, approximation, admission, or limitation by Interpreters Unlimited of the damages that will result from termination of this Agreement by Franchisee in a manner other than as permitted in this Paragraph 4.4 or in Paragraph 17.4.

4.4.6 No Financial Performance Representation. This right of early termination by Franchisee is not, and should not be considered, a financial performance representation relating to the Franchised Business. A financial performance representation, if any, by Interpreters Unlimited will be made only in its Franchise Disclosure Document. Actual results may vary from franchise to franchise and Interpreters Unlimited cannot predict the results of any particular franchise.

SECTION 5. AREA OF RESPONSIBILITY; EXCLUSIVITY

5.1 Franchisee's Area of Responsibility. Subject to the terms and conditions of this Agreement, and provided Franchisee is not in default of this Agreement and/or any other Agreement between Interpreters Unlimited (or any Affiliate of Interpreters Unlimited) and Franchisee (or any Affiliate of Franchisee), Interpreters Unlimited will not establish, nor permit another party to establish, an Interpreters Unlimited Business under the Marks or System for the term of this Agreement within Area of Responsibility. Franchisee acknowledges and agrees that Franchisee has no rights whatsoever respecting the Marks, the System, or the establishment of Interpreters Unlimited Businesses or servicing of customers located outside of the Area of Responsibility. Franchisee does not have the right to solicit or accept requests from customers outside of the Area of Responsibility, except as specifically stated below.

5.2 Franchisee's Obligations Within The Area of Responsibility. Franchisee is obligated to service customers located within the Area of Responsibility. In the event a customer wishes to purchase Authorized Products or Services from within Franchisee's Area of Responsibility and Franchisee has a conflict or is otherwise unable to provide such Authorized Product or Service within the customer's requested time requirements, Franchisee must promptly notify Interpreters Unlimited and Interpreters Unlimited may, in its sole discretion, provide such Authorized Product or Service directly or through an Affiliate, or designate another party (which may be another franchisee) to do so, and in such instance will have no liability to Franchisee.

5.3 Advertising. Franchisee is not permitted to direct any advertisements to people located outside of the Area of Responsibility without consent by Interpreters Unlimited (which may be withheld in its sole discretion). Notwithstanding the foregoing, Franchisee may place advertisements in printed media, on television and radio that are targeted to customers and prospective customers located within Franchisee's Area of Responsibility, as determined and approved by Interpreters Unlimited and will not be in violation of the Agreement if those advertisements, because of their natural circulation or reach, are viewed or heard by prospective customers located outside of the Area of Responsibility.

5.4 Service Outside Of The Area of Responsibility. The parties acknowledge and agree that, from time to time, a customer that is located outside of Franchisee's Area of Responsibility (but not within the Area of Responsibility of another Interpreters Unlimited Business) may request service from Franchisee or Interpreters Unlimited. In such event, Franchisee will be permitted (but not required) to conduct such service with the prior written consent of Interpreters Unlimited, which shall be given or withheld within Interpreters Unlimited's sole and absolute discretion. Franchisee will not receive any right of first refusal or other rights of any type to any unassigned area.

5.5 Rights Reserved to Interpreters Unlimited. Franchisee acknowledges that the Franchise granted hereunder is non-exclusive and that Interpreters Unlimited and its Affiliates retain the exclusive rights, among others (and in addition to those listed above):

5.5.1 To use, and to license others to use, the Marks and System for the operation of Interpreters Unlimited Businesses at or from any locations other than in the Area of Responsibility, regardless of proximity to the Area of Responsibility.

5.5.2 To use, license and franchise the use of trademarks or service marks other than the Marks, whether in alternative channels of distribution or at any location including the Area of Responsibility, in association with operations that are similar to or different from the Franchised Business.

5.5.3 To use the Marks and the System in connection with the provision of other products and services or in alternative channels of distribution such as those described in 5.5.4, at any location including within the Area of Responsibility.

5.5.4 To offer Authorized Products or Services, or grant others the right to offer the Authorized Products or Services, whether using the Marks or other trademarks or service marks, through alternative channels of distribution (other than Interpreters Unlimited Businesses), or by Internet commerce (e-commerce), in person, or otherwise, regardless of whether it is inside or outside of the Area of Responsibility.

5.5.5 To any websites utilizing a domain name incorporating the words "Interpreters Unlimited" or similar derivatives thereof. Interpreters Unlimited retains the sole right to market on the Internet and use the Marks on the Internet, including all use of websites, domain names, URL's, directory addresses, metatags, linking, advertising, and co-branding and other arrangements. Franchisee may not independently market on the Internet, or use any domain name, address, locator, link, metatag, or search technique, with words or symbols similar to the Marks or otherwise establish any presence on the Internet without Interpreters Unlimited's prior written approval.

5.5.6 To acquire businesses that are the same as or similar to the Franchised Business and operate such businesses regardless of where such businesses are located, including inside the Area of Responsibility, and to be acquired by any third party which operates businesses that are the same as, or similar to, the Franchised Business, regardless of where such businesses are located, including inside the Area of Responsibility.

5.5.7 Both within and outside the Area of Responsibility, to offer and sell System services and products at retail to National/Regional and Institutional Accounts. "**National/Regional and Institutional Accounts**" are organizational or institutional customers whose presence is not confined to the Area of Responsibility, federal, state, and local governmental and quasi-governmental agencies, branches or facilities; and, any other customer not confined to the Area of Responsibility. Only Interpreters Unlimited will have the right to enter into contracts with National/Regional and Institutional Accounts with locations within the Area of Responsibility. Interpreters Unlimited will give Franchisee the opportunity to serve as a point of contact for National/Regional and Institutional Accounts that have locations inside the Area of Responsibility. Interpreters Unlimited will pay to Franchisee a fee equal to five percent (5%) of the total fees received by Interpreters Unlimited for services performed for the National/Regional and Institutional Account under the contract, in exchange for Franchisee's service as a local representative of, and point of contact for, the System within Franchisee's Area of Responsibility. If, for any reason, Franchisee does not desire to or cannot service the National/Regional or Institutional Account, or if the National/Regional or Institutional Account desires for any reason to deal exclusively with Interpreters Unlimited and not with Franchisee, then Interpreters Unlimited or its Affiliates may service the National, Regional and/or Institutional Account within the Area of Responsibility, and Franchisee will not be entitled to compensation.

5.8 To respond and perform services pursuant to any Request for Proposal in the manner set forth in Section 11, regardless of whether the response or services occur within the Area of Responsibility.

SECTION 6. <u>FEES</u>

6.1 <u>Initial Franchise Fee</u>. In consideration of the mutual promises and covenants contained herein, Franchisee will pay a lump sum initial franchise fee to Interpreters Unlimited of twenty-nine thousand five hundred dollars ($29,500) upon execution of the Franchise Agreement. The Initial franchise fee is fully earned and nonrefundable once it is paid, except under the circumstances set forth in Section 4.4.

6.2 Royalty Fee. Franchisee will pay Interpreters Unlimited a Royalty Fee equal to five and a half percent (5.5%) of Franchisee's Gross Revenue earned during each Reporting Period. The Royalty Fee for each Reporting Period must be actually received by Interpreters Unlimited by the Wednesday following the last day of each such Reporting Period.

6.3 Brand Awareness Fee. At Interpreters Unlimited's option, Interpreters Unlimited may require Franchisee to pay a Brand Awareness Fee in the amount of one percent (1%) of Franchisee's Gross Revenue earned during each Reporting Period. The Brand Awareness Fee for each Reporting Period will be due and payable must be actually received by Interpreters Unlimited by the Wednesday following the last day of each such Reporting Period.

6.4 Electronic Funds Transfer. Franchisee's Royalty Fee, and Brand Awareness Fee, and any other fee or interest assessable to Franchisee under this Agreement must be paid to Interpreters Unlimited on a monthly basis via electronic funds transfer ("**EFT**"), as more fully set forth in the Operating Manual. Franchisee agrees to comply with procedures specified by Interpreters Unlimited and/or perform such acts and deliver and execute such documents, including authorization for direct debits from Franchisee's business bank operating account, as may be necessary to assist in or accomplish payment by such method, and will execute Interpreters Unlimited's EFT Authorization form, which is attached to this Agreement as **Addendum C**. Franchisee must make funds available to Interpreters Unlimited for withdrawal by electronic transfer no later than the due date for payment therefor. Franchisee must ensure that each Royalty Fee and Brand Awareness Fee payment is, without exception, accompanied by a statement of Franchisee's Gross Revenue during the just-ended Reporting Period on a form approved by Interpreters Unlimited, which form may be electronic.

6.4.1 If funds in Franchisee's account are insufficient to cover the amounts payable at the time Interpreters Unlimited makes a funds transfer request, the amount of the shortfall is overdue and is subject to the terms set forth in this Agreement for overdue payments, in addition to any other remedies Interpreters Unlimited has.

6.4.2 If Franchisee has not timely reported its Gross Revenue for any Reporting Period, then Interpreters Unlimited will, at its option, have the right to debit Franchisee's account in an amount equal to: (a) the fees transferred from Franchisee's account for the last Reporting Period for which Franchisee provided a report of its Gross Revenue; or (b) the amount due based on information retrieved from the Software and Application.

6.5 E-Mail Account Fee. Interpreters Unlimited will provide an e-mail address at Interpreters Unlimited's domain for each individual that goes through Interpreters Unlimited's training program. In the event that Franchisee desires additional e-mail addresses for individuals that have not attended training, Franchisee will pay a one-time fee of one hundred dollars ($100.00) for each such e-mail address.

6.6 Project Management Fee. Franchisee will have the option of outsourcing project management aspects of translation work to Interpreters Unlimited. If Franchisee elects to use this service, Interpreters Unlimited will coordinate the location and retention of a qualified translator for a language designated by Franchisee, as well as the scheduling of services with such translator. For these services, Franchisee must pay to Interpreters Unlimited a Project Management Fee of ten percent (10%) of the total contract amount for each project. This Project Management Fee is in addition to the Royalty Fee and Brand Awareness Fee that must be paid by Franchisee on Gross Revenue for such project(s).

6.7 No Right of Off-Set. Franchisee has no right, Claim or defense of "offset." As a result, Franchisee will pay all fees and amounts due Interpreters Unlimited on time regardless of any Claims or defenses that Franchisee may have against Interpreters Unlimited or its Affiliates.

6.8 Interest on Past Due Payments. Any payment or report not actually received by Interpreters Unlimited on or before the specified date is deemed overdue. If any payment is overdue, in addition to Interpreters Unlimited's other rights and remedies under this Agreement for such default, Franchisee will pay Interpreters Unlimited, in addition to the overdue amount, interest on such amount from the date it was due until paid at the lesser of one and one-half percent (1.5%) per month or the maximum rate of interest permitted by law, until paid in full.

6.9 Late Fee. In addition to the interest on past due payments set forth in Paragraph 6.9, a late fee of five percent (5%) of the overdue amount or one hundred dollars ($100), whichever is greater, will be applied to any payment deemed overdue.

6.10 Application of Payments. Interpreters Unlimited has the sole discretion to apply any payments by Franchisee to any past due indebtedness of Franchisee. Interpreters Unlimited is not obligated to accept payments after they are due. Franchisee's failure to pay any or all amounts when due must constitute a material breach of this Agreement.

SECTION 7. ACCOUNTING, RECORDS, AND INTERPRETERS UNLIMITED'S AUDIT RIGHTS

7.1 Hardware and Software. Franchisee will follow and adhere to the daily accounting and reporting procedures as specified by Interpreters Unlimited from time to time, and will purchase equipment and software including, but not limited to, computer and computer network equipment as required by Interpreters Unlimited. The computer equipment and software to be used in the Franchised Business (including the Software and the Application) will possess features that facilitate the operation and internal accounting control of the Franchised Business, which Interpreters Unlimited will have the unlimited ability to access electronically, 24 hours a day and 7 days a week. Franchisee must enter into the software system required by Interpreters Unlimited any service forms for work performed by Franchisee.

7.1.1 Franchisee shall purchase or lease, use and maintain the Hardware for use in connection with the Franchised Business meeting the specifications set forth in the Operating Manual. The Hardware must be leased from a vendor approved by Interpreters Unlimited. Hardware must be connected to the Internet via a DSL or Broadband service for the purpose of using the software and accessing the central database maintained on a dedicated server.

7.1.2 Franchisee must ensure that the Hardware is electronically linked to Interpreters Unlimited or its designated Affiliate. Interpreters Unlimited may require Franchisee to update, upgrade or replace the Hardware, the Software, or any other software from time to time upon written notice.

7.2 Statement of Gross Revenue. Each Royalty Fee payment shall be, without exception, accompanied by a statement of the Gross Revenue received by Franchisee during the previous Reporting Period on a form approved and provided to Franchisee by Interpreters Unlimited, which may be electronic. A failure by Franchisee to submit to Interpreters Unlimited a completed statement of the Gross Revenue received by Franchisee during the previous Reporting Period at or before the time Franchisee pays its Royalty Fee will be a material breach of this Agreement.

7.3 Record Keeping. Franchisee must keep such complete records of its Franchised Business as a prudent and careful businessperson would normally keep. Franchisee must keep its financial books and records as Interpreters Unlimited may from time to time direct in the Operating Manual or otherwise, including retention of all invoices, order forms, payroll records, check records, bank deposit receipts, sales tax records, refunds, cash disbursements, journals and general ledgers. When asked, Franchisee must advise Interpreters Unlimited of the location of all original documents and shall not destroy any records without the written consent of Interpreters Unlimited.

7.4 Accounting and Reports. Franchisee must prepare on a current basis, complete and accurate records concerning all financial, marketing and other operating aspects of the Franchised Business conducted under this Agreement. Franchisee must maintain an accounting system which accurately reflects all operational aspects of the Franchised Business including any reports required by Interpreters Unlimited. Franchisee's records must include tax returns, daily reports, statements of Gross Revenue (to be prepared each Reporting Period for the preceding Reporting Period), profit and loss statements, and balance sheets (to be prepared at least annually by an independent Certified Public Accountant). Interpreters Unlimited reserves the right to utilize Franchisee's financial statements for disclosure in its Franchise Disclosure Document. Franchisee must also submit to Interpreters Unlimited current financial statements and other reports as Interpreters Unlimited may reasonably request to evaluate or compile research and performance data on any operational aspect of the Franchised Business. On or before April 15 of each year, Franchisee must provide Interpreters Unlimited with a copy of its federal tax return for the previous tax year.

7.5 Retention; Interpreters Unlimited's Audit Rights. From the date Franchisee and Interpreters Unlimited sign this Agreement until four (4) years after the end of the Term of this Agreement, Interpreters Unlimited or Interpreters Unlimited's authorized agent shall have the right to request, receive, inspect and audit any of the records referred to above wherever they may be located. Interpreters Unlimited agrees to do inspections and audits at reasonable times. Franchisee agrees to keep all records and reports for four (4) years from the date such records are created. Interpreters Unlimited or its designated agents or auditors will have the right at all reasonable times to audit, review and examine by any means, including electronically through the use of telecommunications devices or otherwise, at its expense, the books, records, accounts, and tax returns of Franchisee and the Franchised Business. Any report of Interpreters Unlimited's auditor rendered from time to time pursuant to this Section will be final and binding upon all of the parties hereto. If any such audit, review or examination reveals that Gross Revenue has been understated in any report to Interpreters Unlimited, Franchisee must immediately pay to Interpreters Unlimited the Royalty Fee and Brand Awareness Fee due with respect to the amount understated upon demand, in addition to interest from the date such amount was due until paid, at the rate of one and one-half percent (1.5%) per month. If any such understatement exceeds three percent (3%) of Gross Revenue as set forth in the report, Franchisee will, in addition, upon demand, reimburse Interpreters Unlimited for any and all costs and expenses connected with such audit, review or examination (including, without limitation, travel, lodging, wage expenses, and reasonable accounting and attorneys' fees), and, at Interpreters Unlimited's discretion, Franchisee will submit audited financial statements prepared, at Franchisee's expense, by an independent certified public accountant satisfactory to Interpreters Unlimited. The foregoing remedies are in addition to any other rights and remedies Interpreters Unlimited may have, which will include but are not limited to immediate termination of the Agreement. Should the audit disclose an overpayment of any Royalty Fees or other amounts, Interpreters Unlimited will credit the amount of the overpayment to Franchisee's payments of Royalty Fees next falling due.

7.6 Ownership of Business Records. Franchisee acknowledges and agrees that Interpreters Unlimited owns all business records ("**Business Records**") with respect to customers and other service professionals of, and/or related to, the Franchised Business including, without limitation, all databases (whether in print, electronic or other form), including all contact names, addresses, telephone numbers, e-mail addresses, customer purchase records, and all other records contained in the database, and all other Business Records created and maintained by Franchisee. Franchisee further acknowledges and agrees that, at all times during and after the termination, expiration or cancellation of this Agreement, Interpreters Unlimited may access such Business Records, and may utilize, transfer, or analyze such Business Records as Interpreters Unlimited determines to be in the best interest of the System, in Interpreters Unlimited's sole discretion.

SECTION 8. TRADEMARK STANDARD AND USE REQUIREMENTS

8.1 Ownership. Franchisee disclaims all rights, title and interest in or to the Marks and any goodwill associated with the Marks. Franchisee must not, during or after the term of this Agreement, engage in any conduct directly or indirectly that would infringe upon, harm or contest the rights of Interpreters Unlimited in any of the Marks or the goodwill associated with the Marks, including any use of the Marks in a derogatory, negative or other inappropriate manner in any media, including but not limited to print or electronic media. Franchisee further acknowledges that the Marks designate the origin or sponsorship of the System, the Franchised Business, and the Authorized Services and Products, and that Interpreters Unlimited desires to protect the goodwill of the Marks and to preserve and enhance the value of the Marks. Franchisee acknowledges that any unauthorized use of the Marks will constitute an infringement of Interpreters Unlimited's rights in the Marks and a material event of default hereunder. Franchisee agrees that it will provide Interpreters Unlimited with all assignments, affidavits, documents, information and assistance Interpreters Unlimited reasonably requests to fully vest in Interpreters Unlimited all such rights, title and interest in and to the Marks, including all such items as are reasonably requested by Interpreters Unlimited to register, maintain and enforce such rights in the Marks.

8.2 Changes. Interpreters Unlimited, from time to time in its discretion, may modify all or any part of the Marks. Interpreters Unlimited may require Franchisee to use one or more additional or substitute trade names, trademarks, service marks or other commercial symbols or copyrighted materials. Franchisee will have no rights of damages, offset, or right to terminate this Agreement as a result thereof and Interpreters Unlimited shall have no liability or obligation whatsoever with respect to Franchisee's modification or discontinuance of any Marks. Upon receipt of notice of such modifications, Franchisee, as soon as reasonably possible, will cease using the former Marks and commence using the modified Marks at Franchisee's sole cost and expense.

8.3 Permitted Use. Franchisee will use the Marks only in accordance with the System and in connection with Franchisee's Business, except as Interpreters Unlimited otherwise directs in writing. Franchisee may use the Marks only in connection with the sale of Authorized Services and Products. Franchisee must comply with all trademark, trade name and service mark notice marking requirements, including, without limitation, affixing "SM," "TM," or "®," adjacent to all Marks in any and all uses thereof. The use of any additional words with any of the Marks must have Interpreters Unlimited's prior written consent. Franchisee will not use the Marks in or as a part of its corporate, partnership or other business entity or trade name without the written consent of Interpreters Unlimited, upon such terms and conditions as specified by Interpreters Unlimited. Franchisee shall not claim any ownership in the Marks (in any class in which the Marks may be registered) or the System. Franchisee will not use anything that resembles or is deceptively or confusingly similar to the Marks or the System in any manner or for any purpose, or do anything that would dilute, directly or indirectly, the value of the goodwill associated with the Marks, nor counsel, procure or assist anyone else to do the same.

8.4 Franchisee's Name. Franchisee will use and display the Marks using such signs, advertising and slogans as Interpreters Unlimited may prescribe or approve. Franchisee will also comply with all trademark notice requirements. Franchisee will not use the Marks in or as a part of its corporate, partnership or other Business Entity or trade name without the written consent of Interpreters Unlimited, upon such terms and conditions as specified by Interpreters Unlimited. Franchisee must follow Interpreters Unlimited's requirements for identifying Franchisee as the Person independently owning and operating the Franchised Business pursuant to a franchise agreement with Interpreters Unlimited.

8.5 No Representations or Warranties. **INTERPRETERS UNLIMITED MAKES NO REPRESENTATION OR WARRANTY, EXPRESS OR IMPLIED, AS TO THE USE, EXCLUSIVE OWNERSHIP, VALIDITY OR ENFORCEABILITY OF THE MARKS.**

8.6 Internet and Social Media. Interpreters Unlimited will develop, operate, host or maintain Internet website(s) or other form of e-commerce to coordinate the Internet presence for the System. Interpreters Unlimited will include a location listing for the Franchised Business on Interpreters Unlimited's website at www.interpretersunlimited.com. Franchisee agrees and acknowledges that Franchisee is obligated to comply with Interpreters Unlimited's on-line policy which is subject to change by Interpreters Unlimited from time to time. Interpreters Unlimited will establish for Franchisee an Internet website that is linked to, or part of, Interpreters Unlimited's website. Franchisee agrees and acknowledges that, other than the site established for Franchisee by Interpreters Unlimited, individual franchisee websites are prohibited, and that Franchisee's on-line promotional strategies must comply with Interpreters Unlimited's on-line policy. Franchisee further agrees and acknowledges that Interpreters Unlimited may review and monitor all on-line content on social media sites, blogs, electronic communication and other on-line sites on which its trademarks, service marks, trade names, copyrights or any similar marks are used. Franchisee agrees to remove any usage or content that Interpreters Unlimited requires, including without limitation, content that Interpreters Unlimited deems to be scandalous, immoral or detrimental to Interpreters Unlimited's image. Franchisee further agrees and acknowledges that Interpreters Unlimited may prohibit use of its trademarks, service marks, trade names, copyrights or any similar marks on any site or all sites. Franchisee also agrees and acknowledges that Interpreters Unlimited's online policy may prohibit the use of blogs and social media sites in connection with the Franchised Business. Franchisee will, simultaneously with executing this Agreement, sign the "Assignment of Telephone Numbers, Listings, Internet URLs, and Social Media Identities" form attached as **Addendum B**, in which Franchisee agrees to assign to Interpreters Unlimited all of Franchisee's right, title, and interest to all telephone numbers, listings, Internet URLs, and Social Media Identities that were used by Franchisee in connection with the Franchised Business.

8.7 Litigation Respecting the Marks. Franchisee must notify Interpreters Unlimited within two (2) days after receiving notice of any claim, demand or cause of action based upon or arising from any attempt by any other person, firm or corporation to use the Marks or any colorable imitation thereof. Upon receipt of timely notice of an action, claim or demand against Franchisee relating to the Marks, Interpreters Unlimited will have the exclusive right to contest or bring action against any third party regarding the third party's use of any of the Marks in its sole discretion. Interpreters Unlimited has the right to control all actions but will not be obligated to take any action. In any defense or prosecution of any litigation relating to the Marks or components of the System, Franchisee must cooperate with Interpreters Unlimited, execute any and all documents, and take all actions as may be desirable or necessary in the opinion of Interpreters Unlimited's counsel, to carry out such defense or prosecution. At Interpreters Unlimited's option, Franchisee must join in any action, in which case Interpreters Unlimited shall bear all the out-of-pocket costs of Franchisee for such participation. If Franchisee joins in an action, then the recovery, if any, from such legal action shall be first applied to the total expenses associated therewith and then split equally between Interpreters Unlimited and Franchisee.

SECTION 9. CONDUCT OF THE FRANCHISED BUSINESS

9.1 Licenses and Permits. Franchisee must apply for all required operating permits and licenses immediately after executing this Agreement.

9.2 Maintenance. Franchisee will do all things necessary to comply with the System, including keeping the Franchised Business and all of its equipment and assets (including the Business Office, if Franchisee has one): (i) in good order and repair, and in compliance with the System requirements as set forth in the Operating Manual or as otherwise stated by Interpreters Unlimited; and (ii) in a neat, clean, attractive, safe and sanitary condition; replacing equipment and other assets only with those that have been approved by Interpreters Unlimited as, in Interpreters Unlimited's discretion, they become worn out or otherwise unsuitable for use. If Franchisee operates the Franchised Business from a Business Office, Franchisee will make, at Franchisee's expense, all additions, repairs, replacements improvements and alterations that may be determined by Interpreters Unlimited to be necessary so that the equipment that are viewed by the public will conform to the System's image, as may be prescribed by Interpreters Unlimited from time to time. Franchisee will undertake and complete such additions, repairs, replacements, improvements and alterations within the time and under the terms and conditions, which may be reasonably specified by Interpreters Unlimited.

9.3 Uniforms. When representing Interpreters Unlimited, Franchisee must wear, and must require its employees to wear, uniforms, which uniforms must be purchased from a source approved by Interpreters Unlimited (which may be Interpreters Unlimited or its Affiliate(s)), as stated in the Operating Manual.

9.4 Standards of Operation. Franchisee shall at all times operate the Franchised Business in compliance with the System standards, offer only the Authorized Services and Products, follow operating systems, and comply with other aspects of the System prescribed by Interpreters Unlimited in the Operating Manual, as revised periodically by Interpreters Unlimited, or in other communications from Interpreters Unlimited. The Franchised Business shall be open for business for such days and hours as prescribed periodically by Interpreters Unlimited, subject to local law. Franchisee must implement changes in operational requirements when prescribed, even if additional investment or expenditure is required, subject to the limitation set forth in Paragraph 10.2.

9.5 Duty to Disclose Innovations, Inventions, and Discoveries. If Franchisee, Franchisee's manager(s), employees, or Owners develop any new concept, process or improvement in the operation or promotion of the Franchised Business or Interpreters Unlimited businesses generally (an "**Improvement**"), Franchisee agrees to promptly notify Interpreters Unlimited and provide Interpreters Unlimited with all necessary related information, without compensation. Any such Improvement shall become Interpreters Unlimited's sole property and Interpreters Unlimited shall be the sole owner of all related patents, patent applications, and other intellectual property rights. Franchisee and Franchisee's Owners hereby assign to Interpreters Unlimited any rights Franchisee or Franchisee's Owners may have or acquire in the Improvements, including the right to modify the Improvement, and waive and/or release all rights of restraint and moral rights therein and thereto. Franchisee and Franchisee's Owners agree to assist Interpreters Unlimited in obtaining and enforcing the intellectual property rights to any such Improvement in any and all countries and further agree to execute and provide Interpreters Unlimited with all necessary documentation for obtaining and enforcing such rights. Franchisee and Franchisee's Owners hereby irrevocably designate and appoint Interpreters Unlimited as agent and attorney-in-fact for Franchisee and for them to execute and file any such documentation and to do all other lawful acts to further the prosecution and issuance of patents or other intellectual property right related to any such Improvement. In the event that the foregoing provisions of this Section are found to be invalid or otherwise unenforceable, Franchisee and Franchisee's Owners hereby grant to Interpreters Unlimited a worldwide, perpetual, non-exclusive, fully-paid license to use and sublicense the use of the Improvement to the extent such use or sublicense would, absent this Agreement, directly or indirectly infringe on Franchisee or Franchisee's Owners' rights therein.

9.6 Employees and Supervision. Franchisee must maintain a competent, conscientious, and trained staff, and shall take such steps as are necessary to ensure that its employees preserve good customer relations, render competent, prompt, courteous, and knowledgeable service, and meet such minimum standards as Interpreters Unlimited may establish from time to time in the Operating Manual, or otherwise in writing.

9.7 Franchisee Must Notify Interpreters Unlimited of Lawsuits. Franchisee must notify Interpreters Unlimited in writing within forty-eight (48) hours of notice of the commencement of any action, suit, or proceeding against Franchisee, and of the issuance of any inquiry, subpoena, order, writ, injunction, award or decree of any court, agency, or other governmental instrumentality, which arises out of, concerns, or may affect the operation or financial condition of the Franchised Business, including, without limitation, any criminal action or proceedings brought by Franchisee against its employees, customers, or other persons.

9.8 Participation in Operation of the Franchised Business. Franchisee agrees to personally and directly supervise the operation of the Franchised Business, unless otherwise permitted in writing by Interpreters Unlimited. Franchisee agrees to devote the amount of its time, attention and best efforts to the performance of its duties under this Agreement that is necessary for the proper and effective operation of the Franchised Business. If Franchisee is an individual, Franchise must either serve as or designate a Manager. If Franchisee is an entity, then Franchisee must designate a Manager. Franchisee must inform Interpreters Unlimited in writing as to the identity of its Manager and any successor Manager(s). Franchisee's Manager will have day-to-day management responsibility for the Franchised Business, and must have attended the Initial Training Program. The definition, duties, required hours and responsibilities of the Manager may be set forth in the Operating Manual.

9.9 Disclosure of Ownership Interests. Franchisee and each of its Owners represents, warrants and agrees that **Addendum H** to this Agreement is current, complete and accurate. Franchisee agrees that updates to Addendum H attached hereto will be furnished promptly to Interpreters Unlimited, so that Addendum H (as so revised and signed by Franchisee) is at all times current, complete and accurate. Each Owner shall be an individual acting in his individual capacity, unless Interpreters Unlimited waives this requirement.

9.10 Organizational Documents. If Franchisee is, or at any time becomes, a business corporation, partnership, limited liability company or other legal entity, Franchisee and each of its Owners represents, warrants and agrees that: (a) Franchisee is duly organized and validly existing under the laws of the state of its organization; (b) Franchisee has the authority to execute and deliver the Franchise Agreement and all related agreements and to perform its obligations under all such agreements; (c) the articles of incorporation, partnership agreement or other organizational documents recite that the issuance, transfer or pledge of any direct or indirect legal or beneficial ownership interest in Franchisee is restricted by the terms of the Franchise Agreement; and (d) all certificates representing direct or indirect legal or beneficial ownership interests now or hereafter issued bear a legend in conformity with applicable law reciting or referring to such restrictions.

9.11 Guaranty. Franchisee and each of Franchisee's shareholders, equity owners or each person holding an ownership interest in Franchisee (each, an "**Owner**") must, jointly and severally, guarantee Franchisee's performance of all of Franchisee's obligations, covenants and agreements hereunder pursuant to the terms and conditions of the guaranty attached as **Addendum D** and will otherwise bind themselves to the terms of this Agreement as stated herein. If the ownership interest is acquired after the date of this Agreement, such Owner must sign and provide the guaranty to Interpreters Unlimited within ten (10) days after obtaining the interest as an owner.

9.12 Inspections. For the purpose of making periodic evaluations to ascertain if the provisions of this Agreement are being observed by Franchisee, Interpreters Unlimited or its authorized representatives have the right at all times to observe Franchisee and the operations of the Franchised Business; inspect and evaluate Franchisee's products and services; inspect all equipment and systems used by the Franchised Business; and otherwise record and/or document the services offered or performed by the Franchised Business. Franchisee must provide Interpreters Unlimited or its authorized representatives with access to all information, books, records, operational data and customer information relating to the Franchised Business as Interpreters Unlimited may require, upon giving twenty-four (24) hours notice. Interpreters

Unlimited and its representatives will have the right to discuss with Franchisee, or other personnel Franchisee may designate, all matters that may pertain to compliance with this Agreement and with Interpreters Unlimited's standards, specifications, requirements, instructions and procedures. Franchisee must, in all respects, cooperate with Interpreters Unlimited's rights under this Section; provided that Interpreters Unlimited's exercise of these rights shall not unreasonably interfere with Franchisee's conduct of the Franchised Business.

9.13 Email Account. Franchisee will, at all times, maintain an active email account with Interpreters Unlimited and will check the account at least once each business day.

9.14 Customer Service. Franchisee must use its best efforts to ensure customer satisfaction; use good faith in all dealings with customers, potential customers, referral sources, suppliers and creditors; respond to customer complaints in a courteous, prompt and professional manner; use its best efforts to promptly and fairly resolve customer disputes in a mutually agreeable manner; and take such actions as Interpreters Unlimited deems reasonably necessary or appropriate to resolve customer disputes.

9.15 Merchant Services. Franchisee agrees to maintain, at all times, credit-card relationships with the credit- and debit-card issuers or sponsors, check or credit verification services, financial-center services, merchant service providers, and electronic-fund-transfer systems (together, "**Credit Card Vendors**") that Interpreters Unlimited 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 Wallet"). Franchisee agrees not to use any Credit Card Vendor for which Interpreters Unlimited has not given its prior written approval, or as to which Interpreters Unlimited have revoked its earlier approval. Interpreters Unlimited has the right to modify Interpreters Unlimited's requirements and designate additional approved or required methods of payment and vendors for processing such payments, and to revoke Interpreters Unlimited's approval of any service provider. Franchisee must acquire, at its expense, all necessary hardware and/or software used in connection with these non-cash systems.

9.16 PCI Guidelines. 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 Interpreters Unlimited 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. Franchisee must demonstrate compliance upon reasonable request, which may include having an independent third party Qualified Security Assessor (QSA) conduct a PCI/DSS audit. In the event Franchisee is unable to demonstrate full compliance, Interpreters Unlimited may require that Franchisee engages the services of an approved vendor to assist Franchisee on an ongoing basis. Having a secure managed firewall that meets Interpreters Unlimited's system standards is one part of the current requirement. Franchisee will be required to enter into a contractual relationship directly with Interpreters Unlimited's approved managed firewall vendor.

SECTION 10. AUTHORIZED SERVICES, PRODUCTS, AND INTERPRETERS

10.1 Use of Interpreters. Franchisee acknowledges that Interpreters Unlimited reviews and qualifies interpreters and translators to provide the Authorized Services and Products, and if Interpreters Unlimited approves of a particular interpreter or translator, Interpreters Unlimited contracts directly with such approved interpreter or translator as an independent contractor to provide such Authorized Services and Products (each, an "**Approved Interpreter**") to all Interpreters Unlimited Businesses. Interpreters Unlimited assigns Approved Interpreters to certain geographic zones to provide applicable Authorized Services and Products to Franchisees within such geographic zones. If an Approved Interpreter is able to offer Authorized Products and Services within such Franchisee's applicable geographic zone, Franchisee must use that Approved Interpreter to provide Authorized Products and Services for those language(s) offered by the Approved Interpreter. Franchisee makes the representation and acknowledgement in Paragraph 2.11 regarding Franchisee's use or retention of any interpreter or translator.

10.1.1 Interpreter Approvals. Franchisee will have the right to notify Interpreters Unlimited of an interpreter or translator, whom is not an Approved Interpreter, from whom Franchisee wishes to acquire Authorized Products and Services. Interpreters Unlimited will have the right to request from Franchisee reasonable information and materials regarding the proposed interpreter or translator. Interpreters Unlimited will have five (5) calendar days from the receipt of any such information and materials to approve or disapprove the proposed interpreter or translator, in its sole and absolute discretion. If Franchisee does not receive an approval of a proposed interpreter within the five calendar day period, then the proposed interpreter or translator will be deemed approved. Interpreters Unlimited has the right to charge Franchisee a reasonable fee (as published in its Operating Manual) to compensate Interpreters Unlimited for reviewing any and all information and materials and interviewing any proposed interpreter.

10.1.2 Provision of Services When No Approved Interpreter Available. If an Approved Interpreter is not able to offer Authorized Products and Services required by a Franchisee within such Franchisee's applicable geographic zone, Franchisee will be entitled to acquire such required Authorized Products and Services from an interpreter that has not been approved (an "**Unapproved Interpreter**"), provided that Franchisee promptly notifies Interpreters Unlimited of the identity of such Unapproved Interpreter and the economic terms of the transaction. Interpreters Unlimited will have the right, within two (2) business days of receiving such notice from Franchisee, to disapprove of an Unapproved Interpreter based on Interpreters Unlimited's reasonable business judgment (in which case Franchisee may propose an alternative Unapproved Interpreter, subject to the foregoing conditions). If Interpreters Unlimited does not reject such Unapproved Interpreter, Interpreters Unlimited will contract (or permit Franchisee to contract) with such Unapproved Interpreter for the completion of the job for which the Unapproved Interpreter was proposed only.

10.2 Authorized Services and Products. Franchisee must use and offer for sale all, but only those, Authorized Services and Products. Franchisee acknowledges and agrees that the Authorized Services and Products may be changed by Interpreters Unlimited from time to time and Franchisee is obligated to conform to the then-current requirements as they may change. Franchisee must acquire, by purchase or license as provided herein, all Authorized Services and Products directly from Interpreters Unlimited or its designated or approved suppliers, manufacturers and distributors (which may be Affiliates of Interpreters Unlimited). Subject to the limitations set forth herein, any additional required Authorized Product or Service introduced into the System by Interpreters Unlimited must be offered for sale through the Franchised Business at the time and in the manner required by Interpreters Unlimited, provided, however, that Interpreters Unlimited will provide at least thirty (30) days prior written notice of any new required Authorized Product or Service introduced into the System. All equipment, facilities, vehicles, products, supplies, tools and other items necessary to add the newly required Authorized Product or Service must be acquired, installed, and utilized at the time and in the manner required by Interpreters Unlimited. The marketing of new Authorized Services and Products must begin at the Franchised Business, as reasonably required by Interpreters Unlimited. Interpreters Unlimited will not require Franchisee to offer these new or different Authorized Products or Services if it would require Franchisee to spend more than two thousand dollars ($2,000) during a twelve-month period.

10.3 Software, Application, and Application Services. Franchisee must license the Software and Application, and purchase the Application Services, only from Interpreters Unlimited or its designated Affiliate or other designated supplier. Franchisee understands and acknowledges that the Software, Application, and Application Services are central and essential to the operation of the System, and that Interpreters Unlimited and/or its Affiliates have the exclusive right to sell, or license to others the right to sell, the Software, Application, and Application Services, and that all the Software, Application, and Application Services will be sold or licensed to Franchisee only by Interpreters Unlimited, its Affiliates, or their designee(s).

10.4 Approval of New Suppliers. Depending on Interpreters Unlimited's standards as set forth in the Operating Manual, Franchisee may in some instances request that Interpreters Unlimited approve or designate a new supplier for hardware, equipment, or other items (other than the Software, Application, and Application Services) used in the operation of the Franchised Business by following the procedures, and paying all required fees and expenses for approval, as set forth in the Operating Manual and modified periodically by Interpreters Unlimited in Interpreters Unlimited's discretion. Interpreters Unlimited will have thirty (30) days from the date of any request for approval to approve or disapprove a new supplier. If Interpreters Unlimited does not issue a notice of disapproval within thirty (30) days, then Franchisee's request is deemed approved.

10.5 Acknowledgement of Markup or Rebates. Franchisee acknowledges and agrees that Interpreters Unlimited or its Affiliates have the right to a reasonable markup on all Authorized Services and Products that Franchisee is required to purchase from Interpreters Unlimited its Affiliates, or Approved Interpreters. Franchisee acknowledges that Interpreters Unlimited may receive from designated or approved suppliers of Franchisee's Authorized Services and Products, equipment, inventory, supplies and hardware and software, periodic volume rebates or other revenue or consideration as a result of Franchisee's purchases. Franchisee further acknowledges and agrees that Interpreters Unlimited shall be entitled to keep for its own use and account such rebates and revenue.

SECTION 11. OPERATIONAL ASSISTANCE BY INTERPRETERS UNLIMITED

11.1 Continuing Remote Assistance. Interpreters Unlimited will make a representative reasonably available to speak with Franchisee on the telephone during normal business hours, as Interpreters Unlimited determines is necessary, to discuss Franchisee's operational issues and support needs, as well as to provide technical support to Franchisee relating to the Software and the Application. Interpreters Unlimited may also provide to Franchisee such periodic individual or group advice, consultation and assistance, rendered by telephone, newsletter or bulletins made available from time to time to all Interpreters Unlimited Businesses, as Interpreters Unlimited may deem necessary or appropriate within its sole discretion. Failure by Interpreters Unlimited to provide any particular service, either initial or continuing, will not excuse Franchisee from any of its obligations under this Agreement.

11.2 On-Site Assistance. If Franchisee desires on-site assistance, Interpreters Unlimited may charge Franchisee a reasonable fee for such services as such fee is published in the Operating Manual, and Franchisee must reimburse Interpreters Unlimited for the additional food, lodging, and transportation expenses incurred by Interpreters Unlimited during its site visit.

11.3 Operating Manual. Franchisee shall participate in the System and operate the Franchised Business at the Location in strict compliance with the standard procedures, policies, rules and regulations established by Interpreters Unlimited from time to time and incorporated in Interpreters Unlimited' Operating Manual. Interpreters Unlimited has the right to prescribe additions to, deletions from or revisions of the Operating Manual (the "**Supplements to the Manual**"), all of which will be considered a part of the Operating Manual. All references to the Operating Manual in this Agreement will include the Supplements to the Manual. Supplements to the Manual will become binding on Franchisee as if originally set forth in the Operating Manual, upon being delivered to Franchisee. The Operating Manual and any Supplements to the Manual are material in that they will affect the operation of the Franchised Business at the Location, but they will not conflict with or materially alter Franchisee's rights and obligations under this Agreement. While the Operating Manual is designed to protect the reputation of Interpreters Unlimited and the goodwill of the Marks, they are not designed to control the day-to-day operations of the Franchised Business.

11.3.1 Interpreters Unlimited is permitted to revise the System, Marks, the various training programs offered to franchisees and their employees, and the Operating Manual at any time, by addition, deletion or other modification to the provisions thereof, and such modification shall be made in the sole judgment of Interpreters Unlimited. Such modifications may obligate Franchisee to invest additional capital in the Franchised Business ("**Capital Modifications**") and/or incur higher operating costs.

13.3.2 Upon the execution of this Agreement, Interpreters Unlimited shall loan to Franchisee one (1) copy of the Operating Manual. The Operating Manual may be available only on the Internet. The Operating Manual are copyrighted and remain Interpreters Unlimited's property. They are loaned to Franchisee for the term of the Agreement, and must be returned to Interpreters Unlimited immediately upon the termination or expiration of this Agreement. The materials in the Operating Manual are Confidential Information. Franchisee shall not make, or cause or allow to be made, any copies, reproductions or excerpts of all or any portion of the Operating Manual without Interpreters Unlimited' express prior written consent. Upon the expiration or termination of this Agreement for any reason whatsoever, Franchisee shall immediately return the Operating Manual to Interpreters Unlimited. If Franchisee loses or misplaces Franchisee's copy of the Operating Manual, Franchisee must pay to Interpreters Unlimited a replacement fee of $500 for one (1) replacement copy of the Operating Manual.

11.4 Training. Prior to beginning operation of the Franchised Business, Franchisee and its Manager (if applicable) must attend, and successfully complete, to Interpreters Unlimited's satisfaction, an initial training program in Interpreters Unlimited's System, methods of operation, policies, and any other topics as Interpreters Unlimited may determine necessary or appropriate (but not including instruction regarding matters which would ordinarily be known by an independent contractor) (the "**Initial Training Program**"). Interpreters Unlimited may modify the content and manner of conducting the Initial Training Program in its discretion from time to time. At no extra charge, Interpreters Unlimited shall provide the Initial Training Program at a training facility in California or such other location specified by Interpreters Unlimited, to up to three individuals selected by Franchisee, including the Manager. Franchisee must not commence to operate under the Marks or System until Franchisee's Manager has completed the Initial Training Program to Interpreters Unlimited's satisfaction. All Initial Training Program attendees must execute a confidentiality and non-competition agreement on a form of agreement prescribed by Interpreters Unlimited.

11.4.1 Training Additional Employees. Upon Franchisee's reasonable request and upon payment of an additional training fee of one thousand dollars ($1000.00) per additional person, Interpreters Unlimited will permit additional employees of Franchisee to attend the Initial Training Program from time to time. Should Franchisee have the need to replace its Manager, any replacement Manager must attend the Initial Training Program at a time that it is offered by Interpreters Unlimited, and Franchisee must pay to Interpreters Unlimited an additional training fee of one thousand dollars ($1000.00).

11.4.2 Travel Expenses. Franchisee shall pay all lodging, travel and meals, personal expenses, salary and living expenses incurred by Franchisee and other persons attending the training with Franchisee or any subsequent training attended by Franchisee or its Manager(s) or employees.

11.4.3 No Compensation. Interpreters Unlimited shall pay no compensation for any services performed by trainee(s) in connection with training or other assistance, including providing services for Interpreters Unlimited, its affiliate or another for another Franchisee.

11.4.4 No Initial Training Program. Interpreters Unlimited may, in its discretion elect not to provide the Initial Training Program to Franchisee if: (i) as of the Effective Date, Franchisee or its Authorized Trainer has previously attended and successfully completed the Initial Training Program in connection with the operation of another Interpreters Unlimited Business, or (ii) this Agreement is executed as a successor franchise agreement.

11.5 Additional Training. Interpreters Unlimited may, from time to time, at its discretion, (i) require Franchisee and its employees, or any of them, to attend additional training courses or programs ("**Additional Training**") during the Term, or (ii) make available to Franchisee or its employees, or any of them, optional Additional Training during the Term. The Additional Training may be held on a national or regional basis at locations selected by Interpreters Unlimited to instruct Franchisee with regard to new procedures or programs which Interpreters Unlimited deems, in its reasonable judgment, to be of material importance. The time and place of the Additional Training courses shall be at Interpreters Unlimited's sole discretion. Interpreters Unlimited shall not charge a fee for any Additional Training courses which Franchisee is required to attend, provided, however, Interpreters Unlimited may establish reasonable charges for optional Additional Training courses made available to Franchisee. In addition to any charge Interpreters Unlimited may establish, Franchisee shall pay all travel expenses incurred in connection with attending at such Additional Training courses. Interpreters Unlimited shall pay no compensation for any services performed by trainee(s) in connection with the Additional Training.

11.6 Meetings. Interpreters Unlimited will, in its discretion, hold periodic meetings to discuss sales techniques, new Authorized Services and Products developments, bookkeeping, training, accounting, inventory control, performance standards, advertising programs, procedures and other topics. Franchisee must pay any and all of its own travel and living expenses to attend. These meetings will be held at a location chosen by Interpreters Unlimited in Interpreters Unlimited's discretion. Interpreters Unlimited has the right to require Franchisee to attend such meetings.

11.7 Annual Convention. Interpreters Unlimited may, in its discretion, also hold an annual convention for Interpreters Unlimited franchisees to set forth new methods and programs for operation, training, management, sales or advertising, and other topics. Franchisee or its manager, at Franchisee's expense, must attend all meetings that Interpreters Unlimited sponsors for Interpreters Unlimited franchisees to set forth new methods and programs for operation, training, management, sales or advertising, including but not limited to annual conventions at such locations as Interpreters Unlimited may reasonably designate. Franchisee must also pay all salary and other expenses of each person attending, including any convention fees, travel expenses, meals, living expenses and personal expenses. Franchisee must pay Interpreters Unlimited in advance, in the same manner that Franchisee pays Royalty Fees, a convention fee for each year that an annual convention is held, as established by Interpreters Unlimited, which fee will not in any event exceed one thousand dollars ($1,000) per convention, per person for the purpose of defraying Interpreters Unlimited's cost in conducting such annual convention.

11.8 Request For Proposals.

11.8.1 Franchisee does not have the right to independently respond to a Request for Proposal for the provision of Authorized Services and Products by a company, a governmental or institutional customer within Franchisee's Area of Responsibility. In Interpreters Unlimited's sole discretion, Interpreters Unlimited will prepare and respond to any Request For Proposal. The manner of performance, price, and all other terms contained in Interpreters Unlimited's response to the

Request for Proposal will be determined by Interpreters Unlimited in its sole and absolute discretion.

11.8.2 Interpreters Unlimited will coordinate and conduct the service of any awarded business anywhere, including within Franchisee's Area of Responsibility. If Interpreters Unlimited does conduct service pursuant to a Request for Proposal within Franchisee's Area of Responsibility, Interpreters Unlimited will pay to Franchisee a fee equal to five percent (5%) of the total fees received by Interpreters Unlimited under the contract, in exchange for Franchisee's service as a local representative of, and point of contact for, the System. Franchisee will not be entitled to conduct any service directly, or to any compensation other than that listed in this Section 11.8.

11.8.3 Interpreters Unlimited will not be required to pay Franchisee the fee set forth in Paragraph 11.8.1 above if Franchisee does not use its best efforts to respond to the client(s) under any such contract(s) within 1 business day of any contact by the client(s). Further, Franchisee will not be entitled to any payment if Franchisee or its Manager(s) are not available within 3 business days of a request by Interpreters Unlimited or the client(s) for a personal meeting with any client(s) under any such contract(s).

SECTION 12. ADVERTISING AND PROMOTION

12.1 Franchisee Advertising. All advertising, promotion and marketing by Franchisee must be completely clear and factual and not misleading and conform to the highest standards of ethical marketing and the promotion policies which Interpreters Unlimited prescribes from time to time. Franchisee must submit to Interpreters Unlimited for approval samples of all advertising, promotional and marketing materials that Interpreters Unlimited has not prepared or previously approved before Franchisee uses them. If Franchisee does not receive written disapproval within 15 days after Interpreters Unlimited receives the materials, Interpreters Unlimited will be deemed to have given the required approval. Franchisee may not use any advertising or promotional materials that Interpreters Unlimited has disapproved.

12.2 Marketing Materials. Interpreters Unlimited may, in its sole discretion, make marketing and advertising materials available to Franchisee. Franchisee is not required to obtain prior approval from Interpreters Unlimited before using any marketing or advertising materials obtained from Interpreters Unlimited. Franchisee must fully participate in all such promotional campaigns, prize contests, special offers, and other programs, national, regional, or local in nature (including the introduction of new Authorized Services and Products, new franchises or other marketing programs directed or approved by Interpreters Unlimited), which are prescribed from time to time by Interpreters Unlimited. Franchisee shall be responsible for the costs of such participation. In addition, Franchisee must honor any coupons or other authorized promotional offers of Interpreters Unlimited at Franchisee's sole cost unless otherwise specified in writing by Interpreters Unlimited.

12.3 Minimum Monthly Advertising Expenditures. Franchisee agrees to spend, during each 12-month period during the term of this Agreement, at least 1% of the Gross Revenue of the Franchised Business for the local advertising and promotion of the Franchised Business. During the Term, Franchisee must furnish to Interpreters Unlimited an accounting of Franchisee's previous year's expenditures for advertising and promotion on a form approved by Interpreters Unlimited. If the accounting Franchisee submits does not demonstrate that Franchisee spent at least 1% of its Gross Revenue on local advertising during the relevant period, Franchisee will be required pay to Interpreters Unlimited the shortfall between what Franchisee spent and 1% of its Gross Revenue. Interpreters Unlimited will use those funds for the Brand Awareness Fund.

12.4 Brand Awareness Fund. As set forth in Paragraph 6.3 above, Franchisee must contribute one percent (1%) of its Gross Revenue to the Brand Awareness Fund for the development of marketing, advertising and public relations services throughout the Term of this Agreement. The assessment of this Brand Awareness Fund Fee is uniform for all franchisees, and payment must be made at the same time and in the same manner that Franchisee remits Franchisee's Royalty Fees to Interpreters Unlimited. The following additional terms apply to the Brand Awareness Fund Fee:

12.4.1 Operation of Brand Awareness Fund. National or regional advertising, public relations, and promotions using the Brand Awareness Fund will be started and continued by Interpreters Unlimited, when, in Interpreters Unlimited's sole discretion, Interpreters Unlimited deems that it has accumulated sufficient moneys for that purpose. Interpreters Unlimited's sole discretion, Interpreters Unlimited deems that it has accumulated sufficient moneys for that purpose. The Brand Awareness Fund will be used to promote the System and Approved Products and Services and will not be used for the purpose of selling additional franchises (except to note on advertisements that franchises are available); provided, however, that Franchisee acknowledges and agrees that Interpreters Unlimited may undertake certain activities using funds from the Brand Awareness Fund that have the effect of increasing the visibility of, and interest in, the System by prospective franchisees.

12.4.2 Use of Fund. All payments to the Brand Awareness Fund will be spent on advertising, public relations, market research, trade show attendance, gift card programs, promotion, point-of-sale materials, point-of-sale systems, marketing of goods and services provided by Interpreters Unlimited and outside vendors, including but not limited to marketing agencies, and administration of the Brand Awareness Fund, including but not limited to, salaries, overhead, administrative, accounting, collection and legal costs and expenses. All sums paid to the Brand Awareness Fund will be maintained in an account separate from Interpreters Unlimited's general account. An annual un-audited financial statement of the Brand Awareness Fund, at the expense of the Brand Awareness Fund, will be available one hundred twenty (120) days after Interpreters Unlimited's fiscal year end to Franchisee for review once a year upon Franchisee's request. All sums remaining in the Brand Awareness Fund for any particular year will be carried forward for use during the next year.

12.4.3 No Liability. The Brand Awareness Fund Fee is not refundable for any reason. Although Interpreters Unlimited will endeavor to utilize the Brand Awareness Fund to develop advertising media and marketing programs and to place advertising that will benefit all franchisees, Interpreters Unlimited undertakes no obligation to ensure that expenditures from the Brand Awareness Fund in or affecting any geographic area are proportionate or equivalent to the contributions to the Brand Awareness Fund made by franchisees operating in that geographic area or that Franchisee will benefit directly or in proportion to Franchisee's contribution to the Brand Awareness Fund from the development of advertising and marketing materials or the placement of advertising. Except as expressly provided in this Paragraph 12.4.3, Interpreters Unlimited assumes no direct or indirect liability or obligation to Franchisee with respect to collecting amounts due to, or maintaining, directing or administering the Brand Awareness Fund.

SECTION 13. LIMITATIONS ON COMPETITION AND USE OF CONFIDENTIAL INFORMATION

13.1 Acknowledgement Regarding Confidential Information. Franchisee acknowledges that Franchisee will obtain knowledge of proprietary matters, techniques and business procedures of the System that are necessary and essential to the operation of the Franchised Business, without which information Franchisee could not effectively and efficiently operate such business, including, without limitation, knowledge regarding the System, Confidential Information, the Proprietary Products and Services, and the Operating

Manual. Franchisee further acknowledges that such proprietary information was not known to Franchisee prior to execution of this Agreement. Franchisee further acknowledges and agrees that all of the Confidential Information is the sole property of Interpreters Unlimited, represent valuable assets of Interpreters Unlimited, and that Interpreters Unlimited has the right to use the Confidential Information in any manner it wishes at any time.

13.2 Use and Disclosure of Confidential Information. Franchisee will not use any Confidential Information for any purpose other than in the manner directed by Interpreters Unlimited. Franchisee may disclose Confidential Information only to such of its employees, agents and representatives as reasonably necessary in order to operate the Franchised Business. Franchisee may not, during the term of this Agreement or thereafter, communicate, divulge or use for the benefit of any other person or entity any Confidential Information, except to such employees and independent agents as must have access to it in order to operate the Franchised Business. Any and all Confidential Information may not be used for any purpose other than conducting the Franchised Business. Interpreters Unlimited may require that Franchisee obtain nondisclosure and confidentiality agreements in a form satisfactory to Interpreters Unlimited from any Owners, Franchisee's Manager(s), any individuals that have attended Interpreters Unlimited's training program, and other employees as designated by Interpreters Unlimited in its Operating Manual. Franchisee must provide copies of the executed agreements to Interpreters Unlimited upon request.

13.3 Covenant Not to Compete: During Term. Franchisee specifically acknowledges that, pursuant to this Agreement, Franchisee will receive valuable training and confidential information including, without limitation, information regarding the promotional, operational, sales and marketing methods and techniques of Interpreters Unlimited and the System. Accordingly, Franchisee covenants and agrees that, during the term of this Agreement and any successor term(s), neither Franchisee nor its Owners, Manager(s), officers, directors, managers, members, and partners will not, without the prior written consent of Interpreters Unlimited, directly or indirectly, own, maintain, engage in, or participate in, the operation of any business offering or selling language interpretation or translation services or products, or any business similar to the Franchised Business ("**Competitive Business**") anywhere in the United States.

13.4 Covenant Not to Compete: After Term. For the reasons stated in this Section, Franchisee covenants and agrees that, for a period of three (3) years after the termination of this Agreement or any successor to this Agreement, regardless of the reason, cause, purpose, or source of the termination (including but not limited to the transfer, sale, or assignment of this Agreement by Franchisee), neither Franchisee, its Manager(s) nor Franchisee's Owners, officers, directors, managers, members, or partners will have any direct or indirect interest (e.g. through a relative) as a disclosed or beneficial Owner, investor, partner, director, officer, employee, consultant, representative or agent, in any Competitive Business in the Area of Responsibility, or in the Area of Responsibility of any other Interpreters Unlimited Business.

13.5 Covenant Not to Divert Business or Employees. Franchisee agrees that, during the term or any successor term(s), and for a period of three (3) years after the termination or expiration of this Agreement or any successor agreement(s), Franchisee will not divert, or attempt to divert, any customer of the Franchised Business, or customer of Interpreters Unlimited, or other Interpreters Unlimited Businesses, to any Competitive Business, or attempt to obtain an unfair advantage over Interpreters Unlimited or any Interpreters Unlimited Businesses by employing, or seeking to employ, any of Interpreters Unlimited's employees or the employees of any other Interpreters Unlimited Businesses, or induce or seek to induce, such employees to leave their employment, or offer assistance, in any way, to any Competitive Business.

13.6 Acknowledgements by Franchisee. Franchisee agrees that all covenants in this Agreement and this Paragraph 13 are fair and reasonable in both duration and area, and will not impose any undue hardship on the Franchisee, since Franchisee has other considerable skills, experience, and education which afford Franchisee the opportunity to derive income from other endeavors. Franchisee agrees that the existence of any claims it may have against Interpreters Unlimited, whether or not arising from this Agreement, will not constitute a defense to enforcement by Interpreters Unlimited of the covenants in this Section. Franchisee further acknowledges that a violation of any covenant in this Section will cause irreparable harm to Interpreters Unlimited, the exact amount of which may not ascertainable, and therefore, the Franchisee does hereby consent that in the event of such violation, Interpreters Unlimited will, as a matter of right, be entitled to apply for injunctive relief to restrain Franchisee, or anyone acting for or on its behalf, from violating said covenants. Such remedies, however, are cumulative and in addition to any of the remedies to which Interpreters Unlimited may then be entitled. The covenants set forth in this Section 13 will survive the termination or transfer of this Agreement. Franchisee agrees to pay all costs and expenses, including, without limitation, reasonable attorneys' fees, incurred by Interpreters Unlimited in connection with the enforcement of the covenants in this Section 13. FRANCHISEE EXPRESSLY ACKNOWLEDGES THAT IT POSSESSES SKILLS AND ABILITIES OF A GENERAL NATURE AND HAS OTHER OPPORTUNITIES TO EXPLOIT SUCH SKILLS. CONSEQUENTLY, ENFORCEMENT OF THE COVENANTS SET FORTH ABOVE WILL NOT DEPRIVE FRANCHISEE OF THE ABILITY TO EARN A LIVING.

13.7 Covenants Are Severable; Tolling. The parties agree that each covenant herein is construed to be independent of any other covenant or provision of this Agreement. If all or any portion of the covenants in this Agreement is held unenforceable or unreasonable by a court or agency having competent jurisdiction in any final decision to which Interpreters Unlimited is a party, Franchisee expressly agrees to be bound by any lesser covenant subsumed within the terms of such covenant that imposes the maximum duty permitted by law, as if the resultant covenant were separately stated in and part of this Agreement. Any period of time specified in this Section 13 will be tolled and suspended for any period of time during which Franchisee is in violation of any restrictive covenant.

13.8 Owners and Officers; Family Members. Franchisee will ensure that all of Franchisee's Owners, principals, officers, directors, partners, and members of Franchisee's immediate families execute a confidentiality and non-competition agreement in the form attached as **Addendum E** to this Agreement, or as Interpreters Unlimited, in Interpreters Unlimited's sole discretion, otherwise prescribes.

SECTION 14. ASSIGNMENT

14.1 Assignment by Interpreters Unlimited. Franchisee acknowledges that Interpreters Unlimited maintains a staff to manage and operate the System and that staff members can change as its owners, directors, officers, and employees come and go. Franchisee represents that it has not signed this Agreement in reliance on any particular shareholder, director, officer, or employee remaining with Interpreters Unlimited in that capacity. Interpreters Unlimited may change its ownership or form and/or assign this Agreement and any other agreement to a third party without restriction. After Interpreters Unlimited's assignment of this Agreement to a third party who expressly assumes the obligations under this Agreement, Interpreters Unlimited no longer will have any performance or other obligations under this Agreement.

14.2 Acknowledgement by Franchisee. Franchisee understands and acknowledges that the rights and duties set forth in this Agreement are personal to Franchisee. Accordingly, this Agreement, Franchisee's rights and interests hereunder, the property and assets owned and used by Franchisee in connection with the Franchised Business, and any shares, stock, membership or interest in any corporation, limited liability company, or other entity having an interest in the Franchised Business, shall not be voluntarily or involuntarily, directly or indirectly sold, pledged, assigned, transferred, shared, subdivided, sub-franchised, encumbered or transferred in any way (including, without limitation, in the event of the death of Franchisee if Franchisee is an individual), in whole or in part, in any manner whatsoever without the prior written approval of Interpreters Unlimited, which approval will not be unreasonably withheld or delayed, and in compliance with all terms of this Section 14. Any unauthorized sale, assignment, transfer or other conveyance, by operation of law or otherwise, or any attempt to do so, shall be deemed void and grounds for termination of this Agreement by Interpreters Unlimited. Franchisee acknowledges that the restrictions imposed on any transfer or assignment by Franchisee are reasonable and necessary for Interpreters Unlimited to protect the Marks and the System.

14.3 Consent to Transfer. Franchisee will not transfer or assign, or permit the transfer or assignment, of: (i) the Franchised Business; (ii) this Agreement; (iii) all or substantially all of Franchisee's assets; or (iv) any equity interest in Franchisee, the Franchised Business, or all or substantially all of Franchisee's assets, without Interpreters Unlimited's prior written consent. In any event, however, Interpreters Unlimited's consent to transfer will not be unreasonably withheld. Interpreters Unlimited, in its discretion, may impose conditions on the Transfer, including the following:

14.3.1 The assets of the Franchised Business and this Agreement must be transferred to the same person, persons, or legal entity;

14.3.2 Franchisee must be in full compliance with this Agreement and must pay to Interpreters Unlimited all outstanding debts or amounts owing to Interpreters Unlimited and any Affiliates or suppliers of Interpreters Unlimited;

14.3.3 The transferee must deliver an application, in the form then prescribed by Interpreters Unlimited at least sixty (60) days prior to the effective date of the transfer and, within that time period, demonstrate to Interpreters Unlimited's satisfaction that transferee meets Interpreters Unlimited's then-current requirements for the granting of a license to operate an Interpreters Unlimited Business;

14.3.4 The transferee must have, at Interpreters Unlimited's option, either: (i) assumed this Agreement by a written assumption agreement approved by Interpreters Unlimited (which will include a personal guarantee(s) by the transferee, its principals and/or owners of a beneficial interest in transferee), or have agreed to do so at closing; or (ii) executed a replacement franchise agreement on the standard form of franchise agreement Interpreters Unlimited is then offering to new franchisees, which may differ from this Agreement in all material respects, including but not limited to having a smaller Area of Primary Responsibility and higher or different fees than were granted in this Agreement.

14.3.5 At the expense of either Franchisee or the transferee, upgrade, remodel, or replace the assets used by the Franchised Business, including any and all equipment, to conform to Interpreters Unlimited's then-current standards and specifications for new franchisees, and will complete the upgrading, remodeling, or replacing and other requirements within the time specified by Interpreters Unlimited;

14.3.6 Prior to the date of transfer, or at the first available date and time scheduled after the transfer, the transferee will attend training at Interpreters Unlimited's designated location as required under the-then current Franchise Agreement being used by Interpreters Unlimited, and will pay to Interpreters Unlimited the then-current training fee being charged by Interpreters Unlimited;

14.3.7 Franchisee must sign and deliver to Interpreters Unlimited a general release in Interpreters Unlimited's then-current form (the current form is attached as **Addendum G)** of all claims and causes of action against Interpreters Unlimited and its officers, directors, members, agents, and employees and Affiliates;

14.3.8 Franchisee must be current in its payment obligations to third party suppliers and/or vendors to the Franchised Business, and must not be in default of this Agreement or any other agreements between the Franchisee and Interpreters Unlimited or its Affiliates;

14.3.9 Franchisee must pay (or cause its transferee to pay) a non-refundable Transfer Fee of ten thousand dollars ($10,000.00);

14.3.10 If any part of the sale price is financed, Franchisee must agree that all obligations of the transferee under any promissory note, other payment agreement, or financing statement will be subordinate to the obligations of the transferee to pay the Royalty Fee, Brand Awareness Fee, and other amounts due to Interpreters Unlimited and its Affiliates pursuant to this Agreement.

14.3.11 Franchisee must execute a written agreement not to compete in favor of Interpreters Unlimited and Franchisee's transferee, with terms the same as those set forth in Sections 13.4 and 13.5.

14.4 Payment of Professional Fees. In the event that Franchisee requests Interpreters Unlimited's consent to a transfer but that transfer is not consummated, such that Franchisee does not pay to Interpreters Unlimited the non-refundable Transfer Fee set forth in Paragraph 14.3.9, Franchisee will reimburse all costs incurred by Interpreters Unlimited with respect to the granting of its approval, including but not limited to all of its legal costs with respect to the preparation and execution of the above noted then-current form of Franchise Agreement and other documents relating to the transfer.

14.5 Interpreters Unlimited's Refusal to Renew. Notwithstanding the foregoing, Interpreters Unlimited can refuse to renew this franchise if there have been material disputes or litigation between Interpreters Unlimited during the then-expiring term that were not amicably resolved. Interpreters Unlimited will notify Franchisee of its refusal to renew within 30 days after its receipt of the notice of Franchisee's desire to renew this franchise.

14.6 Right to Require Data. Interpreters Unlimited may require that Franchisee prepare and furnish to transferee and/or Interpreters Unlimited, such financial reports and other data relating to the Franchised Business and its operations as Interpreters Unlimited, in Interpreters Unlimited's sole and exclusive judgment, may deem necessary, appropriate, or helpful for transferee and/or Interpreters Unlimited to evaluate the Franchised Business and the proposed transfer. Franchisee agrees that Interpreters Unlimited has the right to confer with proposed transferee and furnish to transferee information concerning the Franchised Business and proposed transfer without being held liable to Franchisee, except for intentional misstatements made to the proposed transferee. Any such information furnished by Interpreters Unlimited to the proposed transferee is for the sole purpose of permitting the transferee to evaluate the Franchised Business and proposed transfer and must not be construed in any manner or form whatsoever as an earnings claim, financial performance representation, or claim of success or failure by Interpreters Unlimited. Further, Interpreters Unlimited's provision of such information to the proposed transferee must not be construed as an endorsement, warranty, or representation of any type or nature regarding the validity of such information or the potential performance, success, or failure of the proposed transferee.

14.7 Transfer on Death or Permanent Disability. Upon the death or Permanent Disability of Franchisee (if an individual) or the controlling shareholder, member, Owner, or partner if Franchisee is a legal entity, the personal representative of such person shall transfer all right, title and interest in this Agreement or such interest in Franchisee to any approved third party, which may include an heir or legatee that otherwise satisfies Interpreters Unlimited's then-current standards and qualifications for new Franchisee. Such disposition of this Agreement or such interest (including, without limitation, transfer by bequest or inheritance, provided such transfer is in accordance with the requirements of this Paragraph 14.7) shall be completed within a reasonable time, not to exceed six (6) months from the date of death or permanent disability (unless extended by probate proceedings), and shall be subject to all the terms and conditions applicable to transfers contained in this Section 13. Interpreters Unlimited shall have the right, but not the obligation, in Interpreters Unlimited's sole discretion, to operate the Franchised Business or to appoint a representative or designee to operate the Franchised Business, for a period of up to one hundred eighty (180) days, or until such time as Franchisee's interest shall have been transferred to an approved third party, whichever occurs first. Interpreters Unlimited or the appointed representative shall be entitled to retain all revenues, and shall pay all operating expenses from the operation of the Franchised Business, without the right to seek or require reimbursement by Franchisee's estate or personal representative, during the period of operation of the Franchised Business. Failure to transfer the interest in this Agreement or such interest in Franchisee within said period of time shall constitute a breach of this Agreement and shall entitle Interpreters Unlimited to terminate this Agreement without further notice or the opportunity to cure. For purposes hereof, the term "Permanent Disability" shall mean a mental or physical disability, impairment or condition that prevent Franchisee or Franchisee's controlling shareholder, member or partner from performing the essential functions of Franchisee.

14.8 Right of First Refusal. The Franchisee will give Interpreters Unlimited thirty (30) days written notice of intent to sell or otherwise transfer Franchisee's Agreement. The notice will set forth the name and address of the proposed purchaser and all the terms and conditions of any offer. Interpreters Unlimited will have the first option to purchase the Franchised Business by giving written notice to the Franchisee of its intention to purchase on the same terms as the offer within thirty days following Interpreters Unlimited's receipt of such notice. To enable Interpreters Unlimited to determine whether it will exercise its option, Franchisee will provide such information and documentation, including financial statements, as Interpreters Unlimited may require. In the event that Interpreters Unlimited elects to purchase the Franchised Business, closing on such purchase must occur within sixty (60) days from the date of Interpreters Unlimited's notice to the seller of its election to purchase. However, if Interpreters Unlimited fails to exercise its option and the Franchised Business is not subsequently sold to the proposed purchaser for any reason, Interpreters Unlimited will continue to have, upon the same conditions, a first option to purchase the Franchised Business upon the terms and conditions of any subsequent offer.

SECTION 15. BUSINESS AND LEGAL RELATIONSHIP

15.1 Relationship of Parties. It is expressly agreed that the parties intend by this Agreement to establish between Interpreters Unlimited and Franchisee the relationship of franchisor and franchisee. Franchisee has no authority to create or assume in Interpreters Unlimited's name or on behalf of Interpreters Unlimited, any obligation, express or implied, or to act or purport to act as agent or representative on behalf of Interpreters Unlimited for any purpose whatsoever. Neither Interpreters Unlimited nor Franchisee is the employer, employee, agent, partner or co-venturer of or with the other, each being independent. Franchisee will not hold himself out as the agent, employee, partner or co-venturer of Interpreters Unlimited. Neither shall have the power to bind or obligate the other except specifically as set forth in this Agreement. Interpreters Unlimited and Franchisee agree that the relationship created by this Agreement is one of an independent contractor and not a fiduciary relationship.

15.1.1 Interpreters Unlimited will not be obligated for any damages, claim, or obligation to any person or property, directly or indirectly arising out of Franchisee's operation of the Franchised Business, whether or not caused by Franchisee's negligent or willful action or failure to act, or Franchisee's use of the Marks in a manner not in accordance with this Agreement. You must not use any of the Marks in signing any contract or in applying for any license or permit or in a manner that may result in Interpreters Unlimited's liability for Franchisee's debts or obligations.

15.1.2 All employees hired by or working for Franchisee shall be the employees of Franchisee and shall not, for any purpose, be deemed employees of Interpreters Unlimited or subject to

Interpreters Unlimited control, most particularly with respect to any mandated or other insurance coverage, tax or contributions, or requirements pertaining to withholdings, levied or fixed by any city, state or federal governmental agency. Each of the parties shall file its own tax, regulatory and payroll reports, and be responsible for all employee benefits and workers compensation payments, with respect to its respective employees and operations, saving and indemnifying the other party hereto of and from any liability of any nature whatsoever by virtue thereof. Neither this Agreement nor Interpreters Unlimited's course of conduct is intended, nor may anything in this Agreement (nor Interpreters Unlimited's course of conduct) be construed, to state or imply that Interpreters Unlimited is the employer of Franchisee's employees and/or independent contractors, nor vice versa.

15.1.3 Interpreters Unlimited will not have the power to hire or fire Franchisee's employees. Franchisee expressly agrees, and will never contend otherwise, that Interpreters Unlimited's authority under this Agreement to certify certain of Franchisee's employees for qualification to perform certain functions for the Franchised Business does not directly or indirectly vest in Interpreters Unlimited the power to hire, fire or control any such employee. Franchisee alone is solely responsible for all hiring and employment decisions and functions relating to the Franchised Business, including, without limitation, those related to hiring, firing, training, establishing remuneration, compliance with wage and hour requirements, personnel policies, benefits, recordkeeping, supervision, setting hours for, and discipline of employees, regardless of whether Franchisee has received advice from Interpreters Unlimited on these subjects or not. Franchisee agrees that any direction Franchisee receives from Interpreters Unlimited regarding employment policies should be considered as examples, that Franchisee alone is responsible for establishing and implementing Franchisee's own policies, and Franchisee understands that Franchisee should do so in consultation with local legal counsel well-versed in employment law. No employee of Franchisee's will be deemed to be an employee of Interpreters Unlimited for any purpose whatsoever, and nothing in any aspect of the System or the Marks in any way shifts any employee or employment related responsibility from Franchisee to Interpreters Unlimited.

15.1.4 Franchisee acknowledge and agrees, and will never contend otherwise, that Franchisee alone will exercise day-to-day control over all operations and activities of the Franchised Business and that under no circumstance shall Interpreters Unlimited do so or be deemed to do so. Franchisee further acknowledge and agrees, and will never contend otherwise, that the various requirements, restrictions, prohibitions, specifications and procedures of System which Franchisee is required to comply with under this Agreement, whether set forth in the Operating Manual or otherwise, do not directly or indirectly constitute, suggest, infer or imply that Interpreters Unlimited controls any aspect or element of the day-to-day operations of the Franchised Business, which Franchisee alone controls, but only constitute standards Franchisee must adhere to when exercising Franchisee's control of the day-to-day operations of the Franchised Business.

15.2 Evidence of Relationship. Franchisee will hold itself out to the public and its employees as an independent contractor of Interpreters Unlimited by, without limitation, clearly identifying itself to third parties as a licensed, independently owned and operated entity with respect to the ownership and operation of the Franchised Business on all checks, stationery, purchase orders, receipts, marketing materials, envelopes, letterhead, business cards, invoices and other communications, electronic or otherwise.

15.3 Compliance with Laws. Franchisee must conduct at all times the Franchised Business in compliance with all applicable laws pertaining to the business. Franchisee must operate and maintain the Franchised Business in strict compliance with all fire, safety and building codes, the American with Disabilities Act and other requirements that may be prescribed by Interpreters Unlimited or by public authority. Franchisee is solely responsible for the full knowledge and application of all privacy laws, such as the privacy rule(s) in the Health Information Portability and Accountability Act, and employment laws, such as Title VII of the Civil Rights Act, Family and Medical Leave Act, Consolidated Omnibus Budget Reconciliation Act, Fair Labor Standards Act, all state wage and hour laws, worker's compensation, Internal Revenue Code and Immigration laws. In addition, Franchisee must obtain and maintain at all times during the term of this Agreement all necessary permits, certificates, certifications, and/or licenses necessary for Franchisee and Franchisee's employees to operate the Franchised Business.

15.4 Taxes and Regulations. Interpreters Unlimited will not be liable for any sales, service, use, excise, income, gross receipts, property, payroll or other taxes levied against Franchisee or Franchisee's assets or against Interpreters Unlimited in connection with the business Franchisee conducts or any payments Franchisee makes to Interpreters Unlimited pursuant to this Agreement or any other agreement (except for Interpreters Unlimited's own income taxes and any taxes Interpreters Unlimited is required by law to collect from Franchisee on purchases from Interpreters Unlimited). Franchisee will reimburse Interpreters Unlimited for any gross receipts, sales, use or other tax assessed by any taxing authority in the state where the Franchised Business is located, on any fees or other amounts payable by Franchisee to Interpreters Unlimited pursuant to this Agreement. Interpreters Unlimited will not be liable or responsible for Franchisee's compliance (or failure to comply) with any and all Legal Requirements.

SECTION 16. INDEMNIFICATION AND INSURANCE

16.1 Indemnification. Franchisee, and each of the individuals identified on Addendum H (the "**Owners**"), agree that Franchisee will, at all times, indemnify, exculpate, defend and hold harmless, to the fullest extent permitted by law, us, Interpreters Unlimited's successor, assigns, and Affiliates (including but not limited to Interpreters Unlimited, Inc.) and the respective officers, directors, shareholders, agents, representatives, independent contractors, servants, and employees of each of them (the "**Indemnified Parties**") from all losses and expenses incurred in connection with any action, suit, proceeding, claim, damages (actual, consequential, or otherwise), demand, losses, liabilities, actions, lawsuits and other proceedings, judgments, awards, investigation, or inquiry (formal or informal), or any settlement of any of them, which arises out of or is based upon any of the following:

16.1.1 The infringement, alleged infringement or any other violation by Franchisee, Franchisee's Owners or principals of any patent, mark, copyright, or other proprietary right owned or controlled by third parties due to Franchisee's unauthorized use of all or any portion of the Marks and/or System.

16.1.2. Franchisee's, or Franchisee's Owners', violation, breach, or asserted violation or breach of any federal, state, or local law, regulation, ruling or industry standard.

16.1.3. Franchisee's, or Franchisee's Owners', libel, slander, or any other form of defamation.

16.1.4. Franchisee's employment or other contractual relationship with Franchisee's employees, workers, managers, or independent contractors, including but not limited to any allegation, claim, finding, or ruling that Interpreters Unlimited is an employer or joint employer of Franchisee's employees.

16.1.5. Franchisee's, or Franchisee's Owners': (a) violation or breach of any warranty, representation, agreement, or obligation in this Agreement or in any other agreement between Franchisee and Interpreters Unlimited or its Affiliates; (b) acts, errors, or omissions, or those by any of Franchisee's affiliates, any of Franchisee's principals, officers, directors, shareholders, agents, representatives, independent contractors, or employees in connection with the establishment and operation of the Franchised Business, including, but not limited to, any acts, errors, or omissions of any of them in the operation of any motor vehicle or in the establishment or implementation of security for the Franchised Business.

16.1.6. Any damages, incidents, or claims listed in this Section 16.1 that are alleged to be caused by an Indemnified Party's negligence, unless (and then only to the extent that) the claims, obligations, and damages are determined to be caused solely by the Indemnified Party's gross negligence or willful misconduct according to a final, unappealable ruling issued by a court or arbitrator with competent jurisdiction.

Interpreters Unlimited has the right to defend any such action or claim against Interpreters Unlimited at Franchisee's expense. This indemnification will continue in full force and effect subsequent to and notwithstanding the expiration or termination of this Agreement. For the purposes of the indemnification in this Section 16.1 only, the term "claim" also includes all obligations and costs incurred in the defense of any claim against any of the Indemnified Parties, including, without limitation, reasonable accountant, arbitrator, attorney, and expert witness fees, costs of investigation and proof of facts, court costs, and other expenses of litigation, arbitration, or alternative dispute resolution and travel and living expenses.

16.2 Insurance. During the term of this Agreement, Franchisee must maintain in force, at Franchisee's expense and under policies of insurance issued by carriers approved by Interpreters Unlimited, the types of insurance coverage specified in Interpreters Unlimited's Operating Manual. Franchisee must maintain the insurance coverages in the minimum amounts Interpreters Unlimited prescribes from time to time in the Operating Manual. Franchisee must also procure and pay for all other insurance required by state or federal law. The insurance policies must name Interpreters Unlimited as an additional named insured (and not as an additional insured) and must contain terms that require 30 days advance notice to Interpreters Unlimited prior to cancellation of coverage. The insurance policy must contain terms waiving any right of subrogation in favor of Interpreters Unlimited and extend to Franchisee's indemnification obligations under this Agreement. Interpreters Unlimited may periodically increase or decrease the amounts of coverage required under these insurance policies and require different or additional kinds of insurance at any time to reflect inflation, identification of new risks, changes in law or standards of liability, higher damage awards or other relevant changes and circumstances. Franchisee must provide to Interpreters Unlimited copies of each policy within 15 days of obtaining the policy. In the event Franchisee fails to obtain the required insurance and to keep the same in full force and effect, Interpreters Unlimited may, but will not be obligated to, purchase insurance on Franchisee's behalf from an insurance carrier of Interpreters Unlimited's choice, and Franchisee must reimburse Interpreters Unlimited for the full cost of such insurance, within five days of the date Interpreters Unlimited delivers an invoice detailing such costs and expenses to Franchisee, plus an administrative fee equal to twenty percent (20%) of the total cost. Notwithstanding the foregoing, failure of Franchisee to obtain insurance constitutes a material breach of this Agreement entitling Interpreters Unlimited to terminate this Agreement or exercise any, or a combination of, the other default remedies set forth in this Agreement.

SECTION 17. DEFAULT; TERMINATION

17.1 Acknowledgement by Franchisee. Franchisee acknowledges that the strict performance of all the terms of this Agreement is necessary not only for protection of Interpreters Unlimited, but also the protection of Franchisee and other franchisees of Interpreters Unlimited. As a result, Franchisee therefore acknowledges and agrees that performance by Franchisee of each of the covenants and conditions contained herein is a condition precedent to the continuation of this Agreement. Interpreters Unlimited will be entitled to terminate this Agreement only upon Franchisee's commission of a material default as set forth in Paragraphs 17.2 and 17.3 herein.

17.2 Default by Franchisee - No Opportunity to Cure. Interpreters Unlimited has the right, at its option, to (i) suspend performance of certain or all of its services to Franchisee during the time period Franchisee is in default of this Agreement; or (ii) terminate this Agreement and all rights granted Franchisee hereunder (subject to the provisions of applicable state law governing franchise termination and renewal), effective upon receipt of notice by Franchisee, addressed as provided in Paragraph 20.12, upon the occurrence of any of the following events:

17.2.1 Franchisee begins operation of the Franchised Business without Interpreters Unlimited's prior authorization;

17.2.2 Franchisee, or any of its officers, Managers, governors, members or directors, or any Owner is convicted of, or pleads guilty or no contest to, a felony, or any other crime that is likely to adversely affect or reflect upon the Franchised Business or the parties, or to impair the good will associated with the System or the Marks;

17.2.3 Franchisee intentionally or negligently discloses to any unauthorized person the contents of or any part of the Operating Manual or Confidential Information;

17.2.4 Franchisee becomes insolvent or is adjudicated a bankrupt; or any action is taken by Franchisee or by others against Franchisee under any insolvency, bankruptcy or reorganization act, or if Franchisee makes an assignment for the benefit of creditors or a receiver is appointed for Franchisee;

17.2.5 If execution is levied against the Franchised Business or assets or property used in the operation of the Franchised Business, or against any ownership interest in Franchisee, or if any real or personal property of Franchisee's Business is sold after levy thereupon by any sheriff, marshal, or constable against Franchisee's interest in such property;

17.2.6 Any material judgment (or several judgments which in the aggregate are material) is obtained against Franchisee and remains unsatisfied or of record for thirty (30) days or longer (unless a supersedes or other appeal bond has been filed); or if execution is levied against any of Franchisee's assets or property used in the operation of the Franchised Business and is not discharged within five days; or if the real or personal property of the Franchised Business is sold after levy thereupon by any sheriff, marshal or constable;

17.2.7 Franchisee abandons or ceases to continuously operate the Franchised Business for a period of five (5) consecutive days, unless precluded from doing so by damage to the premises of the Business due to war, act of God, civil disturbance, natural disaster, labor dispute or other events beyond Franchisee's reasonable control;

17.2.8 Franchisee submits on two or more occasions during the term a report, financial statement, tax return, schedule or other information or supporting record which understates its Gross Revenue by more than two percent (2%), unless Franchisee demonstrates that such understatement resulted from inadvertent error;

17.2.9 Franchisee fails, or refuses, to submit any report, financial statement, tax return, schedule or other information or supporting records required herein, or submits such reports more than five (5) days late on more than (2) occasions during the Term unless due to circumstances beyond the control of Franchisee;

17.2.10 Franchisee fails to pay any amounts due Interpreters Unlimited or its Affiliates within ten (10) days after receiving notice that such fees or amounts are overdue;

17.2.11 Franchisee misuses or fails to follow Interpreters Unlimited's directions and guidelines concerning use of the Marks and fails to correct the misuse or failure within ten (10) days after notification from Interpreters Unlimited;

17.2.12 Franchisee has received more than two (2) notices of default with respect to Franchisee's obligations hereunder from Interpreters Unlimited within a twelve (12) month period, regardless of whether the defaults were cured by Franchisee;

17.2.13 Franchisee fails to comply with the provisions of this Agreement with respect to transfers and assignment of the Franchised Business or any of the assets used in connection with the Franchised Business;

17.2.14 Any representations or warranties made by Franchisee in this Agreement prove to be materially untrue at the time they were made;

17.2.15 Franchisee operates the Franchised Business in a manner that violates any federal, state, or local law, rule, regulation or ordinance;

17.2.16 Franchisee sells or offers for sale any unauthorized merchandise, product or service, engages in any unauthorized business or practice or sells any unauthorized product or service under the Marks or under a name which is confusingly similar to the Marks;

17.2.17 Franchisee is a corporation, limited liability company, partnership or other business entity and any action is taken which purports to merge, consolidate, dissolve or liquidate such entity without Interpreters Unlimited's prior written consent;

17.2.18 Franchisee or its Manager fails to successfully complete Interpreters Unlimited's training or re-training course(s);

17.2.19 Franchisee receives from Interpreters Unlimited during the term more than three notices of default regardless whether such notices of default relate to the same or different defaults, or whether such defaults have been remedied by Franchisee;

17.2.20 Franchisee engages in any activity that has a material adverse effect on Interpreters Unlimited or the Marks;

17.2.21 Franchisee fails to discharge any valid lien that exceeds $10,000 placed against the property of the Franchised Business;

17.2.22 Franchisee engages in dishonest or unethical conduct; or

17.2.23 Franchisee makes any misrepresentation under Paragraph 2.10 or any violation of Anti-Terrorism Laws by Franchisee, its Owners, officers, directors, managers, members, partners, agents or employees.

17.3 Default by Franchisee - Opportunity to Cure. Interpreters Unlimited shall have the right, at its option, to (i) suspend performance of certain or all of its services to Franchisee during the time period Franchisee is in default of this Agreement; (ii) reduce the size of Franchisee's Area of Operations, as determined by Interpreters Unlimited in Interpreters Unlimited's discretion, or (iii) terminate this Agreement (subject to any state laws to the contrary, where state law shall prevail), effective upon thirty (30) days written notice to Franchisee, if Franchisee breaches any other provision of this Agreement and fails to cure the default during such thirty (30) day period. In that event, this Agreement will terminate without further notice to Franchisee, effective upon expiration of the thirty (30) day period. Defaults shall include, but not be limited to, the following:

17.3.1 Franchisee fails to comply with or maintain the then-current operating procedures and standards established by Interpreters Unlimited as set forth herein or in the Operating Manual or otherwise communicated to Franchisee;

17.3.2 Franchisee fails, refuses or neglects to obtain Interpreters Unlimited's prior written approval or consent as required by this Agreement;

17.3.3 Franchisee, or any partnership, joint venture, limited liability company, corporation or other business entity in which Franchisee has a controlling equity interest or which has a controlling interest in Franchisee, defaults under any term of any other franchise agreement with Interpreters Unlimited or any other agreement material to the Franchised Business and such default is not cured within the time specified in the applicable agreement;

17.3.4 Franchisee fails to comply with any other provision of this Agreement, or any specification, standard or operating procedure prescribed by Interpreters Unlimited.

Notwithstanding the foregoing, if the breach is curable, but is of a nature which cannot be reasonably cured within such thirty (30) day period and Franchisee has commenced and is continuing to make good faith efforts to cure the breach during such thirty (30) day period, Franchisee shall be given an additional reasonable period of time to cure the same, but in no event longer than thirty (30) additional days.

17.4 Default by Interpreters Unlimited. Franchisee may terminate this Agreement by notice to Interpreters Unlimited if Interpreters Unlimited fails to perform any of Interpreters Unlimited's material obligations contained in this Agreement, and such failure continues for a period of thirty (30) days after notice to Interpreters Unlimited setting out the failure in reasonable detail. If the failure is such that it cannot reasonably be cured within such thirty (30) day period, Franchisee may not terminate this Agreement as long as Interpreters Unlimited begins the cure within the thirty (30) days and proceeds diligently and in good faith to accomplish the cure.

17.5 No Accord and Satisfaction. No endorsement or statement on any check or payment of any sum less than the full sum due to Interpreters Unlimited shall be construed as an acknowledgment of payment in full or an accord and satisfaction, and Interpreters Unlimited may accept and cash such check or payment without prejudice to its right to recover the balance due or pursue any other remedy provided herein or by law. Interpreters Unlimited may apply any payments made by Franchisee against any past due indebtedness of Franchisee as Interpreters Unlimited may see fit. Interpreters Unlimited may set off against any payment due to Franchisee hereunder any outstanding debts of Franchisee to Interpreters Unlimited, and may, at Interpreters Unlimited's option, pay Franchisee's trade creditors out of any sum otherwise due to Franchisee.

17.6 Effect of Other Laws. The provisions of any valid, applicable law or regulation prescribing permissible grounds, cure rights or minimum periods of notice for termination of this franchise will supersede any provision of this Agreement that is less favorable to Franchisee than such law or regulation.

SECTION 18. CONSEQUENCES UPON TERMINATION / EXPIRATION

18.1 Rights and Duties of Parties Upon Expiration or Termination. Upon termination or expiration of this Agreement:

18.1.1 Franchisee will immediately cease to be licensed to operate, and will in fact cease operating, the franchise licensed hereunder. All rights granted to the Franchisee and all obligations incurred by Interpreters Unlimited under the terms of this Agreement will immediately terminate without notice. All such rights will revert to Interpreters Unlimited. The Franchisee will remain responsible for any compensation due to Interpreters Unlimited from the Franchisee, for any damages incurred by Interpreters Unlimited, and for any other causes of action that Interpreters Unlimited may have against the Franchisee.

18.1.2 Franchisee will strictly observe all provisions of this Section and the Franchisee will strictly comply with all covenants not to compete and to maintain the secrecy of the Confidential Information, as well as all other terms in this Agreement that, by their nature, survive the expiration or termination of this Agreement for any reason.

18.1.3 Franchisee will pay Interpreters Unlimited all sums owed to Interpreters Unlimited or Interpreters Unlimited's Affiliates or subsidiaries under the terms of any agreement, within fifteen (15) days of termination or expiration of this Agreement, or such later date that any amounts due have been determined. Said sums will also include: (i) lost profits and/or lost future Royalty Fees through the end of the Term; and (ii) all other costs and expenses, including, without limitation, reasonable attorneys' fees, costs, and expenses incurred by HCA in obtaining injunctive or other relief to enforce the provisions of this Agreement.

18.1.4 Franchisee will immediately cease to use, in any manner whatsoever, the Marks and any and all names that Interpreters Unlimited has permitted the Franchisee to use at any time during the Term of the Agreement, or any and all variations of those names, or any forms, manuals, slogans, signs, marks, symbols or devices used in connection with the operation of the franchise. The Franchisee will not promote in its advertising, or indicate in any of its written materials, that Interpreters Unlimited and the Franchisee were formerly parties to this Agreement, or that the Franchisee did business under any of the Marks licensed for use by Interpreters Unlimited.

18.1.5 Franchisee hereby acknowledges that all telephone numbers, facsimile numbers, Internet addresses, and social media identities used in the operation of the Franchised Business constitute assets of Interpreters Unlimited, and upon termination or expiration of this Agreement, Franchisee shall take such action within five (5) days to cancel or assign to Interpreters Unlimited or its designee as determined by Interpreters Unlimited, all Franchisee's right, title and interest in and to Franchisee's telephone numbers, facsimile numbers and Internet addresses and shall notify the telephone company and all listing agencies of the termination or expiration of Franchisee's right to use any telephone number, facsimile number, Internet and e-mail addresses, social media identities, and any regular, classified or other telephone directory listing associated with the Marks and to authorize a transfer of same to or at the direction of Interpreters Unlimited. Such assignment shall be done on a "Collateral Assignment of Telephone Numbers, Listings, and Internet Addresses and Social Media Identities" form, attached as **Addendum B**, which Franchisee agrees to execute in connection with this Agreement. Franchisee will furnish Interpreters Unlimited evidence, satisfactory to Interpreters Unlimited, of compliance with these obligations within thirty (30) days after said termination.

18.1.6 If Franchisee has a Business Office, Franchisee will, at the request of Interpreters Unlimited, take all necessary steps to modify the appearance of the premises so that it no longer looks like an Interpreters Unlimited franchise. Franchisee gives Interpreters Unlimited the right to enter upon the premises of the Franchised Business, without being guilty of trespass or any other tort, for the purpose of making or causing to be made such changes as may be required to identify the premises. Any expenses incurred by Interpreters Unlimited in making these changes are recoverable as damages by Interpreters Unlimited.

18.1.7 Franchisee will immediately turn over to Interpreters Unlimited all Confidential Information, records, files, computer programs, software, customer lists, records, files, instructions, correspondence and brochures, and any and all other confidential or proprietary materials relating to the Franchised Business, and Franchisee will retain no copy or record of any of the foregoing, with the exception only of Franchisee's copy of this Agreement, correspondence between the parties and any other documents which the Franchisee reasonably needs for compliance with any provision of law.

18.1.8 If Franchisee has a Business Office, then, at Interpreters Unlimited's option, exercisable by Interpreters Unlimited upon written notice to Franchisee, Franchisee will take any and all steps necessary to assign to Interpreters Unlimited, Franchisee's right, title, and interest in any lease for the Franchised Business. To this end, Franchisee will, upon negotiating and executing the lease for the Franchised Business, request that the landlord include in the lease a provision allowing the assignment between Interpreters Unlimited and Franchisee without requiring any additional consideration.

18.2 Remedies Not Exclusive. No right or remedy herein conferred upon, or reserved to Interpreters Unlimited, is exclusive of any other right or remedy herein, or by law or equity provided or permitted, but each is cumulative of every other right or remedy given hereunder.

18.3 Purchase of Assets by Interpreters Unlimited. Interpreters Unlimited will have the right (but not the duty) to purchase any or all physical assets of the franchise including leases, products, equipment, displays, signs, advertising materials, supplies and other items bearing Interpreters Unlimited's Marks, at the Franchisee's cost or fair market value, whichever is less. Interpreters Unlimited's right to purchase assets must be exercised by Interpreters Unlimited's giving written notice to Franchisee of its intent to do so within thirty (30) days after termination or expiration. If the parties cannot agree on the fair market value within a reasonable time, the parties will appoint an independent appraiser, and his/her determination is binding. The parties will each pay one-half of the cost of the appraisal. If Franchisee and Interpreters Unlimited cannot agree on an independent appraiser within a reasonable time, each of them will designate an independent appraiser, and an average of the two appraised values will be binding. In that case, each party will pay for its own appraiser. Appraised values will exclude any and all consideration for goodwill or going concern value created by the Marks and System licensed to Franchisee hereunder. If Interpreters Unlimited elects to exercise any option to purchase, it will have the right to set off all amounts due from the Franchisee under this Agreement, and the cost of the appraisal, if any, against any payment therefore.

SECTION 19. DISPUTE RESOLUTION

19.1 Mediation. All claims or disputes between Franchisee and Interpreters Unlimited or its Affiliates arising out of, or in any way relating to, this Agreement, or any of the parties' respective rights and obligations arising out of this Agreement, shall be submitted first to mediation prior to a hearing in binding arbitration or a trial court proceeding. Such mediation shall take place in San Diego, California (or Interpreters Unlimited's then-current headquarters) under the auspices of the American Arbitration Association ("**AAA**"), in accordance with AAA's Commercial Mediation Rules then in effect. Franchisee may not commence any action against Interpreters Unlimited or Interpreters Unlimited's Affiliates with respect to any such claim or dispute in any court unless mediation proceedings have been terminated either: (i) as the result of a written declaration of the mediator(s) that further mediation efforts are not worthwhile; or (ii) as a result of a written declaration by Interpreters Unlimited. The parties shall each bear their own costs of mediation and shall share equally the filing fee imposed by AAA and the mediator's fees. Interpreters Unlimited reserves the right to specifically enforce its right to mediation. Prior to mediation, and before commencing any legal action against Interpreters Unlimited or Interpreters Unlimited's Affiliates with respect to any such claim or dispute, Franchisee must submit a notice to Interpreters Unlimited, which specifies in detail, the precise nature and grounds of such claim or dispute. Interpreters Unlimited shall not be required to first attempt to mediate a controversy, dispute or claim against Franchisee through mediation as set forth in this Section if such controversy, dispute or claim concerns an allegation by Interpreters Unlimited that Franchisee have violated (or threaten to violate, or pose an imminent risk of violating): (a) any of Interpreters Unlimited's federally protected intellectual property rights in the Marks, the System, or in any of Interpreters Unlimited's trade secrets or confidential information; (b) any claims pertaining to or arising out of any warranty issued; or (c) any of the restrictive covenants contained in this Agreement.

19.2 Arbitration. Except as specifically provided in this Agreement, the parties agree that any and all disputes between them, and any Claim by either party that cannot be amicably settled, is submitted to binding arbitration before a single arbitrator in accordance with the commercial arbitration rules of AAA. At the option of either party, the arbitrator will be selected from a list of retired federal or state judges supplied by AAA, if available. This agreement to arbitrate is enforceable through a motion to compel arbitration filed with a court that has jurisdiction over such matter. The arbitrator will issue a written opinion explaining the reasons for his or her decision and award and will have the right to award or include in the award specific performance of this Agreement. The award of the arbitrator may include reasonable costs and attorney's fees to the prevailing party, and such awards is binding upon all parties and may be entered as a judgment in any court having jurisdiction. **Binding arbitration will take place in San Diego, California at such location as the parties mutually agree to in writing and, if the parties cannot agree, then in offices of AAA or its successor, closest to Interpreters Unlimited.** All questions of arbitrability and application of this Section 19.2 to any dispute between the parties will be determined exclusively by the arbitrator.

19.3 Limitations on Scope of Arbitration. Franchisee and Interpreters Unlimited agree to be bound by the provisions of any limitation on the period of time in which Claims must be brought under applicable law and under Paragraph 0 of this Agreement, whichever expires earlier. Franchisee and Interpreters Unlimited further agree that, in connection with any such arbitration proceeding, each party must submit or file any Claim which would constitute a 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. Any such Claim which is not submitted or filed as described above will be forever barred. **Franchisee and Interpreters Unlimited agree that any dispute or disagreement between the parties will be considered unique as to its facts and will be conducted on an individual, not class-wide, basis, and that any legal proceeding instituted by either party cannot be consolidated with any other arbitration proceeding between Interpreters Unlimited and any other person, corporation, limited liability company, or partnership. Not previous course of dealing will be admissible to explain, modify, or contradict the express terms of this Agreement. No implied covenant of good faith and fair dealing may be used to alter the express terms of this Agreement.**

Franchisee's Initials:________

19.4 Claims Excluded. Despite the above obligation to arbitrate, Interpreters Unlimited is not required to arbitrate claims relating to Franchisee's unauthorized or improper use of any of Interpreters Unlimited's Marks or Confidential Information, or claims relating to Franchisee's compliance with non-monetary obligations after termination or expiration of this Agreement.

19.5 Injunctive Relief. Franchisee acknowledges that a breach of this Agreement by Franchisee, which relates to any of the matters set out below, will cause irreparable harm to Interpreters Unlimited for which monetary damages are an inadequate remedy. Therefore, in addition to any other remedies Interpreters

Unlimited has under this Agreement, Interpreters Unlimited is entitled to seek and obtain the entry of temporary and permanent injunctions and orders of specific performance enforcing the provisions of this Agreement with respect to: (i) the Marks; (ii) the System; (iii) the obligations of Franchisee upon termination or expiration of this Agreement; (iv) Transfers; (v) Confidential Information; and (vi) any act or omission by Franchisee or Franchisee's employees that; (a) constitutes a violation of any Legal Requirement; (b) is dishonest or misleading to customers of the Franchised Business or other Interpreters Unlimited Businesses; (c) constitutes a danger to the employees or customers of the Franchised Business or to the public; or (d) may impair the goodwill associated with the Marks or the System. Neither party is required to post a bond or other security with respect to obtaining injunctive relief.

19.6 Enforcement. During the term of this Agreement, if Franchisee does not give Interpreters Unlimited written notice of the alleged breach within one (1) year from the date that Franchisee has knowledge of circumstances reasonably indicating that Franchisee may have a claim for Interpreters Unlimited's breach of this Agreement, then the alleged breach is deemed to be waived by Franchisee in all respects and Franchisee will be barred from commencing any legal or other action against Interpreters Unlimited for the alleged breach. Furthermore, upon expiration or termination of this Agreement, Franchisee may not assert any Claim or cause of action against Interpreters Unlimited relating to this Agreement, the relationship between the parties or the Franchised Business unless commenced within one (1) year following the effective date of expiration or termination of this Agreement. Notwithstanding the preceding two sentences, where the one (1) year limitation of time is prohibited or invalid by or under any applicable law, then, and in that event, no suit or action may be commenced or maintained unless commenced within the applicable statute of limitations.

19.7 Attorneys' Fees. All reasonable and necessary costs and expenses, including attorney's fees, incurred by Interpreters Unlimited or Franchisee in enforcing any provisions of this Agreement, or in defending against any Claims made against one by the other with respect to this Agreement, whether through injunctive relief or otherwise, will be paid to the prevailing party in such action by the other party.

19.8 Waiver of Punitive Damages. Franchisee hereby waives to the fullest extent permitted by law, any right to or claim for any punitive, exemplary, incidental, indirect, special or consequential damages (including, without limitation, lost profits) against Interpreters Unlimited arising out of any cause whatsoever (whether such cause be based in contract, negligence, strict liability, other tort or otherwise) and agree that in the event of a dispute, Franchisee's recovery is limited to actual damages. If any other term of this Agreement is found or determined to be unconscionable or unenforceable for any reason, the foregoing provisions shall continue in full force and effect, including, without limitation, the waiver of any right to claim any consequential damages.

19.9 19.3.4. WAIVER OF PUNITIVE DAMAGES AND JURY TRIAL. THE PARTIES HEREBY WAIVE, TO THE FULLEST EXTENT PERMITTED BY LAW, ANY RIGHT TO OR CLAIM FOR ANY PUNITIVE, MULTIPLE, EXEMPLARY, INCIDENTAL, INDIRECT, SPECIAL OR CONSEQUENTIAL DAMAGES AGAINST ONE ANOTHER ARISING OUT OF ANY CAUSE WHATSOEVER (WHETHER SUCH CAUSE IS BASED IN CONTRACT, NEGLIGENCE, STRICT LIABILITY, OTHER TORT OR OTHERWISE), AND AGREE THAT IN THE EVENT OF A DISPUTE BETWEEN YOU AND US, EACH OF THE PARTIES WILL BE LIMITED TO THE RECOVERY OF ANY: (A) ACTUAL DAMAGES SUSTAINED BY IT; AND (B) TRADEMARK LAW TREBLE DAMAGES. IF SUCH CLAIMS AND DEMANDS CANNOT BE WAIVED BY LAW, THEN THE PARTIES AGREE THAT ANY RECOVERY WILL NOT EXCEED TWO (2) TIMES ACTUAL DAMAGES. TO THE EXTENT THAT A LEGAL PROCEEDING IN COURT IS EXPRESSLY AUTHORIZED BY THIS AGREEMENT, WE AND YOU IRREVOCABLY WAIVE TRIAL BY JURY IN ANY ACTION, PROCEEDING, OR COUNTERCLAIM, WHETHER AT LAW OR IN EQUITY.

SECTION 20. GENERAL PROVISIONS

20.1 Severability. All provisions of this Agreement are severable. If pursuant to the decision of any court having jurisdiction, any provisions, in whole or in part are not enforceable, the remainder of this Agreement will continue to be in full force and effect, and the affected provisions are superseded and modified by such applicable law.

20.2 Approvals. Whenever this Agreement requires the prior approval or consent of Interpreters Unlimited before Franchisee takes any action, Franchisee will make a timely written request to Interpreters Unlimited therefore, and such approval or consent is obtained in writing. Interpreters Unlimited will not unreasonably withhold or unreasonably delay its response. By providing any waiver, approval, consent, or suggestion to Franchisee or in connection with any consent, or by reason of any neglect, delay, or denial of any request therefore, Interpreters Unlimited makes no warranties or guarantees upon which Franchisee may rely, and assumes no liability or obligation to Franchisee.

20.3 Waiver. The failure, refusal or neglect of one party to require the other party to comply with any provision of this Agreement, in whole or in part, does not constitute a waiver by the former of its right to require full compliance with the same or different provisions in the future, regardless of the acceptance of payments or performance by the party seeking compliance. Any election by Interpreters Unlimited to take action or failure by Interpreters Unlimited to take action with regard to any particular default or breach by Franchisee will not affect or impair Interpreters Unlimited's rights with respect to any subsequent default or breach of the same, similar or different nature, nor will any delay, forbearance, or omission, breach or default by Interpreters Unlimited to exercise any power or right arising out of any breach or default by Franchisee of any of the terms, provisions, or covenants hereof, affect or impair Interpreters Unlimited's right to exercise the same, nor will such constitute a waiver by Interpreters Unlimited of any preceding breach by Franchisee of any terms, covenants or conditions of this Agreement.

20.4 Governing Law. Except to the extent governed by the United States Trademark Act of 1946, as amended (Lanham Act, 15 U.S.C. Section 1051 et seq.), this Agreement is governed by and interpreted in accordance with the laws of the state where the Area of Primary Responsibility is located and all legal relations among the parties hereto. If any provision of this Agreement is impermissible under the governing laws of the state where the Area of Primary Responsibility is located or applicable federal law, the provision will be deemed amended to conform to that law while maintaining to the maximum extent possible the original intent of the provision, or if the provision as amended cannot substantially maintain the original intent, then the provision will be deemed deleted. Franchisee expressly waives any rights or protections Franchisee has or may have under any statute or law of any other state to the fullest extent permitted by law.

20.5 Choice of Forum. **Subject to, and without affecting any other provisions of this Agreement, including the provisions regarding dispute resolution and arbitration in this Agreement, any cause of action, claim, suit or demand allegedly arising from or related to the terms of this Agreement or the relationship of the parties must be brought in a court of competent jurisdiction in San Diego, California. Both parties irrevocably submit themselves to, and consent to, the exclusive jurisdiction of said courts.** The provisions of this Section will survive the termination of this Agreement. Franchisee is aware of the business purposes and needs underlying the language of this Section, and with complete understanding, agrees to be bound in the manner set forth.

20.6 Successors Bound. This Agreement is binding upon the parties and their respective, heirs, successors and Transferees.

20.7 Entire Agreement. This Agreement, together with any Addenda and Appendices, constitutes the entire agreement between the parties with respect to the entire subject matter of this Agreement and supersedes and embodies all prior agreements and negotiations with respect to Franchisee's Business, authorized hereunder. **Franchisee acknowledges and agrees that Franchisee has not received any representation, warranty or guarantee, express or implied, as to the potential volume, profits or success of Franchisee's Business. There are no representations or warranties of any kind, express or implied, except as contained in this Agreement.** Nothing in this or in any related agreement, however, is intended to disclaim the representations that Interpreters Unlimited made in the Franchise Disclosure Document that Interpreters Unlimited furnished to Franchisee.

20.8 Force Majeure. Except for monetary obligations hereunder, or as otherwise specifically provided in this Franchise Agreement, if either party to this Agreement is delayed or hindered in or prevented from the performance of any act required under this Agreement by reason of strikes, lock-outs, labor troubles, inability to procure materials, failure of power, restrictive governmental laws or regulations, riots, insurrection, war, acts of terrorism or other causes beyond the reasonable control of the party required to perform such work or act under the terms of this Agreement, then performance of such act is excused for the period of the delay, but in no event to exceed ninety (90) days from the stated time periods as set forth in this Agreement.

20.9 Changes. Oral modifications to this Agreement, including those by way of release, amendment, waiver or otherwise, are not valid or enforceable. Changes may be made only by a written agreement signed by a duly authorized representative of each party. Any modification, approval, authorization or waiver granted in this Agreement required to be effective by signature will be valid only if in writing executed by the parties. The State Addendum to Franchise Agreement attached to the Franchise Disclosure Document as **Exhibit 5** is hereby incorporated by reference, but only to the extent that it applies to Franchisee.

20.10 Headings. The headings of the sections and paragraphs are for convenience only and do not define, limit or construe their contents.

20.11 Interpreters Unlimited's Rights. Whenever this Agreement provides that Interpreters Unlimited has a certain right, that right is absolute and the parties intend that Interpreters Unlimited's exercise of that right will not be subject to any limitation or review. Interpreters Unlimited has the right to operate, administrate, develop, and change the System in any manner that is not specifically precluded by the provisions of this Agreement.

20.12 Notices. Any notices required or permitted will be in writing, given in advance and may be delivered personally, by fax, by United States Priority Mail or by reliable expedited delivery companies including Federal Express, Airborne Express and DHL. Notices by fax are deemed delivered and received upon transmission. Notices by United States Priority Mail are deemed delivered and received on the second day immediately following the day on which the notice was given to the United States Postal Service. Notices by expedited delivery are deemed delivered and received on the day immediately following the day on which the notice was given to the expedited delivery company. Information for notices is as follows, and Franchisee will immediately notify Interpreters Unlimited of any changes to the information hereunder:

To Interpreters Unlimited:	**To Franchisee:**
Interpreters Licensing International, Inc.	____________________
10650 Treena Street	____________________
Suite 308	____________________
San Diego, CA 92131	

20.13 Execution/Counterparts. Two copies of this Agreement may be signed, each of which, when signed, is an original, and which, together, constitute one and the same instrument. This Agreement may be executed in two or more counterparts, each of which constitutes an original, and all of which, when taken together, constitutes one Agreement.

20.14 Joint and Several Liability. The liability of all persons signing this Agreement on behalf of Franchisee is joint and several.

20.15 Survival. All provisions, including the understandings, representations and warranties, which, as a matter of logic or otherwise, need to continue in force and effect subsequent to and notwithstanding the expiration or termination of this Agreement in order to achieve an intended result, will continue in full force and effect despite the absence of such specific language with respect to each of them.

20.16 No Third Party Beneficiaries. This Agreement is for the sole benefit of the parties and is not for the benefit of any third parties.

20.17 Cumulative Rights. The remedies provided for in this Agreement are not exclusive. Either party is free to pursue such other remedies as may be available at law or in equity.

20.18 Use of Definitions/Terms. The use of another tense of the defined term, or its use as a noun, adjective or adverb, or otherwise, means the same as the defined term, modified by the context of the sentence in which it is used. All personal pronouns, whether used in the masculine, feminine or neuter gender, include all genders; the singular includes the plural and the plural includes the singular.

20.19 Copies. Photocopies and facsimiles of a signed original of this Agreement are fully binding and effective as originals.

20.20 Exhibits. All exhibits, addenda, schedules and riders attached to this Agreement are a part of it and fully incorporated into it.

IN WITNESS WHEREOF, Interpreters Unlimited and Franchisee have executed this Franchise Agreement as of the dates appearing below.

INTERPRETERS LICENSING INTERNATIONAL, INC.	**FRANCHISEE:** __________________
By: __________________	By: __________________
Print Name: ______________	Print Name: ______________
Its: __________________	Its: __________________
Date: ________________	Date: ________________

ADDENDUM A TO FRANCHISE AGREEMENT
Location and Area of Responsibility

Subject to the terms and conditions of the Franchise Agreement dated the ___ day of __________, _______, the Location in which Franchisee must conduct the Franchised Business is defined as follows:

____
____
____
____

The Area of Responsibility is described as follows:

____
____
____
____
____

INTERPRETERS LICENSING INTERNATIONAL, INC.	**FRANCHISEE:** ____________________________________
By: ___________________________	By: _________________________________
Name: _________________________	Name: _______________________________
Its: ___________________________	Its: _________________________________
Dated this _____ day of _ 20___	Dated this _____ day of _ 20____

ADDENDUM B TO FRANCHISE AGREEMENT

COLLATERAL ASSIGNMENT OF TELEPHONE NUMBERS AND TELEPHONE LISTINGS, INTERNET ADDRESSES AND SOCIAL MEDIA IDENTITIES

THIS ASSIGNMENT is entered into this ____ day of _____________, 20__, in accordance with the terms of the Interpreters Licensing International, Inc. ("Interpreters Unlimited") Franchise Agreement ("Franchise Agreement") between_________________________________ ("Franchisee") and Interpreters Unlimited, executed concurrently with this Assignment, under which Interpreters Unlimited granted Franchisee the right to own and operate a Franchised Business ("Franchise Business") as set forth in the Agreement.

FOR VALUE RECEIVED, Franchisee hereby assigns to Interpreters Unlimited (1) those certain telephone numbers and regular, classified or other telephone directory listings (collectively, the "Telephone Numbers and Listings"); and (2) those certain Internet website addresses ("URLs"); (3) user names, screen names, or identities on social media sites ("Social Media Identities") associated with Interpreters Unlimited's trade and service marks and used from time to time in connection with the operation of the Franchised Business.

This Assignment is for collateral purposes only and, except as specified herein, Interpreters Unlimited shall have no liability or obligation of any kind whatsoever arising from or in connection with this Assignment, unless Interpreters Unlimited shall notify the telephone company and/or the listing agencies with which Franchisee has placed telephone directory listings (all such entities are collectively referred to herein as "Telephone Company"), Franchisee's Internet service provider ("ISP"), or Social Media provider(s) to effectuate the assignment pursuant to the terms hereof.

Upon termination or expiration of the Franchise Agreement (without extension), Interpreters Unlimited will have the right and is hereby empowered to effectuate the assignment of the Telephone Numbers and Listings, URLs, and Social Media Identities, and, in such event, Franchisee shall have no further right, title or interest in the Telephone Numbers and Listings, URLs, or Social Media Identities, and shall remain liable to the Telephone Company, ISP, or Social Media provider(s) for all past due fees owing to the Telephone Company and the ISP on or before the effective date of the assignment hereunder.

Franchisee agrees and acknowledges that as between Interpreters Unlimited and Franchisee, upon termination or expiration of the Franchise Agreement, Interpreters Unlimited will have the sole right to and interest in the Telephone Numbers and Listings, URLs, and the Social Media Identities and Franchisee irrevocably appoints Interpreters Unlimited as Franchisee's true and lawful attorney-in-fact, which appointment is coupled with an interest, to direct the Telephone Company, the ISP, and the Social Media provider(s) to assign same to Interpreters Unlimited, and execute such documents and take such actions as may be necessary to effectuate the assignment. Upon such event, Franchisee shall immediately notify the Telephone Company, the ISP, and the Social Media provider(s) to assign the Telephone Numbers and Listings, the URLs, and the Social Media Identities Interpreters Unlimited. If Franchisee fails to promptly direct the Telephone Company, the ISP, and the Social Media provider(s) to assign the Telephone Numbers and Listings, the URLs, and/or the Social Media Identities to Interpreters Unlimited, Interpreters Unlimited shall direct the Telephone Company, the ISP, and the Social Media provider(s) to effectuate the assignment contemplated hereunder to Interpreters Unlimited. The parties agree that the Telephone Company, the ISP, and the Social Media provider(s) may accept Interpreters Unlimited's written direction, the Franchise Agreement or this Assignment as conclusive proof of Interpreters Unlimited's exclusive rights in and to the Telephone Numbers and Listings, the URLs, and/or the Social Media Identities upon such termination or expiration and that such assignment shall be made automatically and effective immediately upon the Telephone Company, the ISP, or the Social Media provider(s) receipt of such notice from Interpreters Unlimited or Franchisee. The parties further agree that if the Telephone Company, the ISP, and the Social

Media provider(s) requires that the parties execute the Telephone Company, the ISP, and the Social Media provider(s) assignment forms or other documentation at the time of termination or expiration of the Franchise Agreement, Interpreters Unlimited's execution of such forms or documentation on behalf of Franchisee shall effectuate Franchisee's consent and agreement to the assignment. The parties agree that at any time after the date hereof they will perform such acts and execute and deliver such documents as may be necessary to assist in or accomplish the assignment described herein upon termination or expiration of the Franchise Agreement.

INTERPRETERS LICENSING INTERNATIONAL, INC.	**FRANCHISEE:**
	______________________________
By: ______________________	By: ______________________
Name: ______________________	Name: ______________________
Its: ______________________	Its: ______________________
Dated this ____ day of _ 20___	Dated this _____ day of _________ 20___

State of __________________)
) ss.
County of ________________)

This instrument was acknowledged before me on __________________, _____ by _________
Notary Public ____________________________
My Commission Expires:_________________

ADDENDUM C TO FRANCHISE AGREEMENT

ELECTRONIC FUNDS TRANSFER AUTHORIZATION

BY AND BETWEEN INTERPRETERS LICENSING INTERNATIONAL, INC. AND ____ ("DEPOSITOR")
EFT AUTHORIZATION AGREEMENT (DIRECT DEBITS)

The undersigned depositor ("Depositor") hereby authorizes Interpreters Licensing International, Inc. ("Company") to initiate debit entries and/or credit correction entries to the undersigned's checking and/or savings account(s) indicated below and the depository designated below ("Depository") to debit such account pursuant to Company's instructions.

________________________________ ________________________________

Depository Branch

________________________________ ________________________________

Address City, State, Zip Code

________________________________ ________________________________

Bank Transit/ABA Number Account Number

This authority is to remain in full force and effect until Depository has received joint written notification from Company and Depositor of the Depositor's termination of such authority in such time and in such manner as to afford Depository a reasonable opportunity on which to act. If an erroneous debit entry is initiated to Depositor's account, Depositor shall have the right to have the amount of such entry credited to such account by Depository, if (a) within fifteen (15) calendar days following the date on which Depository sent to Depositor a statement of account or a written notice pertaining to such entry or (b) forty-five (45) days after posting, whichever occurs first, Depositor shall have sent to Depository a written notice identifying such entry, stating that such entry was in error and requesting Depository to credit the amount thereof to such account. These rights are in addition to any rights Depositor may have under federal and state banking laws.

DEPOSITOR

By: ____________________________

Print Name: ____________________

Its: ____________________________

Date: __________________________

<u>ADDENDUM D TO FRANCHISE AGREEMENT</u>

PERSONAL GUARANTY, COVENANTS AND ASSUMPTION OF OBLIGATIONS

In consideration of Interpreters Licensing International, Inc. ("Interpreters Unlimited") entering into the Franchise Agreement dated _________ _______, 20____ (the "Franchise Agreement") with ____________________________ ("Individual") and other good and valuable consideration, the receipt and sufficiency of which are acknowledged by the undersigned (herein collectively and separately called the "Guarantors" and a "Guarantor"), the Guarantors hereby jointly and severally guarantee the full and punctual payment by the Franchisee of all sums and charges payable by the Franchisee to or for the benefit of Interpreters Unlimited under the Franchise Agreement or any other agreement with Interpreters Unlimited ("Other Agreements") and the complete and timely performance by the Franchisee of all of the terms and conditions contained in the Franchise Agreement, and further acknowledge and agree:

1. To comply with and be bound by all provisions of the Franchise Agreement to the same extent as if they were named as the Franchisee in the Franchise Agreement.

2. Not to engage in any activities prohibited by the Franchise Agreement, whether in their own behalf or in any capacity on behalf of any entity.

3. That Interpreters Unlimited is relying upon the covenants of the Guarantors herein in entering into the Franchise Agreement with the Franchisee.

4. Guarantors agree not to do any act which would terminate or adversely affect existence, condition or creditworthiness of any Guarantor as it existed at the time of the execution of the Franchise Agreement and this Guaranty and agree to perform Guarantor's obligations hereunder promptly and in good faith.

5. That each and every Guarantor: (a) waives the benefit of any statute of limitations affecting such Guarantor's liability under this Guaranty, (b) irrevocably appoints the Franchisee as its agent for service of process for any matter related to this Guaranty, and (c) waives the right to trial by jury in any action or proceeding that may hereafter be instituted by Interpreters Unlimited against Guarantor in respect of this Guaranty.

6. That if the Franchisee will default under the Franchise Agreement or Other Agreements, Guarantor will, on demand, pay to Interpreters Unlimited any payment that may be due Interpreters Unlimited by reason of such default, together with all damages that may arise in consequence thereof and all actual attorneys' fees that may be incurred by Interpreters Unlimited in enforcing the Franchisee's covenants and agreements set forth in the Franchise Agreement and Other Agreements or in enforcing the covenants and agreements of Guarantor herein, all without requiring notice from Interpreters Unlimited of any default by the Franchisee, which notice is hereby waived by each and every Guarantor. Interpreters Unlimited is entitled to interest at the rate per annum equal to the prime rate of interest as published from time to time in the Money Rates column of The Wall Street Journal, plus two percent (2%), compounded daily on any sums owed it by the Franchisee or any Guarantor, from and after their due date.

7. That, at Interpreters Unlimited's option, Guarantors (or any one or more of them) may be joined in any action or proceeding commenced by Interpreters Unlimited against the Franchisee (or any other Guarantor) in connection with or based upon the Franchise Agreement or Other Agreements (or this Guaranty) or any provision thereof, and that recovery may be had in any action or proceeding against Guarantors (or any one or more of them) without any requirement that

Interpreters Unlimited, its successors or assigns, first assert, prosecute or exhaust any remedy or claim against the Franchisee, its successors and assigns (or any other Guarantor), and each and every Guarantor waives any right to require that resort be had to any security or to any other credit in favor of Interpreters Unlimited.

8. That in lieu of any right to indemnification that a Guarantor might have against the Franchisee, which right is hereby waived, such Guarantor is subrogated to the rights of Interpreters Unlimited to the extent that such Guarantor fully satisfies and discharges the Franchisee's obligations under the Franchise Agreement or Other Agreement, and that this right of subrogation will be the sole remedy of such Guarantor against the Franchisee.

9. That, in the event of any bankruptcy, reorganization, dissolution, winding-up or similar proceedings with respect to the Franchisee or any Guarantor, no limitation on the Franchisee's or such Guarantor's liability under the Franchise Agreement, any Other Agreement or this Guaranty which may now or hereafter be imposed by any federal, state or other statute, law, regulation or judicial or administrative determination applicable to such proceedings will in any way limit, impair, modify or release the Guarantors' (or in the case of such proceedings with respect to a Guarantor, the other Guarantors') obligations hereunder, which obligations are co-extensive with the Franchisee's liability as set forth in the Franchise Agreement, Other Agreements or their Guaranty without regard to any such limitation.

10. That this Guaranty will remain in full force and effect as to any renewal, extension, modification or amendment of any and/or all of the Franchise Agreement, and as to any assignment of the Franchisee's interest or right under any and/or all of the Franchise Agreement.

11. That until all of the Franchisee's obligations under the Franchise Agreement and all other Agreements are fully performed, each and every Guarantor hereby waives any rights that such Guarantor may have against the Franchisee by reason of any one or more payments or acts in compliance with the Guarantor's obligations under this Guaranty and also hereby subordinates any liability or indebtedness of the Franchisee held by such Guarantor to the obligations of the Franchisee to Interpreters Unlimited under the Franchise Agreement.

12. That if Interpreters Unlimited is required to enforce this Guaranty in any judicial or arbitration proceeding or appeal thereof, the Guarantors will reimburse Interpreters Unlimited for its costs and expenses, including but not limited to, reasonable accountants', attorneys', attorneys' assistants', arbitrators' and expert witness fees, costs of investigation and proof of facts, court costs, other litigation expenses and travel and living expenses, whether incurred prior to, in preparation for or in contemplation of the filing of any written demand, claim, action, hearing or proceeding to enforce this Guaranty.

13. That the validity of this Guaranty and the obligations of Guarantors hereunder will not in any way be terminated, affected, or impaired by reason of any action which Interpreters Unlimited might take or be forced to take against the Franchisee or any particular Guarantor(s), or by reasons of any waiver of or failure to enforce any of the rights or remedies reserved to Interpreters Unlimited in the Franchise Agreement or Other Agreements, or otherwise, or by reason of any extension of time or other forbearance granted the Franchisee by Interpreters Unlimited.

14. That upon the death of an individual Guarantor, the estate of such Guarantor will be bound by this Guaranty but only for defaults and obligations hereunder existing at the time of death, and the obligations of the other Guarantors will continue in full force and effect.

15. That each and every Guarantor hereby waives notice of any and all notices or demands which may be given by Interpreters Unlimited to the Franchisee, whether or not required to be given under the Franchise Agreement or any Other Agreement and hereby waives any notice of acceptance of this Guaranty by Interpreters Unlimited.

16. This Guaranty (a) may be executed in several counterparts, each of which is considered an original but all of which will constitute one and the same instrument, and (b) is binding upon and inure to the benefit of the Guarantors and Interpreters Unlimited and their respective heirs, executors, administrators, legal representatives, successors, and assigns.

17. Each and every Guarantor warrants and represents that such Guarantor has an ownership interest in Franchisee and has personal knowledge and is familiar with the Franchisee's business affairs, books and records and has the ability to determine the Franchisee's decision-making process; and that, to the best of such Guarantor's knowledge, the Franchisee will perform in accordance with the terms and conditions of the Franchise Agreement; and that all of the Franchisee's Owners have executed this Guaranty as Guarantor.

18. Each and every Guarantor represents and warrants that this Guaranty constitutes such Guarantor's valid and legally binding agreement and is enforceable in accordance with its terms; and that such Guarantor is in sound financial condition and will perform in accordance with the terms, covenants and conditions of this Guaranty.

IN WITNESS WHEREOF, each of the undersigned has hereunto affixed his signature on the same day and year as the Agreement was executed.

PERSONAL GUARANTORS
(attach additional pages, if necessary)

By: ______________________ Address: ____________________

____

Name: ______________________ Telephone: ____________________

State of ______________)
) ss.
County of ____________________)

This instrument was acknowledged before me on ________________, ______ by __________
Notary Public ______________________
My Commission Expires:______________

By: ______________________ Address: ____________________

____

Name: ______________________ Telephone: ____________________

State of ______________)
) ss.
County of ____________________)

This instrument was acknowledged before me on ________________, ______ by __________
Notary Public ______________________
My Commission Expires:______________

ADDENDUM E TO FRANCHISE AGREEMENT
Confidentiality and Non-Competition Agreement

NAME:__________________________________
HOME ADDRESS:____________________________
____
HOME TELEPHONE:___________________________
CLASSIFICATION:_____________________________
(Owner, Shareholder, Officer, Director, Employee, Etc.)

____________________________ ("Franchisee") is a Franchisee of Interpreters Licensing International, Inc. ("Interpreters Unlimited") pursuant to a Franchise Agreement entered into by Interpreters Unlimited and Franchisee dated ________________________ (the "Franchise Agreement").

I agree that during the term of my employment by, ownership or participation in, association with or service to Franchisee, or at any time thereafter, I will not communicate, divulge or use for the benefit of any other person, persons, partnership, proprietorship, association, corporation or entity any confidential information, knowledge or know-how concerning the systems of operation, services, products, clients or practices Interpreters Unlimited which may be communicated to me ("Confidential Information"), and I will not divert any business to competitors of Franchisee and/or Interpreters Unlimited.

Any and all information, knowledge, know-how, techniques and information which the entities mentioned above or their officers designate as confidential will be Confidential Information for the purposes of this Agreement, except information which I can demonstrate came to my attention before disclosure or which had become or becomes a part of the public domain through publication or communication by others, but in no event through any act of mine.

I specifically understand that, without limitation, the following have been deemed to constitute Confidential Information: the Interpreters Unlimited system of operations and all services, products, technologies, business relationships, business methods, operating manuals, policies, standards, systems, techniques, requirements, criteria and procedures that are used by Interpreters Unlimited now or in the future (the "System"); Franchisee in the course of the operation of Franchisee's business, as well as all procedures, systems, techniques and activities employed by Interpreters Unlimited and/or Franchisee in the course of offering or selling products and services from or at Franchisee's businesses; all of Interpreters Unlimited's and Franchisee's sources (or prospective sources) of policies and contracts, and all information pertaining to same; the computer hardware and software utilized by Interpreters Unlimited and Franchisee; all information pertaining to Interpreters Unlimited's, and Franchisee's advertising, marketing, promotion and merchandising campaigns, philosophies, materials, specifications and procedures; Interpreters Unlimited's and Franchisee's computer network Web sites and any and all computer network Web sites of Interpreters Unlimited and any affiliate of Interpreters Unlimited; all information posted on or received at such Web sites; all of Interpreters Unlimited's instructional materials; quality assurance programs; supervision systems; recommended services; recordkeeping, bookkeeping and accounting systems and materials; revenue reports; activity schedules; job descriptions; records pertaining to customers of Franchisee; business forms; product and service order forms; general operations materials; revenue reports; specifications, systems, standards, techniques, philosophies and materials, guidelines, policies and procedures concerning the System; additions to, deletions from, and modifications and variations of the components of the System or the systems and methods of operations which now or in the future are employed by Interpreters Unlimited, including all related standards and specifications and the means and manner of offering and selling them; and, all other components, specifications, standards, requirements and duties imposed by Interpreters Unlimited or any of Interpreters Unlimited's affiliates.

I will at no time copy, duplicate, record or otherwise reproduce any of the Confidential Information or material containing it, in whole or in part, store them in a computer retrieval or database, nor otherwise make them available to any unauthorized person. Upon the expiration or other termination for any reason of my employment, association, service or ownership participation, I agree to return to Interpreters Unlimited or Franchisee (as the case may be) all materials, books, records, and manuals considered confidential under this Agreement which are in my possession.

I further agree that during the term of my employment/service/association/ownership participation, and for a period of two years immediately following its expiration or termination for any reason, I will not, directly or indirectly, engage or participate in any other business which directly or indirectly engages in, or franchises others to engage in, a business which is the same as or substantially similar to Interpreters Unlimited's business, including without limitation, any businesses specializing or deriving more than five percent (5%) of their gross receipts from the provision of services similar to the services provided by Interpreters Unlimited ("Competitive Business"). I am prohibited from engaging in any Competitive Business as a proprietor, partner, investor, shareholder, director, officer, employee, principal, agent, advisor, or consultant.

For a period of two years immediately following the expiration or termination of my employment/service/association/ownership participation, I am prohibited from engaging in any Competitive Business, if the other business is located within twenty (20) miles of Franchisee's location or another existing Interpreters Unlimited location.

It is the intention of these provisions to preclude not only direct competition but also all forms of indirect competition, such as service as an independent contractor for Competitive Businesses or any assistance or transmission of information of any kind that would be of any material assistance to a Competitive Business. Nothing herein will prevent me from owning for investment purposes up to an aggregate of 5% of the capital stock of any Competitive Business, so long as the Competitive Business is a publicly held corporation whose stock is listed and traded on a national or regional stock exchange.

I acknowledge that violation of the covenants not to compete contained in this Agreement would result in immediate and irreparable injury to Interpreters Unlimited and Franchisee, for which no adequate remedy at law will be available. Accordingly, I hereby consent to the entry of an injunction procured by Interpreters Unlimited or Franchisee (or both) prohibiting any conduct by me in violation of the terms of those covenants not to compete and/or restrictions on the use of Confidential Information set forth in this agreement. I expressly agree that it may conclusively be presumed in any legal action that any violation of the terms of these covenants not to compete was accomplished by and through my unlawful utilization of Interpreters Unlimited's Confidential Information, know-how, methods and procedures. Further, I expressly agree that any Claims I may have against Interpreters Unlimited will not constitute a defense to Interpreters Unlimited's enforcement of the covenants not to compete set forth in this Agreement. I further agree to pay all costs and expenses (including reasonable attorneys' and experts' fees) incurred by Interpreters Unlimited in connection with the enforcement of those covenants not to compete set forth in this Agreement.

If all or any portion of this covenant not to use Confidential Information and not to compete is held unreasonable, void, vague or illegal by any court or agency having valid jurisdiction in an final decision (after the exhaustion of all appellate rights), the court or agency will be empowered to revise and/or construe the covenant to fall within permissible legal limits, and should not invalidate the entire covenant. I expressly agree to be bound by any lesser covenant subsumed within the terms of this Agreement as if the resulting covenant were separately stated in and made a part of this Agreement.

I agree that this Agreement and all relations and disputes between myself on the one hand, and Franchisee or Interpreters Unlimited on the other hand, whether sounding in contract, tort, or otherwise, are to be exclusively construed in accordance with and/or governed by (as applicable) the law of the State of California without recourse to California (or any other) choice of law or conflicts of law principles. Nothing in this Agreement is intended to invoke the application of any franchise, business opportunity, antitrust, unfair competition, fiduciary or any other doctrine of law of the State of California or any other state, which would not otherwise apply.

I further agree that any litigation arising out of or related to this Agreement; any breach of this Agreement; and, all relations and any and all disputes between myself on the one hand, and Franchisee or Interpreters Unlimited on the other hand, whether sounding in contract, tort, or otherwise, will be instituted exclusively in a court of competent jurisdiction in San Diego, California. I agree that any dispute as to the venue for this litigation will be submitted to and resolved exclusively by a court of competent jurisdiction situated in San Diego, California. I hereby waive and covenant never to assert or Claim that said venue is for any reason improper, inconvenient, prejudicial or otherwise inappropriate (including, without limitation, any Claim under the judicial doctrine of forum non convenes).

SEEN AND AGREED:

________________________ Witnessed By:	________________________ (Print Name)
________________________ Witness/Date	________________________ (Signature)
________________________ (Date)	

SPOUSAL CONSENT

I acknowledge that I am familiar with the foregoing Agreement. I am aware that by its provisions my spouse agrees to certain obligations described therein. I hereby consent to the provisions of the Agreement, and agree that Franchisee's assets and my interest in them, if any, are subject to the provisions of the Agreement.

____
Signature

____
Print Name

ADDENDUM F TO FRANCHISE AGREEMENT

ACKNOWLEDGEMENTS AND REPRESENTATIONS

As you know, Interpreters Licensing International, Inc. and you are preparing to enter into a Franchise Agreement for the operation of an Interpreters Unlimited Business. In this questionnaire, Interpreters Licensing International, Inc. will be referred to as "we" or "us." The purpose of this questionnaire is to determine whether any statements or promises were made to you that we did not authorize and that may inaccurate. Please review each of the following questions carefully and provide honest and complete responses to each question. If you do not have room on the form to fully answer any question, please attach additional pages as necessary to fully respond to the question.

1. Have you received, studied and reviewed carefully the Franchise Disclosure Document ("FDD") and Franchise Agreement? Check one: (__) Yes (__) No

2. Do you understand all of the information contained in the Franchise Agreement and each exhibit and schedule attached to it? Check one: (__) Yes (__) No

   If your answer is "No," what parts of the Franchise Agreement do you not understand?

   ____

   ____

   ____

   ____

3. Do you understand all of the information contained in the FDD and each addendum attached to it? Check one: (__) Yes (__) No

   If your answer is "No," what parts of the FDD do you not understand?

   ____

   ____

   ____

   ____

4. Have you discussed with an attorney, accountant, or other professional advisor the benefits and risks of establishing and operating a business as an Interpreters Unlimited® franchise, or made the decision not to consult with one? ? Check one: (__) Yes (__) No

5. Has any employee or other person speaking on our behalf made any statement or promise that is contrary to, or different from, the information contained in the FDD? Check one: (__) Yes (__) No.

   If your answer is "Yes," please describe the statement or promise:

   ____

   ____

   ____

6. Was any oral, written or visual claim or representation made to you that stated, suggested, predicted or projected your sales, income or profit levels or that of any other actual or hypothetical franchise business? Check one: (__) Yes (__) No.

If your answer is "Yes," please describe the oral, written or visual claim or representation made to you:

____

____

____

____

7. Do you understand that the success or failure of your business will depend in large part upon your skills and experience, your business acumen, the hours you will work, your location, the local market for Interpreters Unlimited® products and services, interest rates, the economy, inflation, the prevailing wage rate, competition, and other economic and business factors? Further, do you understand that the economic and business factors that exist at the time you open your business may change? Check one: (__) Yes (__) No.

If your answer is "No," please describe your understanding of what the success or failure of your business will depend:

____

____

____

____

8. Have any of our employees or any other persons speaking on our behalf made any statement, promise or agreement concerning the likelihood of success that you should or might expect to achieve from operating a Interpreters Unlimited® office? Check one: (__) Yes (__) No.

If your answer is "Yes," please describe the statement, promise, or agreement:

____

____

____

9. Have any of our employees or any other persons speaking on our behalf made any statement, agreement or promise to you concerning the advertising, marketing, training, support service or assistance that we will furnish to you that is contrary to, or different from, the information contained in the FDD?
Check one: (__) Yes (__) No.

If your answer is "Yes," please describe the statement, promise, or agreement:

____

____

10. Have any of our employees or any other persons speaking on our behalf made any statement, agreement or promise to you concerning the costs you may incur in operating a Franchised Business that is contrary to, or different from, the information contained in the FDD?
Check one: (__) Yes (__) No.

If your answer is "Yes," please describe the statement, promise, or agreement:

11. Do you understand that there may be national, regional, state, or local laws or regulations applying to the operation of a Interpreters Unlimited® business (either specifically or generally), and that, as a franchisee, you are fully responsible as an independent business owner for learning about and complying with these laws?
Check one: (__) Yes (__) No.

If your answer is "No," please describe your understanding regarding legal compliance:

12. Have we or any of our employees or any other persons speaking on our behalf made any oral, written, visual or other promises, agreements, commitments, representation, understandings, "side agreements" or otherwise that expand upon or are inconsistent with FDD or the Franchise Agreement, or any attached written addendum signed by you and an officer of ours?
Check one: (__) Yes (__) No.

If your answer is "Yes," please describe your understanding regarding the promises, agreements, commitments, representations, understandings, or "side agreements":

13. Have we or any of our employees or any other persons speaking on our behalf made any statements to you regarding the financial condition of our parent company or any of our affiliated companies?
Check one: (__) Yes (__) No.

If your answer is "Yes," have you relied on the statement(s) regarding the financial condition of any of our affiliated companies in deciding whether to purchase a franchise from us? Check one: (__) Yes (__) No.

If your answer to either of the above questions is "Yes," please describe the statements you received or heard regarding the financial condition of our parent or any of our affiliated companies.

____

____

____

14. Do you understand that any training, support, guidance or tools we provide to you as part of the franchise are for the purpose of protecting the Interpreters Unlimited brand and trademarks and to assist you in the operation of your business and not for the purpose of controlling or in any way intended to exercise or exert control over your decisions or day-to-day operations of your business, including your sole responsibility for the hiring, wages and other compensation (including benefits), training, supervision and termination of your employees and all other employment and employee related matters? Check One: (__) Yes (__) No. If no, please comment:

____

____

____

15. Do you understand that we are relying on your answers to this questionnaire to ensure that the franchise sale was made in compliance of state and federal laws? Check one: (__) Yes (__) No

16. Which of our representatives have you met with?

____

____

____

____

By signing below, you are acknowledging that you understand that your answers are important and that we will rely on them, and that you have responded truthfully to the above questions.

NOTE: IF THE RECIPIENT IS A CORPORATION, PARTNERSHIP, OR OTHER ENTITY, EACH OF ITS PRINCIPALS MUST EXECUTE THIS ACKNOWLEDGMENT (Make Additional Copies if Necessary).

By: ______________________

Name: ____________________

State of ______________)
) ss.
County of __________________)

This instrument was acknowledged before me on ________________, _____ by __________

Notary Public ______________________

My Commission Expires: _______________

By: ______________________

Name: ____________________

State of _____________)
) ss.
County of _________________)

This instrument was acknowledged before me on _______________, _____ by __________
Notary Public ______________________
My Commission Expires:_____________

ADDENDUM G TO FRANCHISE AGREEMENT

GENERAL RELEASE

As a condition to Interpreters Unlimited's ("Franchisor") consent to **[grant a successor franchise agreement to] [the proposed transfer of] [termination of, and refund of half of the Initial Franchise Fee under, Paragraph 4.4 of]** the Franchise Agreement with **[name of franchisee]** ("Franchisee") dated **[date of Franchise Agreement]** (the "Franchise Agreement"), the undersigned, and each of their respective corporate parents, subsidiaries, affiliates, successors in interest, heirs and assigns, and each of their respective owners, managers, directors, officers, agents, servants, and employees, as applicable, whether specifically mentioned herein or not, do hereby release, acquit and forever discharge Franchisor and its respective parents, subsidiaries, affiliates, and successors in interest, and each of their respective directors, officers, agents, servants, employees, whether specifically mentioned herein or not, of and from any and all liability, actions, causes of action, claims, debts, demands, damages and liabilities to person(s) or property, costs, expenses and compensation of every nature, kind and character whatsoever, whether known or unknown, foreseen or unforeseen, direct, indirect, contingent or actual, liquidated or unliquidated, whether statutory, contract, or in tort on account of or in any way connected with or related to Franchisor's, or Franchisor's affiliate's, offer, sale, grant of, construction, subleasing, operation of, assistance with operation of, or development of franchises or franchise rights in any and all franchise locations awarded at any time to the undersigned and from the inception of any contact with Franchisor to the date of this Release. It is the express intention of the undersigned that this Release be as broad as permitted by law.

Undersigned represents and warrants that execution hereof is free and voluntary; that no inducements, threats, representations, or influences of any kind were made or exerted by or on behalf of Franchisor; and that, prior to the execution hereof, undersigned was given the opportunity, if desired, to consult with counsel. This Release shall be binding upon the undersigned, their heirs, successors and legal representatives. Whenever the text hereof requires, the use of singular number shall include the appropriate plural number as the text of the within instrument may require. This Release may not be changed orally.

NOTE: IF THE RECIPIENT IS A CORPORATION, PARTNERSHIP, OR OTHER ENTITY, EACH OF ITS PRINCIPALS AND OWNERS / MANAGERS / SHAREHOLDERS AND A DULY AUTHORIZED OFFICER MUST EXECUTE THIS RELEASE (Attach Additional Sheets if Necessary).

By: ______________________

Name: ____________________

State of ____________________)
) ss.
County of __________________)

This instrument was acknowledged before me on ________________, ______ by __________
Notary Public ________________________
My Commission Expires: ______________

By: ______________________

Name: ____________________

State of ____________________)
) ss.
County of __________________)

This instrument was acknowledged before me on ________________, ______ by __________
Notary Public ________________________
My Commission Expires: ______________

<u>ADDENDUM H TO FRANCHISE AGREEMENT</u>

FRANCHISEE OWNERSHIP INFORMATION

Franchisee: ____
Trade Name (if different from above): ______________________________

Form of Ownership
(Check One)

____ **Individual** ____ **Partnership** ____ **Corporation** ____ **Limited Liability Company**

If a **Partnership**, provide name and address of each partner showing percentage owned, whether active in management, and indicate the state in which the partnership was formed.

If a **Corporation**, give the state and date of incorporation, the names and addresses of each officer and director, and list the names and addresses of every shareholder showing what percentage of stock is owned by each.

If a **Limited Liability Company**, give the state and date of formation, the name and address of the manager(s), and list the names and addresses of every member and the percentage of membership interest held by each member.

____
____
____
____

Franchisee acknowledges that this Statement of Ownership applies to the Franchised Business authorized under the Franchise Agreement.

Use additional sheets if necessary. Any and all changes to the above information must be reported to Interpreters Unlimited in writing.

______________________________ ______________________________
Date Name

4851-0414-3154, v. 3

INTERPRETERS LICENSING INTERNATIONAL, INC.

EXHIBIT E

State-Specific Addendum to
Franchise Disclosure Document

INTERPRETERS LICENSING INTERNATIONAL, INC.

MULTI-STATE ADDENDUM TO THE FRANCHISE AGREEMENT AND FRANCHISE DISCLOSURE DOCUMENT

The following modifications are made to the Interpreters Licensing International, Inc. Franchise Disclosure Document and Franchise Agreement given to Franchisee. The modifications apply only to the states identified below.

CALIFORNIA

THE CALIFORNIA FRANCHISE INVESTMENT LAW REQUIRES A COPY OF ALL PROPOSED AGREEMENTS RELATING TO THE SALE OF THE FRANCHISE BE DELIVERED TOGETHER WITH THE FRANCHISE DISCLOSURE DOCUMENT.

Neither Franchisor nor any other person listed in Item 2 of the Franchise Disclosure Document is subject to any currently effective order of any national securities association or national securities exchange, as defined in the Securities Exchange Act of 1934, 15 U.S.C.A. 78a et seq., suspending or expelling such persons from membership in such association or exchange.

California Business and Professions Code Sections 20000 through 20043 provide rights to you concerning termination, transfer, or non-renewal of a franchise. If the Franchise Agreement or Supplemental Documents contain a provision that is inconsistent with the California Franchise Investment Law, the California Franchise Investment Law will control.

The Franchise Agreement and Supplemental Agreements may provide for termination upon bankruptcy. Any such provision may not be enforceable under federal bankruptcy law (11 U.S.C.A. SEC. 101 et seq.).

You must sign a general release if you renew or transfer your franchise or if you are an existing licensee of Interpreters Licensing International, Inc. and are signing a new Franchise Agreement with Franchisor. California Corporations Code Section 31512 voids a waiver of your rights under the Franchise Investment Law (California Corporations Code Sections 31000 through 31516). Business and Professions Code Section 20010 voids a waiver of your rights under the Franchise Relations Act (Business and Professions Code Sections 20000 through 20043).

California Corporations Code section 31125 requires the Franchisor to give the Franchisee a disclosure document, approved by the department of corporations, prior to a solicitation of a proposed material modification of an existing franchise.

The franchise agreement requires application of the laws of franchisee's Area of Primary Responsibility.

The franchise agreement requires binding arbitration. The arbitration will occur at San Diego, California with the costs being borne by both parties equally. The Franchise Agreement also requires mediation. The mediation will occur in San Diego, California the fees and expenses of the mediator will be shared equally by the parties. Prospective franchisees are encouraged to consult private legal counsel to determine the applicability of California and federal laws (such as Business and Professions Code Section 20040.5, Code of Civil Procedure Section 1281, and the Federal Arbitration Act) to any provisions of a franchise agreement restricting venue to a forum outside the State of California.

The Franchise Agreement and Franchise Disclosure Document are hereby amended as follows:

Neither our website, www.interpretersunlimited.com, nor any of our pages on social media sites have been reviewed or approved by the California Department Of Business Oversight. Any complaints concerning the content of this website may be directed to the California Department Of Business Oversight at www.dbo.ca.gov.

Item 21 of the Franchise Disclosure Document is amended as follows:

Item 21 of our Franchise Disclosure Document is amended to make the following disclosure: in November 2016, our owners infused $60,000 into our operating account. This is because the Department of Business Oversight determined that our audited financials as of the end of our 2015 fiscal year did not demonstrate that we had enough money in our operating account to fulfill our initial obligations to franchisees, as contained in this offering.

The Franchise Agreement is hereby amended as follows:

Despite anything to the contrary in the Franchise Agreement, the following provisions will supersede and apply to all franchises offered and sold in the State of California:

1. Any condition, stipulation, or provision in the Franchise Agreement which would result in your waiver of compliance with any provision of the California Franchise Relations Act is void to the extent that such provision violates such act.

2. California Business and Professions Code 20000 through 20043 provide rights to a franchisee concerning termination, transfer, or non-renewal of a franchise. If the contain a provision that is inconsistent with the law, the law will control.

For the purposes of Cal. Bus. & Prof. Code Section 20022, the parties agree as follows:

> The parties agree that they will use the declining-balance depreciation method to calculate the value of Franchisee's inventory, supplies, equipment, fixtures, and furnishings (the "Assets") for the purposes of a purchase by us under Section 20022. The purchase price by us for the Assets will not include the cost of removal and transportation of those assets, which will be your responsibility.
>
> The parties agree that for the purposes of Section 20022, you are not able to provide to us "clear title and possession" to your Assets if those Assets are subject to liens or encumbrances including: a) purchase money security interest; b) blanket security interest; c) right of first refusal; d) lien by franchisee's landlord; or e) tax lien.
>
> The parties agree that for the purposes of Section 20022(h), our right of offset will include the following amounts owed by you to us or our Affiliates: a) Royalty Fees; b) Brand Awareness Fund Fees; c) Social Media fees; d) project management fees; e) Transfer Fees; and f) any other type of fee owed by you to us or our Affiliates.

For the purposes of Cal. Bus. & Prof. Code Section 20035, the parties agree as follows:

> "Fair market value of the franchise assets" means the value of your Assets, valued according to the

declining-balance method of depreciation. The purchase price by us for the Assets will not include the cost of removal and transportation of those assets, which will be your responsibility.

"Fair market value of the franchised business" means the "fair market value of the franchise assets" as defined above, plus goodwill. The parties agree that the value of goodwill is the amount of Royalty Fees paid by you to us within the 12-month period immediately before our termination or failure to renew you in violation of the California Franchise Relations Act.

The form of General Release (Addendum G to the Franchise Agreement) is hereby modified as follows:

Waiver of California Civil Code Section 1542. Franchisee and each undersigned person, for itself and its affiliates, parents, subsidiaries, divisions, partners, owners, shareholders, members, trustees, receivers, executors, representatives, administrators, and the respective officers, directors, agents, managers, principals, members, employees, insurers, successors, assigns, representatives and attorneys of each of them ("Constituents"), acknowledges that it is familiar with Section 1542 of the California Civil Code, which reads as follows:

> A GENERAL RELEASE DOES NOT EXTEND TO CLAIMS WHICH THE CREDITOR DOES NOT KNOW OR SUSPECT TO EXIST IN HIS OR HER FAVOR AT THE TIME OF EXECUTING THE RELEASE, WHICH IF KNOWN BY HIM OR HER MUST HAVE MATERIALLY AFFECTED HIS OR HER SETTLEMENT WITH THE DEBTOR.

With respect to those Claims being released pursuant to this General Release, Franchisee and each of the undersigned, for him, her, or itself and its Constituents, acknowledges that he, she or it is releasing unknown claims and waives all rights it has or may have under California Civil Code Section 1542 or any other statute or common law principle of similar effect. For purposes of this Section 3, Franchisee and each person who signs will be considered to be a creditor of the Designees, and each of them.

Franchisee and each of the undersigned acknowledges that this general release extends to claims which he, she or it does not know or suspect to exist in his, her or its favor at the time of executing this General Release, which if known by her, him or it may have materially affected her, his or its decision to enter into this General Release. It is understood by Franchisee and each undersigned person that the facts in respect of which this General Release is given may hereafter turn out to be other than or different from the facts in that connection known or believed to be true. Franchisee and each undersigned person therefore expressly assumes the risk of the facts turning out to be so different and agrees that this General Release shall be in all respects effective and not subject to termination or rescission by any such difference in facts.

CONNECTICUT

The following statement is added to the cover page of the Franchise Disclosure Document:

> **The State of Connecticut does not approve, recommend, endorse or sponsor any business opportunity. The information contained in this disclosure has not been verified by the state. If you have any questions about this investment, see an attorney before you sign a contract or agreement.**

The following statement is added to Item 3 of the Franchise Disclosure Document:

There are no pending or completed actions against us relating to Securities Laws; Business Opportunity Laws; actions brought by present or former purchasers or investors involving franchise or business opportunity relationships that are required to be disclosed in this Disclosure Document.

The FDD and Franchise Agreement are hereby modified to state that, if we require you to purchase products, equipment or supplies from us but fail to provide those products, equipment or supplies or fails to render the services necessary to begin substantial operation of the business within 45 days of the required opening date stated in your contract, you may notify us in writing and demand that the contract be canceled.

HAWAII

The following is added to the Cover Page:

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

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

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

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

Commissioner of Securities
335 Merchant Street
Honolulu, Hawaii96813

ILLINOIS

Sections 4 and 41 and Rule Section 22.608 of the Illinois Franchise Disclosure Act states that court litigation must take place before Illinois federal or state courts and all dispute resolution arising from the terms of this Agreement or the relationship of the parties and conducted through arbitration or litigation shall be subject to Illinois law. The Franchise Disclosure Document and Franchise Agreement are amended accordingly.

Section 41 of the Illinois Franchise Disclosure Act states that "any condition, stipulation or provision purporting to bind any person acquiring any franchise to waive compliance with any provision of this Act or any other law of this State is void." The Franchise Agreement is amended accordingly. To the extent that the Franchise Agreement would otherwise violate Illinois law, the Agreement is amended by providing that all litigation by or between you and us, arising directly or indirectly from the franchise relationship, will be commenced and maintained in the state courts of Illinois or, at our election, the United States District Court for Illinois, with the specific venue in either court system determined by appropriate jurisdiction and venue requirements, and Illinois law will pertain to any claims arising under the Illinois Franchise Disclosure Act.

Item 17.v, Choice of Forum, of the Franchise Disclosure Document is revised to include the following: "provided, however, that the foregoing shall not be considered a waiver of any right granted upon you by Section 4 of the Illinois Franchise Disclosure Act."

The termination and non-renewal provisions in the Franchise Agreement and the Franchise Disclosure Document may not be enforceable under Sections 19 and 20 of the Illinois Franchise Disclosure Act.

Under Section 705/27 of the Illinois Franchise Disclosure Act, no action for liability under the Illinois Franchise Disclosure Act can be maintained unless brought before the expiration of 3 years after the act or transaction constituting the violation upon which it is based, the expiration of 1 year after you become aware of facts or circumstances reasonably indicating that you may have a claim for relief in respect to conduct governed by the Act, or 90 days after delivery to you of a written notice disclosing the violation, whichever shall first expire. To the extent that the Franchise Agreement is inconsistent with the Illinois Franchise Disclosure Act, Illinois law will control and supersede any inconsistent provision(s).

Due to our financial condition (which is disclosed in the financial statements attached to this Franchise Disclosure Document as "Exhibit D"), the Attorney General of Illinois has required that, for all franchise sales in the State of Illinois, we defer your initial franchise and training fee until you commence doing business. At that time, your initial fees will become fully due and payable to us. The Franchise Agreement and Item 5 of the Franchise Disclosure Document are amended by this Addendum to reflect our agreement to defer these initial fees until you commence doing business.

INDIANA

Item 17 of the Franchise Disclosure Document is amended to add the following:

> Under Indiana Code Section 23-2-2.7-1(4), we will not accept any rebates from any person with whom you do business or associate in relation to transactions between you and the other person, other than for compensation for services rendered by us, unless the rebate is properly accounted for and submitted to you.

Item 17 of the Franchise Disclosure Document is amended to add the following:

Indiana Code 23-2-2.7-1(7) makes it unlawful for us to unilaterally terminate your Franchise Agreement unless there is a material violation of the Franchise Agreement and termination is not in bad faith.

Indiana Code 23-2-2.7-1(5) prohibits us to require you to agree to a prospective general release of claims subject to the Indiana Deceptive Franchise Practices Act.

The "Summary" column in ITEM 17.r. of the Franchise Disclosure Document is deleted and the following is inserted in its place:

No competing business for two (2) years within the Protected Territory.

The "Summary" column in ITEM 17.t. of the Franchise Disclosure Document is deleted and the following is inserted in its place:

Notwithstanding anything to the contrary in this provision, you do not waive any right under the Indiana Statutes with regard to prior representations made by us.

The "Summary" column in ITEM 17.v. of the Franchise Disclosure Document is deleted and the following is inserted in its place:

Litigation regarding Franchise Agreement in Indiana; other litigation in the Franchisor's Choice of Law State. This language has been included in this Franchise Disclosure Document as a condition to registration. The Franchisor and the Franchisee do not agree with the above language and believe that each of the provisions of the Franchise Agreement, including all venue provisions, are fully enforceable. The Franchisor and the Franchisee intend to fully enforce all of the provisions of the Franchise Agreement and all other documents signed by them, including but not limited to, all venue, choice-of-law, arbitration provisions and other dispute avoidance and resolution provisions and to rely on federal pre-emption under the Federal Arbitration Act.

Despite anything to the contrary in the Franchise Agreement, the following provisions will supersede and apply to all franchises offered and sold in the State of Indiana:

1. The laws of the State of Indiana supersede any provisions of the Franchise Disclosure Document, the Franchise Agreement, or the law of Franchisor's Choice of Law State, if such provisions are in conflict with Indiana law.

2. The prohibition by Indiana Code 23-2-2.7-1(7) against unilateral termination of the franchise without good cause or in bad faith, good cause being defined under law as including any material breach of the Franchise Agreement, will supersede the provisions of the Agreement relating to termination for cause, to the extent those provisions may be inconsistent with such prohibition.

3. Any provision in the Franchise Agreement that would require you to prospectively assent to a release, assignment, novation, waiver or estoppel which purports to relieve any

person from liability imposed by the Indiana Deceptive Franchise Practices Law is void to the extent that such provision violates such law.

4. The covenant not to compete that applies after the expiration or termination of the Franchise Agreement for any reason modified to the extent necessary to comply with Indiana Code 23-2-2.7-1 (9).

5. The following provision will be added to the Franchise Agreement:

> No Limitation on Litigation. Despite the foregoing provisions of this Agreement, any provision in the Agreement which limits in any manner whatsoever litigation brought for breach of the Agreement will be void to the extent that any such contractual provision violates the Indiana Deceptive Franchise Practices Law.

FOR THE STATE OF IOWA

Any provision in the Franchise Agreement or Compliance Questionnaire which would require you to prospectively assent to a release, assignment, novation, waiver or estoppel which purports to relieve any person from liability imposed by the Iowa Business Opportunity Promotions Law (Iowa Code Ch. 551A) is void to the extent that such provision violates such law.

The following language will be added to the Franchise Agreement:

NOTICE OF CANCELLATION

_______________ (enter date of transaction)

You may cancel this transaction, without penalty or obligation, within three business days from the above date. If you cancel, any property traded in, any payments made by you under the contract or sale, and any negotiable instrument executed by you will be returned within ten business days following receipt by the seller of your cancellation notice, and any security interest arising out of the transaction will be canceled. If you cancel, you must make available to the seller at your residence or business address, in substantially as good condition as when received, any goods delivered to you under this contract or sale; or you may if you wish, comply with the instructions of the seller regarding the return shipment of the goods at the seller's expense and risk.

If you do not agree to return the goods to the seller or if the seller does not pick them up within twenty days of the date of your notice of cancellation, you may retain or dispose of the goods without any further obligation.

To cancel this transaction, mail or deliver a signed and dated copy of this cancellation notice or any other written notice, or send a telegram, to Sayed Ali, 10650 Treena Street, Suite 308, San Diego, CA 92131, Phone: (858) 451-7490, or at sayed.ali@iugroup.com, not later than midnight of the third business day after the Effective Date.

I hereby cancel this transaction.

Franchisee: ____________________________

By: ____________________________________
____

Print Name: ____________________________

Its: ___________________________________
____

Date: __________________________________
____

MARYLAND

The Franchise Disclosure Document and Franchise Agreement are amended as follows:

Item 17 of the Franchise Disclosure Document and sections of the Franchise Agreement requiring that you sign a general release as a condition of renewal and or assignment, will not apply to liability under the Maryland Franchise Registration and Disclosure Law.

Representations in the Franchise Agreement and Supplemental Agreements are amended to state all representations requiring prospective franchisees to assent to a release of liability are not intended to nor shall they act as a release, estoppel or waiver of any liability incurred under the Maryland Franchise Registration and Disclosure Law.

Item 17 of the Franchise Disclosure Document and sections of the Franchise Agreement and Supplemental Agreements are amended to state that you may bring a lawsuit in Maryland for claims arising under the Maryland Franchise Registration & Disclosure Law.

Items 5 and 17 of the Franchise Disclosure Document and sections of the Franchise Agreement are amended to state that the general release required as a condition of renewal, and assignment/transfer shall not apply to any liability under the Maryland Franchise Registration and Disclosure Law.

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

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

The Franchise Agreement and Acknowledgements and Representations (Addendum F to the Franchise Agreement) are hereby amended to state: "all representations requiring prospective franchisees to assent to a release, estoppel or waiver of liability are not intended to nor shall they act as a release, estoppel or waiver of any liability incurred under the Maryland Franchise Registration and Disclosure Law."

Item 5 of the Franchise Disclosure Document and the Franchise Agreement are amended to state as follows: "All initial fees and payments shall be deferred until such time as the franchisor completes its initial obligations under the franchise agreement."

MICHIGAN

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

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

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

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

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

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

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

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

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

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

(ii) The fact that the proposed transferee is a competitor of us or our subfranchisor.

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

(iv) Your or proposed transferee's failure to pay any sums owing to us or to cure any default in the Franchise Agreement existing at the time of the proposed transfer.

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

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

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

Any questions regarding this notice should be directed to:

State of Michigan
Department of Attorney General
Consumer Protection Division
Attn: Franchise
670 Law Building
Lansing, Michigan 48913
Telephone Number: (517) 373-7117

MINNESOTA

Despite anything to the contrary in the Agreement, the following provisions will supersede and apply to all franchises offered and sold in the State of Minnesota:

1. Any provision in the Agreement which would require you to assent to a release, assignment, novation or waiver that would relieve any person from liability imposed by Minnesota Statutes, Sections 80C.01 to 80C.22 will be void to the extent that such contractual provision violates such law.

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

3. Minn. Rule Part 2860.4400J. prohibits a franchisee from waiving his rights to a jury trial or waiving his rights to any procedure, forum, or remedies provided for by the laws of the jurisdiction, or consenting to liquidated damages, termination penalties or judgment notes. Any provision in the Agreement which would require you to waive your rights to any procedure, forum or remedies provided for by the laws of the State of Minnesota is deleted from any Agreement relating to franchises offered and sold in the State of Minnesota; provided, however, that this paragraph will not affect the obligation in the Agreement relating to arbitration.

4. With respect to franchises governed by Minnesota law, we will comply with Minnesota Statute Section 80C.14, Subds. 3, 4 and 5, which require, except in certain specified cases, that you be given 90 days notice of termination (with 60 days to cure) and 180 days notice for non-renewal of the Agreement; and that consent to the transfer of the franchise will not be unreasonably withheld.

5. Item 13 of the FDD is hereby amended to state that we will protect your rights under this Agreement to use the Marks, or indemnify you from any loss, costs, or expenses arising out of any third-party claim, suit or demand regarding your use of the Marks, if your use of the Marks is in compliance with the provisions of the Franchise Agreement and our System standards.

6. Minnesota Rule 2860.4400(D) prohibits a franchisor from requiring a franchisee to assent to a general release. As a result, the Franchise Disclosure Document and the Franchise Agreement, which require you to sign a general release prior to renewing or transferring your franchise, are hereby deleted from the Franchise and Area Development Agreement, to the extent required by Minnesota law.

7. The following language will appear as a new paragraph of the Franchise Agreement:

> <u>No Abrogation</u>. Based on Minnesota Statutes, Section 80C.21, nothing in the dispute resolution section of this Agreement will in any way abrogate or reduce any of your rights as provided for in Minnesota Statutes, Chapter 80.C.

8. Minnesota Statute Section 80C.17 states that no action for a violation of Minnesota Statutes, Sections 80C.01 to 80C.22 may be commenced more than three years after the cause of action accrues. To the extent that the Franchise Agreement conflicts with Minnesota law, Minnesota law will prevail.

<u>NEW YORK</u>

The following is added to the Risk Factors on the cover page:

THE FRANCHISOR MAY, IF IT CHOOSES, NEGOTIATE WITH YOU ABOUT ITEMS COVERED IN THE PROSPECTUS. HOWEVER, THE FRANCHISOR CANNOT USE

THE NEGOTIATING PROCESS TO PREVAIL UPON A PROSPECTIVE FRANCHISEE TO ACCEPT TERMS WHICH ARE LESS FAVORABLE THAN THOSE STATED IN THIS PROSPECTUS.

Item 3 of the Franchise Disclosure Document is modified to read as follows:

Other than described in ITEM 2, neither Interpreters Licensing International, Inc., its predecessor, a person identified in ITEM 2, or an affiliate offering franchises under Interpreters Licensing International, Inc.'s principal trademark has an administrative, criminal or civil action pending against it alleging a fraudulent conversion, misappropriation of property; unfair or deceptive practices or comparable civil or misdemeanor allegations.

Neither Interpreters Licensing International, Inc., its predecessor, a person identified in ITEM 2, or an affiliate offering franchises under Interpreters Licensing International, Inc.'s principal trademark has been convicted of a felony or pleaded nolo contendere to a felony charge or within the ten-year period immediately preceding the application for registration, has been convicted of or pleaded nolo contendere to a misdemeanor charge or has been the subject of a civil action alleging a violation of a franchise, antifraud or securities law; fraud, embezzlement fraudulent conversion or misappropriation of property, or unfair or deceptive practices or comparable allegations.

Neither Interpreters Licensing International, Inc., its predecessor, a person identified in ITEM 2, or an affiliate offering franchises under Interpreters Licensing International, Inc.'s principal trademark is subject to a currently effective injunctive or restrictive order or decree relating to the franchise, or under a federal, state or Canadian franchise, securities, antitrust, trade regulation or trade practice law, resulting from a concluded or pending action or proceeding brought by a public agency; or is subject to any currently effective order of any national securities association or national securities exchange, as defined in the Securities and Exchange Act of 1934, suspending or expelling such person from membership in such association or exchange; or is subject to a currently effective injunction or restrictive order relating to any business activity as a result of an action brought by a public agency or department, including without limitation, an action affecting a license as a real estate broker or sales agent.

Item 4 of the Franchise Disclosure Document is modified to read as follows:

Other than as described in ITEM 4 of the Interpreters Licensing International, Inc. Franchise Disclosure Document, neither Interpreters Licensing International, Inc., its affiliate, its predecessor, officers or general partner during the 10 year period immediately before the date of the Franchise Disclosure Document: (a) filed as debtor (or had filed against it) a petition to start an action under the U.S. Bankruptcy Code; (b) obtained a discharge of its debts under the U.S. Bankruptcy Code; or (c) was a principal officer of a company or a general partner in a partnership that filed as a debtor (or had filed against it) a petition to start an action under the U.S. Bankruptcy Code during or within one year after the officer or general partner of the Franchisor held this position in the company or partnership.

The following sentence is added to the end of the first paragraph of ITEM 5 of the Franchise Disclosure Document:

We may use the proceeds from your payment of the Initial Franchise Fee to defray our costs and expenses for providing training and assistance to you; for commission payments to brokers involved in the sale of a franchise to you; for general working capital purposes; and for other expenses.

The first paragraph of Item 17 of the Franchise Disclosure Document is modified to read as follows:

THESE TABLES LIST CERTAIN IMPORTANT PROVISIONS OF THE FRANCHISE AGREEMENT AND RELATED AGREEMENTS PERTAINING TO RENEWAL, TERMINATION, TRANSFER AND DISPUTE RESOLUTION. YOU SHOULD READ THESE PROVISIONS IN THE AGREEMENTS ATTACHED TO THIS FRANCHISE DISCLOSURE DOCUMENT.

The Franchise Agreement is hereby amended to state that Franchisee shall not be required to indemnify Franchisor for any liabilities which arose as a result of Franchisor's breach of this Agreement or other civil wrongs committed by Franchisor.

FRANCHISOR REPRESENTS THAT IT HAS NOT KNOWINGLY OMITTED FROM THE FRANCHISE DISCLOSURE DOCUMENT ANY MATERIAL FACT, NOR DOES THE FRANCHISE DISCLOSURE DOCUMENT CONTAIN ANY UNTRUE STATEMENT OF A MATERIAL FACT.

NORTH DAKOTA

Sections of the Franchise Disclosure Document, the Franchise Agreement, and the Supplemental Agreements requiring that you sign a general release, estoppel or waiver as a condition of renewal and/or assignment may not be enforceable as they relate to releases of the North Dakota Franchise Investment Law.

Sections of the Franchise Disclosure Document, the Franchise Agreement, and the Supplemental Agreements requiring resolution of disputes to be outside North Dakota may not be enforceable under Section 51-19-09 of the North Dakota Franchise Investment Law, and are amended accordingly to the extent required by law.

Any sections of the Franchise Disclosure Document, the Franchise Agreement, and the Supplemental Agreements requiring you to consent to liquidated damages and/or termination penalties may not be enforceable under Section 51-19-09 of the North Dakota Franchise Investment Law, and are amended accordingly to the extent required by law.

Any sections of the Franchise Disclosure Document, the Franchise Agreement, and the and the Supplemental Agreements requiring you to consent to a waiver of trial by jury may not be enforceable under Section 51-19-09 of the North Dakota Franchise Investment Law, and are amended accordingly to the extent required by law.

Any sections of the Franchise Disclosure Document, the Franchise Agreement, and the Supplemental Agreements requiring you to consent to a waiver of exemplary and punitive damages may not be enforceable under Section 51-19-09 of the North Dakota Franchise Investment Law, and are amended accordingly to the extent required by law.

FOR THE STATE OF OHIO:

The following language will be added to the Franchise Agreement:

> You, the purchaser, may cancel this transaction at any time prior to midnight of the fifth business day after the date you sign this agreement. See the attached notice of cancellation for an explanation of this right.

NOTICE OF CANCELLATION

______________ (enter date of transaction)

You may cancel this transaction, without penalty or obligation, within five business days from the above date. If you cancel, any payments made by you under the agreement, and any negotiable instrument executed by you will be returned within ten business days following the seller's receipt of your cancellation notice, and any security interest arising out of the transaction will be cancelled. If you cancel, you must make available to the seller at your business address all goods delivered to you under this agreement; or you may if you wish, comply with the instructions of the seller regarding the return shipment of the goods at the seller's expense and risk. If you do make the goods available to the seller and the seller does not pick them up within twenty days of the date of your notice of cancellation, you may retain or dispose of them without further obligation. If you fail to make the goods available to the seller, or if you agree to return them to the seller and fail to do so, then you remain liable for the performance of all obligations under this agreement. To cancel this transaction, mail or deliver a signed and dated copy of this cancellation notice or any other written notice, or send a telegram, to Sayed Ali, 10650 Treena Street, Suite 308, San Diego, CA 92131, Phone: (858) 451-7490, or at sayed.ali@iugroup.com, not later than midnight of the fifth business day after the Effective Date.

I hereby cancel this transaction.

you: ______________________________

By: ______________________________

Print Name: ________________________

Its: ______________________________

Date: ______________________________

RHODE ISLAND

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

Document, the Franchise Agreement, and the Supplemental Agreements are amended accordingly to the extent required by law.

The above language has been included in this Franchise Disclosure Document as a condition to registration. The Franchisor and the Franchisee do not agree with the above language and believe that each of the provisions of the Franchise Agreement and the Supplemental Agreements, including all choice of law provisions, are fully enforceable. The Franchisor and the Franchisee intend to fully enforce all of the provisions of the Franchise Agreement, the Supplemental Agreements, and all other documents signed by them, including but not limited to, all venue, choice-of-law, arbitration provisions and other dispute avoidance and resolution provisions and to rely on federal pre-emption under the Federal Arbitration Act.

VIRGINIA

Item 17(h). The following is added to Item 17(h):

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

WASHINGTON

The state of Washington has a statute, RCW 19.100.180, which may supersede the Franchise Agreement and Supplemental Agreements in your relationship with the franchisor including the areas of termination and renewal of your franchise. There may also be court decisions which may supersede the Franchise Agreement in your relationship with the franchisor including the areas of termination and renewal of your franchise. The Franchise Disclosure Document, the Franchise Agreement and the Supplemental Agreements are amended accordingly.

In any arbitration involving a franchise purchased in Washington, the arbitration site shall be either in Washington or in a place as mutually agreed upon at the time of the arbitration, or as determined by the arbitrator. The Franchise Disclosure Document, the Franchise Agreement and the Supplemental Agreements are amended accordingly.

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

Transfer fees are collectable to the extent that they reflect the franchisor's reasonable estimated or actual costs in effecting a transfer. The Franchise Disclosure Document, the Franchise Agreement and the Supplemental Agreements are amended accordingly.

WISCONSIN

The Wisconsin Fair Dealership Law, Chapter 135 of the Wisconsin Statutes supersedes any provision of the Franchise Agreement if such provision is in conflict with that law. The Franchise Disclosure Document, the Franchise Agreement and the Supplemental Agreements are amended accordingly.

ACKNOWLEDGMENT:

It is agreed that the applicable foregoing State Addendum, if any, supersedes any inconsistent portion of the Franchise Agreement and the Supplemental Agreements dated the _____ day of __________________, 201__, and of the Franchise Disclosure Document, but only to the extent that the provisions of this State Addendum are then-valid requirements of an applicable and enforceable state law, based on the independent jurisdictional requirements of such state law, and for only so long as such state law remains in effect. The parties further acknowledge and agree that this State Addendum is applicable only to those persons specifically subject to the protections of the state laws referenced in this State Addendum., and that nothing in this State Addendum, the Franchise Disclosure Document, Franchise Agreement, or Supplemental Agreements will be interpreted or construed as providing an independent basis for Franchisee's assertion that any particular state law or provision applies to the Franchise Disclosure Document, Franchise Agreement, or Supplemental Agreements that would not otherwise independently apply due to the jurisdictional requirements of such state law or provision.

DATED this _______ day of ____________________, 201__.

FRANCHISOR:	**FRANCHISEE:**
INTERPRETERS LICENSING INTERNATIONAL, INC.	________________________________
By:________________________________	By:________________________________
Title:______________________________	Title:______________________________

<u>INTERPRETERS LICENSING INTERNATIONAL, INC.</u>

EXHIBIT F

Franchise Disclosure Document Receipt

RECEIPT

(Your Copy)

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

If Interpreters Licensing International, Inc. offers you a franchise, it must provide this disclosure document to you 14 calendar days before you sign a binding agreement with, or make a payment to, the franchisor or an affiliate in connection with the proposed franchise sale. Under Iowa, New York, or Rhode Island law, if applicable, Interpreters Licensing International, Inc. must provide this disclosure document to you at your 1st personal meeting to discuss the franchise. Michigan requires Interpreters Licensing International, Inc. to 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 Interpreters Licensing International, Inc. does not deliver this disclosure document on time or if it contains a false or misleading statement, or a material omission, a violation of federal law and state law may have occurred and should be reported to the Federal Trade Commission, Washington, D.C. 20580.

The name, principal business address and telephone number of each franchise seller offering the franchise (**franchisor:** check **all** that apply):

☐ Sayed Ali ☐ Shamroze Sayed, Interpreters Licensing International, Inc., 10650 Treena Street, Suite 308, San Diego, CA 92131. We have inserted the name and address of any other franchise seller below (we attach additional pages, if necessary):

____

Issuance Date: April 17, 2017

See **Exhibit A** for Interpreters Licensing International, Inc.'s registered agents authorized to receive service of process.

I have received a disclosure document dated April 17, 2017 that included the following Exhibits:

A.	List of State Agencies/Agents for Service of Process
B.	Franchise Agreement
C.	Operating Manual Table of Contents
D.	Financial Statements
E.	State-Specific Addendum to Franchise Agreement and Disclosure Document
F.	Franchise Disclosure Document Receipt

______________	______________________	______________________
Date	Signature	Printed Name

Please sign both copies of the receipt and date your signature. Please retain one copy for your records, and return the other copy to Sayed Ali, 10650 Treena Street, Suite 308, San Diego, CA 92131, sayed.ali@iugroup.com.

RECEIPT
(Our Copy)

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