FRANCHISE DISCLOSURE DOCUMENT

JOURNEY FRANCHISING LLC
d/b/a Journey Payroll & HR
a Colorado limited liability company
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Journey Payroll & HR businesses offer payroll processing, human resources, timekeeping, payroll tax payments, employee benefits administration, background checks, team management and team culture services to small and mid-sized businesses ("Journey Payroll & HR Business(es)" or "Business(es)").

The total investment necessary to begin operation of a Journey Payroll & HR franchised business is between $78,575 and $121,650. This includes between $70,000 and $70,400 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 governmental agency has verified the information contained in this document.**

You may wish to receive your disclosure document in another format that is more convenient for you. To discuss the availability of disclosures in different formats, contact the Franchise Development Officer at Journey Franchising LLC, 3351 Eastbrook Drive, Unit 3, Fort Collins, Colorado 80525, (970) 568-8613.

The terms of your contract will govern your franchise relationship. Do not rely on the disclosure document alone to understand your contract. Read all of your contract carefully. Show your contract and this disclosure document to an advisor, like a lawyer or 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 "Buying a Franchise: A Consumer's Guide," 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 27, 2023

How to Use This Franchise Disclosure Document

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

QUESTION	WHERE TO FIND INFORMATION
How much can I earn?	Item 19 may give you information about outlet sales, costs, profits or losses. You should also try to obtain this information from others, like current and former franchisees. You can find their names and contact information in Item 20 or Exhibit D.
How much will I need to invest?	Items 5 and 6 list fees you will be paying to the franchisor or at the franchisor's direction. Item 7 lists the initial investment to open. Item 8 describes the suppliers you must use.
Does the franchisor have the financial ability to provide support to my business?	Item 21 or Exhibit B includes financial statements. Review these statements carefully.
Is the franchise system stable, growing, or shrinking?	Item 20 summarizes the recent history of the number of company-owned and franchised outlets.
Will my business be the only Journey Payroll & HR business in my area?	Item 12 and the "territory" provisions in the franchise agreement describe whether the franchisor and other franchisees can compete with you.
Does the franchisor have a troubled legal history?	Items 3 and 4 tell you whether the franchisor or its management have been involved in material litigation or bankruptcy proceedings.
What's it like to be a Journey Payroll & HR franchisee?	Item 20 or Exhibit D lists current and former franchisees. You can contact them to ask about their experiences.
What else should I know?	These questions are only a few things you should look for. Review all 23 Items and all Exhibits in this disclosure document to better understand this franchise opportunity. See the table of contents.

What You Need To Know About Franchising *Generally*

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

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

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

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

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

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

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

Some States Require Registration

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

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

Special Risks to Consider About *This* Franchise

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

1. **Out-of-State Dispute Resolution**. The franchise agreement requires you to resolve disputes with the franchisor by arbitration only in Colorado. Out-of-state arbitration may force you to accept a less favorable settlement for disputes. It may also cost more to arbitrate with the franchisor in Colorado than in your own state.

2. **Spousal Liability**. Your spouse and other immediate family members must sign a nondisclosure and non-competition agreement which requires them to adhere to the non-competition provisions of the franchise agreement, both during and after the franchise term, whether or not they are involved in the operation of the franchise.

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

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

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

NOTICE REQUIRED BY
STATE OF MICHIGAN

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

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

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

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

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

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

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

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

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

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

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

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

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

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

The fact 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 Department of Attorney General, State of Michigan, 670 Williams Building, Lansing, Michigan 48913, telephone (517) 373-7117.

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

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

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ITEM 1

THE FRANCHISOR AND ANY PARENTS, PREDECESSORS AND AFFILIATES

To simplify the language in this Franchise Disclosure Document, "JFL," "we," "us" and "our" means Journey Franchising LLC, the franchisor. "You," "your" and "Franchisee" means the person, and its owners if the Franchisee is a business entity, who buys the franchise JFL.

The Franchisor

JFL is a Colorado limited liability company that was formed on February 27, 2017. We currently conduct business under our company name, Journey Payroll & HR, and under the service mark and brand "Journey Payroll & HR." We have been offering franchises for Journey Payroll & HR Businesses since June 30, 2017. We do not conduct business under any other name or in any other line of business and we do not offer franchises in any other line of business. Our principal business address is 3351 Eastbrook Drive, Unit 3, Fort Collins, Colorado 80525.

Our agent for service of process in Colorado is Kevin Welch, 3351 Eastbrook Drive, Unit 3, Fort Collins, Colorado 80525. Our agents for service of process for other states are identified by state in Exhibit A. 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 above in which we have appointed an agent for service of process. There may also be additional agents appointed in some of the states listed. We do not operate any Journey Payroll & HR Businesses but our affiliate does.

Parents, Predecessors and Affiliates

Our affiliate, Journey Payroll, Inc., formerly known as TLC Employer Services, Inc. ("JPI") has operated a business of the type that is offered in this Franchise Disclosure Document since January 2010, which is located in Fort Collins, Colorado, and operates at the same principal business address as ours. JPI operates its business under the name Journey Payroll and uses the trade name Journey Payroll & HR. JPI also provides payroll service processing and print room services to franchisees, as described in Item 6 and the Services Agreement attached to this Franchise Disclosure Document as Exhibit G-8.

Our affiliate Journey Open Territory "JOT" is a Colorado limited liability company formed on June 8, 2020 and shares our principal address. JOT has operated a business of the type that is offered in this Franchise Disclosure Document since June 2020 in Ridgeland, Mississippi. JOT operates its business under the name Journey Payroll & HR and uses the trade name Journey Payroll & HR. JOT also assists us with coordinating and supporting incoming national accounts.

Our affiliate Clock on the Dot, LLC ("COTD") is a Colorado limited liability company formed on December 13, 2022 and shares our principal business address. COTD offers optional online time-management software to our franchisees.

Our affiliate, Journey Software LLC ("Journey Software Affiliate") is a Colorado limited liability company formed on September 5, 2018 and shares our principal business address. Journey Software Affiliate provides required software to our franchisees.

None of our affiliates has ever offered franchises in any line of business nor have they engaged in other business activities except as described above. We do not have any parents or predecessors.

The Franchise

We offer franchises for the establishment and operation of Journey Payroll & HR Businesses that offer payroll processing, human resources, timekeeping, payroll tax payments, employee benefits administration, background checks, team management and team culture services, ("Journey Services" or "Services") to small and mid-sized businesses ("Clients"). The Businesses use our service mark "Journey Payroll & HR" and related service marks and trademarks ("Marks"), as well as our proprietary business methods ("Licensed Methods"). Journey Payroll & HR Businesses provide Services to a variety of Clients focusing on small businesses that need assistance with payroll processing, payroll tax payments, and other human functions. The Services provided by a Journey Payroll & HR Business include payroll processing, timekeeping, workers' compensation, payroll tax payments, human resources, employee benefits administration resources, background checks, team management and team culture services for Clients that have little to no staff dedicated to payroll-related services. We reserve the right to modify the Services at any time. You will operate your Journey Payroll & HR Business from a single location ("Business Location"). You will most likely operate your Journey Payroll & HR Business from your home, but you may choose to rent an executive suite office or other commercial office or retail space. The Franchise Agreement is attached to this Franchise Disclosure Document as Exhibit C.

Market for the Franchise Services and Competition

The target market for the Journey Services is small to mid-sized businesses in your community. You will market to Clients that utilize outside companies to take care of various payroll and employee benefit administrative needs. You will compete with a wide variety of other businesses and individuals that provide similar services in your market area. There are numerous enterprises and individuals in all areas of the United States providing some or all of the services you will offer through your Journey Payroll & HR Business. These include professional employer organizations, tax accountants, payroll tax preparers, payroll software services, and accounting software providers.

Regulations

You must observe all rules and regulations that apply to a Journey Payroll & HR Business in the state where your Business will be conducted. We are not aware of any states that require licenses or otherwise regulate payroll processing businesses. You are responsible for determining whether licensing or other regulations exist and if so, how you will comply with them. We recommend that you consult with an attorney regarding federal, local and state laws, rules and regulations that may affect the operation of your Business. You must comply with data privacy laws governing the use of personally identifiable information. You should have a general understanding of federal tax and employment regulations and forms that your Business will process and file for Clients.

You should also familiarize yourself with federal, state or local laws of a more general nature that may affect the operation of your Journey Payroll & HR Business. It will be your responsibility to comply with any laws affecting your Business. If you are a legal entity, you have the duty to maintain your legal entity's good standing with the state where the legal entity is formed to maintain the existence of the legal entity. You must also abide by our data privacy policies set forth in the Journey Payroll & HR operations manual.

ITEM 2

BUSINESS EXPERIENCE

Chief Executive Officer and Shareholder: Kevin Welch

Mr. Welch has served as Chief Executive Officer and Shareholder of Journey in Fort Collins, Colorado since its formation in February 2017. He has also served as President and Chief Executive Officer of JPI in Fort Collins, Colorado since its formation in January 2010. He is the founder of JPI, and he has been a Director of JPI since its inception in January 2010. Mr. Welch has also served as Chief Executive Officer and Manager of Journey Software LLC in Fort Collins, Colorado since September 2018.

Chief Financial Officer and Shareholder: Audra Sandage

Ms. Sandage has served as our Chief Financial Officer in Fort Collins, Colorado since January 2022. Previously, she served as our Financial Controller in Fort Collins, Colorado from our formation in February 2017 until January 2022 and as a Shareholder since October 2021. She also serves as the Chief Financial Officer and Shareholder of JPI in Fort Collins since January 2022 and was previously the Vice President, Financial Controller and Shareholder of JPI since February 2017.

President and Shareholder: Kirsten Madland

Ms. Madland has been our President and Shareholder in Fort Collins, Colorado since February 2023. Previously, she served as our President of Payroll Tax from April 2022 until February 2023 in Fort Collins, Colorado. Prior to that, she was our Operations Manager in Fort Collins, Colorado from our inception in February 2017 until April 2022. She has also held the position of Systems Operations Executive for JPI in Fort Collins, Colorado since August 2012.

Vice President and Shareholder: Michael Pierce

Mr. Pierce is our Vice President and shareholder in Fort Collins, Colorado and has been since April 2021. Mr. Pierce also serves as the Vice President and Shareholder of Journey Software LLC in Fort Collins, Colorado and has done so since November 2020. Mr. Pierce is also a co-founder and the Chief Executive Officer of Digital Retirement Solutions, Inc. in Longmont, Colorado and has been since January 2006.

Shareholder: Timothy Bromell

Mr. Bromell has been one of our shareholders since April 2021 in Westminster, Colorado. Mr. Bromell has been self-employed in the investment industry since August 2015 in Westminster, Colorado.

ITEM 3

LITIGATION

No litigation or arbitration is required to be disclosed in this Item.

ITEM 4

BANKRUPTCY

No bankruptcy is required to be disclosed in this Item.

ITEM 5

INITIAL FEES

Franchise Fee

Except as noted below, you will pay a non-refundable initial franchise fee of $70,000 for franchise rights to one protected territory which will be designated in the Franchise Agreement. The initial franchise fee is paid to us in full when you sign the Franchise Agreement. The initial franchise fee is uniformly imposed, fully earned by us when you sign the Franchise Agreement, and nonrefundable.

We may finance a portion of the initial franchise fee as described in Item 10. During our most recent fiscal year, ended December 31, 2022, we collected initial franchise fees ranging between $33,000 and $50,000.

Email Communications and Technical Assistance Fee

We charge a monthly fee for participation in our electronic mail system, web page for your Journey Payroll & HR Business, website hosting, and technical support. You will begin paying this fee in the first full month after you complete initial training, calculated at $60 to $100 per employee per month. We estimate that the amount of this fee payable prior to opening would be approximately $400 if you have one owner and take the maximum 180 days allowed to open your Business.

ITEM 6

OTHER FEES

Type of Fee [(1)]	Amount	Due Date	Remarks
Royalty [(2)]	5% of monthly Gross Revenue[(2)]	We will deduct your Royalty and other amounts due to us and remit your Net Revenue to you on the 20th day of each month based on Gross Revenue generated by your Business and received by us in the preceding month	Your Royalty is an ongoing payment that allows you to use the Marks and the intellectual property of the System and pays for our ongoing support and assistance.

Type of Fee [1]	Amount	Due Date	Remarks
National Advertising Fee	2.25% of monthly Gross Revenue [2]	Same as Royalty; based on Gross Revenue generated by your Business and received by us in the preceding month.	The National Advertising Fee is based on Gross Revenue generated by your Business and received by us during the previous month. Used for advertising, marketing and promoting Businesses. Businesses owned by our affiliate contribute on the same basis as franchisees.
Regional Advertising Association [3]	May vary, with recurring contributions up to 1% of Gross Revenue, but reduces your local advertising expenditure proportionally.	Monthly or as directed by the Association	As of the date of this Franchise Disclosure Document, there are no Associations established. If we form an Association in your area, we anticipate each member will contribute 1% of Gross Revenue. Company-owned Businesses will contribute on the same basis as franchised Businesses. Local advertising expenditures will be reduced proportionally if you participate in an Association.
Social Marketing Fee	$295 per month	Same as Royalty	After the first 120 days of operations, this fee is paid to us for managing social media accounts to ensure continuity of the Journey Payroll & HR brand.
Payroll Tax Service Charges	$16 per Client per month, to make payroll tax payments, file payroll tax returns and related items for Clients of your Business. If a Client has local tax payments, there will also be a fee of $5 per local tax payment per month. If a Client operates in more than one state, there is another $5 per month charge for each additional state.	Same as Royalty	If state or local taxes apply, we will charge you fees for each tax that applies. These fees may increase if our costs increase.
Computer Server Charges	We charge $0.35 per active employee per month for our computer server costs related to services provided to Clients of your Business.	Same as Royalty	This fee may increase if our costs increase.
Payroll Software Fee	$2.00 per Client per month and $1.60 per active employee per month for payroll software processing.	Same as Royalty	The "Payroll Software Fee" may increase if our costs increase. The Payroll Software Fee includes the software provided by Journey Software Affiliate that you must use.

Type of Fee [1]	Amount	Due Date	Remarks
Payroll Service Processing	We charge a one-time implementation charge of $50 for each new Client, plus a base fee of $15 for each prior payroll loaded plus $1.55 per employee. Following implementation, the base fee is $31 plus $1.70 per employee, per payroll, for online clients.	Monthly, upon invoice	This fee paid to JPI covers the costs to finalize each payroll and the printing process. We can increase this fee upon 30 days' notice to you. Due within five days of receipt of invoice.
End of Year Processing Fee	We charge a base fee of $21 per client, plus $3.25 per W-2.	Monthly, upon invoice	This fee paid to JPI covers the cost to finalize all year-end tax filings and processing for your clients who do not participate in paperless reporting and direct deposit.
Check Impounding Administration Fee	$1 per customer per month ($100 minimum) plus $50 per check for stop payment	Monthly, upon invoice	This fee paid to JPI covers the recon work, daily account management and bank fees incurred to process checks and tax impounding transactions. We may increase this fee with 30 days' notice. Due within five days of receipt of invoice.
Finance Charge	Lesser of 1.5% per month or the highest interest rate allowable by law	As incurred	Payable if you fail to pay any amounts due under the Services Agreement.
Tax Amendment Fees	We charge a base fee of $350 - $500 per quarter plus $25 - $50 per W-2C.	As incurred	You will pay this fee if your client requires and we handle an amended return. The amount will depend upon the timeline and the nature and number of corrections needed.
Email Communications and Technical Assistance [4]	$60 - $100 a month per employee payable to us. Subject to change as costs change.	Same as Royalty, starting in the first full month after training	The fee covers participation in our electronic mail system, web page for your business, website hosting, and technical support.
Shipping Fee	$4.25 per package plus $0.75 per garnishment check mailed	Monthly, upon invoice	You will pay this fee to JPI for each package shipped to your clients. You will pay the carrier the actual costs of shipping directly.
Local Number Call Forwarding	Currently $10 per month	Monthly, within five days of receipt of invoice	You will pay this to JPI for providing call forwarding services. We may increase this fee with 30 days' notice.
HRNow	Determined by supplier; currently $4 per company, per month.	Same as Royalty	You will pay us for these services, which we will remit to MyHRConcierge, but you may choose to bill your clients. You will pay MyHRConcierge directly for any other services you request they provide to your Journey Payroll & HR Business.

Type of Fee [(1)]	Amount	Due Date	Remarks
Successor Franchise Fee	$10,000	On signing of successor Franchise Agreement	Fee is payable when successor franchise agreement is signed.
Transfer Fee	$15,000	Before consummation of transfer	You must obtain our prior written consent to any transfer. The transferee is not charged an initial franchise fee. If you hire a broker, you must pay all fees owed to the broker. Certain exclusions apply.
Audit Costs	Cost of inspection or audit.	As incurred	Payable only if you understate your Gross Revenue by 1% or more, fail to submit reports to us three times in a row or do not cooperate in performance of any inspection or audit, including failing to have the books, records and other information regarding your Business available for audit.
Additional Training and Conferences[(5)]	Costs associated with attending mandatory training sessions, conferences and other meetings. We reserve the right to charge the then-current annual conference registration fee irrespective of attendance.	Costs due as incurred; annual conference registration fee is due 60 days before the conference begins, if applicable	We or a third party may charge tuition for ongoing training programs. You must pay for your travel and living expenses while attending training and conferences. We reserve the right to require your attendance at one annual conference per year.
Interest	Lesser of 18% per annum or highest rate allowed by law.	As incurred	Begins to accrue the day after payments are due.
Costs and Attorney Fees	Will vary under the circumstances.	As incurred	Payable only if we are successful in a legal action or arbitration proceeding. You also pay any collection agency fees due if collection actions against you are necessary, or if collection actions against your clients by us are necessary.
Indemnification	Will vary under the circumstances.	As incurred	You have to reimburse us if we are held liable for claims arising from your Business, including your client's failure to pay for the services we or our affiliate provide to them.
Off-the-shelf Software Updates and Maintenance[(5)]	Upgrades and maintenance for software from third-party vendors will vary depending on your software license.	As incurred	Paid to third-party suppliers. You must update software when new versions are released, especially for antivirus software, and maintain software operations according to our standards and specifications.

Type of Fee [(1)]	Amount	Due Date	Remarks
Lost Future Royalties[(6)]	Will vary depending on remaining term of Franchise Agreement.	On termination of your Franchise Agreement for uncured defaults.	If we terminate your Franchise Agreement for uncured defaults before it expires, we may recover lost future royalties for the period when you failed to pay royalties, including the remainder of the term of your Franchise Agreement.

Notes:

1. We will generally receive any and all payments on your behalf. If any of these payments are received directly by you, you must notify us within 24 hours of receipt and these funds will be payable to us by the method designated by us. We may require you to pay fees and other amounts due to us or our affiliates via electronic funds transfer ("EFT") or other similar means. We also require you to complete the credit card authorization form (in the form attached to this Franchise Disclosure Document in Exhibit G). We may, at our option, charge your credit card on file if you fail to make any payments to us or our affiliates. We may also deduct fees from amounts received by us and remit the balance to you. We can require an alternative payment method or payment frequency for any fees or amounts owed to us or our affiliates under the Franchise Agreement. All fees are current as of the Issuance Date of this Franchise Disclosure Document. Certain fees that we have indicated may increase over the term of the Franchise Agreement.

2. "Gross Revenue" means all amounts received by you or us as a result of any and all services and goods provided at, through, or in connection with, your Journey Payroll & HR Business, excluding sales taxes, but including all amounts billed by you even if you have contracted with third parties to provide certain of the authorized services to your customers. Included in Gross Revenue is the value of services and goods provided in trade or barter transactions. "Net Revenue" means your Gross Revenue, less certain fees or other payments due to us that we deduct from amounts received by us.

3. This amount is not paid to us, but must be spent by you. We have the right to establish a regional advertising association for an area that includes your "Protected Territory" (See Item 12). If established, up to 1% of your Gross Revenue (with the exact amount determined by the advertising association) must be paid by you to that advertising association. See Item 11.

4. As of the date of this Franchise Disclosure Document, we provide you with pages on our website and as many electronic mail addresses as needed for your employees at our cost passed through to you as stated in the chart above. Services covered by this fee may change periodically.

5. Fees and costs payable to third parties. All of these are nonrefundable.

6. "Lost Future Royalties" are calculated based on your actual Gross Revenue during the prior 12 months multiplied by the number of years left under the term of your Franchise Agreement. Lost future royalties are not calculated based on the Minimum Sales Requirements described in Item 12 of this Franchise Disclosure Document and Section 19.5 of the Franchise Agreement.

ITEM 7

ESTIMATED INITIAL INVESTMENT

YOUR ESTIMATED INITIAL INVESTMENT

Type of Expenditure	Amount		Method of Payment	When Due	To Whom Payment is to be Paid
	Low	High			
Initial Franchise Fee[1]	$70,000	$70,000	Lump Sum	When You Sign the Franchise Agreement	Us
Initial Telephone System Costs[2]	$75	$750	As Incurred	As Incurred	Third Parties
Email Communications and Technical Assistance[3]	$0	$400	As Incurred	Before Opening	Us
Training Expenses[4]	$0	$2,000	As Incurred	As Incurred	Third Parties
Computers and Office Equipment; Furniture[5]	$1,000	$7,000	As Incurred	As Incurred	Third Parties
Rent (3 months)[6]	$0	$15,000	As Incurred	As Incurred	Landlord and Third Parties
Marketing Materials[7]	$1,500	$3,000	Lump Sum	Before Opening	Third Parties
Paper Inventory[8]	$250	$1,000	Lump Sum	Before Opening	Third Parties
General and Professional Liability, Worker's Compensation, and Cyber Security Insurance[9]	$3,000	$6,000	As Incurred	Before Opening	Insurance Company
Licenses, Permits and Professional Fees[10]	$250	$1,500	As Incurred	As Incurred	Government Agencies, Your Attorneys, Advisors, CPAs and Other Professionals
Additional Funds – 3 Months[11]	$2,500	$15,000	As Incurred	As Incurred	Third Parties
TOTAL ESTIMATED INITIAL INVESTMENT[12]	$78,575	$121,650			

Explanatory Notes

* All amounts paid to us are non-refundable. Third-party suppliers will determine whether payments to them are refundable.

Note 1. **Initial Franchise Fee**. See Item 5 for more information about the Initial Franchise Fee. See Item 10 for information about financing of the Initial Franchise Fee.

Note 2. **Initial Telephone System Costs**. These are the costs associated with purchasing three phones using a voice over Internet protocol (VOIP) telephone system. You must have a minimum of two telephone lines dedicated solely to your Journey Payroll & HR Business and an employee answering your phone number at all times during regular business hours. The costs of purchasing a cell phone and setting up cell phone service are also included in these estimates. Your telephone system must be capable of being rolled to a cell phone and must also be able to handle conference calls.

Note 3. **Email Communications and Technical Assistance Fee**. This fee covers participation in our electronic mail system, web page for your Journey Payroll & HR Business, website hosting, and technical support and is due starting in the first full month after you complete initial training. The low estimate assumes you open before you are obligated to pay this fee. The high estimate assumes four months of this fee based on one owner at a rate of $100 per month, and that you take the maximum 180 days allowed to open your Business.

Note 4. **Training Expenses**. Tuition for up to two individuals attending our initial training program is included in your initial franchise fee. You are responsible for all travel, lodging and living expenses associated with attendance at the initial training program and other training programs. You must also pay salaries of your employees who attend initial training. Our initial training program is currently offered entirely online. We reserve the right to conduct a three-day portion of the program at our offices in Fort Collins, Colorado or any other location we select, in the future. The low estimate assumes the training is held entirely virtually and you will have no expenses. The high estimate assumes two individuals will attend a three-day portion of the training program in Ft. Collins, Colorado. See Item 11 for more information on training formats.

Note 5. **Computers and Office Equipment; Furniture**. You must purchase a minimum of one computer and you are required to have high-speed broadband access to the internet installed at your Business Location. Prior to opening, we will provide a printer at no charge. If you prefer to use pressure sealers, you must purchase them separately from our approved or designated suppliers, which we have not included in these estimates. Your monthly Payroll Software Fee includes the costs related to software provided by Journey Software Affiliate that you must use. We estimate the computer system and equipment will cost between $1,000 and $5,000. The low estimate assumes you only purchase one computer and have the office equipment and furniture you need to operate your Journey Payroll & HR Business. The high estimate includes basic office furniture such as a desk, chair, filing cabinet, and bookcase or shelving.

Note 6. **Rent (3 Months)**. Because most of our franchisees will operate their Journey Payroll & HR Business out of their residence, the low estimate does not include estimates for items such as real property, real estate deposits, leases, leasehold improvements, utility deposits, or security deposits. The high estimate provides for approximately three months' rent for an executive office or small office location.

Note 7. **Marketing Materials**. Prior to opening, we will provide print-ready marketing flyers, and marketing slicks for free, which you will need to pay to have printed locally. The estimate includes local printing for these items, and varies depending on the quantity you order.

Note 8. **Paper Inventory**. You must purchase an opening inventory of paper products from our approved or designated suppliers before your Opening Date. We will provide an initial inventory of check stock at no charge.

Note 9. **General and Professional Liability, Worker's Compensation, and Cyber Security Insurance**. You must obtain and maintain, at your own expense, the insurance coverage we require, and satisfy other insurance-related obligations.

Note 10. **Licenses, Permits and Professional Fees**. You must acquire all licenses and permits necessary to operate a Business in your state, county and municipality. We recommend that you retain an attorney, accountant or business advisor to assist you in establishing a Business and obtaining all necessary licenses and permits in every state, county and municipality in your Protected Territory.

Note 11. **Additional Funds**. This amount is an estimate of your pre-operational expenses that are not listed above, as well as estimated additional funds necessary for the first three months of your Business operations. These expenses include employee payroll costs, but do not include any draw or salary or personal living expenses for you or the financing costs if you are borrowing money to fund your initial investment. This estimate also includes amounts incurred for office expenses, taxes, credit card processing fees, and other operational expenses. These expenses vary substantially from location to location. Our estimates are based on our experience, the experience of our affiliates, and our current requirements for Journey Payroll & HR Businesses. These figures are estimates and we cannot guarantee that you will not have additional expenses starting the Business. Your costs will also depend on factors such as: how well you follow our methods and procedures; your management skills; experience and business acumen; local economic conditions; the local market for our services; the prevailing wage rate; competition; and the sales level reached during this initial period.

Note 12. **Total Estimated Initial Investment**. We relied on our management's analysis of the operations of the affiliate-owned Journey Payroll & HR Business to compile these estimates. These estimates do not include any salary or draw for you. You should review these figures carefully with a business advisor before making any decision to purchase the franchise. We do not offer financing directly or indirectly for any part of the initial investment.

ITEM 8

RESTRICTIONS ON SOURCES OF PRODUCTS AND SERVICES

Operations

You must establish and operate your Journey Payroll & HR Business in compliance with your Franchise Agreement. You must purchase or lease equipment, products, services and supplies used in or offered through your Business in compliance with the standards and specifications contained in the materials we provide to you. These materials consist of one or more manuals, technical bulletins, standard operating procedures guides, or other written materials, some or all of which may be web-based (we refer to all manuals and other written materials, whether or not they are web-based, as our "Operations Manual"), which we may modify. We provide you with our standards and specifications for almost all of the services and products offered by your Business and for use of our Marks and Licensed Methods, inventory, Client service, equipment, computer hardware and software, and advertising. After signing the Franchise Agreement, we will make available to you a list of our approved suppliers.

Purchases from Designated or Approved Sources

JPI or we are the designated provider for tax services, marketing, web support, and social media management. JPI or we provide certain services, including payroll service processing, making payroll tax payments for your Clients, computer server charges associated with payroll tax payments, print room services, and providing an online platform for your Clients' employees to access their personal payroll and benefits information. You are required to enter into the "Services Agreement" with JPI which is attached to this Franchise Disclosure Document in Exhibit G. We or JPI will derive revenue from your purchases of these services.

CODT is an approved supplier of the online time management software that may choose to use in the operation of your Journey Payroll & HR Business. Journey Software Affiliate is the only approved supplier of the Journey Central software you must use to operate your Journey Payroll & HR Business.

You will purchase computers, printers, an opening inventory of paper and two pressure sealers for sealing paychecks from approved or designated suppliers. We reserve the right to require you to license software directly from a designated third-party provider or to license proprietary software from us, if we develop our own proprietary software in the future. You must purchase from approved or designated suppliers, certain equipment, supplies, inventory, services, computer hardware and access to software you will use in your Journey Payroll & HR Business, including: (1) one computer; (2) payroll tax payment and benefits and human resources services and associated charges described above; (3) an opening inventory of paper products; and (4) initial marketing materials. We reserve the right to require you to license proprietary software from us or our affiliate if we develop our own software in the future, at an additional cost. You will also purchase opening marketing materials from us, JPI or from an approved or designated supplier before you open the Business. We reserve the right to negotiate buying programs with vendors for the items mentioned and require that you purchase these items through our buying programs. Buying programs may change and we reserve the right to designate additional or different items which must be purchased through us or another designated source.

MyHRConcierge is the required provider of the HRNow program for certain HR features, including applicant tracking and recruiting, state unemployment insurance, handbook reviews and creation, job description reviews and creation, COBRA administration, and human resource compliance services.

You must purchase or lease other equipment, products, supplies or services used in or offered through your Business only of a type approved by us and only from other approved vendors who can supply these items in accordance with our standards and specifications.

Although not obligated to do so, we may negotiate purchase arrangements with other suppliers for the benefit of our franchisees. In addition to the buying programs we have with various vendors for the items mentioned above, we have a recommended list of vendors that provide goods and services to our franchisees. You should not rely on the continued availability of any particular pricing or distribution arrangement, or the availability of any particular product or brand, in deciding whether to purchase the franchise. Other than JPI, we are not currently affiliated with any designated or approved suppliers. Some of our officers own an interest in us. Some of our officers also own an interest in JPI, COTD, and Journey Software Affiliate. We reserve the right to receive rebates, incentives or overrides from third-party suppliers from whom you buy items. You do not receive a material benefit from us based on your use of any particular designated or approved source.

We estimate that 45% to 53% of purchases required to open your Journey Payroll & HR Business and 70% to 80% of purchases required to operate your Journey Payroll & HR Business will be from us or from other approved suppliers or under our specifications. For the year ended December 31, 2022, we received $825,090 in revenue from required purchases by franchisees. This represents approximately 65.4% of our total revenue of $1,262,112 for the fiscal year ended December 31, 2022. This amount includes some pass-through expenses to third parties. During our last fiscal year, ended December 31, 2022, our affiliate JPI received $750,272 in revenue from the sale of goods and services to franchisees. During our last fiscal year ended December 31, 2022, our affiliate COTD did not derive any revenue from the sale of goods and services to franchisees. During our last fiscal year ended December 31, 2022, our affiliate Journey Software Affiliate did not derive any revenue from the sale of goods and services to franchisees. This amount also includes pass-through expenses to third parties.

If you propose to purchase or lease any equipment, products, supplies or services for use in or sale through your Business of a type not previously approved by us, or purchase or lease these items from a supplier we have not approved, you must notify us in writing and obtain our approval in advance. We will notify you of our approval or disapproval of the item or supplier in writing within 30 days after our receipt of your request. We may withhold approval of the proposed new item or supplier for any reason; however, we will not unreasonably withhold our approval of a supplier of your choosing if the supplier meets our standards and specifications regarding the items to be supplied to you. We may require submission of sufficient specifications, information, or samples to determine whether the items or proposed suppliers of the items meet our standards and specifications. We will not make our criteria for approving suppliers available for you to review. We may revoke our approval of an item or a supplier that was previously approved, on 30 days written notice.

Marketing and Advertising

You must purchase initial marketing materials from us, JPI, or our designated vendor. All other marketing and promotion of your Business must conform to our standards and specifications. At least 30 days before you use them, you must submit for our approval all advertising, marketing and promotional materials not prepared or previously approved by us, including materials you wish to use on the Internet. We require you to participate in electronic advertising by customizing web pages that are linked to our website and periodically sending out electronic marketing pieces to targeted business in your Protected Territory. We retain the right to develop and control all Internet advertising and communications, including social media, using our Marks. We reserve the right, upon 30 days prior written notice to you, to require that you participate in electronic advertising by creating, customizing or providing access to a linked webpage, electronic newsletters, or otherwise. All Journey Payroll & HR Businesses, including any owned by our affiliates, must participate in these programs or other promotions that we may adopt in the future.

Insurance

Renaissance Insurance is the required provider for all insurance policies except workers compensation and unemployment insurance. You must obtain and provide us with proof of insurance from an insurance company rated at least "A" by A.M. Best with a Financial Size Category of IX or better and you must maintain the following insurance coverage: (i) comprehensive general liability and professional liability insurance for the Business Location and the Business with an initial limit of not less than $1,000,000 per occurrence and $2,000,000 aggregate; (ii) insuring against theft or other dishonesty by your employees in the amount of not less than $1,000,000 per occurrence; (iii) non-owned automobile liability insurance covering all employees with authority to operate a motor vehicle in an amount not less than $1,000,000, and if your Business owns a vehicle, automobile liability insurance $1,000,000 combined single limit; (iv) unemployment insurance; (v) Employment Practices Liability Insurance with a minimum aggregate limit of $1,000,000 insuring you if one of your employees brings allegations of harassment, discrimination and wrongful termination; (vi) all-risk personal property insurance in an amount equal to at least 90% of the replacement costs of the contents and tenant improvements located at the Business Location; (vii) cyber-security coverage of not less than $1,000,000; and (viii) worker's compensation insurance. The required policies of insurance must list us as an additional insured and provide for 30 days advance written notice to us of cancellation. The cost of the insurance premium will vary depending on the location and size of your Business premises and the number of employees. The cost of the insurance premium may also change periodically due to changes in insurance rates or due to your claims and loss history. We may revise the coverage limits and type of insurance required upon 60 days prior written notice.

If you fail to purchase or provide us evidence of this insurance, we have the right to remove your Business from our website, demand that you cease operations, terminate your franchise or we may obtain insurance for you and you must reimburse us for the cost of insurance. We reserve the right to require you

to change the type of insurance you are required to maintain and upon 60 days prior written notice to you, revise the required coverage limits.

ITEM 9

FRANCHISEE'S OBLIGATIONS

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

Obligation	Section in Franchise Agreement	Disclosure Document Item
(a) Site selection and acquisition/lease	Sections 3.1 and 5.1	Items 7 and 11
(b) Pre-opening purchases/leases	Sections 5.2 and 5.3	Item 7
(c) Site development and other pre-opening requirements	Sections 5.4, 5.5 and 7.1	Items 7 and 11
(d) Initial and ongoing training	Section 6	Item 11
(e) Opening	Section 5.6	Item 11
(f) Fees	Sections 4, 5.6, 6, 10.1, 12 13.2, 13.5, 17.2 and 18.3	Items 5, 6 and 7
(g) Compliance with standards and policies/Operations Manual	Sections 8, 10 and 14	Items 11 and 14
(h) Trademarks and proprietary information	Section 15	Items 13 and 14
(i) Restrictions on products/services offered	Section 14.4	Item 16
(j) Warranty and customer service requirements	Sections 10.1, 11.1, 11.3 and 14.7	Not applicable
(k) Territorial development and sales quotas	Sections 3.2 and 10.1	Item 12
(l) Ongoing product/service purchases	Section 9 and 11	Item 8
(m) Maintenance, appearance and remodeling requirements	Section 10.1	Item 8
(n) Insurance	Section 22	Items 7 and 8
(o) Advertising	Section 13	Items 6 and 11
(p) Indemnification	Section 20.3	Item 6
(q) Owner's participation/management	Section 10.1	Item 15
(r) Records/reports	Section 16	Item 6
(s) Inspections/audits	Sections 14.3 and 16.4	Item 6
(t) Transfer	Section 17	Item 17
(u) Renewal	Sections 18.3 and 18.4	Item 17
(v) Post-termination obligations	Sections 19.4 and 21.2	Item 17
(w) Non-competition covenants	Section 21	Item 17

Obligation	Section in Franchise Agreement	Disclosure Document Item
(x) Dispute resolution	Section 23	Item 17
(y) Owner/Operator's Guaranty	Section 10.1; Exhibit II	Item 15

ITEM 10

FINANCING

We do not regularly offer financing for our Journey Payroll & HR franchises. However, under certain situations, we may choose to extend financing for a portion of the Initial Franchise Fee through a promissory note ("Promissory Note"), the form of which is attached to this FDD in Exhibit G. It is not our practice to sell, assign, or discount the Promissory Note to a third party.

Item Financed	Source of Financing	Down Payment[(1)]	Amount Financed	Term (Yrs) and Interest Rate[(2)]	Monthly Payment	Prepay Penalty[(3)]	Required Security[(4)]	Liability Upon Default
Portion of Initial Franchise Fee	Us	40% to 70% of the Initial Franchise Fee	30% to 60% of the Initial Franchise Fee	18 months at 16%	Based on selected term and interest rate	None	Personal guaranty; Security interest in Franchise and all assets of your Business	Default of Franchise Agreement; Termination; Acceleration of amounts owed; costs of collection and attorney fees

Notes:

1. Typically, a down payment of between 40% and 70% of the Initial Franchise Fee is made, and the Promissory Note for the remainder is signed.

2. The Promissory Note requires the accrual of interest at the agreed upon amount (as described in the chart above) and calculated monthly on the unpaid balance as of the last day of each month.

3. You may prepay any portion of this Promissory Note at any time without penalty. Any prepayments shall be first applied to any other sums due us and then to the outstanding principal balance.

4. The Promissory Note must be signed by you and personally guaranteed by your owners (if you are a legal entity) under the Owners Agreement, the form of which is attached to the Franchise Agreement as Exhibit II. The Security Agreement must also be signed by you.

You must waive presentment, demand for payment, protest for nonpayment, notice of dishonor, diligence in collection, and all other demands, notices, indulgences, in connection with the delivery, acceptance, performance or other enforcement of the Promissory Note.

We do not arrange any other type of financing from any other source. We do not guarantee your note, lease, or other obligation.

ITEM 11

FRANCHISOR'S ASSISTANCE, ADVERTISING, COMPUTER SYSTEMS AND TRAINING

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

Pre-Opening Assistance

Before you open your Business, we, or our designee, will:

1. Designate your Protected Territory. (Section 3.2, Franchise Agreement.)

2. Provide access to our confidential and proprietary online Operations Manual covering operating techniques, standards and specifications for services and products, administration, operations and methods of doing business; including all updates and revisions. (Section 8.1, Franchise Agreement.) The Operations Manual has a total of approximately 27 pages. This is an approximate number because it is a group of electronic documents made available on a secure website or file system. The Table of Contents for the Operations Manual is attached to this Franchise Disclosure Document as Exhibit F.

3. Provide an initial training program for up to two people, including you and your "Principal Operator" (defined below) (Sections 6.1 and 6.2, Franchise Agreement.)

4. Assist you in selecting and contracting with suppliers of services, supplies and other items. (Section 7.1.d, Franchise Agreement.)

5. We do not provide the above services to renewal franchisees and may not provide all of the above services to franchisees that purchase existing Journey Payroll & HR Businesses.

Because you do not have to locate a site from which to operate your Journey Payroll & HR Business, we do not provide you with assistance in doing so. You may open an office, but it is not required. If you choose to open an office, you will need our written approval of a site (Section 5.1, Franchise Agreement.)

Ongoing Assistance

During the operation of your Business, we, or our designee, will:

1. Upon your reasonable request, consult with you by telephone or electronic mail regarding the continued operation and management of your Journey Payroll & HR Business. (Section 9.1.a, Franchise Agreement.)

2. Provide you with news and updates regarding the payroll industry and the Journey Payroll & HR Business. (Section 9.1.c, Franchise Agreement.)

3. Periodically make advertising and promotional materials available to you, either free of charge or at a price that covers our costs, at our option. (Section 9.1.b, Franchise Agreement.)

4. Refer you to "Potential Clients" (See Item 12) in your Protected Territory who contact us seeking information regarding the Journey Payroll & HR Services. (Section 9.1.f, Franchise Agreement.)

5. Provide email addresses, webpage and website hosting assistance for a monthly charge. (Section 9.1.e Franchise Agreement.)

6. Provide various products and services as we may make them available to you periodically; for example, employment related services, periodic conference calls, webinars, sales training, business development, training materials, ongoing training in an online format and access to sources from which you may obtain referrals to Potential Clients. These are examples of products and services we currently offer, but we are not obligated to continue to offer any of them. (Section 9.1.g, Franchise Agreement.)

7. If you desire additional assistance after your Business opens, we will, at our option, send a representative to visit your Journey Payroll & HR Business and provide assistance. Before the visit, we may require you to pay a daily or hourly fee for our services, in addition to reimbursing us for our expenses associated with the additional assistance. (Section 9.2, Franchise Agreement.)

Advertising Programs

National Advertising Fee

You pay us on a monthly basis a National Advertising Fee of 2.25% of your Gross Revenue. The National Advertising Fee is placed in a segregated account ("National Advertising Fund") used for branding for the Journey Payroll & HR system. We will not use the National Advertising Fund to solicit franchisees. Any interest that is earned from this account will become part of the National Advertising Fund. At your request, we will provide to you once during the calendar year, no later than 120 days after our fiscal year end, an unaudited financial statement for the funds in the National Advertising Fund for the previous fiscal year. All company and affiliate-owned Businesses, if any, pay National Advertising Fees on an equal percentage basis with all franchised Businesses.

The National Advertising Fund is administered by us in our discretion. The National Advertising Fund may be used for any purpose to promote the Journey Payroll & HR brand, including creation, production (either through an advertising agency or in-house), or media placement of marketing materials; and these materials may be disseminated through television, radio, print, the Internet, or any other media we deem appropriate, in our discretion. The National Advertising Fund may also be used for website design and maintenance, social media marketing, creative design, printed material, public relations material, conferences, trade shows, electronic mail communications, direct response literature, direct mailings, brochures, collateral material advertising, surveys of marketing effectiveness, or other marketing or public relations expenditures relating to marketing the Journey Payroll & HR Business services and products or reasonably intended to benefit Journey Payroll & HR Businesses. The National Advertising Fund may borrow from us or other lenders to cover deficits or cause the National Advertising Fund to invest any surplus for future use. Any amounts remaining in the National Advertising Fund at the end of each year accrue and we apply them toward the next year's expenses. We do not guarantee that marketing expenditures from the National Advertising Fund will benefit you or any other franchisee directly or on a pro rata basis. The National Advertising Fund is not a trust fund, and we do not owe a fiduciary duty to you with respect to the maintenance, direction or administration of the National Advertising Fund. We are not required to spend any money in the National Advertising Fund in, or for the benefit of, your Protected Territory. We will assume no other direct or indirect liability or obligation to you with respect to collecting amounts due to the National Marketing Fund or with respect to maintaining, directing or administering the National Advertising Fund. There is no advisory council composed of franchisees that advises us about advertising. We reserve the right to form and dissolve such an advisory council in the future.

The National Advertising Fee will be in addition to, and not in lieu of, expenditures we recommend you make for local promotion and marketing described in this Franchise Disclosure Document.

During our last fiscal year which ended December 31, 2022, the National Advertising Fees contributed to the National Advertising Fund were approximately spent as follows: 23% on content marketing, 28% on website development and support and 49% on administrative expenses.

You may not use any form of electronic, multimedia or telecommunication marketing materials that have not been approved by us in advance. We require you to engage in certain designated social media marketing for your Journey Payroll & HR Business, as described in the Operations Manual. On 30 days' notice, you must participate in any electronic marketing program sponsored by us. You must request our approval before you post a blog, a website, engage in social networking on the Internet, or conduct any type of Internet communication that refers to the Marks, the Licensed Methods, JPI, JFL, their affiliates, any Journey Payroll & HR Businesses or franchisees.

Regional Advertising Association

We reserve the right to require the establishment of a regional advertising association ("Association") in the marketing area where you are located. An Association, if established, will consist of other Journey Payroll & HR franchisees (and, if applicable, company and affiliate-owned Journey Payroll & HR Businesses) that are within a geographic area, the scope of which we determine. If we establish an Association for the area where you are located, you must join the Association and contribute up to 1% of your monthly Gross Revenue into a fund maintained by the Association. The money contributed to the Association will be due by the 20th day of each month for all Gross Revenue in the previous month. The Association will be administered by a person or persons selected by a majority vote of the Association members. Association members will be permitted one vote for each Franchise Agreement they have signed with JFL. JFL may seek reimbursement for its reasonable costs, salaries and overhead in assisting the Association. The funds contributed to the Association will be spent only on those marketing and promotional programs that are approved by a vote of the members of the Association. Each Association will operate under written rules its members may review. Each Association must prepare annual unaudited financial statements and send them to you if you request them. We can form, change, and dissolve Associations. Either we or the Association could create the Association's advertising, but advertising created by the Association would be required to have our written approval before use.

We also reserve the right to establish advertising cooperatives in particular regions to enable the cooperative to self-administer a regional advertising program. If we establish a cooperative, you must participate in it.

As of the date of this Franchise Disclosure Document, we had not established any advertising Associations or cooperatives.

Computer, Electronic and Telecommunications Systems

You must purchase, use, maintain and update computer equipment, telephone systems and software programs that meet our specifications as they evolve over time. In some cases, these items may only be available through us, our affiliates and suppliers designated by us. You must learn to use these software programs, telephone systems and computer equipment proficiently. We require that you have a cell phone, telephone conferencing ability and the ability to roll your telephone answering to a cell phone. We reserve the right to require you to use a designated VoIP phone system with sufficient Internet capacity to prioritize phone traffic if you operate in a shared router environment. You must pay all amounts charged by any supplier or licensor (which may be us or an affiliate) of the systems and programs used by you, including charges for use, maintenance, support and update of these systems or programs. We have independent access to information and data that you collect electronically.

You must purchase the computer hardware and software described below. You have a contractual obligation to update hardware and software components, and there are no contractual limits on the frequency or cost of this obligation.

Computer Hardware: We require that your computer system include all of the following:

1. You must purchase Microsoft compatible desktop or laptop computers for each employee (a minimum of one computer is required to open your Journey Payroll & HR Business);

2. Minimum hard disc capacity and RAM capacity to run the specified software;

3. Broadband internet; and

4. Printer and copier that performs multiple functions.

Computer Software: We require you to purchase, install and use a recent version of Microsoft Windows as your operating system. You are required to use the software provided by Journey Software Affiliate, Journey Central, for employer and employee reports, check stubs, direct deposit updates and other functions required to operate your Journey Payroll & HR Business. This software is included in the Payroll Software Fee. Our affiliate, COTD is an approved supplier of time management software that you may use to operate your Journey Payroll & HR Business.

You may purchase from a supplier of your choice all of the following software for each computer used to operate your Business:

1. A recent version of Microsoft Office, including MS Outlook, MS Word, MS Excel, MS PowerPoint, and Microsoft Internet Explorer providing access to all marketing collateral and graphics, operational data, forms, and newsletters via the Intranet;

2. QuickBooks Pro; QuickBooks Online; and

3. Virus protection software with a current subscription to virus definitions.

We estimate the price of the computer system will be between $1,000 and $5,000. You must pay for upgrades and updates for all software and remain current on all software updates. You may purchase maintenance and support contracts from third parties for hardware or other software if you wish. The cost of maintaining, updating or upgrading the computer system or its components will depend on your repair history, costs of computer maintenance services in your area, and technological advances. We estimate the annual costs will range between $1,000 and $2,000, but this could vary (as discussed above).

We may access information from your computer system and retrieve, analyze, download and use all software, data and files stored or used on your computer system. We may access information from your computer system from other locations or through an intranet/extranet system we may develop. You must store all data and information that we designate and report data and information in the manner we specify. You may need to purchase software designated by us to allow us access to your computer system and to report information in the manner we specify. You may also be required to purchase software, hardware or subscribe to a monitoring service to comply with our standards on computer security and to comply with laws regulating the privacy of Client data. If you refuse to purchase any required security products, we may purchase them for you and you must reimburse us. The data storage, phone line, communication software, internet access, electronic mail account and all additional hardware and software needed to implement and maintain these services is at your cost. See Item 6 for ongoing costs related to the computer system.

Billing for Payroll Services: We will provide certain payroll services for your Clients and you will pay us monthly for the charges related to these services. Other services will also be billed to you monthly. If we designate a third party to perform some or all of these services in the future, you must pay the costs associated with using the designated supplier.

Schedule for Opening

We estimate that the typical length of time between the signing of the Franchise Agreement, or the payment of any consideration by you for your Business, and the opening of your Business is approximately ten to 90 days. The factors affecting this time period are: completion of the initial training program; securing proper insurance for operation; and beginning to market the Business to Potential Clients. You must open the Business within 180 days of the execution of the Franchise Agreement.

Initial Training Program

We will provide our initial training program for up to two people. You, or if you are not an individual, a majority owner of the franchisee entity, and if different, the person who will be primarily responsible for managing your Business ("Principal Operator"), must complete the initial training program no later than 60 days after signing the Franchise Agreement. We may extend this period if it is anticipated that the Opening Date will be delayed. You, or your majority owner if you are an entity, and the Principal Operator (as applicable), must complete the initial training program to our satisfaction. We reserve the right to charge tuition if you elect to have more than two people complete the initial training program. Additional management employee trainees are allowed only on a space available basis.

Our initial training program is currently offered entirely online. We reserve the right to conduct a three-day portion of the program at our offices in Fort Collins, Colorado or any other location we select, in our discretion in the future. The initial training program lasts approximately three weeks. The training material consists of written and visual materials. The initial training program is conducted on an as-needed basis.

You will be responsible for providing initial training for new or replacement management employees, including Principal Operators, without charge of tuition or a training fee. Any newly appointed Principal Operator of your Business must be fully trained within two months of appointment. We may train newly appointed Principal Operators or other replacement management for our standard fees.

You or your Principal Operator must attend any additional mandatory ongoing training programs or webinars we may offer. We agree to give you 30 days prior written notice of any mandatory ongoing training programs or 14 days prior written notice for webinars. We will not require that you attend more than one annual conference and one regional conference or training workshop in person per year. You must pay all transportation and living expenses incurred by you and your management employees in connection with attending initial and ongoing training programs.

You or your Principal Operator must complete the online training programs before completing the Overview of Operations part of the initial training program, whether virtually, at our headquarters or another designated location.

The following table shows our schedule for the training program as of the date of this Franchise Disclosure Document.

TRAINING PROGRAM

Subject	Hours of Classroom Training	Hours of On-The-Job Training	Location
Our Story, Values, Policies and Expectations	8	0	Virtually
Payroll Reports	4	0	Virtually
Technology	24	0	Virtually
Meetings with Journey Payroll & HR representative and third parties	16	0	Virtually
Overview of Operations*	4	0	Virtually or at our Headquarters in Colorado
Total	**56**	**0**	

*The Overview of Operations training is normally conducted at our headquarters in Ft. Collins, Colorado. As of the date of this Franchise Disclosure Document, this portion of the initial training program is being offered virtually, but we may return to in-person training at any time in the future.

All online programs and training are conducted on your computer at a location of your choice with access to the internet. There are no instructors for the online programs. We may conduct the Overview of Operations at our headquarters in Ft. Collins, Colorado, or at an alternative location that we designate, in the future. Instructors for the initial training program may include Kevin Welch, Audra Sandage, and Kristen Madland, and other staff and consultants to JFL and JPI. Subject matter experts and vendors also participate in the training program to assist franchisees with computer software and other operations related topics.

Kevin Welch, our CEO and Shareholder, and President and Chief Executive Officer of JPI since 2010, has operated a payroll services business for over nine years. Audra Sandage is our CFO and Shareholder and has been with us since our formation in 2017. Kirsten Midland has served as Executive Software Manager for JPI since 2012.

Training materials will include our Operations Manual, vendor brochures, PowerPoint presentations and other materials.

Referral Program

During the term of the Franchise Agreement, we (or our designee(s)) may, but are not required to, pay you, in our sole discretion, a referral bonus of $500 to $10,000 in cash, services or product credit for referring a third-party franchise prospect to us, who ultimately becomes a Journey Payroll & HR franchisee. You are authorized only to identify the prospect to our franchise sales staff. You are not authorized to act as our agent or franchise broker and may not provide any information to prospects other than our information brochure. If you receive a referral bonus, notice will be given to the prospective franchisee receiving the Franchise Disclosure Document. We retain the right in our sole discretion to modify or terminate this referral program at any time. The factors concerning our decision to start, modify, or terminate the referral program include the number of franchises that we sell, the number of referrals that we receive from current franchisees and the quality of referrals that we receive from current franchisees (See Franchise Agreement – Section 9.3).

ITEM 12

TERRITORY

Protected Territory

You must operate your Journey Payroll & HR Business within the geographic area identified in the Franchise Agreement ("Protected Territory"), which is typically identified by zip codes or county lines and contains a population of approximately 100,000 businesses with between 1 and 1,000 employees. We refer to businesses with between 1 and 1,000 employees as "Potential Clients". We determine the number of Potential Clients in a Protected Territory based on demographic data from the most recent U.S. Economic Census statistics. You will not receive an exclusive territory. You may face competition from other franchisees, from outlets that we own, or from other channels of distribution or competitive brands that we control.

You will be granted a Protected Territory within which we will not operate, or locate or allow franchised or licensed Journey Payroll & HR Businesses to operate, a Journey Payroll & HR Business, subject to our reservation of rights, described below. In addition, except for (i) the servicing of National Accounts and National Account Clients (defined below); and (ii) conduct in accordance with our territorial policy concerning operations outside of a Journey Payroll & HR Business' protected territory as set forth in the Operations Manual, we shall not operate or grant franchises or licenses for others for the operation of Journey Payroll & HR Businesses in the Protected Territory.

You may contact referral sources and may advertise outside your Protected Territory subject to our standards. Similarly, other franchisees and company-owned or affiliate-owned Businesses in your market area may contact referral sources and may advertise outside of their Territories but are restricted from providing services to Clients in your Protected Territory. Existing franchisees may have Clients in your Protected Territory when you sign the Franchise Agreement, but they are restricted from taking any new Clients in your Protected Territory.

We may establish written policies that we may provide to franchisees periodically, which describe, among other things, customary exceptions to the restriction against provision of Client services outside of a franchisee's Protected Territory, more detailed guidelines for referral of Clients to other Journey Payroll & HR franchisees, provision or referral of non-mandatory, specialized program services and similar issues. Except as stated above, you do not have the right to market or advertise for Clients using other channels of distribution, such as the Internet, telemarketing, or other direct marketing, nor do you have the right to provide services to a Client residing in the Protected Territory of another franchisee.

The continuation of your rights to your Protected Territory and your right to continue operating a Business under the Franchise Agreement depends on achievement of the following sales levels ("Minimum Sales Requirements"): at the end of the 12th month after your Business opens, you must attain and maintain a minimum of $8,000 per month in Gross Revenue; at the end of the 24th month, you must attain and maintain a minimum of $15,000 per month in Gross Revenue; at the end of the 36th month, you must attain and maintain a minimum of $20,000 per month in Gross Revenue; thereafter, you must maintain $25,000 in Gross Revenue per month each calendar year for the remainder of the term of your Franchise Agreement. If you fail to meet Minimum Sales Requirements, we may reduce the size of the Protected Territory, license someone else to establish a Business in the Protected Territory, or terminate your Franchise Agreement, following a cure period. The Minimum Sales Requirements apply to each Protected Territory and do not vary based on the population of Potential Clients in a particular Protected Territory.

Under the Franchise Agreement, we (or our affiliates) may enter into, and in our sole discretion, allow franchisees to enter into, contracts or strategic alliances with "National Accounts" to provide for or encourage the provision of services to Clients they refer or assign to the Journey Payroll & HR network, whether such Clients are located inside or outside of your Protected Territory. A "National Account" is a business or organization that: (1) conducts operations, directly or through agents, affiliates, franchisees or licensees, in two or more Territories in the United States in which we or our franchisees are operating Journey Payroll & HR Businesses; and (2) has a written contract or strategic alliance with us for the purpose of providing referrals or assignments of Clients in need of Journey Services within such Territories. We will contact you if we decide to allow you to provide Journey Services to the Clients referred or assigned to us by the National Account who reside in your Protected Territory and if you are eligible to provide the services. To be eligible, you must be able to provide services to the Clients based on rules (e.g., qualifications, conditions for availability, resources, price and billing terms, insurance requirements or similar), guidelines or other terms and conditions agreed to between us and the National Account or as otherwise directed by the National Account. You do not have any right to provide services to any National Account Client unless authorized by us.

You must follow the policy in our Operations Manual concerning who may provide Journey Services to Clients who are referred or assigned by the National Account ("National Account Clients"). Our policy may allow us or other Journey Payroll & HR franchisees to service National Account Clients in your Protected Territory and may allow you to service National Account Clients in the protected territory of other Journey Payroll & HR franchisees. If we allow you to provide services to a National Account Client and you cannot or do not elect to provide services to National Account Clients in your Protected Territory based on the National Account agreement or program or violate the agreement with or standards set by the National Account, then you will not provide services to those National Account Clients during the term of the National Account agreement or program. In these circumstances, you will not be entitled to receive any portion of the resulting compensation and we or our affiliate may provide the services or we may allow another franchisee to do so. In the event you provide services to a National Account Client located in your Protected Territory that has the potential to become a National Account, you will present us with information about the potential National Account Client, and you agree to refrain from providing further services or engaging the National Account Client at locations outside the Protected Territory unless we give you permission. We do not guarantee that we will develop or maintain contracts or strategic alliances with a particular number of National Accounts, if any, or that if we do, that we will grant you the right to service any National Account Clients inside or outside your Protected Territory.

You have no option, right of first refusal or similar contractual right to acquire additional Journey Payroll & HR Business franchises. You may not unilaterally change the boundaries of your Protected Territory. If the population and demographics in your Protected Territory change during the term of your Franchise Agreement, your territorial boundaries will not be adjusted, even if the number of Potential Clients decreases. We may adjust the size of your Protected Territory only if you fail to achieve and maintain Minimum Sales Requirements described above.

We retain all territorial rights not expressly granted to you. These include the right to:

(1) to use, and to license others to use, the Marks and Licensed Methods in connection with the operation of Journey Payroll & HR Businesses, at any location other than in your Protected Territory;

(2) to use the Marks and Licensed Methods at any location within and outside your Protected Territory to promote and market Journey Payroll & HR Businesses and related services and products and to identify, offer and sell products and services through alternative channels of distribution other than through Journey Payroll & HR franchises, and on any terms and conditions as we determine, including, but not limited to, the sale of products and services, by way of the Internet, other electronic communications

methods, catalog sales, telemarketing, or other direct marketing sales, mail order, retail store display, wholesale and promotional efforts or related items, at any location, including within your Protected Territory;

(3) to use and license the use of other proprietary marks or methods in connection with the sale of products and services similar to or the same as those you will sell, whether in alternative channels of distribution, including but not limited to, by way of the Internet, other electronic communications methods, catalog sales, telemarketing and other direct marketing sales, mail order, retail store display and wholesale, or in connection with the operation of businesses selling similar services or related products or services (for example, if we acquire another company or franchise system that offers payroll services), at any location, which businesses may be the same as, or similar to, or different from Journey Payroll & HR Businesses, on any terms and conditions as we determine;

(4) to engage in any transaction, including to purchase or be purchased by, to merge or combine with, to convert to the System or be converted into a new system with any business, including such businesses operated by competitors or otherwise operated independently or as part of, or in association with, any other system or chain, whether franchised or corporately owned and whether located inside or outside of the Protected Territory, provided that in such situations the newly acquired businesses may not operate under the Marks in the Protected Territory;

(5) to provide or allow our affiliates to provide services to National Accounts anywhere, including within your Protected Territory, or to allow other franchisees to do so; and

(6) to engage in any other activities not expressly prohibited in the Franchise Agreement. We have no present plans to establish other related franchises or company-owned businesses offering similar products or services under a name or trademark that is different from Journey Payroll & HR, although we reserve the right to do so.

We are not required to pay you if we exercise any of the rights specified above inside your Protected Territory.

ITEM 13

TRADEMARKS

Under the Franchise Agreement, we grant you the right to use the Mark "Journey Payroll & HR" and other service marks, commercial symbols and logos that we may authorize. You may also use our other current or, if applicable, future Marks, as we may authorize, to identify your Business.

We have a registration with the United States Patent and Trademark Office ("USPTO") for the following Mark:

Registered Mark	Registration Number	Registration Date	Register
ADVANCENOW	6,006,766	March 10, 2020	Principal

Registered Mark	Registration Number	Registration Date	Register
	6,716,350	May 3, 2022	Principal
	6,716,351	May 3, 2022	Principal
	6,742,987	May 31, 2022	Principal

We claim common law rights in the following trademarks:

Mark	**Serial No.**	**Filing Date**	**Status**
	N/A	N/A	Common Law
JOURNEY PAYROLL & HR	N/A	N/A	Common Law

We do not have federal registrations for the trademarks above (the common law trademarks). These trademarks do not have the same legal benefits and rights as federally registered trademarks. If our right to use these Marks is challenged, you may have to change to an alternative trademark, which may increase your expenses.

The Marks are used to identify a Journey Payroll & HR Business. We require that you identify yourself as an independent owner of a Business, however, in the manner as we may designate. You must not use "Journey" or any portion of it, as part of any business entity name or with any prefix, suffix, or other modifying words, terms, designs or symbols (other than logos licensed to you), or in any modified

form; except with our prior written consent, which consent may be withheld for any reason. You must not use any Mark to identify unauthorized services or products or in any other manner not expressly authorized in writing by us. You must not use our Marks as part of an electronic mail address or on any sites on the Internet, including blogs and social networking sites, other than in the manner we designate or otherwise approve in writing, and you must not register any of the Marks as an Internet domain name. You must modify or discontinue your use of any of the Marks if we require modification or discontinuance, at your own expense. We need not reimburse you for your direct expenses of changing letterhead, for any loss of revenue due to a modified or discontinued Mark, or for your costs related to promoting a modified or substitute Mark. We have registered domain names that include our Marks.

There are no agreements that limit our rights to use or license the use of the Marks. There are no presently effective determinations of the USPTO, the Trademark Trial and Appeal Board, the trademark administrator of any state, or court; nor are there any pending infringement, opposition or cancellation proceedings, or material litigation involving any of our Marks. We have filed all required affidavits.

You are obligated to notify us of any apparent or actual infringement of, or challenge to, your use of any Mark, or any claim by any person of any rights in any Mark. We are not contractually obligated by the Franchise Agreement to protect you against claims of infringement or unfair competition, but it is our policy to do so when, in the opinion of our counsel, your rights require protection. In this case, we will pay all costs, including attorneys' fees and court costs, associated with any litigation required to defend or protect your authorized use of the licensed Marks. You are obligated to fully cooperate with us in any litigation we commence or defend on your behalf. You may not settle any claim without our written consent. We have sole discretion to take any appropriate action. We and JPI have the right to control exclusively any litigation, USPTO proceeding or any administrative proceeding arising out of any infringement, challenge or claim relating to any Mark.

We are not aware of any third party uses of the name or Mark "Journey Payroll & HR," or a name and mark that may be considered confusingly similar. We have no knowledge of any infringing uses of our Marks that could materially affect your use of them. There is always a possibility, however, that there are one or more businesses, similar to your Business, operating in or near the area where you may do business, using marks similar to ours and with superior rights to such marks as a result of prior use or otherwise. We recommend you research this possibility, using telephone directories, local filings and other means, before signing the Franchise Agreement.

ITEM 14

PATENTS, COPYRIGHTS AND PROPRIETARY INFORMATION

Patents and Copyrights

The information in the Operations Manual is proprietary and is protected by copyright and other laws. The designs contained in the Marks, the layout of our advertising materials, the ingredients and formula of our products and recipes, and any other writings and recordings in print or electronic form are also protected by copyright and other laws. Although we have not applied for copyright registration for the Operations Manual, our advertising materials, the content and format of our products or any other writings and recordings, we claim common law and federal copyrights in these items. We grant you the right to use this proprietary and copyrighted information ("Copyrighted Works") for the operation of your Business, but such copyrights remain our sole property.

There are no effective determinations of the United States Copyright Office or any court regarding any Copyrighted Works of ours, nor are there any proceedings pending, nor are there any effective

agreements between us and third parties pertaining to the Copyrighted Works that will or may significantly limit using our Copyrighted Works.

Our Operations Manual, electronic information and communications, sales and promotional materials, the development and use of our System, standards, specifications, policies, procedures, information, concepts and systems on, knowledge of, and experience in the development, operation and franchising of Journey Payroll & HR franchises, our training materials and techniques, vendor lists and client lists and information, information concerning product and service sales, operating results, financial performance and other financial data of Journey Payroll & HR franchises and other related materials are proprietary and confidential ("Confidential Information") and are our property to be used by you only as described in the Franchise Agreement and the Operations Manual. Where appropriate, certain information has also been identified as trade secrets ("Trade Secrets"). You must maintain the confidentiality of our Confidential Information and Trade Secrets and adopt reasonable procedures to prevent unauthorized disclosure of our Trade Secrets and Confidential Information.

We will disclose parts of the Confidential Information and Trade Secrets to you as we deem necessary or advisable for you to develop your Journey Payroll & HR franchise during training and in guidance and assistance furnished to you under the Franchise Agreement, and you may learn or obtain from us additional Confidential Information and Trade Secrets during the term of the Franchise Agreement. The Confidential Information and Trade Secrets are valuable assets of ours and are disclosed to you on the condition that you, and your owners if you are a business entity, and employees agree to maintain the information in confidence by entering into a confidentiality agreement we can enforce. Nothing in the Franchise Agreement will be construed to prohibit you from using the Confidential Information or Trade Secrets in the operation of other Journey Payroll & HR franchises during the term of the Franchise Agreement.

You must notify us within three business days after you learn about another's use of language, a visual image or a recording of any kind that you perceive to be identical or substantially similar to one of our Copyrighted Works or use of our Confidential Information or Trade Secrets, or if someone challenges your use of our Copyrighted Works, Confidential Information or Trade Secrets. We will take whatever action we deem appropriate, in our sole and absolute discretion, to protect our rights in and to the Copyrighted Works, Confidential Information or Trade Secrets, which may include payment of reasonable costs associated with the action. However, the Franchise Agreement does not require us to take affirmative action in response to any apparent infringement of, or challenge to, your use of any Copyrighted Works, Confidential Information or Trade Secrets or claim by any person of any rights in any Copyrighted Works, Confidential Information or Trade Secrets. You must not directly or indirectly contest our rights to our Copyrighted Works, Confidential Information or Trade Secrets. You may not communicate with anyone except us, our counsel or our designees regarding any infringement, challenge or claim. We will take action as we deem appropriate regarding any infringement, challenge or claim, and the sole right to control, exclusively, any litigation or other proceeding arising out of any infringement, challenge or claim under any Copyrighted Works, Confidential Information or Trade Secrets. You must sign any and all instruments and documents, give the assistance and do acts and things that may, in the opinion of our counsel, be necessary to protect and maintain our interests in any litigation or proceeding, or to protect and maintain our interests in the Copyrighted Works, Confidential Information or Trade Secrets.

No patents or patents pending are material to us at this time.

ITEM 15

OBLIGATION TO PARTICIPATE IN THE ACTUAL OPERATION OF THE FRANCHISE BUSINESS

Under the terms of the Franchise Agreement, we do require you, or if you are a legal entity, your officers, directors, shareholders, limited liability company managers, members, or partners to participate personally in the direct operation of your Journey Payroll & HR Business. If you, or if you are a legal entity, your officers, directors, shareholders, limited liability company managers, members or partners, do not personally supervise the day-to-day operation of your Business, you must appoint a Principal Operator to be responsible for the direct on-premises supervision of your Business. You, or, if applicable, your Principal Operator, must work in the Business on a full-time basis and you or your Principal Operator must complete the initial training program. You will remain responsible for ensuring compliance with all terms and conditions of the Franchise Agreement even if you are not the Principal Operator of the Business. You will provide us with a list of all management personnel and keep the list updated to reflect changes in personnel. These persons must sign a nondisclosure and non-competition agreement in a form provided by us before they can begin working for you.

If you are a legal entity with a designated Principal Operator, we do not require that your Principal Operator own an equity interest in the entity. Any Principal Operator and, if you are an entity, an officer that does not own equity in the franchisee entity must sign the "System Protection Agreement," the form of which is attached to this Franchise Disclosure Document in Exhibit G. All of your employees, independent contractors, agents or representatives that may have access to our confidential information must sign a confidentiality agreement (unless they already signed a System Protection Agreement), the current form of which is attached to this Franchise Disclosure Document in Exhibit G. If you are an entity, each owner (i.e., each person holding an ownership interest in you) and their spouse(s) must sign an owners agreement, the form of which is attached to the Franchise Agreement as Exhibit II.

You must run background checks, in accordance with our specifications, on all of your employees and independent contractors before hiring them, and annually after that. All employees and independent contractors must meet our standards set forth in the Operations Manual before you are permitted to hire them or continue to employ them.

You must have an employee of your Business answering telephone calls from your Clients and Potential Clients during regular business hours, which we currently consider to be 8:00 a.m. to 5:00 p.m., Monday through Friday (national holidays excluded). We reserve the right to require you to use an approved or designated answering service on 30 days' notice, at your expense.

ITEM 16

RESTRICTIONS ON WHAT THE FRANCHISEE MAY SELL

You are restricted from doing business of any kind that involves the unauthorized use of our Marks or Licensed Methods. You are prohibited from operating or engaging in any other type of business or profession from your Business Location or through the Business, unless we first approve of it in writing, which approval can be withheld for any reason. You are obligated to use only the equipment, products, services, and supplies that comply with our standards and specifications and which are acquired from approved suppliers, as described in Item 8 of this Franchise Disclosure Document. You will offer for sale and sell through the Business only those services and products we authorize. The services to be offered by you through your Journey Payroll & HR Business are listed in our Operations Manual. We have the right to test new types of products and services and to change types of authorized products and services

periodically; and there are no limits on our right to do so. You must comply with all licensing, bonding or other regulations required by any applicable state or local authorities regarding any of the services you provide. These requirements may restrict the services offered by you or limit the customers or Clients to whom you may offer your services. You are restricted from serving Clients outside of your Protected Territory who reside in another franchisee's Protected Territory. See Item 12.

ITEM 17

RENEWAL, TERMINATION, TRANSFER AND DISPUTE RESOLUTION

THE FRANCHISE RELATIONSHIP

This table lists certain important provisions of the Franchise Agreement. You should read these provisions in the Franchise Agreement attached to this Disclosure Document.

Provision	Section in Franchise Agreement	Summary
(a) Length of the franchise term	Section 18.1	10 years
(b) Renewal or extension of the term	Section 18.3	As provided in the then-current Franchise Agreement.
(c) Requirements for franchisee to renew or extend	Sections 18.3 and 18.4	Notice, compliance with Franchise Agreement, pay renewal fee, execute new Franchise Agreement, execute a general release (except if prohibited by law), and upgrade the Business and services. If you seek to renew your franchise, you may be asked to sign a contract with materially different terms and conditions than your original contract.
(d) Termination by franchisee	Not Applicable	Not Applicable
(e) Termination by franchisor without cause	Not Applicable	Not Applicable
(f) Termination by franchisor with cause	Sections 19.1 and 19.2	We can terminate only if you commit any one of several listed violations.
(g) "Cause" defined – curable defaults	Section 19.2	30 days' notice of breach of Franchise Agreement for failure to maintain standards, deceptive practices, failure to obtain consent, non-compliance with Operations Manual, breach of related agreement; failure to meet minimum sales requirements; or Protected Territory violation; 10 days' notice for misuse of Marks or monetary defaults.
(h) "Cause" defined – non-curable defaults	Section 19.1	Bankruptcy (may not be enforceable under federal bankruptcy law), insolvency, appointment of receiver, assignment for benefit of creditors, abandonment, unauthorized disclosure, unsatisfied judgments, foreclosure, levy, criminal conviction, repeated non-compliance, unauthorized transfer, becoming subject to anti-terrorism laws, misuse of Marks.

Provision	Section in Franchise Agreement	Summary
(i) Franchisee's obligations on termination/non-renewal	Sections 19.4 and 21	Pay outstanding amounts due, de-identification, return of confidential information, signs, Client lists and telephone numbers, pay lost future royalties, others (see also item "r" below)
(j) Assignment of contract by franchisor	Section 17.6	We can assign to any party we deem capable.
(k) "Transfer" by franchisee - defined	Section 17.1	Includes transfer of assets, interest in Franchise Agreement, or all or a portion of the business entity that owns your Journey Payroll & HR Business
(l) Franchisor's approval of transfer by franchisee	Section 17.3	We have the right to approve all transfers
(m) Conditions for franchisor's approval of transfer	Section 17.2	Notice, all amounts due are paid in full, transferee completes training and otherwise meets qualifications for new franchisees, transfer fee paid, transfer information package approved, execution of current form of franchise agreement, general release signed (except if prohibited by law) others (see also item "r" below)
(n) Franchisor's right of first refusal to acquire franchisee's business	Section 17.4	We can match any offer
(o) Franchisor's option to purchase franchisee's business	Section 19.3	We have the right to purchase the business for its fair market value upon termination or expiration of the Franchise Agreement
(p) Death or disability of franchisee	Section 17.7	Franchise must be assigned to successor within 180 days
(q) Non-competition covenants during the term of the franchise	Section 21.1	Prohibits owning, operating or performing services for a competing business, subject to applicable state law
(r) Non-competition covenants after the franchise is terminated or expires	Section 21.2	Prohibited from owning or operating for two years a competing business located or operating within: (i) a 50-mile radius of your Business Location; (ii) a 50-mile radius of any other Journey Payroll & HR Business Location; and (iii) a 25-mile radius of any franchised Journey Payroll & HR Business Location owned by an affiliate of ours (subject to applicable state law)
(s) Modification of the agreement	Section 25.1	Must be in writing signed by both parties, but Operations Manual subject to change unilaterally by us
(t) Integration/merger clause	Section 25.2	Only terms of Franchise Agreement and the representations in the most recent Franchise Disclosure Document provided by us in connection with the execution of the Franchise Agreement are binding (subject to state law); oral promises may not be enforced
(u) Dispute resolution by arbitration or mediation	Section 23	Except for certain claims, all disputes must be arbitrated in Denver, Colorado (subject to modification by state law)

Provision	Section in Franchise Agreement	Summary
(v) Choice of forum	Sections 23.1 and 23.3	Colorado (subject to modification by state law).
(w) Choice of law	Section 23.3	Federal Arbitration Act and Colorado law (subject to modification by state law). However, any Promissory Note or Security Agreement will be governed by the laws of the state in which your Journey Payroll & HR franchise is located.

ITEM 18

PUBLIC FIGURES

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

ITEM 19

FINANCIAL PERFORMANCE REPRESENTATIONS

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

We do not make any representations about a franchisee's future financial performance or the past financial performance of company-owned or franchised outlets. We also do not authorize our employees or representatives to make any such representations either orally or in writing. If you are purchasing an existing outlet, however, we may provide you with the actual records of that outlet. If you receive any other financial performance information or projections of your future income, you should report it to the franchisor's management by contacting Kevin Welch at Journey Franchising LLC, 3351 Eastbrook Drive, Unit 3, Fort Collins, Colorado 80525 (970) 568-8613, and the Federal Trade Commission, and the appropriate state regulatory agencies.

ITEM 20

OUTLETS AND FRANCHISEE INFORMATION

Table No. 1

System-wide Outlet Summary
For Years 2020 - 2022

Outlet Type	Year	Outlets at the Start of the Year	Outlets at the End of the Year	Net Change
Franchised Outlets	2020	1	3	+2
	2021	3	3	0
	2022	3	5	+2
Company-Owned*	2020	1	2	+1
	2021	2	2	0
	2022	2	2	0
Total Outlets	2020	2	5	+3
	2021	5	5	0
	2022	5	7	+2

*One of these outlets is owned and operated under a Franchised Agreement by our affiliate.

Table No. 2

Transfers from Franchisees to New Owners (other than the Franchisor)
For Years 2020 - 2022

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

Table No. 3

Status of Franchised Outlets
For Years 2020 - 2022

State	Year	Outlets at Start of the Year	Outlets Opened	Termina-tions	Non-Renewals	Reacquired by Franchisor	Ceased Opera-tions-Other Reasons	Outlets at End of the Year
Arizona	2020	1	1	0	0	0	0	2
	2021	2	0	0	0	0	0	2
	2022	2	0	0	0	0	0	2

State	Year	Outlets at Start of the Year	Outlets Opened	Termina-tions	Non-Renewals	Reacquired by Franchisor	Ceased Opera-tions-Other Reasons	Outlets at End of the Year
California	2020	0	0	0	0	0	0	0
	2021	0	0	0	0	0	0	0
	2022	0	1	0	0	0	0	1
New York	2020	0	0	0	0	0	0	0
	2021	0	0	0	0	0	0	0
	2022	0	1	0	0	0	0	1
Oregon	2020	0	1	0	0	0	0	1
	2021	1	0	0	0	0	0	1
	2022	1	0	0	0	0	0	1
Total	2020	1	2	0	0	0	0	3
	2021	3	0	0	0	0	0	3
	2022	3	2	0	0	0	0	5

Table No. 4

Status of Company-Owned Outlets
For Years 2020 - 2022

State	Year	Outlets at Start of Year	Outlets Opened	Outlets Reacquired From Franchisee	Outlets Closed	Outlets Sold to Franchisee	Outlets at End of Year
Colorado*	2020	1	0	0	0	0	1
	2021	1	0	0	0	0	1
	2022	1	0	0	0	0	1
Mississippi*	2020	0	1	0	0	0	1
	2021	1	0	0	0	0	1
	2022	1	0	0	0	0	1
Total Outlets	2020	1	1	0	0	0	2
	2021	2	0	0	0	0	2
	2022	2	0	0	0	0	2

*Owned and operated by our affiliate.

Table No. 5

Projected Openings as of
December 31, 2022

State	Franchise Agreements Signed But Outlet Not Opened	Projected New Franchised Outlets in the Next Fiscal Year	Projected New Company-Owned Outlets in the Next Fiscal Year
Florida	0	1	0
New Jersey	0	1	0
Nevada	0	1	0
Total	0	3	0

The names, addresses and telephone numbers of our current franchisees are attached to this Franchise Disclosure Document as Exhibit D. The name and last known address and telephone number of every current franchisee and every franchisee who has had a Journey Payroll & HR Franchise terminated, canceled, not renewed or otherwise voluntarily or involuntarily ceased to do business under our franchise agreement during the one-year period ending December 31, 2022, or who has not communicated with us within ten weeks of the Issuance Date of this Franchise Disclosure Document, is listed in Exhibit D. In some instances, current and former franchisees may sign provisions restricting their ability to speak openly about their experiences with the Journey Payroll & HR System. During the last three years, certain franchisees have signed confidentiality provisions that would restrict their ability to speak openly about their experience with the Journey Payroll & HR Franchise System. You may wish to speak with current and former franchisees, but know that not all such franchisees can communicate with you. If you buy a Journey Payroll & HR Franchise, your contact information may be disclosed to other buyers when you leave the Franchise System.

As of the Issuance Date of this Franchise Disclosure Document, there are no franchise organizations sponsored or endorsed by us and no independent franchisee organizations have asked to be included in this Franchise Disclosure Document. We do not have any trademark specific franchisee organizations.

ITEM 21

FINANCIAL STATEMENTS

Attached to the Franchise Disclosure Document as Exhibit B are our unaudited financial statements as of March 31, 2023 and our audited financial statements as of December 31, 2022, December 31, 2021 and December 31, 2020. Our fiscal year end is December 31.

ITEM 22

CONTRACTS

Attached to this Franchise Disclosure Document are the following contracts and agreements:

Exhibit C Franchise Agreement
Exhibit E State Addenda and Agreement Riders
Exhibit G Contracts for use with the Journey Payroll & HR franchise
Exhibit H Franchise Disclosure Questionnaire

ITEM 23

RECEIPTS

The last pages of this Franchise Disclosure Document, Exhibit J are a detachable document, in duplicate. Please detach, sign, date, and return one copy of the Receipt to us, acknowledging that you received this Franchise Disclosure Document. Please keep the second copy for your records.

EXHIBIT A

STATE ADMINISTRATORS AND AGENTS FOR SERVICE OF PROCESS

STATE ADMINISTRATORS AND AGENTS FOR SERVICE OF PROCESS

CALIFORNIA

State Administrator and Agent for Service of Process:
Commissioner
Department of Financial Protection and Innovation
320 W. 4th Street, #750
Los Angeles, CA 90013
(213) 576-7500
(866) 275-2677

HAWAII

Commissioner of Securities of the State of Hawaii
335 Merchant Street, Room 203
Honolulu, HI 96813
(808) 586-2722

Agent for Service of Process:
Commissioner of Securities of the State of Hawaii
Department of Commerce and Consumer Affairs
Business Registration Division
335 Merchant Street, Room 203
Honolulu, HI 96813
(808) 586-2722

ILLINOIS

Illinois Attorney General
Chief, Franchise Division
500 S. Second Street
Springfield, IL 62706
(217) 782-4465

INDIANA

Secretary of State
Securities Division
Room E-018
302 W. Washington Street
Indianapolis, IN 46204
(317) 232-6681

MARYLAND

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

MARYLAND CONTINUED

Agent for Service of Process:
Maryland Securities Commissioner
200 St. Paul Place
Baltimore, MD 21202-2020

MICHIGAN

Michigan Department of Attorney General
Consumer Protection Division
525 W. Ottawa Street
Lansing, MI 48913
(517) 373-7117

MINNESOTA

Department of Commerce
Commissioner of Commerce
85 Seventh Place East, Suite 280
St. Paul, MN 55101-3165
(651) 539-1600

NEW YORK

Administrator:
NYS Department of Law
Investor Protection Bureau
28 Liberty Street, 21st Floor
New York, NY 10005
(212) 416-8222

Agent for Service of Process:
Secretary of State
99 Washington Avenue
Albany, NY 12231

NORTH DAKOTA

Administrator:
North Dakota Securities Department
600 East Boulevard Avenue
State Capitol, Fourteenth Floor, Dept. 414
Bismarck, ND 58505-0510
(701) 328-4712

Agent for Service of Process:
Securities Commissioner
600 East Boulevard Avenue
State Capitol, Fourteenth Floor, Dept. 414
Bismarck, ND 58505-0510

RHODE ISLAND

Department of Business Regulation
1511 Pontiac Avenue, Bldg. 68-2
Cranston, RI 02920
(401) 462-9527

SOUTH DAKOTA

Division of Insurance
Securities Regulation
124 South Euclid, Suite 104
Pierre, SD 57501
(605) 773-3563

VIRGINIA

State Corporation Commission
Division of Securities and Retail Franchising
1300 E. Main Street, 9th Floor
Richmond, VA 23219

Agent for Service of Process:
Clerk of the State Corporation Commission
1300 E. Main Street, 1st Floor
Richmond, VA 23219

WASHINGTON

State Administrator:
Department of Financial Institutions
Securities Division
P.O. Box 9033
Olympia, WA 98507
(360) 902-8760

Agent for Service for Process:
Director of Department of Financial Institutions
Securities Division
150 Israel Road SW
Tumwater, WA 98501

WISCONSIN

Department of Financial Institutions
Division of Securities
201 W. Washington Avenue
Madison, WI 53703
(608) 266-3364

Rev. 012723

EXHIBIT B

FINANCIAL STATEMENTS

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

Journey Franchising LLC

Balance Sheet

As of March 31, 2023

	TOTAL
ASSETS	
Current Assets	
Bank Accounts	$6,880,027.18
Accounts Receivable	$231,232.00
Other Current Assets	$1,461,439.43
Total Current Assets	$8,572,698.61
Fixed Assets	$ -0.08
Other Assets	$29,165.00
TOTAL ASSETS	$8,601,863.53
LIABILITIES AND EQUITY	
Liabilities	
Current Liabilities	$8,342,068.75
Long-Term Liabilities	$206,812.35
Total Liabilities	$8,548,881.10
Equity	$52,982.43
TOTAL LIABILITIES AND EQUITY	$8,601,863.53

Journey Franchising LLC

Profit and Loss

January - March, 2023

	TOTAL
Income	**$368,958.23**
Cost of Goods Sold	**$131,274.94**
GROSS PROFIT	**$237,683.29**
Expenses	
Advertising & Marketing (Franchisee)	**6,934.80**
Advertising & Marketing (Franchisor)	200.00
Bank Charges & Fees	**8,291.61**
Business Meals	275.30
Company Insurance	7,722.84
Employee Expenses	**126,317.71**
Franchisee Relations	**6,748.91**
Interest Paid	**3,993.50**
Legal & Professional Services	**4,310.85**
Office Supplies & Software	6,882.26
Reimbursable Expenses	0.00
Rent & Lease	14,093.97
Team Conference/Travel	**965.56**
Total Expenses	**$186,737.31**
NET OPERATING INCOME	**$50,945.98**
Other Income	**$16,085.80**
NET OTHER INCOME	**$16,085.80**
NET INCOME	**$67,031.78**

JOURNEY FRANCHISING LLC

FINANCIAL STATEMENTS

WITH INDEPENDENT AUDITOR'S REPORT

DECEMBER 31, 2022, 2021, AND 2020

JOURNEY FRANCHISING LLC

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KEZOS & DUNLAVY
Certified Public Accountants
& Business Advisors

Independent Auditor's Report

To the Members of
Journey Franchising LLC
Fort Collins, CO

Opinion

We have audited the accompanying financial statements of Journey Franchising LLC, which comprise the balance sheets as of December 31, 2022, 2021, and 2020, and the related statements of operations, changes in members' equity (deficit), and cash flows for the years then ended, and the related notes to the financial statements.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Journey Franchising LLC as of December 31, 2022, 2021, and 2020, and the results of its operations and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Company and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for the Financial Statements

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

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Company's ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements, including omissions, are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Company's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control related matters that we identified during the audit.

Restrictions on Use

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

Kezas & Dunlavy

St. George, Utah
March 14, 2023

JOURNEY FRANCHISING LLC

BALANCE SHEETS

As of December 31, 2022, 2021, and 2020

	2022	2021	2020
Assets			
Current assets			
Cash and cash equivalents	$ 59,039	$ 113,007	$ 61,499
Funds held for clients	11,370,064	9,652,433	6,521,606
Accounts receivable	312,059	169,520	109,109
Total current assets	11,741,162	9,934,960	6,692,214
Non-current assets			
Intangible assets, net	29,165	-	23,706
Total non-current assets	29,165	-	23,706
Total assets	$ 11,770,327	$ 9,934,960	$ 6,715,920
Liabilities and members' equity (deficit)			
Current liabilities			
Accounts payable	$ 31,706	$ 22,566	$ 29,779
Accrued expenses	8,802	7,181	4,845
Credit card liability	14,538	17,795	-
Client fund obligations	11,386,290	9,644,647	6,504,686
Related party payable	-	-	6,259
Related party line of credit	101,986	188,426	328,422
Notes payable, current	37,931	12,696	-
Total current liabilities	11,581,253	9,893,311	6,873,991
Non-current liabilities			
Notes payable, non-current	178,123	217,304	-
Total non-current liabilities	178,123	217,304	-
Total liabilities	11,759,376	10,110,615	6,873,991
Members' equity (deficit)	10,951	(175,655)	(158,071)
Total liabilities and members' equity (deficit)	$ 11,770,327	$ 9,934,960	$ 6,715,920

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

JOURNEY FRANCHISING LLC

STATEMENTS OF OPERATIONS

For the years ended December 31, 2022, 2021, and 2020

	2022	2021	2020
Operating revenue			
Services	$ 887,211	$ 632,068	$ 380,527
Initial franchise fees	103,000	-	44,000
Royalties	271,901	183,484	82,644
Total operating revenue	1,262,112	815,552	507,171
Operating expenses			
General and administrative	518,015	443,880	211,762
Salaries and wages	426,376	331,586	139,994
Advertising and marketing	37,915	34,677	21,147
Legal and professional fees	33,319	51,373	146,425
Total operating expenses	1,015,625	861,516	519,328
Operating income (loss)	246,487	(45,964)	(12,157)
Other income			
Interest and dividends	43,539	32,225	22,776
Realized gain on equity securities	(41,520)	19,892	6,136
Total other income	2,019	52,117	28,912
Net income	$ 248,506	$ 6,153	$ 16,755
Other comprehensive income (loss), net	(11,900)	(23,737)	7,891
Comprehensive income (loss)	$ 236,606	$ (17,584)	$ 24,646

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

JOURNEY FRANCHISING LLC

STATEMENTS OF MEMBERS' EQUITY (DEFICIT)

For the years ended December 31, 2022, 2021, and 2020

	Members' Equity (Deficit)	Accumulated Other Comprehensive Income (Loss)	Total
Balances as of January 1, 2020	$ (183,191)	$ 474	$ (182,717)
Net income	16,755	-	16,755
Other comprehensive income	-	7,891	7,891
Balances as of December 31, 2020	(166,436)	8,365	(158,071)
Net income	6,153	-	6,153
Other comprehensive loss	-	(23,737)	(23,737)
Balances as of December 31, 2021	(160,283)	(15,372)	(175,655)
Member distributions	(50,000)	-	(50,000)
Net income	248,506	-	248,506
Other comprehensive loss	-	(11,900)	(11,900)
Balances as of December 31, 2022	$ 38,223	$ (27,272)	$ 10,951

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

JOURNEY FRANCHISING LLC
STATEMENTS OF CASH FLOWS
For the years ended December 31, 2022, 2021, and 2020

	2022	2021	2020
Cash flow from operating activities:			
Comprehensive income (loss)	$ 236,606	$ (17,584)	$ 24,646
Adjustments to reconcile comprehensive income (loss) to net cash provided by operating activities:			
Amortization	-	23,706	10,724
Unrealized gain (loss) on securities	(11,900)	(23,737)	7,891
Changes in operating assets and liabilities:			
Accounts receivable	(142,539)	(60,411)	(80,739)
Investment in marketable securities	744,109	(454,554)	(28,811)
Related party receivable	-	-	875,460
Interest receivable	-	-	3,358
Accounts payable and accrued expenses	10,761	(4,877)	21,310
Credit card liability	(3,257)	17,795	-
Related party payables	-	(6,259)	(4,536)
Client fund obligations	1,741,643	3,139,961	1,338,799
Net cash provided by operating activities	2,575,423	2,614,040	2,168,102
Cash flows from investing activities:			
Cash paid for intangible assets	(29,165)	-	-
Net cash used in investing activities	(29,165)	-	-
Cash flows from financing activities:			
Net draws on line of credit	(86,440)	(139,996)	60,439
Draw on notes payable	(13,946)	230,000	-
Member distributions	(50,000)	-	-
Net cash provided by (used in) financing activities	(150,386)	90,004	60,439
Net change in cash	2,395,872	2,704,044	2,228,541
Cash and restricted cash at the beginning of the year	8,313,984	5,609,940	3,381,399
Cash and restricted cash at the end of the year	$ 10,709,856	$ 8,313,984	$ 5,609,940
Supplementary disclosures of cash flows			
Cash paid for interest	$ 19,191	$ 22,072	$ 17,134
Cash paid for taxes	$ -	$ -	$ -

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

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

(a) Nature of Business

Journey Franchising LLC (the "Company") was formed on February 27, 2017 in the state of Colorado as a Limited Liability Company for the principle purpose of conducting franchise sales, marketing, and management of the Journey Payroll & HR franchise system that offers payroll processing, human resources, time keeping, payroll tax payments, employee benefits administration, workers' compensation, background checks, team management and team culture services to small to mid-sized businesses.

The Company uses the accrual basis of accounting, and their accounting period is the 12-month period ending December 31 of each year.

(b) Accounting Standards Codification

The Financial Accounting Standards Board ("FASB") has issued the FASB Accounting Standards Codification ("ASC") that became the single official source of authoritative U.S. generally accepted accounting principles ("GAAP"), other than guidance issued by the Securities and Exchange Commission (SEC), superseding existing FASB, American Institute of Certified Public Accountants, emerging Issues Task Force and related literature. All other literature is not considered authoritative. The ASC does not change GAAP; it introduces a new structure that is organized in an accessible online research system.

(c) Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts and disclosures. Actual results could differ from those estimates.

(d) Cash and Cash Equivalents

Cash equivalents include all highly liquid investments with maturities of three months or less at the date of purchase. As of December 31, 2022, 2021, and 2020, the Company had cash and cash equivalents of $59,039, $113,007, and $61,499, respectively.

(e) Funds Held for Clients and Investments in Securities

The Company's funds held for clients consist of restricted cash and investments in securities. The Company's marketable securities consist primarily of securities classified as available for sale and are recorded at fair value under ASC 320, *Investments—Debt Securities* and ASC 321, *Investments—Equity Securities*. Unrealized gains and losses on debt securities are reported as other comprehensive income and unrealized gains and losses on equity securities, including investments in mutual funds, are included in operating income. Realized gains and losses from funds held for clients, including dividend and interest income, are included in operating income. As of December 31, 2022, 2021, and 2020 funds held for clients consisted of the following:

	2022	2021	2020
Investment in equity securities	$ 981,005	$ 1,022,903	$ 737,320
Investment in debt securities	445,083	428,553	235,845
Restricted cash	9,943,976	8,200,977	5,548,441
	$ 11,370,064	$ 9,652,433	$ 6,521,606

(f) Accounts Receivable

Accounts receivable include customer obligations due under normal trade terms. The Company records accounts receivable at their net realizable value. The Company uses the allowance method of accounting for bad debts based on management's analysis of collectability. As of December 31, 2022, 2021, and 2020, management determined that all accounts receivable were collectible and no allowance was necessary. As of December 31, 2022, 2021, and 2020, the Company had accounts receivable of $312,059, $169,520, and $109,109, respectively.

(g) Intangible Assets

Intangible assets include the Company's website and customer relationship management software. Costs of the website and customer relationship management software represent labor costs from its software developer, Journey Software, Inc. ("Journey Software") a related party through common ownership, and other external third parties. Once functional and placed in service, these costs are amortized over their estimated useful lives as of the date the systems become operational. Costs incurred for upgrades and enhancements that will not result in additional functionality are expensed as incurred.

(h) Revenue Recognition

The Company's revenues consist of initial franchise fees, royalties based on a percentage of gross revenues, and service fees.

The Company has adopted ASC 606, *Revenue from Contracts with Customers*. ASC 606 provides that revenues are to be recognized when control of promised goods or services is transferred to a customer in an amount that reflects the considerations expected to be received for those goods or services. In implementing ASC 606, the Company evaluated all revenue sources using the five-step approach: identify the contract, identify the performance obligations, determine the transaction price, allocate the transaction price, and recognize revenue.

For each franchised location, the Company enters into a formal franchise agreement that clearly outlines the transaction price and the Company's performance obligations.

Upon evaluation of the five-step process, the Company has determined that royalties, which are based on a percentage of gross revenue, are to be recognized at the time the underlying sales occur. Service revenues are to be recognized upon provision of services to the franchisees.

In allocating the transaction price and recognizing the revenue associated with initial franchise fees, the Company has elected to adopt the practical expedient for private company franchisors outlined in ASC 952-606, *Franchisors—Revenue from Contracts with Customers*. The practical expedient allows franchisors to account for pre-opening services as a single distinct performance obligation. These pre-opening services include the following:

- Training of the franchisee's personnel or the franchisee
- Preparation and distribution of manuals and similar material concerning operations, administration, and record keeping
- Bookkeeping, information technology, and advisory services, including setting up the franchisee's records and advising the franchisee about income, real estate, and other taxes about local regulations affecting the franchisee's business

The Company has determined that the fair value of pre-opening services exceeds the initial fees received; as such, the initial fees are allocated to the pre-opening services, which are recognized as revenue upon commencement of operations.

(i) Income Taxes

The Company is structured as a limited liability company under the laws of the state of Colorado. Accordingly, the income or loss of the Company will be included in the income tax returns of the member. Therefore, there is no provision for federal and state income taxes.

The Company follows the guidance under Accounting Standards Codification ("ASC") Topic 740, Accounting for Uncertainty in Income Taxes. ASC Topic 740 prescribes a more-likely-than-not measurement methodology to reflect the financial statement impact of uncertain tax positions taken or expected to be taken in the tax return. If taxing authorities were to disallow any tax positions taken by the Company, the additional income taxes, if any, would be imposed on the member rather than the Company. Accordingly, there would be no effect on the Company's financial statements.

The Company's income tax returns are subject to examination by taxing authorities for a period of three years from the date they are filed. As of December 31, 2022, the 2021, 2020, and 2019 tax years are subject to examination.

(j) Advertising Costs

The Company expenses advertising costs as incurred. Advertising expenses for the fiscal years ending December 31, 2022, 2021, and 2020 were $37,915, $34,677, and $21,147, respectively.

(k) Financial Instruments

For certain of the Company's financial instruments, including cash and cash equivalents, accounts receivable, and accounts payable the carrying amounts approximate fair value due to their short maturities. The amounts shown for notes payable also approximate fair value because current interest rates and terms offered to the Company for similar debt are substantially the same.

(l) Concentration of Risk

The Company maintains its cash in bank deposit accounts that at times may significantly exceed federally insured limits. The Company has not experienced any losses in such accounts. The Company invests client funds in equity and debt securities that may be subject to unanticipated market fluctuations.

(m) Reclassification

Certain amounts in the prior period financial statements have been reclassified to conform to the presentation of the current period financial statements. These reclassifications had no effect on the previously reported results of operations.

(2) Related Party Transactions

(a) Related Party Line of Credit

As of December 31, 2022, 2021, and 2020, the Company has amounts due to Journey Payroll, Inc., dba Journey Payroll & HR ("JPH"), a franchisee, which has the same majority ownership as the Company. Prior to the year ended December 31, 2022, the agreement served as a line of credit with a 6.5% annual interest rate, which commenced on January 1, 2018. During the year ended December 31, 2022, the Company repaid all interest-bearing portions of the line of credit, and the amount due as of December 31, 2022 is considered current and does not bear interest. Amounts due to Journey Payroll & HR as of December 31, 2022, 2021, and 2020 were $101,986, $188,426, and $328,422, respectively, for expenses paid by the related party for the benefit of the Company. Amounts paid to Journey Payroll & HR for interest expense related to these balances for the years ended December 31, 2022, 2021, and 2020 totaled $1,466, $14,131, and $17,134, respectively.

(b) Related Party Revenue and Expense

The Company charges JPH for services and marketing fees. During the years ended December 31, 2022, 2021, and 2020, total revenue from JPH was $320,574, $337,040, and $306,828, respectively.

The Company pays Journey Payroll & HR for monthly management fees and health insurance for its employees. These charges are included within the related party payable disclosed above. Total expenses for the years ended December 31, 2022, 2021, and 2020 were $60,193, $33,600, and $14,950, respectively.

(c) Intangible Assets from Journey Software

The Company utilizes Journey Software, an affiliate through common ownership, to develop customer relationship management software. During the year ended December 31, 2022, the Company purchased $29,165 of software, which is capitalized on the accompanying balance sheet. As of December 31, 2022, 2021, and 2020, the Company had a payable of $0, $0, and $6,259 to Journey Software.

(3) Fair Value Measurements

ASC 820-10, *Fair Value Measurements*, establishes a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. This hierarchy consists of three broad levels: Level 1 inputs consist of unadjusted quoted prices in active markets for identical assets and have the highest priority, Level 2 inputs are based primarily on quotes prices for similar assets or liabilities in active or inactive markets, and level 3 inputs have the lower priority. The Company uses appropriate valuation techniques based on the available inputs to measure the fair value of its investments. Valuation techniques utilized to determine fair value are consistently applied.

Level 1 Fair Value Measurements – Inputs to the valuation methodology are unadjusted quoted prices for identical assets or liabilities in an active market which the Company has the ability to access at the measurement date.

Level 2 Fair Value Measurements – Inputs to the valuation methodology include:

- Quoted prices for similar assets or liabilities in an active market;
- Quoted prices for identical or similar assets or liabilities in inactive markets;
- Inputs other than quoted prices that are observable for the asset or liability;
- Inputs that are derived principally from or corroborated by observable market data by correlation or other means

If the asset or liability has a specified (contractual) term, the level 2 input must be observable for substantially the full term of the asset or liability.

Level 3 Fair Value Measurements – Inputs to the valuation methodology are unobservable and significant to the fair value measurement.

The asset or liability's fair value measurement level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. Valuation techniques used need to maximize the use of observable inputs and minimize the use of unobservable inputs.

The following is a description of the valuation methodologies used for assets measured at fair value:

Publicly traded securities: Valued at the closing price reported on the active market on which the individual securities are traded.

The preceding methods described may provide a fair value calculation that may not be indicative of net realizable value or reflective of future fair values. Furthermore, although the Company believes its valuation methods are appropriate and consistent with other market participants, the use of different methodologies or assumptions to determine the fair value of certain financial instruments could result in a different fair value measurement at the reporting date.

Financial assets and liabilities carried at fair value as of December 31, 2022, 2021, and 2020 are classified in the tables below in one of the three categories:

	December 31, 2022			
	Fair Value	Level 1	Level 2	Level 3
Debt securities	$ 981,005	$ 981,005	$ -	$ -
Equity securities	445,083	445,083	-	-
	$ 1,426,088	$ 1,426,088	$ -	$ -

	December 31, 2021			
	Fair Value	Level 1	Level 2	Level 3
Debt securities	$ 1,022,903	$ 1,022,903	$ -	$ -
Equity securities	428,553	428,553	-	-
	$ 1,451,456	$ 1,451,456	$ -	$ -

	December 31, 2020			
	Fair Value	Level 1	Level 2	Level 3
Debt securities	$ 737,320	$ 737,320	$ -	$ -
Equity securities	235,845	235,845	-	-
	$ 973,165	$ 973,165	$ -	$ -

(4) Retirement Plan

The Company provides a 401(k) contribution plan to all eligible employees. The Company matches 100% up to 4% of the participating employee's plan compensation. The Company may make additional discretionary profit-sharing contributions subject to limitations as defined by the plan document. Employer contributions totaled $13,413, $9,869, and $4,824 for the years ended December 31, 2022, 2021, and 2020, respectively.

(5) Accumulated Other Comprehensive Income

The change in unrealized gains and losses related to investments in available-for-sale debt securities is the component reported in accumulated other comprehensive income on the Company's balance sheet. As of December 31, 2022, 2021, and 2020, the changes in accumulated other comprehensive income are as follows:

	2022	2021	2020
Beginning balance	$ (15,372)	$ 8,365	$ 474
Unrealized holding gain	19	522	10,747
Unrealized holding loss	(11,919)	(24,259)	(2,856)
Ending balance	$ (27,272)	$ (15,372)	$ 8,365

(6) Note Payable

As of December 31, 2022, 2021, and 2020, the Company's notes payable consisted of the following:

	2022	2021	2020
On March 12, 2021, the Company entered into a promissory note with a third-party. The loan has an initial principal balance of $130,000 and matures on March 15, 2029. The note accrues interest at an annual rate of 7.50% and requires monthly payments of $813.	$ 117,847	$ 130,000	$ -
On November 5, 2021, the Company entered into a promissory note with a third-party. The loan has an initial principal balance of $100,000 and matures on November 15, 2026. The note accrues interest at an annual rate of 7.50% for the initial 36 months, 8.00% for the subsequent twelve months, and 8.50% for the final twelve months. The loan requires monthly payments of $2,418.	98,207	100,000	-
	216,054	230,000	-
Less: current maturities	(37,931)	(12,696)	-
	$ 178,123	$ 217,304	$ -

(7) Equity Securities

The Company's investment in equity securities consists of publicly traded mutual funds. In accordance with ASC 321, *Investments—Equity Securities*, unrealized gains and losses are included in operating income. The cost basis, unrealized losses, and fair values are as follows as of and for the year ended December 31, 2022, 2021, and 2020:

	December 31, 2022		
	Cost Basis	Net Unrealized Losses	Fair Value
Mutual funds	$ 447,336	$ (2,253)	$ 445,083

	December 31, 2021		
	Cost Basis	Net Unrealized Losses	Fair Value
Mutual funds	$ 433,688	$ (5,135)	$ 428,553

	December 31, 2020		
	Cost Basis	Net Unrealized Gains	Fair Value
Mutual funds	$ 230,615	$ 5,230	$ 235,845

During the year ended December 31, 2022, the Company realized a loss from equity securities of $41,520. During the years ended December 31, 2021 and 2020, the Company realized gains from equity securities of $19,892 and $6,136, respectively.

(8) Debt Securities

The amortized cost, gross unrealized holding gains, gross unrealized holding losses, and fair value of available-for-sale investment securities by major security type are as follows as of December 31, 2022, 2021, and 2020:

	December 31, 2022			
	Amortized Cost	Gross Unrealized Holding Gains	Gross Unrealized Holding Losses	Fair Value
U.S. Treasury obligations	$ 161,485	$ 19	$ -	$ 161,504
Corporate obligations	839,073	-	(19,572)	819,501
	$ 1,000,558	$ 19	$ (19,572)	$ 981,005

	December 31, 2021			
	Amortized Cost	Gross Unrealized Holding Gains	Gross Unrealized Holding Losses	Fair Value
U.S. Treasury obligations	$ 285,964	$ -	$ (692)	$ 285,272
Corporate obligations	742,299	-	(4,668)	737,631
	$ 1,028,263	$ -	$ (5,360)	$ 1,022,903

	December 31, 2020			
	Amortized Cost	Gross Unrealized Holding Gains	Gross Unrealized Holding Losses	Fair Value
U.S. Treasury obligations	$ 419,479	$ 5,517	$ -	$ 424,996
Corporate obligations	315,180	-	(2,856)	312,324
	$ 734,659	$ 5,517	$ (2,856)	$ 737,320

As of December 31, 2022, 2021, and 2020, the Company expects the maturities of debt securities classified as available-for-sale to be as follows:

	December 31, 2022	
	Amortized Cost	Fair Value
Available for sale:		
Due before one year	$ 1,000,558	$ 981,005
Due after 1 year to 5 years	-	-
Due after 5 years to 10 years	-	-
	$ 1,000,558	$ 981,005

	December 31, 2021	
	Amortized Cost	Fair Value
Available for sale:		
Due before one year	$ 1,028,263	$ 1,022,903
Due after 1 year to 5 years	-	-
Due after 5 years to 10 years	-	-
	$ 1,028,263	$ 1,022,903

	December 31, 2020	
	Amortized Cost	Fair Value
Available for sale:		
Due before one year	$ 734,659	$ 737,320
Due after 1 year to 5 years	-	-
Due after 5 years to 10 years	-	-
	$ 734,659	$ 737,320

There were no sales of available-for-sale debt securities for the years ended December 31, 2022, 2021, and 2020. Gross unrealized gains of $19 and losses of $19,572 were recognized in other comprehensive income for the year ended December 31, 2022. Gross unrealized losses of $5,360 were recognized in other comprehensive income for the year ended December 31, 2021. Gross unrealized gains of $5,517 and losses of $2,586 were recognized in other comprehensive income for the year ended December 31, 2020.

(9) Commitments and Contingencies

The Company may be subject to various claims, legal actions and complaints arising in the ordinary course of business. In accounting for legal matters and other contingencies, the Company follows the guidance in ASC Topic 450 Contingencies, under which loss contingencies are accounted for based upon the likelihood of incurrence of a liability. If a loss contingency is "probable" and the amount of loss can be reasonably estimated, it is accrued. If a loss contingency is "probable" but the amount of loss cannot be reasonably estimated, disclosure is made. If a loss contingency is "reasonably possible," disclosure is made, including the potential range of loss, if determinable. Loss contingencies that are "remote" are neither accounted for nor disclosed.

In the opinion of management, all matters are of such kind, or involving such amounts of unfavorable disposition, if any, would not have a material effect on the financial position of the Company.

On March 11, 2020, the World Health Organization classified the outbreak of a new strain of the coronavirus ("COVID-19") as a pandemic. The COVID-19 outbreak in the United States began in mid-March 2020 and has continued through 2022 and subsequent to the fiscal year end. It is continuing to disrupt supply chains and affect production and sales across a range of industries. Management believes the pandemic has had a material effect on the Company's operations, reducing revenue from both new and existing franchisees. The extent of the impact of COVID-19 on the Company's future operational and financial performance continues to evolve and will depend on certain ongoing developments, including the duration and spread of the outbreak, impact on the Company's customers and vendors all of which are uncertain and cannot be reasonably estimated. At this point, the full extent to which COVID-19 may impact the Company's future financial condition or results of operations is uncertain.

(10) Subsequent Events

Management has reviewed and evaluated subsequent events through March 14, 2023, the date on which the financial statements were issued.

EXHIBIT C

FRANCHISE AGREEMENT

EXHIBIT C
(TO DISCLOSURE DOCUMENT)

JOURNEY FRANCHISING LLC

FRANCHISE AGREEMENT

Franchisee: [Franchisee or Franchisee Entity]

Date: _____

Office Location: **S**ee Exhibit I-1

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JOURNEY FRANCHISING LLC
FRANCHISE AGREEMENT

THIS FRANCHISE AGREEMENT (the "Agreement") is made entered into and effective as of the "Effective Date" set forth in Exhibit I to this Franchise Agreement by and between Journey Franchising LLC, a Colorado limited liability company, located at 3351 Eastbrook Drive, Unit 3, Fort Collins, Colorado 80525 (the "Franchisor") and the franchisee set forth in Exhibit I to this Agreement (the "Franchisee"), who, on the basis of the following understandings and agreements, agree as follows:

1. PURPOSE

1.1 The Franchisor has developed methods for establishing, operating and promoting businesses ("Franchised Businesses" or "Businesses") that offer payroll processing, human resources, timekeeping, payroll tax payments, employee benefits administration, workers' compensation, background checks, team management and team culture services ("Journey Services") to small and mid-sized businesses ("Clients"). Franchised Businesses are established and operated under the trade name and service mark "Journey Payroll & HR" and other logos, trademarks, service marks and commercial symbols (collectively, the "Marks") and use the Franchisor's distinctive business format, software systems, methods, procedures, advertising, promotional and marketing methods, operational standards and specifications, and various other proprietary methods of doing business ("Licensed Methods").

1.2 The Franchisor grants the right to others to develop and operate Franchised Businesses, under the Marks and pursuant to the Licensed Methods.

1.3 The Franchisee desires to establish a Franchised Business at a location and within a territory identified herein and the Franchisor desires to grant the Franchisee the right to operate a Franchised Business in the territory under the terms and conditions which are contained in this Agreement.

2. GRANT OF FRANCHISE

2.1 **Grant of Franchise**. Subject to all the terms and conditions of this Agreement, the Franchisor grants to the Franchisee, and the Franchisee accepts from the Franchisor, the right to use the Marks and Licensed Methods in connection with the establishment and operation of one Franchised Business. The Franchisee agrees to use the Marks and Licensed Methods, as they may be changed, improved, and further developed by the Franchisor from time to time, only in accordance with the terms and conditions of this Agreement. Each individual Franchisee, or each owner of Franchisee if Franchisee is an entity, represent that they have completely and truthfully completed all personal financial statements, resumes, applications, authorizations for background checks, and other documents provided by the Franchisor for completion prior to the date of this Agreement; and each acknowledge that the Franchisor has relied on such information in awarding a franchise to the Franchisee. If more than one person or entity is listed as the Franchisee, each such person or entity shall be jointly and severally liable for all rights, duties, restrictions and obligations under this Agreement.

2.2 **Scope of Franchise Operations**. The Franchisee agrees at all times to faithfully, honestly and diligently perform the Franchisee's obligations hereunder, and to continuously use best efforts to promote the Business. The Franchisee agrees to utilize the Marks and Licensed Methods to operate all aspects of the Business franchised hereunder in accordance with the methods and systems developed and prescribed from time to time by the Franchisor, all of which are a part of the Licensed Methods. The Franchisee's Franchised Business shall offer all services and products as the Franchisor shall designate.

3. OFFICE LOCATION AND TERRITORIAL RIGHTS

3.1 **Office Location**. The Franchisee is granted the right to operate the Business from the location set forth in Exhibit I attached hereto ("Office Location") which is located within the Protected Territory. The Office Location may be Franchisee's home, or it may be a commercial office or retail space location, subject to the Franchisor's approval. Once the Franchisor has approved the Office Location, the Franchisor will be deemed to have complied with its obligation under this Agreement to assist the Franchisee by providing criteria for the Office Location.

3.2 **Protected Territory**. So long as the Franchisee is in compliance with this Agreement and any other agreements with the Franchisor and its affiliated companies, and subject to the Franchisor's reservation of rights described in Section 3.5 below, the Franchisor shall not locate or allow franchised or licensed Franchised Businesses to operate in the geographic area ("Protected Territory") described in Exhibit I, attached to this Agreement. In addition, except for (i) the servicing of National Accounts and National Account Clients (described in Section 3.4) and (ii) conduct in accordance with Franchisor's territorial policy concerning operations outside of a Franchised Business's protected territory as set forth in the Operations Manual (described in Section 5 of this Addendum), the Franchisor shall not operate or grant franchises or licenses for others for the operation of Franchised Businesses in the Protected Territory. The designation of the Protected Territory shall not provide the Franchisee with any exclusive right to market to or provide services and products to any particular Clients, whether inside or outside of the Protected Territory.

3.3 **No Relocation**. The rights that are granted to the Franchisee are for the specific Office Location and Protected Territory and cannot be transferred to an alternative Office Location or Protected Territory, or any other location, without the prior written approval of the Franchisor, which approval shall not be unreasonably withheld.

3.4 **National Accounts**. The Franchisor, including its affiliates, reserves the right to enter into, and in its sole discretion to allow the Franchisor's franchisees to enter into, contracts and strategic alliances with "National Accounts" for the provision of services to Clients referred or assigned to the Journey system by a National Account, whether such Clients are located inside or outside of Franchisee's Protected Territory. A "National Account" is a business or organization that: (1) conducts operations, directly or through agents, affiliates, franchisees or licensees, in two or more Protected Territories in the United States in which the Franchisor or the Franchisor's franchisees are operating Franchised Businesses; and (2) has a written contract or strategic alliance with the Franchisor for the purpose of providing referrals or assignments of Clients in need of Journey Services within such Territories. The Franchisor makes no guarantee that the Franchisor or its franchisees will develop or maintain contracts or strategic alliances with a particular number of National Accounts, if any, or that if the Franchisor does, that Franchisee will receive any National Account referrals or assignments in Franchisee's Protected Territory. Franchisee does not have the right to provide services to National Account Clients unless authorized to do so by the Franchisor.

The Franchisee must follow the policy in Franchisor's Operations Manual concerning who may provide Journey Services to all Clients who are referred or assigned by the National Account ("National Account Clients"). The Franchisor's policy may allow the Franchisor or other Journey Payroll & HR franchisees to service National Account Clients in the Franchisee's Protected Territory and may allow the Franchisee to service National Account Clients in the protected territory of other Journey Payroll & HR franchisees. If the Franchisor allows Franchisee to provide services to a National Account Client, and the Franchisee cannot or does not elect to provide services to National Account Clients in its Protected Territory based on the National Account agreement or program, or violates the agreement with or standards set by the National Account, then the Franchisee will not provide services to those National Account Clients during the term of the National Account agreement or program. In these circumstances, the Franchisee will not be entitled to receive any portion of the resulting compensation, and Franchisor or its affiliates may

provide the services or allow another franchisee to do so. In the event the Franchisee provides services to a National Account Client located in the Franchisee's Protected Territory that has the potential to become a National Account, the Franchisee will present the Franchisor with information about the potential National Account Client and the Franchisee agrees to refrain from providing further services or engaging the National Account Client at locations outside the Protected Territory unless given permission to do so by Franchisor. Franchisor does not guarantee that it will develop or maintain contracts or strategic alliances with a particular number of National Accounts, if any, or that if it does, that Franchisor will grant Franchisee the right to service any National Account Clients inside or outside of the Protected Territory.

3.5 **Franchisor's Reservation of Rights**. The Franchisee acknowledges that its franchise rights as granted under this Agreement are non-exclusive and that the Franchisor and its affiliates and successors retain the rights, among others, without compensation to the Franchisee:

a. to use, and to license others to use, the Marks and Licensed Methods in connection with the operation of a Franchised Business, at any location other than in the Protected Territory described in Section 3.2 above;

b. to use the Marks and Licensed Methods at any location within and outside of the Protected Territory to promote and market Franchised Businesses and related services and products and to identify, offer and sell products and services through alternative channels of distribution other than through Franchised Businesses, at any location, including your Protected Territory, and on any terms and conditions as the Franchisor determines, including, but not limited to, the sale of products and services, by way of the Internet, other electronic communications methods, catalog sales, telemarketing and other direct marketing sales, mail order, retail store display, wholesale and promotional efforts or related items;

c. to use and license the use of other proprietary marks or methods in connection with the sale of products and services similar to or the same as those which the Franchisee will sell, whether in alternative channels of distribution, including but not limited to, by way of the Internet, other electronic communications methods, catalog sales, telemarketing and other direct marketing sales, mail order, retail store display and wholesale, or in connection with the operation of businesses which provide payroll services, access to payroll software, human resources services, employment-related services, and related services and products, which businesses are the same as, or similar to, or different from Franchised Businesses, at any location, and on any terms and conditions as the Franchisor deems advisable;

d. to engage in any transaction, including to purchase or be purchased by, to merge or combine with, to convert to the System or be converted into a new system with any business, including such businesses operated by competitors or otherwise operated independently or as part of, or in association with, any other system or chain, whether franchised or corporately owned and whether located inside or outside of the Protected Territory, provided that in such situations the newly acquired businesses may not operate under the Marks in the Protected Territory;

e. to provide or allow our affiliates to provide services to National Accounts anywhere, including within the Protected Territory, or to allow other franchisees to do so; and

f. to engage in any other activities not expressly prohibited by this Agreement.

4. INITIAL FRANCHISE FEE

4.1 **Initial Franchise Fee**. In consideration for the right to develop and operate one Franchised Business, the Franchisee agrees to pay to the Franchisor an initial franchise fee contemporaneously with signing this Agreement. The initial franchise fee is $70,000 for a Protected Territory containing

approximately 100,000 businesses with between 1 and 1,000 employees. The total initial franchise fee payable by the Franchisee is set forth in Exhibit I, attached to this Agreement. The Franchisee acknowledges and agrees that the initial franchise fee represents payment for the initial grant of the rights to use the Marks and Licensed Methods, that the Franchisor has earned the initial franchise fee upon receipt thereof (and in the case of a promissory note, when such note is executed) and that the fee is under no circumstances refundable to the Franchisee after it is paid, unless otherwise specifically set forth in this Agreement. In certain circumstances, the initial franchise fee may be partially financed by the Franchisor, in which case a portion of the initial franchise fee will be paid by executing, contemporaneous with execution of this Agreement, a promissory note and security agreement, the forms of which are attached to the Franchise Disclosure Document in Exhibit G. In such event, the Franchisor shall select the financing option in Exhibit I, and the Franchisee agrees as follows: (i) the Franchisor has the right to take a security interest in the Franchisee's assets as further described in the security agreement; (ii) these assets will be collateralized; and (iii) Franchisee grants the Franchisor the authorization to file a financing statement in connection with such financing. The Franchisee further agrees to promptly make all payments due under the promissory note, and that a default of any payment under the promissory note, shall also be a default of Section 19 of this Agreement.

5. DEVELOPMENT OF OFFICE LOCATION

5.1 **Approval of Office Location**. The Franchisee may open an Office Location that is not home-based, but it is not required. If the Franchisee wishes to operate its Franchised Business from an Office Location that is not home-based, then the Franchisee shall follow the Franchisor's site selection procedures in locating an Office Location for the Franchised Business. The Franchisee will request the Franchisor's approval of any site proposed as an Office Location, by submitting a complete site submittal package, including demographics and other materials requested by the Franchisor, containing all information reasonably required by the Franchisor to assess a proposed Office Location. The Franchisor will not unreasonably withhold approval of a proposed site that meets all of the Franchisor's site selection criteria. The Franchisee shall obtain the Franchisor's approval of an Office Location not later than 60 days after the date of this Agreement. If the Franchisor disapproves of a site proposed by the Franchisee, the Franchisor will grant the Franchisee an additional, reasonable period of time to obtain approval of a different proposed Office Location, as may be determined in the Franchisor's reasonable business judgment.

a. Approval of Lease. The Franchisee shall obtain the Franchisor's prior written approval before executing any lease or purchase agreement for the Office Location. The lease for the Office Location shall contain provisions:

(A) expressing the landlord's consent to the Franchisee's use of the Marks and signage which the Franchisor initially prescribes for the Office Location;

(B) giving the Franchisor the right to enter the premises to make any modification necessary to protect the Marks and the Licensed Methods;

(C) providing the Franchisor or its designee, without the landlord's approval, the option to assume the occupancy rights of the Franchisee under the existing lease terms and the right to assign the lease or sublet the premises, for all or part of the lease term, if the Franchisee is in default under the lease or the Franchise Agreement or the Franchise Agreement is terminated or not renewed;

(D) requiring the landlord to provide the Franchisor with a notice of default and an opportunity to cure any default; and

(E) restricting the use of the premises in a manner approved by the Franchisor.

The Franchisee shall deliver a copy of the signed lease for the Office Location, along with photos of the inside and outside of the proposed Office Location, to the Franchisor 30 days before its execution. The Franchisee acknowledges that the Franchisor's review and approval of a lease for the Office Location is for the Franchisor's benefit only and does not constitute a recommendation, endorsement or guarantee by the Franchisor of the suitability or profitability of the location or the lease and the Franchisee should take all steps necessary to ascertain whether such location and lease are acceptable to the Franchisee.

b. Conversion and Design. In the event the Franchisee operates the Franchised Business from an Office Location that is not home-based, the Franchisee acknowledges that the layout, fixtures, design, decoration, color scheme and furnishing of Office Locations are an integral part of the Franchisor's proprietary Licensed Methods and accordingly, the Franchisee shall construct, convert, design, decorate and furnish the Office Location in accordance with the Franchisor's plans and specifications and with the assistance of contractors and suppliers designated by or otherwise approved by the Franchisor. The Franchisee shall obtain the Franchisor's written consent to any conversion, design or decoration of the premises before construction, remodeling, decorating or furnishing begins, recognizing that any related costs are the Franchisee's sole responsibility. It shall be the Franchisee's responsibility to have prepared all required construction plans and specifications to suit the shape and dimensions of the Office Location and to ensure compliance with any lease and applicable laws, including, without limitation, the Americans with Disabilities Act. The Franchisee shall be responsible for the cost of obtaining any architectural designs and drawings.

c. Signs. In the event the Franchisee operates the Franchised Business from an Office Location that is not home-based, the Franchisee shall purchase or otherwise obtain for use at the Office Location, signs which comply with the standards and specifications of the Franchisor as set forth in the Operations Manual, as that term is defined in Section 8.1. It is the Franchisee's sole responsibility to ensure that all signs comply with applicable local ordinances, building codes and zoning regulations. Any modifications to the Franchisor's standards and specifications for signs which must be made due to local ordinances, codes or regulations shall be submitted to the Franchisor for prior written approval. The Franchisee acknowledges the Marks, or any other name, symbol or identifying marks on any signs shall only be used in accordance with the Franchisor's standards and specifications and only with the prior written approval of the Franchisor.

5.2 Equipment, Inventory and Products. Prior to opening, the Franchisee shall purchase or otherwise obtain for use or sale in connection with the Business equipment and products of a type and in an amount which complies with the standards and specifications of the Franchisor. The Franchisee acknowledges that the type, quality, configuration, capability or performance of the equipment, inventory, products and services used or offered through the Business are all standards and specifications which are a part of the Licensed Methods and therefore such equipment, inventory, products and services must be purchased, leased or otherwise obtained in accordance with the Franchisor's standards and specifications and only from the Franchisor, its affiliates, or suppliers designated or approved by the Franchisor.

5.3 Technology and Computer Systems. The Franchisee shall equip the Business with a computer system including computer hardware, software and other designated equipment (collectively, the "Computer System") as is consistent with the standards and specifications of the Franchisor. The Computer System hardware and software must be obtained from the Franchisor's approved or designated suppliers if Franchisor specifies. The Franchisee shall be responsible for all maintenance costs associated with the Computer System. The Franchisee, at the Franchisee's sole cost, shall join a high-speed electronic network

connection service to facilitate communication between the Franchisor and the Franchisee. The Franchisee shall give the Franchisor access to all information and data from the Computer System through a high-speed internet connection or by other means designated by the Franchisor. The Franchisor, in its sole discretion, may require the Franchisee, at the sole cost and expense of the Franchisee, to upgrade and update the Computer System hardware and software during the term of this Agreement. The Franchisor and third parties reserve the right to: (i) charge the Franchisee a fee for access to electronic and other communication and technology services the Franchisor provides or makes available to the Franchisee; (ii) develop proprietary software or other technology for use in Franchised Businesses and charge the Franchisee a licensing fee and/or other fees for such software or other technology; (iii) derive revenues from Computer System or other technology maintenance and upgrade fees in the event proprietary software or other technology systems are developed for use in Franchised Businesses; and (iv) require that the Franchisee participate in all electronic data capture or other similar programs that the Franchisor deems mandatory.

5.4 **Permits and Licenses**. The Franchisee agrees to obtain all such permits and certifications as may be required for the lawful build-out and operation of the Franchised Business together with all certifications from government authorities having jurisdiction over the site, that all requirements for build-out and operation have been met, including without limitation, zoning, access, sign, health, safety requirements, building and other required construction permits, licenses to do business and fictitious name registrations, sales tax permits, health and sanitation permits and ratings and fire clearances. The Franchisee agrees to obtain all customary contractors' sworn statements and partial and final lien waivers for build-out, remodeling, and decorating at the Office Location.

5.5 **Commencement of Operations**. Unless otherwise agreed to in writing by the Franchisor and the Franchisee, the Franchisee shall have 180 days from the date of this Agreement within which to: (1) secure all necessary financing for the Business; (2) complete the initial training programs described in Article 6 of this Agreement; (3) purchase an opening inventory of equipment and supplies; (4) purchase opening marketing materials from us or an affiliate or other approved or designated supplier; (5) obtain and provide evidence of insurance as described in Section 22.1 below; (6) select, lease and develop the Office Location with the Franchisor's approval (if applicable); and (7) commence operation of the Franchised Business at the Office Location. The Franchisor will extend this deadline for a reasonable period of time in the event factors beyond the Franchisee's reasonable control prevent the Franchisee from meeting this development schedule, so long as the Franchisee has made reasonable and continuing efforts to comply with such development obligations and the Franchisee requests, in writing, an extension of time in which to have its Franchised Business open before such development period lapses.

5.6 **Electronic Mail and Website Maintenance**. The Franchisee shall purchase, through the Franchisor, electronic mail addresses, website development and maintenance services, to be provided by the Franchisor or by third parties designated by the Franchisor, in its sole discretion. The Franchisee shall pay Franchisor a monthly fee ranging from $60 to $100 per employee for electronic mail and website maintenance ("Electronic Mail and Website Maintenance Fee") which is due and payable to Franchisor as set forth in Section 12.3 of this Agreement. Franchisor reserves the right to modify this fee if Franchisor's costs change. The Franchisee will begin paying the Electronic Mail and Website Maintenance Fee in the first full month after completing initial training.

5.7 **Third-Party Financing**. If the Franchisee obtains financing from a third-party lender to develop the Business, the Franchisee shall deliver a copy of the lender's commitment letter to the Franchisor within 10 days of receipt of the commitment letter.

6. TRAINING

6.1 **Initial Training Program**. The Franchisee or, if the Franchisee is an entity, the majority owner of the Franchisee entity, and if applicable, the person designated by the Franchisee to assume primary

responsibility for the management of the Franchised Business ("Principal Operator"), is required to attend and successfully complete the Franchisor's initial franchise training program, which, in the Franchisor's sole discretion, may be held virtually, or at a location in Fort Collins, Colorado or other location designated by the Franchisor. Two individuals are eligible to participate in the initial training program without charge of a tuition or fee, provided both persons attend training at the same time. The Franchisee shall be responsible for any and all travel and living expenses incurred by the Franchisee's personnel in connection with attendance at the initial training program. Training participants will not receive any compensation from the Franchisor while attending the initial training program. At least one person, who may be the Principal Manager, must successfully complete the initial training program prior to the Franchisee's commencement of operation of its Business. The Franchisor may train newly appointed Principal Operators or other replacement management for its then-current standard fees

6.2 Length of Training Program. The initial training program shall consist of instruction and training either virtually or at a location designated by the Franchisor. In addition, the Franchisee agrees to successfully complete the online training programs before attending the final portion of the program, whether virtually or in person. The Franchisor reserves the right to waive a portion of the initial training program, or alter the training schedule, if, in the Franchisor's sole discretion, the Franchisee or a Principal Manager has sufficient prior experience or training.

6.3 Employee Training. All persons employed by the Franchisee that are not Principal Managers must complete and earn a passing grade on the Franchisor's prescribed training course in the first 60 days of their employment. To become employees, the Franchisee shall require that each employee complete the Franchisor's prescribed training course(s) and meet all other requirements in accordance with the Franchisor's standards and specifications. The Franchisee may be required to pay a fee to the Franchisor for each training course taken by an employee.

6.4 Additional Training. From time to time, the Franchisor may present seminars, conventions or continuing development programs or conduct meetings for the benefit of the Franchisee. The Franchisee or the Principal Manager shall be required to attend any ongoing mandatory seminars, conventions, programs or meetings as may be offered by the Franchisor. Franchisor reserves the right to require Franchisee and its employees to complete online training seminars up to two times per year. The Franchisor shall give the Franchisee at least 30 days prior written notice of any ongoing seminar, convention or program which is deemed mandatory. The Franchisor shall not require that the Franchisee, its Principal Manager or its employees attend any national convention more often than once a year and any local or regional seminar or meeting more than twice a year. The Franchisor may charge a tuition or fee for additional training. The Franchisee will be responsible for all travel and living expenses which are associated with attendance at any additional training.

7. DEVELOPMENT ASSISTANCE

7.1 Franchisor's Development Assistance. The Franchisor, or its designee, shall provide the Franchisee with assistance in the initial establishment of the Franchised Business as follows:

a. Provision of the initial training program to be conducted in Fort Collins, Colorado, or at another location designated by the Franchisor, as described in Article 6 above.

b. Provision of specifications for an Office Location which shall include, without limitation, specifications for space requirements, build-out and the demographics and character of the surrounding market area. The Franchisee acknowledges that the Franchisor shall have no other obligation to provide assistance in the selection and approval of an Office Location other than the provision of such written specifications and approval or disapproval of a proposed Office Location. The Franchisor shall be entitled

to rely on information submitted to the Franchisor in a form sufficient to assess the proposed location as may be reasonably required by the Franchisor.

c. Directives regarding the required build-out, design and decoration of the Office Location, plus standards and specifications concerning interior and exterior signs, decor, color, products, inventory, equipment, Office Location layout and lease review.

d. Provision of information and advice about designated or approved suppliers of the computer system, fixtures, supplies, equipment and materials used in, and services sold through, the Business.

e. Loan the Franchisee one copy of the Operations Manual in accordance with the terms and conditions of Section 8 below.

8. OPERATIONS MANUAL

8.1 Operations Manual. The Franchisor shall loan to the Franchisee one copy of its manuals, technical bulletins, or other written materials (collectively referred to as "Operations Manual"), in hardcopy or electronic form, covering certain standards, specifications and suggested operating and marketing procedures that the Franchisor requires the Franchisee to utilize in operating its Business. The Franchisee shall comply with the mandatory portions of the Operations Manual as an essential aspect of its obligations under this Agreement, and failure by the Franchisee to substantially comply with the mandatory portions of the Operations Manual may be considered by the Franchisor to be a breach of this Agreement.

8.2 Confidentiality of Operations Manual Contents. The Franchisee agrees to use the Marks and Licensed Methods only as specified in the Operations Manual. The Operations Manual is the sole property of the Franchisor and shall be used by the Franchisee only during the term of this Agreement and in strict accordance with the terms and conditions hereof. The information in the Operations Manual is proprietary and is protected by copyright and other laws. The Franchisee shall not duplicate the Operations Manual nor disclose its contents to persons other than its employees or officers who have signed a nondisclosure and noncompetition agreement in a form approved by the Franchisor. The Franchisee shall return the Operations Manual, with any written updates, to the Franchisor upon the expiration, termination or assignment of this Agreement.

8.3 Changes to Operations Manual. The Franchisor reserves the right to revise the Operations Manual from time to time as it deems necessary to update or change operating and marketing techniques or standards and specifications. The Franchisee, upon receipt of any updated information, shall update its copy of the Operations Manual as instructed by the Franchisor and shall conform its operations with the updated provisions within 30 days thereafter. The Franchisee acknowledges that a master copy of the Operations Manual maintained by the Franchisor at its principal office shall be controlling in the event of a dispute relative to the content of any Operations Manual.

9. OPERATING ASSISTANCE

9.1 Franchisor's Services. The Franchisor agrees that, during the Franchisee's operation of the Franchised Business, the Franchisor, or its designee, shall make available to the Franchisee the following services:

a. Upon the reasonable request of the Franchisee, consultation by telephone or electronic mail, regarding the continued operation and management of a Franchised Business and advice regarding Client services, Client relations and marketing.

b. Access to advertising and promotional materials which may be subject to a fee to cover costs, and the costs of reproduction, reprinting and placement shall be the Franchisee's responsibility; and assistance via telephone or electronic mail, in determining the media, timing and placement for the Franchisee's ongoing marketing program.

c. Ongoing updates of information and programs regarding any new payroll-related regulations, marketing and promotional programs, the competition, the industry, the Journey concept and the Licensed Methods, including information concerning special or new services or products which the Franchisor develops and makes available to its franchisees.

d. The provision of mandatory or voluntary, at the Franchisor's option, continuing education courses that the Franchisor may develop regarding new services, software, optional programs, products and services.

e. Provision of email addresses, webpage and website hosting assistance for a monthly charge.

f. Refer the Franchisee to prospective Clients in Franchisee's Protected Territory who contact the Franchisor seeking information about services, in accordance with the Franchisor's territorial policy set forth in the Operations Manual.

g. If made available by the Franchisor from time to time, in the Franchisor's sole discretion, provision of additional services and products, such as employment-related services, periodic conference calls, webinars, sales training, business development, training materials in an online format, and access to services from which the Franchisee may obtain referrals to potential Clients.

9.2 **Additional Franchisor Services**. Although not obligated to do so, the Franchisor may make its employees or designated agents available to the Franchisee for on-site advice and assistance in connection with the ongoing operation of the Franchised Business governed by this Agreement. In the event that the Franchisee requests such additional assistance and the Franchisor agrees to provide the same, the Franchisor reserves the right to charge the Franchisee for all travel, lodging, living expenses, telephone charges and other identifiable expenses associated with such assistance, plus a fee based on the time spent by each employee on behalf of the Franchisee, which fee will be charged in accordance with the then-current daily or hourly rates being charged by the Franchisor for assistance.

9.3 **Referral Program**. The Franchisor may, but are not required to, pay you a referral bonus of $500 to $10,000 in cash, services or product credit, in our sole discretion, for each third-party franchise prospect the Franchisee refers to the Franchisor who ultimately signs a Journey Payroll & HR franchise agreement with the Franchisor and pays the Franchisor the initial franchise fee within 12 months of the Franchisee's initial referral. The Franchisee are authorized only to identify the prospect to our franchise sales staff and must do so in writing. The Franchisee is not authorized to act as the Franchisor's agent or franchise broker and are instructed not to provide any information to prospects other than our information brochure. The Franchisor may provide notice of the referral bonus to the prospective franchisee receiving the Franchise Disclosure Document. The Franchisor retains the right in its sole discretion to modify or terminate this referral program at any time with or without notice to the Franchisee.

10. FRANCHISEE'S OPERATIONAL COVENANTS

10.1 **Business Operations**. The Franchisee acknowledges that the successful operation of its Franchised Business is, in part, dependent upon the Franchisee's compliance with this Agreement and the Operations

Manual. In addition to all other obligations contained in this Agreement and in the Operations Manual, the Franchisee shall comply with the following operational obligations:

a. **Quality of Operations**. The Franchisee shall maintain clean, efficient and high-quality Office Location operations and shall operate the Business in accordance with the Operations Manual and in such a manner as not to detract from or adversely reflect upon the name and reputation of the Franchisor and the goodwill associated with the Journey name and Marks.

b. **Compliance with Laws and Good Business Practices**. The Franchisee will conduct itself and operate its Franchised Business in compliance with all applicable federal and state laws, including employment, immigration, worker's compensation, data security laws, privacy laws, and all applicable state and federal regulations, and in such a manner so as to promote a good public image in the business community. In connection therewith, the Franchisee will be solely and fully responsible for obtaining any and all licenses to operate the Business and to carry on business at the Office Location. The Franchisee shall promptly forward to the Franchisor copies of all health department, fire department, building department and other similar reports of inspections as and when they become available. The Franchisee shall also immediately forward to the Franchisor any health department, fire department, building department or other governmental entity notices of violation upon receipt thereof or any other inspection reports, warnings, certificates or ratings issued by any governmental entity during the term of this Agreement in connection with the conduct of the Franchised Business which indicates the Franchisee's failure to meet or maintain the highest governmental standards, or less than full compliance by the Franchisee with any applicable law, rule or regulation. The Franchisee shall be solely responsible for any penalties or fines assessed for failure to abide by such laws, regulations and ordinances.

c. **Management**. The Franchisee acknowledges that proper management of the Franchised Business is important and shall ensure that the Franchisee, or a designated Principal Manager who has completed the Franchisor's initial training program, be responsible for the management of the Franchised Business at all times throughout the term of this Agreement. If a Principal Manager leaves the Business, he or she must be replaced within three months with a person who has successfully completed the Franchisor's training program for Principal Managers. Principal Managers shall execute a Nondisclosure and Noncompetition Agreement with the Franchisor.

d. **Approved Services and Products; Scope of Franchise Operation**. The Franchisee shall offer only services and products through its Business which meet or exceed the minimum standards and specifications established by the Franchisor and more fully described in the Operations Manual. The Franchisee shall offer all types of services and products as from time to time may be prescribed by the Franchisor and shall refrain from offering any other types of services or products, or operating or engaging in any other type of business or profession, from or through the Business or the Office Location, or the Franchisee entity, if applicable. The Franchisee shall refrain from offering and selling any other types of services or products or operating or engaging in any other type of business or profession, from or through the Franchised Business or the Office Location, including, without limitation, offering for sale or selling services or products of any sort on the Internet or by other electronic communications methods, by mail order, through catalogs or other means. The Franchisee shall not, except with the prior written consent of the Franchisor, sell items at wholesale or otherwise sell services or products from or through the Franchised Business or Office Location to any person or business for resale.

e. **Payment of Obligations; Insolvency**. The Franchisee shall pay, in addition to the Royalty, on a timely basis, all amounts due and owing to the Franchisor or its affiliates for: (i) website and webpage hosting, email addresses, technical support, intranet development and maintenance services provided by third parties; (ii) all applicable fees and charges for services rendered, including but not limited to, payroll tax services, computer server costs, shipping fees, payroll software and payroll service processing costs,

end of year processing fees, implementation services, local number call forwarding, check impound administration, tax amendments, HRNow, ACH processing fees, and background checks, the then-current amounts of which are listed in the Operations Manual; ; and (iii) all amounts due and owing for the purchase of marketing materials, other services or products, or pursuant to any separate agreements, including any premises sublease, between the Franchisee and the Franchisor and its affiliates. The Franchisee shall also pay on a timely basis all amounts due and owing by the Franchisee to all third parties, including landlords, suppliers, vendors and taxing authorities, with whom the Franchisee does business at the Office Location or through the Business. In connection with any amounts due and owing by the Franchisee to third parties, the Franchisee expressly acknowledges that a default by the Franchisee with respect to such indebtedness may be considered a default hereunder and the Franchisor may avail itself of all remedies provided for herein in the event of default. The Franchisee shall immediately notify the Franchisor if any action is taken by the Franchisee or the owners of the Franchisee, or by others against the Franchisee or owners of the Franchisee under any insolvency, bankruptcy or reorganization act, or if the Franchisee makes an assignment for the benefits of creditors, or a receiver is appointed by the Franchisee.

f. **Other Agreements**. The Franchisee shall comply with all agreements with third parties related to the Franchised Business or the Office Location including, in particular, all provisions of any premises lease, any product or supply contracts and other agreements.

g. **Employees**. The Franchisee shall be exclusively responsible for the conduct and control of its employees and employment practices, including hiring, firing, training and compensation of its employees. The Franchisee and all employees of the Franchisee shall present a professional appearance, as may be described in the Operations Manual, and shall render competent and courteous service to customers of the Franchised Business. The Franchisee shall run background checks, in accordance with the Franchisor's specifications, on all of its employees before hiring them and at least annually thereafter. The Franchisee shall not be permitted to employ, or continue to employ, a person with a felony conviction or other negative history, in accordance with the Franchisor's standards set forth in the Operations Manual. Nothing in this Agreement shall be deemed to make the Franchisee's employees, representatives or agents (i) subject to the control of the Franchisor or (ii) employees of the Franchisor.

h. **Remodeling and Upgrading**. The Franchisee agrees to renovate, refurbish or replace, at its own expense, the decor, personal property, equipment, and Computer System used in the operation of the Franchised Business and Office Location, when reasonably required by the Franchisor in order to comply with the image, standards of operation and performance capability established by the Franchisor from time to time. If the Franchisor changes its image or standards of operation, it shall give the Franchisee a reasonable period of time within which to comply with such changes.

i. **Training of Employees**. The Franchisee shall be fully responsible for its employees' compliance with the operational standards which are part of the Licensed Methods and for compliance with all laws and regulations affecting Business operations. The Franchisee must conduct its employee training in the manner and according to the standards as prescribed in the Operations Manual. Any employee who does not satisfactorily complete the training shall not work in any capacity in the Franchisee's Business.

j. **Ownership of Business**. The Franchisee shall at all times during the term of this Agreement own and control the Franchised Business authorized hereunder. The Principal Manager, if applicable, is not required to own an equity interest in the Franchisee entity. Upon request of the Franchisor, the Franchisee shall promptly provide satisfactory proof of the ownership of the Franchisee entity to the Franchisor. The Franchisee represents that the Statement of Ownership, attached hereto as Exhibit III and by this reference incorporated herein, is true, complete, accurate and not misleading, and, in accordance with the information contained in the Statement of Ownership, the controlling ownership of the Franchised Business is held by the individuals signing this Agreement on behalf of the Franchisee. The Franchisee

shall promptly provide the Franchisor with a written notification if the information contained in the Statement of Ownership changes at any time during the term of this Agreement and shall comply with the applicable transfer provisions contained in Article 17 herein. In addition, if the Franchisee is an entity, all of the owners of the Franchisee shall sign the Owners Agreement attached hereto as Exhibit II and such owners of the Franchisee as the Franchisor shall designate shall sign a Confidentiality and Noncompetition Agreement.

k. **Hours of Operation**. The Franchisee shall at all times during the term of this Agreement keep its Business open during the business hours as may be designated by the Franchisor from time to time in the Operations Manual and shall maintain sufficient inventory and employ adequate personnel at all times so as to operate the Business at its maximum capacity and efficiency.

l. **Minimum Sales Requirements.** The Franchisee shall attain and maintain the following minimum sales requirements ("Minimum Sales Requirements") for each Protected Territory: at the end of the 12th month after the Business opens, the Franchisee shall attain and maintain a minimum of $8,000 per month in Gross Revenue; at the end of the 24th month after the Business opens, the Franchisee shall attain and maintain a minimum of $15,000 per month in Gross Revenue; at the end of the 36th month after the Business opens, the Franchisee shall attain and maintain a minimum of $20,000 per month in Gross Revenue; and thereafter for the remainder of the term of this Agreement, the Franchisee must attain and maintain a minimum of $25,000 in Gross Revenue per month. The Franchisee acknowledges and agrees that if it fails to achieve and maintain these minimums, the Franchisor shall have the right to: (i) reduce the size of the Protected Territory; (ii) establish or license a third party to establish a Franchised Business in the Protected Territory; or (iii) terminate this Agreement, in the Franchisor's sole discretion.

11. PURCHASES OF SERVICES

11.1 Required Services. The Franchisee agrees to purchase certain services from the Franchisor or its affiliates including, but not limited to, payroll tax payments, payroll processing, ACH processing, computer data storage, computer server, online platform, software and other related services that will be performed for Clients of the Franchisee's Business. The Franchisee acknowledges and agrees that the Franchisor or its affiliates will be designated suppliers of these and related services and the Franchisee shall pay for these services (together "Service Payments") on a monthly basis concurrently with and in the same manner as the payment of Royalties as set forth in Article 12 of this Agreement. Service Payments will be subject to the same late charges as Royalties in the amount and manner set forth in Section 12.4 below. The Franchisor may modify the amount or percentages charged for the Service Payments from time to time if the Franchisor's costs related to the various services change. Further, the Franchisor may, in its sole discretion, change the services that the Franchisee is required to offer and purchase from the Franchisor or its affiliates from time to time, upon 30 days prior notice.

11.2 Payment Obligations. The Franchisor requires the Franchisee to purchase certain services from the Franchisor or its affiliates to comply with the Franchisor's standards and specifications. The Franchisor or its affiliates shall be obligated to perform the services, provided that the Franchisee is not in arrears on any payment to the Franchisor, its affiliates or a third-party supplier or otherwise in default under this Agreement. The Franchisor may require payments to be made at time of order if the Franchisor so notifies the Franchisee. If the Franchisee is in arrears on any payment to the Franchisor, its affiliates or a third-party supplier, is in default under this Agreement or is otherwise not in compliance with the terms and conditions imposed by the Franchisor, its affiliates or any third-party supplier for the purchase of any services or products, the Franchisor or its affiliates may discontinue selling or permitting the purchase through the account of the Franchisor or its affiliates of any services or products to the Franchisee and may place the account of the Franchisee on hold and cease directly or through third-party suppliers the delivery of already ordered and not yet paid for services or products. In addition, penalties and interest for late payments for

services and other items purchased from or through the Franchisor and its affiliates will apply on the same terms as for Royalties, described in Section 12.4 below. The Franchisor and its affiliates shall also be entitled to recover their reasonable attorneys' fees from the Franchisee in connection with any legal action, arbitration or other proceeding brought by them to collect amounts owed by the Franchisee for purchases of services and other items from or through the Franchisor or its affiliates.

11.3 No Warranties. THE FRANCHISOR AND ITS AFFILIATES MAKE NO WARRANTIES, EXPRESS OR IMPLIED, REGARDING MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE OF ANY OF THE SERVICES OR OTHER ITEMS PURCHASED BY THE FRANCHISEE FROM OR THROUGH THE FRANCHISOR OR ITS AFFILIATES.

11.4 Changes in Services; Terms of Sale. It is understood that the Franchisor and its affiliates shall have the right, at any time and without notice, to add items to, or withdraw items from, the list of services required to be offered for sale at the Business; to add to or delete from the list of approved suppliers of services and other items; and to change the prices, discounts, or terms of sale of any services or other items. No such changes will give the Franchisee the right to recover damages against, or be reimbursed, by the Franchisor or its affiliates for any losses suffered by the Franchisee. In the event of such changes, however, the sale by the Franchisee of services to existing Clients who have purchased the services in the past which are no longer approved, shall not be considered a violation hereof. The Franchisee shall comply with the then-current terms and conditions of sale of the Franchisor or its affiliates for the purchase of services, products and other items through the Franchisor or its affiliates. The Franchisee acknowledges that the terms and conditions of sale offered by the Franchisor or its affiliates to the Franchisee for the purchase of services, products and other items may differ from the terms and conditions of sale offered by third parties to the Franchisor or its affiliates for the purchase of such items.

11.5 Credit Card. No later than 30 days prior to the opening of the Business, the Franchisee shall execute and deliver to the Franchisor a credit card payment authorization, the current version of which is attached to the Franchise Disclosure Document in Exhibit G, authorizing the Franchisor to charge the credit card of the Franchisee for amounts owed to the Franchisor or its affiliates under this Agreement or related agreements including, without limitation, amounts owed for the purchase of services or products from or through the Franchisor or its affiliates, Royalties, Advertising Fees, Electronic Mail and Website Maintenance Fees, interest and late charges and other fees and charges. The Franchisee shall at all times during the term of this Agreement maintain a minimum available credit limit in a dollar amount that the Franchisor shall designate from time to time based upon the dollar volume of purchases of services, other items, outstanding balance and payment history and other factors determined by the Franchisor. The failure by the Franchisee to maintain a valid credit card with a credit limit designated by the Franchisor shall constitute a default under this Agreement. Within five days of receipt of a written request from the Franchisor, the Franchisee shall execute and return to the Franchisor an additional credit card payment authorization form with new credit card information or otherwise to ensure the credit card authorization form is current and valid.

12. ROYALTIES AND FEES

12.1 Monthly Royalty. Beginning with the month the Business opens, the Franchisee shall pay to the Franchisor a monthly royalty equal to 5% of Franchisee's monthly Gross Revenue, as defined in Section 12.2 below, ("Royalty").

12.2 Gross Revenue. "Gross Revenue" shall mean and include the aggregate amount received or receivable by the Business from, connected with, or related to the sale of payroll tax processing, payroll processing, human resources, timekeeping, employee benefits administration, background checks, team management, team culture services, other services or products and all business transacted in or through the Franchisee's Business, directly or indirectly, and including amounts received from participation in any

optional programs, and excluding only: (i) the amount of any federal, state or local sales or excise taxes or other similar taxes, separately stated; (ii) the amount of any refunds to customers; and (iii) other exclusions as may be authorized in writing by the Franchisor.

12.3 Royalty Payments. The Franchisor will receive all Client payments on the Franchisee's behalf. The Franchisor will calculate the Royalty payment and will remit to the Franchisee the net amount of such Client payments after deducting ("Deductions") the Royalty payment, along with the Advertising Fee and Service Payments. Such payments from the Franchisor to the Franchisee shall be made monthly no later than the 20th day of each month. Royalty payments start to accrue on the date that the Business commences operations, which date shall be determined by the Franchisor. Partial month Royalty payments shall be prorated as applicable.

12.4 Insufficient or Delinquent Payments. In the event that the Franchisee has insufficient funds in the account or otherwise fails to pay any Royalties or other fees as of the date due, the Franchisee shall, in addition to such Royalties or other fees, owe interest after the date due at the lesser of 18% per annum or the highest rate allowed by law, along with the late payment of Royalties of other fees. The Franchisee acknowledges that this Section 12.4 shall not constitute the Franchisor's or its affiliates' agreement to accept such payments after they are due or a commitment to extend credit to or otherwise finance operation of the Business. In the event interest is not paid upon demand, the Franchisor may elect to pursue its remedies as further set forth in this Agreement. In no event shall the Franchisee be required to pay interest at a rate greater than the maximum interest rate permitted by applicable law.

12.5 Application of Payments. Notwithstanding any designation by the Franchisee, the Franchisor shall have sole discretion to apply any payments by the Franchisee, and any credits received by the Franchisor on the Franchisee's behalf from third-party vendors, to any of Franchisee's past due indebtedness to Franchisor for Royalties, Advertising Fees or other fees, purchases from the Franchisor or its affiliates, interest or any other indebtedness. The Franchisee acknowledges that the Franchisor has the right to set off any amounts the Franchisee may owe to the Franchisor against any amounts the Franchisor might owe to the Franchisee.

12.6 Electronic Funds Transfer. For any amounts payable to the Franchisor under this Franchise Agreement, or in those circumstances where the deductions exceed the Franchisee's share of the amounts received from a Client, such amounts shall be payable via electronic funds transfer ("EFT") or other similar means the Franchisor shall periodically designate. The franchisor has the right to periodically specify (in the Operations Manual or otherwise in writing) different payees and/or payment methods, such as, but not limited to, weekly or monthly payment, payment by auto-draft, credit card and payment by check. The Franchisee will be required to execute the ACH authorization form and credit card authorization form contained in Exhibit G of the Franchise Disclosure Document no later than 30 days prior to the opening of the Business. The Franchisee must sign and deliver to us any other documents that the Franchisor or Franchisee's bank may require to authorize the Franchisor to debit the Franchisee's account for these amounts. The Franchisee must ensure that its account has sufficient funds available for withdrawal by electronic transfer before each due date. If there are insufficient funds in the Franchisee's account to cover all amounts that the Franchisee owes, any excess amounts that Franchisee owes will be payable upon demand, together with any late charge imposed pursuant to this Franchise Agreement.

13. ADVERTISING

13.1 Approval of Advertising. The Franchisee shall obtain the Franchisor's prior written approval of all written advertising or other marketing or promotional programs regarding the Franchised Business, including, without limitation, give-away promotions, newspaper ads, flyers, brochures, coupons, direct mail pieces, specialty and novelty items and radio and television advertising. The Franchisee shall also obtain the Franchisor's prior written approval before using any promotional materials as may be provided by

vendors. The proposed written advertising or a description of the marketing or promotional program shall be submitted to the Franchisor at least 30 days prior to publication, broadcast or use. The Franchisee acknowledges that advertising and promoting the Franchised Business in accordance with the Franchisor's standards and specifications is an essential aspect of the Licensed Methods, and the Franchisee agrees to comply with all advertising standards and specifications. The Franchisee shall display all required promotional materials, signs, point of purchase displays and other marketing materials in its Franchised Business and in the manner prescribed by the Franchisor. The Franchisee shall participate in all promotional programs established by the Franchisor from time to time for all Franchised Businesses and the Franchisor shall set the rules for and dates during which any such promotional program shall be implemented.

13.2 **National Advertising Fee**. Beginning on the date that the Business opens, the Franchisee shall contribute to a national advertising fund established by the Franchisor ("**Advertising Fund**") a monthly fee of 2.25% of the Franchisee's monthly Gross Revenue ("**Advertising Fee**"). The Advertising Fee shall be in addition to and not in lieu of the Social Marketing Fee. The Franchisee acknowledges that the Advertising Fees from Franchised Businesses are contributed to a single Advertising Fund. The following terms and conditions shall apply to the Advertising Fee payment:

a. The Advertising Fee shall be deducted from Client Payments by the Franchisor concurrently with and in the same manner as the payment of the Royalties each month during the term. Partial month Advertising Fees shall be prorated as applicable.

b. The Advertising Fee will be subject to the same late charges as the Royalties, in an amount and manner set forth in Section 12.4 above.

c. Upon the request of the Franchisee, the Franchisor will make available to the Franchisee, no later than 120 days after the end of each fiscal year, an unaudited financial statement which indicates how the Advertising Fund has been spent during the previous year.

d. The Franchisor shall direct all advertising and marketing programs financed by the Advertising Fund, with sole discretion over the creative concepts, materials and endorsements used therein, geographic, market and media placement and allocation, and the administration thereof. The Franchisee agrees that the Advertising Fund may be used to pay the costs of preparing and producing social media marketing; video and audio and written advertising materials, including direct mail; sponsoring radio programs and other media advertising; administering multi-regional advertising programs; employing advertising agencies and in-house staff to assist therewith; customer loyalty programs; website, social media and other electronic advertising; and supporting public relations, market research and other advertising and marketing activities for Franchised Businesses.

e. The Advertising Fund shall be accounted for separately from the Franchisor's other funds and shall not be used to defray any of the Franchisor's or its affiliate's general operating expenses, except for such reasonable administrative costs, salaries and overhead as the Franchisor or its affiliates may incur in activities related to the administration of the Advertising Fund and its marketing programs, including, without limitation, conducting market research, preparing material, incurring related accounting and legal expenses, collecting and accounting for Advertising Fund contributions. The Franchisor may spend in any fiscal year an amount greater or less than the aggregate contribution of all Franchised Businesses to the Advertising Fund in that year and the Advertising Fund may borrow from the Franchisor or other lenders to cover deficits or cause the Advertising Fund to invest any surplus for future use. All interest earned on monies contributed to the Advertising Fund will be first used to pay costs. Any amounts remaining in the Advertising Fund at the end of each year accrue and will be applied toward the following year's expenses. The Advertising Fund may be incorporated or operated through an entity separate from the Franchisor at

such time as the Franchisor deems appropriate, and such successor entity shall have all rights and duties of the Franchisor pursuant to this Section 13.2.

f. The Franchisee understands and acknowledges that the Advertising Fund is intended to maximize recognition of the Marks and patronage of Franchised Businesses. Although the Franchisor will endeavor to utilize the Advertising Fund to develop advertising and marketing materials and programs and to place advertising that will benefit all Franchised Businesses, the Franchisor undertakes no obligation to ensure that expenditures by the Advertising Fund in or affecting any geographic area are proportionate or equivalent to the contributions by Franchised Businesses operating in that geographic area or that any Franchised Business will benefit directly or in proportion to its contribution from the development of advertising and marketing materials or the placement of advertising. The Franchisor does not owe the Franchisee a fiduciary duty with respect to the maintenance, direction, or administration of the Advertising Fund. Except as expressly provided in this Section 13.2, the Franchisor assumes no direct or indirect liability or obligation to the Franchisee with respect to the maintenance, direction or administration of the Advertising Fund.

g. The Franchisor reserves the right to terminate the Advertising Fund, upon 30 days' written notice to the Franchisee. All unspent monies on the date of termination shall be distributed to the Franchisor's franchisees in proportion to their respective contributions to the Advertising Fund during the preceding 12-month period. The Franchisor shall have the right to reinstate the Advertising Fund upon the same terms and conditions set forth herein upon 30 days' prior written notice to the Franchisee.

13.3 Regional Advertising Association. The Franchisor reserves the right, upon 30 days prior written notice to the Franchisee, to create a regional advertising association ("Association") for the benefit of its franchisees located within a particular geographic area. If an Association is established for the area where the Franchisee is located, the Franchisee will be required to participate in the Association for the purpose of selecting and participating in regional marketing and promotional programs for Franchised Businesses. The Franchisor shall have the right to require, in its sole discretion, that the Franchisee allocate up to 1% of monthly Gross Revenue to the Association. The Franchisor may, in its sole discretion, allocate all or a portion of the Advertising Fee to the Association. The Franchisee will be required to remain a member of and be bound by the decisions of the majority of the members of the Association regarding expenditures, assessments and dues of the Association, to the extent that they are approved by the Franchisor. Each Association has the right, by majority vote, to require its members to pay additional monthly dues to the Association. The failure of the Franchisee to participate in the Association or pay any dues required by the Association, may, at the option of the Franchisor, be deemed to be a breach of this Agreement. The Franchisor has the right, in its sole discretion, to determine the composition of all geographic territories and market areas for the implementation of any regional advertising and promotion campaigns and to require that the Franchisee participate in such regional advertising programs as and when they may be established by the Franchisor. If an Association is implemented on behalf of a particular region by the Franchisor, the Franchisor, to the extent reasonably calculable, shall require that only contributions from its franchisees within such region be redirected to the Association or for the particular regional advertising program. The Franchisor reserves the right to seek reimbursement from the Association for reasonable administrative costs, salaries and overhead as the Franchisor may incur in activities related to the implementation and administration of the Association and marketing programs. The Franchisor also reserves the right to establish an advertising cooperative for a particular region to enable the cooperative to self-administer the regional advertising program; provided that the Franchisor shall have the right to review and approve the governing documents of such a self-administering cooperative. Franchised Businesses operated by Franchisor's affiliates will contribute to the Association on the same basis as its franchisees.

13.4 Electronic Advertising. The Franchisee shall not develop, create, distribute, disseminate or use any Internet communication, including, without limitation, any website, blog, instant messaging service,

social media site or networking account or other electronic or other communication method now in existence or to be created (including, without limitation, the website developed for the Business pursuant to Section 5.9 of this Agreement), or any multimedia, telecommunication, mass electronic mail or audio/visual advertising, promotional or marketing materials ("Electronic Advertising") relating to or associated with the Franchised Business or the Marks, the Licensed Methods or the Franchisor and its affiliates, without the Franchisor's prior written consent, which consent may be withheld in the Franchisor's sole discretion. The Franchisor shall retain the right to develop, publish and control the content of all Electronic Advertising for the Franchised Business. The Franchisor reserves the right, upon 30 days prior written notice, to require the Franchisee to participate in any Electronic Advertising of the Franchised Business sponsored by the Franchisor. The Franchisee acknowledges that the Franchisor shall own all databases of customer email addresses and related customer information. In addition to the obligations of the Franchisee pursuant to Section 5.9 of this Agreement, the Franchisor reserves the right to require the Franchisee to change, delete or provide access to the Franchisor and its designees to any Electronic Advertising. If the Franchisor permits or requires the Franchisee to develop any Electronic Advertising, the Franchisee shall do so in compliance with the Franchisor's policies and rules regarding the creation, maintenance, use, publication and content of such Electronic Advertising as set forth in this Agreement, the Operations Manual or Electronic Advertising code of conduct that the Franchisor may develop, disseminate and modify from time to time.

13.5 Social Marketing Fee. After the first 120 days of operations, the Franchisee will pay Franchisor a monthly fee of $295 for managing social media accounts ("Social Marketing Fee"). The Social Marketing Fee is due on the 20th of each month.

14. QUALITY CONTROL

14.1 Compliance with Operations Manual. The Franchisee agrees to maintain and operate the Franchised Business in compliance with this Agreement and the standards and specifications contained in the Operations Manual, as the same may be modified from time to time by the Franchisor.

14.2 Standards and Specifications. The Franchisor will make available to the Franchisee standards and specifications for services and products offered at or through the Franchised Business and for decor, equipment, furniture, fixtures, inventory, marketing materials, forms, items, supplies and services used in connection with the Business. The Franchisor reserves the right to change standards and specifications for services and products offered at or through the Franchised Business and for the decor, equipment, furniture, fixtures, inventory, marketing materials, forms, items, supplies and services used in connection with the Business, upon 30 days prior written notice to the Franchisee. The Franchisee shall, throughout the term of this Agreement, remain in compliance and strictly adhere to all of the Franchisor's current standards and specifications for the Franchised Business as prescribed from time to time.

14.3 Inspections. The Franchisor shall have the right to examine the Office Location and the fixtures, products, equipment, materials, supplies and services used or sold to ensure compliance with all standards and specifications set by the Franchisor. The Franchisor shall conduct such inspections during regular business hours and the Franchisee may be present at such inspections. The Franchisor, however, reserves the right to conduct the inspections without prior notice to the Franchisee. During the inspections conducted by the Franchisor, the Franchisor shall have the right to: (i) videotape or take pictures of the Office Location; (ii) interview employees and Clients of the Business; (iii) take samples of services and items used or sold at the Business for testing and analysis; (iv) make copies of books and records; and (v) require the Franchisee to immediately remove or discontinue any unauthorized services or items from the Office Location. The Franchisor shall have the right to use such photographs and videotaped material in such a manner as it reasonably deems appropriate.

14.4 **Restrictions on Services and Products**. The Franchisee is prohibited from offering or selling any type of services or products not authorized by Franchisor as being a part of the Licensed Methods. If the Franchisee proposes to offer, conduct or utilize any services, products, materials, forms, items or supplies for use in connection with or sale through the Business that are not previously approved by the Franchisor as meeting its specifications, the Franchisee shall first notify the Franchisor in writing and request approval from Franchisor. The Franchisor may, in its sole discretion, for any reason whatsoever, elect to withhold such approval; however, in order to make such determination, the Franchisor may require submission of specifications, information, or samples of such services, products, materials, forms, items or supplies. The Franchisee shall pay or reimburse the Franchisor for the reasonable costs of investigation in determining whether such services, products, materials, forms, items or supplies meet the Franchisor's specifications. The Franchisor will advise the Franchisee within a reasonable time whether such services, products, materials, forms, items or supplies meet its specifications and if Franchisee is approved to offer, conduct, or utilize the same.

14.5 **Approved Suppliers**. The Franchisee shall purchase all services, products, supplies, equipment, insurance and materials required for the operation of the Franchised Business from the Franchisor, from the Franchisor's affiliates, from suppliers designated or approved by the Franchisor or, if there is no designated or approved supplier for a particular service, product, supply, piece of equipment, type of insurance or marketing material, from such other suppliers who meet all of the Franchisor's specifications and standards as to quality, appearance and service, and who shall adequately demonstrate their capacity and facilities to supply the Franchisee's needs in the quantities, at the times, and with the reliability requisite to an efficient operation of the Franchised Business. The Franchisor reserves the right to designate from time to time, a single supplier for any services, products, equipment, materials or supplies and to require the Franchisee to use such designated supplier exclusively, which exclusive designated supplier may be the Franchisor or its affiliates. The Franchisor and its affiliates may receive payments from suppliers on account of such suppliers' dealings with the Franchisee and other franchisees and may use all such amounts without restriction and for any purpose the Franchisor and its affiliates deem appropriate (unless the Franchisor and its affiliates agree otherwise with the supplier).

14.6 **Request to Approve Supplier**. In the event the Franchisee desires to purchase or use products, services, supplies or materials from suppliers other than those previously approved by the Franchisor, the Franchisee shall, prior to purchasing from or otherwise utilizing any supplier, give the Franchisor a written request to approve the supplier. In the event the Franchisor rejects the Franchisee's requested new supplier, the Franchisor must, within 30 days of the receipt of the Franchisee's request to approve the supplier, notify the Franchisee in writing of its rejection. The Franchisor may continue from time to time to inspect any suppliers' facilities and products to assure compliance with the Franchisor's standards and specifications. Permission for such inspection shall be a condition of the continued approval of such supplier. The Franchisor may at its sole discretion, for any reason whatsoever, elect to withhold approval of the supplier; however, in order to make such determination, the Franchisor may require that samples from a proposed new supplier be delivered to the Franchisor for testing prior to approval and use. A charge not to exceed the reasonable cost of investigation may be made by the Franchisor and shall be paid by the Franchisee.

14.7 **Shopping Service**. The Franchisor reserves the right to use third-party shopping services or Client surveys from time to time to evaluate the operation and quality of the Franchisee's Franchised Business, including such things as quality of Client service, Client relations, service availability, efficiency, payroll knowledge and expertise, and proper use of computers and computer systems. The Franchisor may use such shopping services to inspect the Franchisee's Franchised Business or Office Location at any time at the Franchisor's expense, or to conduct surveys directed at Clients at the Franchisor's expense, without prior notification to the Franchisee. The Franchisor may, but need not, make the results of any such survey or evaluation available to the Franchisee, in the Franchisor's sole discretion.

15. MARKS, TRADE NAMES AND PROPRIETARY INTERESTS

15.1 **Marks**. The Franchisee acknowledges that the Franchisor or a company affiliated with or contractually obligated to the Franchisor has the right to license and control the Franchisee's use of the "JOURNEY™" service mark and other of the Marks, and that such Marks shall remain under the ownership and control of the Franchisor or a company affiliated with or contractually obligated to the Franchisor. The Franchisee acknowledges that it has not acquired any right, title or interest in such Marks except for the right to use such marks in the operation of its Franchised Business as it is governed by this Agreement. The Franchisee agrees not to use any of the Marks as part of an electronic mail address, or on any sites on the Internet and the World Wide Web without the Franchisor's prior written permission, and the Franchisee agrees not to use or register any of the Marks as a domain name on the Internet.

15.2 **No Use of Other Marks**. The Franchisee agrees that no service mark other than "JOURNEY™" or such other Marks as may be specified by the Franchisor shall be used in the identification, marketing, promotion or operation of the Franchised Business.

15.3 **Licensed Methods**. The Franchisee acknowledges that the Franchisor owns and controls the distinctive plan for the establishment, operation and promotion of the Franchised Business and all related licensed methods of doing business, previously defined as the "Licensed Methods", which include, but are not limited to, standards and specifications for the services and products offered at or through the Franchised Business; payroll services including, but not limited to, human resources, payroll processing, timekeeping, tax processing, employee benefits administration, background checks, team management and team culture; technology systems; equipment specifications and capabilities; client relations; marketing techniques; written promotional materials; advertising; and customized software, all of which constitute confidential trade secrets of the Franchisor, and the Franchisee acknowledges that the Franchisor has valuable rights in and to such trade secrets. The Franchisee acknowledges and agrees that it will promptly notify the Franchisor about any and all modifications or additions to the Licensed Methods or new instructional techniques and improvements in the Office Location developed by the Franchisee and that all such modifications or additions shall inure solely to the benefit of the Franchisor and may be adopted by the Franchisor and incorporated into the Licensed Methods without the Franchisor owing any compensation to the Franchisee. The Franchisee further acknowledges that it has not acquired any right, title or interest in the Licensed Methods except for the right to use the Licensed Methods in the operation of the Franchised Business as it is governed by this Agreement and that it is obligated to maintain the confidentiality of the Licensed Methods in accordance with Section 21.3 below.

15.4 **Franchisee's Business Name**. The Franchisee acknowledges that the Franchisor has a prior and superior claim to the "JOURNEY™" trade name. The Franchisee shall not use the word "Journey" in the legal name of its corporation, partnership or any other business entity used in conducting the business provided for in this Agreement. The Franchisee also agrees not to register or attempt to register a trade name or domain name using the word "Journey" in the Franchisee's name or that of any other person or business entity, without the prior written consent of the Franchisor. The Franchisee shall not identify itself as being "Journey Franchising LLC," "Journey," or as being associated with the Franchisor in any manner other than as a franchisee or licensee. The Franchisee further agrees that in all advertising and promotional materials it will display its business name only in obvious conjunction with the phrase "Journey Payroll & HR Franchisee" or with such other words and in such other phrases to identify itself as an independent owner of the Franchised Business, as may from time to time be prescribed in the Operations Manual.

15.5 **Change of Marks**. In the event that the Franchisor, in its sole discretion, shall determine it necessary to modify or discontinue use of any proprietary Marks, or to develop additional or substitute marks, the Franchisee shall, within a reasonable time after receipt of written notice of such a modification

or discontinuation from the Franchisor, take such action, at the Franchisee's sole expense, as may be necessary to comply with such modification, discontinuation, addition or substitution.

15.6 **Creative Ownership**. All copyrightable works created by the Franchisee or any of its owners, officers or employees in connection with the Business shall be the sole property of the Franchisor. The Franchisee assigns all proprietary rights, including copyrights, in these works to the Franchisor without additional consideration. The Franchisee hereby assigns and will execute such additional assignments or documentation to effectuate the assignment of all intellectual property, inventions, copyrights, service marks, trademarks and trade secrets developed in part or in whole in relation to the Business, during the term of this Agreement, as the Franchisor may deem necessary in order to enable it, at its expense, to apply for, prosecute and obtain copyrights, service marks, trademarks, patents or other proprietary rights in the United States and in foreign countries or in order to transfer to the Franchisor all right, title, and interest in said property. The Franchisee shall promptly disclose to the Franchisor all inventions, discoveries, improvements, creations, patents, copyrights, service marks, trademarks and confidential information relating to the Business which it or any of its owners, officers or employees has made or may make solely, jointly or commonly with others and shall promptly create a written record of the same. In addition to the foregoing, the Franchisee acknowledges and agrees that any improvements or modifications, whether or not copyrightable, directly or indirectly related to the Business, shall be deemed to be a part of the Licensed Methods and shall inure to the benefit of the Franchisor.

15.7 **Infringement**. The Franchisee agrees to notify the Franchisor within three business days in writing of any possible infringement of or claim of right to a service mark or trademark the same as or confusingly similar to any of the Marks which may come to its attention. In addition, Franchisee must notify Franchisor within three business days after Franchisee learns about another's use of language, a visual image or a recording of any kind that Franchisee perceives to be identical or substantially similar to one of Franchisor's copyrights; any unauthorized use of Franchisor's trade secrets, or other proprietary or confidential information; or if a third party challenges Franchisee's use of Franchisor's Marks, copyrights, trade secrets, or other proprietary or Confidential Information. The Franchisee acknowledges that the Franchisor shall have the right to determine whether any action will be taken on account of any possible infringement or illegal use. The Franchisor may (but is not required to) commence or prosecute such action in the Franchisor's own name and may join the Franchisee as a party to the action if the Franchisor determines it to be reasonably necessary for the continued protection and quality control of the Marks and Licensed Methods. The Franchisor shall bear the reasonable cost of any such action, including attorneys' fees. The Franchisee agrees to fully cooperate with the Franchisor in any such litigation.

15.8 **Alterations for Protection of Marks**. The Franchisor may, in its sole discretion, but with reasonable notice to the Franchisee, enter into the Office Location to make any alterations required for the protection of the Marks and Licensed Methods.

16. REPORTS, RECORDS AND FINANCIAL STATEMENTS

16.1 **Franchisee Reports**. The Franchisee shall establish and maintain, at its own expense, bookkeeping, accounting and data processing systems which conform to the specifications which the Franchisor may prescribe from time to time. Each transaction of the Business shall be processed in the manner prescribed by the Franchisor. The Franchisor shall have the right of access to all data with respect to the Business. The Franchisee shall provide access to the data to the Franchisor by installing a modem or joining and paying for a high-speed electronic network connection service which meets the Franchisor's standards and specifications. The Franchisee shall supply to the Franchisor such types of reports in a manner and form as the Franchisor may from time to time reasonably require, including:

a. Monthly summary reports in a form prescribed by the Franchisor, delivered electronically no later than the 20th day of each month or otherwise transmitted as the Franchisor may designate and containing information relative to the previous month's sales, operations and advertising and marketing;

b. Financial statements, prepared in accordance with United States generally accepted accounting principles ("GAAP"), and consisting of a quarterly profit and loss statement and balance sheet for the Franchised Business, mailed to the Franchisor postmarked no later than the 20th day of the month or electronically transmitted no later than the 20th day of each month after the end of each of the Franchisee's fiscal quarters, based on operating results of the quarter, which will be submitted in a form approved by the Franchisor and will be certified by the Franchisee to be correct;

c. The Franchisee will, within 120 days after the end of its fiscal year, provide to the Franchisor annual unaudited financial statements, compiled or reviewed by an independent certified public accountant in good standing and prepared in accordance with GAAP, and state and federal income tax returns; and

d. The Franchisee shall also provide copies of all other reports, financial statements and records reasonably requested by the Franchisor.

The Franchisor reserves the right to disclose data derived from such reports, without identifying the Franchisee, except to the extent identification of the Franchisee is required by law. The Franchisee consents to the Franchisor obtaining financial and account information regarding the Business and its operations from third parties with whom the Franchisee does business, as and when deemed necessary by the Franchisor.

16.2 Verification. Each report and financial statement to be submitted to the Franchisor pursuant to this Agreement shall be signed and verified by the Franchisee.

16.3 Books and Records. The Franchisee shall maintain all books and records for its Franchised Business in accordance with GAAP, consistently applied, and in a manner as reasonably prescribed by the Franchisor, and shall preserve these records for at least six years after the fiscal year to which they relate.

16.4 Audit of Books and Records. The Franchisee shall permit the Franchisor to inspect and audit the books and records of the Franchised Business at any reasonable time, at the Franchisor's expense. If any audit discloses a deficiency in amounts for payments owed to the Franchisor pursuant to this Agreement, then such amounts shall become immediately payable to the Franchisor by the Franchisee, with interest from the date such payments were due at the lesser of 1.5% per month or the maximum rate allowed by law. In the event such inspection or audit is made necessary by the Franchisee's failure to furnish required reports, supporting records or other information, or to furnish such information on a timely basis for two or more consecutive reporting periods, or if the Franchisee has received advance notice from the Franchisor and fails to have the books and records available for such audit or otherwise fails to cooperate therewith, or it is discovered during the audit that the Franchisee has underpaid Royalties or Advertising Fees by more than 1%, the Franchisee shall reimburse the Franchisor for the cost of such audit or inspection, including, without limitation, the charges of attorneys and any independent accountants and the travel expenses, room and board and compensation of the Franchisor's employees.

16.5 Failure to Comply with Reporting Requirements. If the Franchisee fails to prepare and submit any statement or report as required under this Article 16, then the Franchisor shall have the right to treat the Franchisee's failure as good cause for termination of this Agreement.

17. TRANSFER

17.1 **Transfer by Franchisee**. The franchise granted herein is personal to the Franchisee and, except as stated below, the Franchisor shall not allow or permit any transfer, assignment, subfranchise or conveyance of this Agreement or any interest hereunder. The Franchisee acknowledges that prior to approving any transfer, the Franchisor may impose reasonable conditions on the Franchisee and its purported transferee including, but not limited to, those conditions listed in Section 17.2. As used in this Agreement, the term "transfer" shall mean and include the voluntary, involuntary, direct or indirect assignment, sale, gift, merger, consolidation, exchange, or other disposition by the Franchisee (or any of its owners) of any interest in: (1) this Agreement; (2) the ownership of the Franchisee if the Franchisee is an entity or consists of more than one individual; or (3) the Business or any assets of the Business. An assignment, sale, gift or other disposition shall include a transfer resulting from a divorce, insolvency, corporate or partnership dissolution proceeding, consolidation, exchange, public or private offering of stock or other ownership interests in any entity, merger, or otherwise by operation of law or, in the event of the death of the Franchisee, or an owner of the Franchisee by will, declaration of or transfer in trust or under the laws of intestate succession.

17.2 **Pre-Conditions to Franchisee's Transfer**. The Franchisee shall not transfer its rights under this Agreement or any interest in it, or any part or portion of any business entity that owns it or all or a substantial portion of the assets of the Franchised Business, unless the Franchisee obtains the Franchisor's written consent and complies with the following requirements:

a. Payment of all amounts due and owing pursuant to this Agreement by the Franchisee to the Franchisor or its affiliates or to third parties holding a security interest in any asset of the franchised business;

b. Agreement by the proposed transferee to satisfactorily complete the initial training program described in this Agreement;

c. Execution of a Franchise Agreement in a form then currently offered by the Franchisor, which shall supersede this Agreement in all respects. If a new Franchise Agreement is signed, the terms thereof may differ from the terms of this Agreement; provided, however, the transferee will not be required to pay any additional initial franchise fee;

d. Provision by the Franchisee of written notice to the Franchisor 30 days prior to the proposed effective date of the transfer, such notice to contain information reasonably detailed to enable the Franchisor to evaluate the terms and conditions of the proposed transfer. If the Franchisee is an entity and one or more owners of the Franchisee entity wish to transfer, sell, assign, or otherwise dispose of his or her interest in the Franchisee entity or if the Franchisee entity wishes to make a public or private offer of its stock or other ownership interests, the Franchisee must submit to Franchisor at least 30 days in advance of the proposed effective date, and obtain Franchisor's prior written approval of, the documents effectuating the transfer, sale, assignment, offering or disposition;

e. The proposed transferee shall have provided information to the Franchisor sufficient for the Franchisor to assess the proposed transferee's business experience, aptitude and financial qualification, and the Franchisor shall have ascertained that the proposed transferee meets such qualifications;

f. Execution by Franchisee of a general release, in a form satisfactory to the Franchisor, of any and all claims against the Franchisor, its affiliates and their respective officers, directors, employees and agents;

g. Payment by the Franchisee or the proposed transferee of a transfer fee in the amount of $15,000; and

h. Agreement by the Franchisee to abide by the post-termination covenant not to compete set forth in Section 21.2 below.

17.3 Franchisor's Approval of Transfer. The Franchisor has 30 days from the date of the written notice of the proposed transfer to approve or disapprove in writing, of the Franchisee's proposed transfer. The Franchisee acknowledges that the proposed transferee shall be evaluated for approval by the Franchisor based on the same criteria as is currently being used to assess new franchisees of the Franchisor and that such proposed transferee shall be provided, if appropriate, with such disclosures as may be required by state or federal law. The Franchisor shall have the right to approve the material terms and conditions of the transfer, including, without limitation, the right to confirm that the price and terms of payment are not so burdensome as to affect adversely the transferee's operation of the Business. If the Franchisee (and/or the transferring owners) finance any part of the sale price of the transferred interest, if any, unless waived in writing by the Franchisor, the Franchisee and/or its owners must agree that all obligations of the transferee under or pursuant to any promissory notes, agreements or security interests reserved by the Franchisee or its owners in the assets of the Business or the Office Location shall be subordinate to the transferee's obligations to pay Royalty fees, Advertising Fees and other amounts due to the Franchisor and its affiliates and to otherwise comply with this Agreement. Additionally, the Franchisor shall have the right to interview the proposed transferee as part of the Franchisor's approval process and the Franchisee agrees that the Franchisor shall have the right to discuss matters related to the performance of the Office Location with such proposed transferee. If the Franchisee and the proposed transferee comply with all conditions for transfer set forth herein and the Franchisor has not given the Franchisee notice of its approval or disapproval within the 30-day period, approval is deemed granted.

17.4 Right of First Refusal. In the event the Franchisee wishes to engage in a transfer, the Franchisee agrees to grant to the Franchisor a 30-day right of first refusal to purchase such rights, interest or assets on the same terms and conditions as are contained in the written offer to purchase submitted to the Franchisee by the proposed purchaser; provided, however, the following additional terms and conditions shall apply:

a. The Franchisee shall notify the Franchisor of such offer by sending a written notice to the Franchisor (which notice may be the same notice as required by Section 17.2.d above), enclosing a copy of the written offer from the proposed transferee;

b. The 30-day right of first refusal period will commence concurrently with the period in which the Franchisor has to approve or disapprove the proposed transferee;

c. Such right of first refusal is effective for each proposed transfer and any material change in the terms or conditions of the proposed transfer shall be deemed a separate offer on which a new 30-day right of first refusal shall be given to the Franchisor;

d. If the consideration or manner of payment offered by a third party is such that the Franchisor may not reasonably be required to furnish the same, then the Franchisor may purchase the interest which is proposed to be sold for the reasonable cash equivalent. If the parties cannot agree within a reasonable time on the cash consideration, each of the Franchisor and the Franchisee shall designate an independent appraiser who, in turn, shall designate a third independent appraiser. The third appraiser's determination will be binding upon the parties. All expenses of the third appraiser shall be paid for equally between the Franchisor and the Franchisee;

e. If the Franchisor chooses not to exercise its right of first refusal, the Franchisee shall be free to complete the transfer, subject to compliance with Sections 17.2 and 17.3 above. Absence of a reply to the Franchisee's notice of a proposed transfer within the 30-day period will be deemed a waiver of such right of first refusal; and

f. The Franchisor shall have the right to assign its right of first refusal to another party including, but not limited to, any affiliate or other franchisee of the Franchisor.

17.5 Specific Types of Transfers. The Franchisee acknowledges that the Franchisor's right to approve or disapprove of a proposed transfer, and all other requirements and rights related to such proposed transfer, as provided for above, shall apply (1) if the Franchisee is a partnership or other business association, to the addition or deletion of a partner or members of the association or the transfer of any partnership or membership interest among existing partners or members; (2) if the Franchisee is a corporation or limited liability company, to any proposed transfer of 5% or more of the ownership interest of the Franchisee, whether such transfer occurs in a single transaction or several transactions; and (3) if the Franchisee is an individual, to the transfer from such individual or individuals to a corporation or limited liability company owned by them, in which case the Franchisor's approval will be conditioned upon: (i) the continuing personal guarantee of the individual (or individuals) for the performance of obligations under this Agreement; (ii) the issuance and/or transfer of ownership interests which would effect a change in ownership of 5% or more of the ownership interest in the company being conditioned on the Franchisor's prior written approval; (iii) a limitation on the company's business activity to that of operating the Franchised Business and related activities; and (iv) other reasonable conditions. With respect to a proposed transfer as described in subsection (3) of this Section, the Franchisor's right of first refusal to purchase, as set forth above, shall not apply and the Franchisor will waive any transfer fee chargeable to the Franchisee for a transfer under these circumstances.

17.6 Assignment by the Franchisor. This Agreement is fully assignable by the Franchisor and shall inure to the benefit of any assignee or other legal successor in interest, and the Franchisor shall in such event be fully released from the same.

17.7 Franchisee's Death or Disability. Upon the death or permanent disability of the Franchisee (or the individual controlling the Franchisee entity), the executor, administrator, conservator, guardian or other personal representative of such person shall transfer the Franchisee's interest in this Agreement or such interest in the Franchisee entity to an approved third party. Such disposition of this Agreement or such interest (including, without limitation, transfer by bequest or inheritance) shall be completed within a reasonable time, not to exceed 180 days from the date of death or permanent disability, and shall be subject to all terms and conditions applicable to transfers contained in this Article 17. Provided, however, that for purposes of this Section 17.7, there shall be no transfer fee charged by the Franchisor. Failure to transfer the interest in this Agreement or such interest in the Franchisee entity within said period of time shall constitute a breach of this Agreement. For the purposes hereof, the term "permanent disability" shall mean a mental or physical disability, impairment or condition that is reasonably expected to prevent or actually does prevent the Franchisee or the owner of a controlling interest in the Franchisee entity from supervising the management and operation of the Franchised Business for a period of 120 days from the onset of such disability, impairment or condition.

18. TERM AND EXPIRATION

18.1 Term. The term of this Agreement is for a period of 10 years from the date of this Agreement, unless sooner terminated as provided herein.

18.2 **Continuation**. If, for any reason, the Franchisee continues to operate the Business beyond the term of this Agreement or any subsequent renewal period, it shall be deemed to be on a month-to-month basis under the terms of this Agreement and subject to termination upon 30 days' notice or as required by law. If said holdover period exceeds 90 days, this Agreement is subject to immediate termination unless applicable law requires a longer period. Upon termination after any holdover period, the Franchisee and those in active concert with the Franchisee, including family members, officers, directors, partners and managing agents, are subject to the terms of Articles 19 and 21 and Section 20.3 of this Agreement and all other applicable post-termination obligations contained in this Agreement.

18.3 **Rights Upon Expiration**. At the end of the initial term hereof, the Franchisee shall have the option to renew its franchise rights for an additional term by acquiring successor franchise rights, if the Franchisor does not exercise its right not to offer a successor franchise in accordance with Section 18.5 below and if the Franchisee:

a. At least 30 days prior to expiration of the term, executes the form of Franchise Agreement then in use by the Franchisor;

b. Has been in "substantial compliance" with all provisions of this Agreement during the current term of the Agreement, including the payment on a timely basis of all Royalties and other fees due hereunder and is then in compliance with the Agreement at the time of renewal. "Substantial compliance" during the term shall mean, at a minimum, that the Franchisee has not received any written notification from the Franchisor of breach hereunder more than three times during the term hereof;

c. Upgrades or remodels the Office Location and its operations at the Franchisee's sole expense (the necessity of which shall be in the sole discretion of the Franchisor) to conform with the then-current Operations Manual;

d. Executes a general release, in a form satisfactory to the Franchisor, of any and all claims against the Franchisor and its affiliates, and their respective officers, directors, employees and agents arising out of or relating to this Agreement; and

e. Pays a successor franchise fee of $10,000.

18.4 **Exercise of Option for Successor Franchise**. The Franchisee may exercise its option for a successor franchise by giving written notice of such exercise to the Franchisor not later than 180 days prior to the scheduled expiration of this Agreement. The Franchisee's successor franchise rights shall become effective by signing the Franchise Agreement then currently being offered to new franchisees of the Franchisor.

18.5 **Conditions of Refusal**. The Franchisor shall not be obligated to offer the Franchisee a successor franchise upon the expiration of this Agreement if the Franchisee fails to comply with any of the above conditions of renewal. The Franchisor shall give the Franchisee notice of expiration at least 180 days prior to the expiration of the term (unless such refusal is due to the Franchisee's failure to comply with Section 18.3, subsections a., c., d. or e. thereof, later than that time), and such notice shall set forth the reasons for such refusal to offer successor franchise rights. Upon the expiration of this Agreement, the Franchisee shall comply with the provisions of Section 19.4 below.

19. DEFAULT AND TERMINATION

19.1 **Termination by Franchisor - Effective Upon Notice**. The Franchisor shall have the right, at its option, to terminate this Agreement and all rights granted the Franchisee hereunder, without affording the

Franchisee any opportunity to cure any default (subject to any state laws to the contrary, where state law shall prevail), effective upon receipt of notice by the Franchisee, addressed as provided in Section 25.11, upon the occurrence of any of the following events:

a. **Abandonment**. If the Franchisee ceases to operate the Franchised Business or otherwise abandons the Franchised Business for a period of five consecutive days, or any shorter period that indicates an intent by the Franchisee to discontinue operation of the Franchised Business, unless and only to the extent that full operation of the Franchised Business is suspended or terminated due to fire, flood, earthquake or other similar causes beyond the Franchisee's control and not related to the availability of funds to the Franchisee;

b. **Insolvency; Assignments**. If the Franchisee becomes insolvent or is adjudicated bankrupt; or any action is taken by the Franchisee, or by others against the Franchisee under any insolvency, bankruptcy or reorganization act, (this provision may not be enforceable under federal bankruptcy law, 11 U.S.C. §§ 101 et seq.), or if the Franchisee makes an assignment for the benefit of creditors, or a receiver is appointed by the Franchisee;

c. **Unsatisfied Judgments; Levy; Foreclosure**. If any material judgment (or several judgments which in the aggregate are material) is obtained against the Franchisee and remains unsatisfied or of record for 30 days or longer (unless a supersedeas or other appeal bond has been filed); or if execution is levied against the Franchisee's Business or any of the 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 Franchisee's Business shall be sold after levy thereupon by any sheriff, marshal or constable;

d. **Criminal Conviction**. If the Franchisee is convicted of a felony, a crime involving moral turpitude, or any crime or offense that is reasonably likely, in the sole opinion of the Franchisor, to materially and unfavorably affect the Licensed Methods, the Marks, goodwill or reputation thereof;

e. **Failure to Make Payments**. If the Franchisee fails to pay any amounts due the Franchisor or affiliates, including any amounts which may be due as a result of any purchases of services by the Franchisee from or through the Franchisor or its affiliates, within 10 days after notice that such fees or amounts are overdue;

f. **Misuse of Marks**. If the Franchisee misuses or fails to follow the Franchisor's directions and guidelines concerning use of the Franchisor's Marks and fails to correct the misuse or failure within 10 days after notification from the Franchisor;

g. **Unauthorized Disclosure**. If the Franchisee intentionally or negligently discloses to any unauthorized person the contents of or any part of the Franchisor's Operations Manual or any other trade secrets or confidential information of the Franchisor;

h. **Repeated Noncompliance**. If the Franchisee has received two previous notices of default from the Franchisor and is again in default of this Agreement within a 12-month period, regardless of whether the previous defaults were cured by the Franchisee; or

i. **Unauthorized Transfer**. If the Franchisee transfers the franchise, an interest in the franchise or the Franchisee entity, this Agreement, the Franchised Business, the Office Location, or a substantial portion of the assets of the Franchised Business owned by the Franchisee, without complying with the provisions of Article 17 above.

j. **Violation of Anti-Terrorism Laws**. The Franchisee or any Franchisee Affiliates, defined in Section 23.3 below, are blocked or otherwise in violation of any Anti-Terrorism Laws, as defined in Section 25.14 below.

19.2 Termination by Franchisor - Thirty Days' Notice. The Franchisor shall have the right to terminate this Agreement (subject to any state laws to the contrary, where state law shall prevail), effective upon 30 days' written notice to the Franchisee, if the Franchisee breaches any other provision of this Agreement and fails to cure the default during such 30-day period. In that event, this Agreement will terminate without further notice to the Franchisee, effective upon expiration of the 30-day period. Defaults shall include, but not be limited to, the following:

a. **Failure to Maintain Standards**. The Franchisee fails to maintain the then-current operating procedures and adhere to the specifications and standards established by the Franchisor as set forth herein or in the Operations Manual or otherwise communicated to the Franchisee;

b. **Deceptive Practices**. The Franchisee engages in any unauthorized business or practice or sells any unauthorized products or services under the Franchisor's Marks or under a name or mark which is confusingly similar to the Franchisor's Marks;

c. **Failure to Obtain Consent**. The Franchisee fails, refuses or neglects to obtain the Franchisor's prior written approval or consent as required by this Agreement;

d. **Failure to Comply with Manual**. The Franchisee fails or refuses to comply with the then-current requirements of the Operations Manual;

e. **Breach of Related Agreement**. The Franchisee defaults under any term of the lease for the Office Location; any Client agreement; any other agreement material to the Franchised Business; or any other Franchise Agreement or other agreement of any kind between the Franchisor or its affiliates and the Franchisee, and such default is not cured within the time specified in such lease or other agreement;

f. **Failure to Meet Minimum Sales Requirements**. The Franchisee fails to attain or maintain the Minimum Sales Requirements; or

g. **Protected Territory Violation**. The Franchisee violates the Franchisor's standards regarding services provided to extra-territorial Clients or otherwise violates the boundaries of its Protected Territory or that of another Franchised Business. The Franchisee may be liable to another Franchised Business owner for profits made as a result of doing business outside of the Franchisee's Protected Territory, in accordance with the Franchisor's then-current territory policy. In addition, the Franchisee will pay the Franchisor's then-current rates for investigating a complaint by another franchisee, resulting in an investigation into the services provided to extra-territorial Clients. Payment of investigative fees will be payable within 30 days of notice from the Franchisor.

Notwithstanding the foregoing, if the breach is curable, but is of a nature which cannot be reasonably cured within such 30-day period and the Franchisee has commenced and is continuing to make good faith efforts to cure the breach during such 30-day period, the Franchisee shall be given an additional reasonable period of time, but not more than 90 days to cure the same, and this Agreement shall not automatically terminate without written notice from the Franchisor.

19.3 Right to Purchase. Upon termination or expiration of this Agreement for any reason, the Franchisor shall have the option to purchase the Franchised Business or a portion of the assets of the Business, which may include, at the Franchisor's option, all of the Franchisee's interest, if any, in and to

the real estate upon which the Office Location is located, and all buildings and other improvements thereon, including leasehold interests, at fair market value, less any amount apportioned to the goodwill of the Franchised Business which is attributable to the Franchisor's Marks and Licensed Methods, and less any amounts owed to the Franchisor by the Franchisee. The following additional terms shall apply to the Franchisor's exercise of this option:

a. The Franchisor's option hereunder shall be exercisable by providing the Franchisee with written notice of its intention to exercise the option given to the Franchisee no later than the effective date of termination, in the case of termination, or at least 90 days prior to the expiration of the term of this Agreement, in the case of nonrenewal.

b. The Franchisor shall set the closing for the purchase of the Franchised Business to take place no later than 60 days after the termination or nonrenewal date. The Franchisor will pay the purchase price in full at the closing, or, at its option, in 12 equal consecutive monthly installments with interest at a rate of 8% per annum. The Franchisee must sign all documents of assignment and transfer as are reasonably necessary for purchase of the Franchised Business or its assets by the Franchisor.

c. During the time after the Franchisor notifies the Franchisee of the exercise of the option, but before the closing, the Franchisor has the right to obtain an independent appraisal of the fair market value of the assets being purchased and, if the Franchisor chooses to obtain an appraisal, each of the Franchisor and the Franchisee shall designate an independent appraiser who, in turn, shall designate a third independent appraiser. The third appraiser's determination will be binding on both parties. All expenses of the third appraiser shall be paid for by the Franchisor.

In the event that the Franchisor does not exercise the Franchisor's right to purchase the Franchisee's Franchised Business as set forth above, the Franchisee will be free to keep or to sell, after such termination or expiration, to any third party, all of the physical assets of its Franchised Business; provided, however, that all appearances of the Marks are first removed in a manner approved in writing by the Franchisor.

19.4 <u>Obligations of Franchisee Upon Termination or Expiration</u>. The Franchisee is obligated upon termination or expiration of this Agreement to immediately:

a. Pay to the Franchisor all Royalties, Advertising Fees, other fees, and any and all amounts or accounts payable then owed the Franchisor or its affiliates pursuant to this Agreement, or pursuant to any other agreement, whether written or oral, including leases, between the parties;

b. Cease to identify itself as a Journey Payroll & HR franchisee or publicly identify itself as a former franchisee or use any of the Franchisor's trade secrets, signs, symbols, devices, trade names, trademarks, or other materials;

c. Immediately cease to identify the Office Location as being, or having been, associated with the Franchisor and, if deemed necessary by the Franchisor, paint or otherwise change the interior and exterior of the Office Location to distinguish it from an Office Location and immediately cease using any proprietary mark of the Franchisor or any mark in any way associated with the Marks and Licensed Methods;

d. Deliver to the Franchisor all signs, sign-faces, advertising materials, forms and other materials bearing any of the Marks or otherwise identified with the Franchisor and obtained by and in connection with this Agreement;

e. Immediately deliver to the Franchisor the Operations Manual and all other information, documents and copies thereof which are proprietary to the Franchisor;

f. Submit to the Franchisor all copies of the Business Client list and all related Client information as may be requested by the Franchisor;

g. Promptly take such action as may be required to cancel all fictitious or assumed names or equivalent registrations relating to its use of any Marks which are under the exclusive control of the Franchisee or, at the option of the Franchisor, assign the same to the Franchisor;

h. Notify the telephone company and all telephone directory publishers of the termination or expiration of the Franchisee's right to use any telephone number and any regular, classified or other telephone directory listings associated with any Mark and to authorize transfer thereof to the Franchisor or its designee. The Franchisee acknowledges that, as between the Franchisee and the Franchisor, the Franchisor has the sole rights to and interest in all telephone or facsimile machine numbers and directory listings associated with any Mark. The Franchisee authorizes the Franchisor, and hereby appoints the Franchisor and any of its officers as the Franchisee's attorney-in-fact, to direct the telephone company and all telephone directory publishers to transfer any telephone or facsimile machine numbers and directory listings relating to the Franchised Business to the Franchisor or its designee, should the Franchisee fail or refuse to do so, and the telephone company and all telephone directory publishers may accept such direction or this Agreement as conclusive evidence of the Franchisor's exclusive rights in such telephone numbers and directory listings and the Franchisor's authority to direct their transfer;

i. If applicable, take such action as may be required to remove from the Internet all sites referring to the Franchisee's former Business or any of the Marks and to cancel or assign to the Franchisor, in the Franchisor's sole discretion, all rights to any domain names for any sites on the Internet that refer to the Franchisee's former Franchised Business or any of the Marks; and

j. Abide by all restrictive covenants set forth in Article 21 of this Agreement.

19.5 **Acknowledgement**. In the event this Agreement is terminated by the Franchisor prior to its expiration as set forth in Sections 19.1 and 19.2 above, the Franchisee acknowledges and agrees that, in addition to all other available remedies, the Franchisor shall have the right to recover lost future Royalties during any period in which the Franchisee fails to pay such Royalties through and including the remainder of the then-current term of this Agreement.

19.6 **State and Federal Law**. THE PARTIES ACKNOWLEDGE THAT IN THE EVENT THAT THE TERMS OF THIS AGREEMENT REGARDING TERMINATION OR EXPIRATION ARE INCONSISTENT WITH APPLICABLE STATE OR FEDERAL LAW, SUCH LAW SHALL GOVERN THE FRANCHISEE'S RIGHTS REGARDING TERMINATION OR EXPIRATION OF THIS AGREEMENT.

20. BUSINESS RELATIONSHIP

20.1 **Independent Businesspersons**. The parties agree that they each are independent businesspersons, their only relationship is by virtue of this Agreement and that no fiduciary relationship is created hereunder. Neither party is liable or responsible for the other's debts or obligations, nor shall either party be obligated for any damages to any person or property directly or indirectly arising out of the operation of the other party's business authorized by or conducted pursuant to this Agreement. The Franchisor and the Franchisee agree that neither of them will hold themselves out to be the agent, employer or partner of the other and that neither of them has the authority to bind or incur liability on behalf of the other.

20.2 Payment of Third-Party Obligations. The Franchisor shall have no liability for the Franchisee's obligations to pay any third parties, including without limitation, any product vendors, or any sales, use, service, occupation, excise, gross receipts, income, property or other tax levied upon the Franchisee, the Franchisee's property, the Franchised Business or upon the Franchisor in connection with services purchased by the Franchisee through the Franchisor or its affiliates, the sales made or business conducted by the Franchisee (except any taxes the Franchisor is required by law to collect from the Franchisee with respect to purchases from the Franchisor).

20.3 Indemnification. The Franchisee agrees to indemnify, defend and hold harmless the Franchisor, its subsidiaries and affiliates, and their respective shareholders, directors, officers, members, managers, employees, agents, successors and assignees, (the "Indemnified Parties") against, and to reimburse them for all claims, obligations and damages described in this Section 20.3, any and all third-party obligations described in Section 20.2 and any and all claims and liabilities directly or indirectly arising out of the operation of the Franchised Business, including the Franchisee's Clients' failure to pay for the services Franchisor or its affiliates provide to them, or arising out of the use of the Marks and Licensed Methods in any manner not in accordance with this Agreement. For purposes of this indemnification, "claims" shall mean and include all obligations, actual and consequential damages and costs reasonably incurred in the defense of any claim against the Indemnified Parties, including, without limitation, reasonable accountants', attorneys' and expert witness fees, costs of investigation and proof of facts, court costs, other litigation expenses and travel and living expenses. The Franchisor shall have the right to defend any such claim against it. This indemnity shall continue in full force and effect subsequent to and notwithstanding the expiration or termination of this Agreement.

21. RESTRICTIVE COVENANTS

21.1 Non-Competition During Term. The Franchisee acknowledges that, in addition to the license of the Marks hereunder, the Franchisor has also licensed commercially valuable information which comprises and is a part of the Licensed Methods, including without limitation, payroll and human resources services, operations, marketing, advertising and related information and materials and that the value of this information derives not only from the time, effort and money which went into its compilation, but from the usage of the same by all the franchisees of the Franchisor using the Marks and Licensed Methods. The Franchisee therefore agrees that, other than the Franchised Business licensed herein or authorized by separate agreement with the Franchisor, neither the Franchisee nor any of the Franchisee's officers, directors, members, managers, shareholders or partners, nor any member of his or their immediate families, shall during the term of this Agreement:

a. have any direct or indirect controlling interest as a disclosed or beneficial owner in a "Competitive Business" as defined below;

b. perform services as a director, officer, member, manager, employee, consultant, representative, agent or otherwise for a Competitive Business; or

c. divert or attempt to divert any business related to, or any customer or account of the Franchised Business, the Franchisor's business or any other Journey Payroll & HR franchisee's business, by direct inducement or otherwise, or divert or attempt to divert the employment of any employee of the Franchisor or any of its affiliates, or another franchisee licensed by the Franchisor to use the Marks and Licensed Methods, to any Competitive Business by any direct inducement or otherwise.

The term "Competitive Business" as used in this Agreement shall mean any business operating or any business granting franchises or licenses to others to operate a payroll processing, human resources, employee benefits administration, time keeping, employee management services or other business deriving

more than 10% of its gross receipts from payroll processing, human resources, employee benefits administration, time keeping or employee management services. Notwithstanding the foregoing, the Franchisee shall not be prohibited from owning securities in a Competitive Business if such securities are listed on a stock exchange or traded on the over-the-counter market and represent 5% or less of that class of securities issued and outstanding.

21.2 Post-Termination Covenant Not to Compete. Upon termination or expiration of this Agreement for any reason, the Franchisee and its officers, directors, members, managers, shareholders, or partners agree that, for a period of two years commencing on the effective date of termination or expiration, or the date on which the Franchisee ceases to conduct business, whichever is later, neither Franchisee nor its officers, directors, shareholders, or partners shall have any direct or indirect interest (through a member of any immediate family of the Franchisee or its Owners or otherwise) as a disclosed or beneficial owner, investor, partner, member, manager, director, officer, employee, consultant, representative or agent or in any similar capacity in any Competitive Business, defined in Section 21.1 above, located or operating within: (i) a-50 mile radius of the Office Location; (ii) a 50-mile radius of the premises of any other Franchised Business or Office Location; and (iii) within a 25-mile radius of the premises of any Franchised Business or Office Location owned by an affiliate of the Franchisor. The restrictions of this Section shall not be applicable to the ownership of shares of a class of securities listed on a stock exchange or traded on the over-the-counter market that represent 5% or less of the number of shares of that class of securities issued and outstanding. The Franchisee and its officers, directors, members, managers, shareholders, or partners expressly acknowledge that they possess skills and abilities of a general nature and have other opportunities for exploiting such skills. Consequently, enforcement of the covenants made in this Section will not deprive them of their personal goodwill or ability to earn a living.

21.3 Confidentiality of Proprietary Information. The Franchisee and the Franchisor acknowledge that the distinctive business format, plans, methods, data, processes, marketing systems, manuals, product formulas, techniques, designs, layouts, operating procedures, service marks, trademarks, proprietary marks and information and know-how of the Franchisor which are developed and utilized in connection with the Licensed Methods are proprietary and confidential ("Confidential Information"). Such Confidential Information is unique, exclusive property and a trade secret of the Franchisor and has valuable goodwill associated with it. The Franchisee acknowledges that any unauthorized disclosure or use of the Confidential Information would be wrongful and would cause irreparable injury and harm to the Franchisor. It is understood that Confidential Information is deemed to include, without limitation, instructional techniques, Client lists, vendor lists, any and all information contained in the Operations Manual, and any information of whatever nature which gives the Franchisor and its affiliates an opportunity to obtain an advantage over its competitors who do not have access to, know or use such techniques, lists, written materials or information. The Franchisee further acknowledges that the Franchisor has expended a great amount of effort and money in obtaining and developing the Confidential Information, that the Franchisor has taken numerous precautions to guard the secrecy of the Confidential Information, that it would be very costly for competitors to acquire or duplicate the Confidential Information and that any unauthorized disclosure of such Confidential Information will cause irreparable harm to the Franchisor. Consequently, the Franchisee shall not at any time, publish, disclose, divulge or in any manner communicate to any person, firm, corporation, association, partnership or any other entity whatsoever or use, directly or indirectly, for its own benefit or for the benefit of any person, firm, corporation or other entity other than for the use of the Franchisor or the Franchisee's Business, any of the Confidential Information of the Franchisor or its affiliates. The Franchisor and the Franchisee agree that the Confidential Information does not include information that is generally available to the public.

21.4 Confidentiality Agreement. Any Principal Operator and, if the Franchisee is an entity, an officer that does not own equity in the franchisee entity must sign the "System Protection Agreement," the form of which is attached to the Franchise Disclosure Document in Exhibit G. All of the Franchisee's employees,

independent contractors, agents or representatives that may have access to Franchisor's Confidential Information must sign a confidentiality agreement (unless they already signed a System Protection Agreement), the current form of which is attached to the Franchise Disclosure Document in Exhibit G. Each owner (i.e., each person holding a direct or indirect ownership interest in the Franchisee) and their spouse(s) must sign an owners agreement, the form of which is attached to this Franchise Agreement as Exhibit II.

21.5 Non-Disparagement. The Franchisee agrees that it shall not take any action or make any statements to any third parties that would constitute a criticism, denigration or disparagement of the Franchisor or its Licensed Methods or would tend to be injurious to the reputation or goodwill of the Franchisor or its Marks, or which in any manner may interfere with the business affairs or business relations of the Franchisor.

21.6 Interpretation. All parties to this Agreement acknowledge that this Article has been fully negotiated and has been entered into freely. If any provision of this Article 21 shall be held to be invalid by any tribunal, the terms of said invalid provision shall be modified to the least possible extent so as to make the provision valid. This Article shall not be interpreted against either party as drafter.

22. INSURANCE

22.1 Insurance Coverage. The Franchisee shall procure from suppliers that may be designated by the Franchisor, maintain and provide evidence of (i) commercial general liability insurance for the Business and its operations, with a limit of not less than $1,000,000 per occurrence and $2,000,000 aggregate, or such greater limit as may be required as part of any lease agreement for the Office Location; (ii) unemployment and worker's compensation insurance with a broad form all-states endorsement coverage sufficient to meet the requirements of the law; (iii) all-risk personal property insurance in an amount equal to at least 90% of the replacement costs of the contents and tenant improvements located at the Office Location; (iv) employee theft and dishonesty insurance with a limit of not less than $1,000,000 per occurrence; (v) non-owned automobile liability insurance covering all employees with authority to operate a motor vehicle in an amount not less than $1,000,000, and if the Business owns a vehicle, automobile liability insurance of at least $1,000,000 combined single limit; (vi) employment practices liability insurance with a minimum aggregate limit of $1,000,000; and (vii) cyber-security coverage of not less than $1,000,000. All of the required policies of insurance shall name the Franchisor as an additional insured and shall provide for a 30-day advance written notice to the Franchisor of cancellation. The Franchisor shall have the right upon 60 days prior written notice to the Franchisee to revise the coverage limits and type of insurance described in this Section 22.1.

22.2 Proof of Insurance Coverage. The Franchisee will provide proof of insurance to the Franchisor prior to commencement of operation of its Franchised Business. This proof will show that the insurer has been authorized to inform the Franchisor in the event any policies lapse or are cancelled. Noncompliance with the insurance provisions set forth herein shall be deemed a material breach of this Agreement. In the event of any lapse in insurance coverage, in addition to all other remedies, the Franchisor shall have the right to demand that the Franchisee cease operations of the Franchised Business until coverage is reinstated, or, in the alternative, pay any delinquencies in premium payments and charge the same back to the Franchisee.

23. ARBITRATION

23.1 Arbitration. Except for controversies, disputes or claims related to or based on enforcement of the rights of the Franchisor or its affiliates in the Marks, the enforcement of covenants not to compete or any lease of real estate, all controversies, disputes or claims between the Franchisor, its subsidiaries and affiliated companies and their officers, directors, shareholders, managers, members, agents, employees,

sales people and attorneys (in their representative capacity) and the Franchisee (and its owners and guarantors, if applicable) arising out of or related to: (1) this Agreement or any other agreement between the parties or any provision of such agreements; (2) the relationship of the parties hereto; (3) the validity of this Agreement or any other agreement between the parties or any provision of such agreements; or (4) any Licensed Method, shall be submitted for arbitration to a Colorado office of the American Arbitration Association ("AAA") on demand of either party. Such arbitration proceedings shall be conducted in Denver, Colorado, and shall be heard by one arbitrator in accordance with the then-current Commercial Arbitration Rules of the AAA, except as otherwise provided in this Agreement.

23.2 Scope of Arbitration. The arbitrator shall have the right to award or include in the award any relief which he/she deems proper in the circumstances, including, without limitation, money damages (with interest on unpaid amounts from the date due), specific performance, and attorneys' fees and costs, in accordance with Section 25.7 of this Agreement, provided that the arbitrator shall not award exemplary or punitive damages. The award and decision of the arbitrator shall be conclusive and binding upon all parties hereto and judgment upon the award may be entered in any court of competent jurisdiction. Each party waives any right to contest the validity or enforceability of such award. The Franchisor and the Franchisee agree to be bound by the provisions of any applicable limitation on the period of time by which claims must be brought under applicable law or this Agreement, whichever is less. The parties further agree that, in connection with any such arbitration proceeding, each shall file any compulsory counterclaim (as defined by Rule 13 of the Federal Rules of Civil Procedure) within 30 days after the date of the filing of the claim to which it relates. This provision shall continue in full force and effect subsequent to and notwithstanding the expiration or termination of this Agreement. The Franchisor and the Franchisee agree that arbitration shall be conducted on an individual, not a class-wide, basis, and that an arbitration proceeding between the Franchisor and the Franchisee shall not be consolidated with any other arbitration proceeding involving the Franchisor and any other party.

23.3 Governing Law/Consent to Venue and Jurisdiction; Jury Trial Waiver. Except to the extent governed by the United States Trademark Act of 1946 (Lanham Act, 15 U.S.C. Sections 1051 et seq.), the Federal Arbitration Act, or other federal law, this Agreement shall be interpreted under the laws of the state of Colorado, and any dispute between the parties shall be governed by and determined in accordance with the substantive laws of the state of Colorado, which laws shall prevail in the event of any conflict of law. The Franchisee and the Franchisor have negotiated regarding a forum in which to resolve any disputes which may arise between them and have agreed to select a forum in order to promote stability in their relationship. Therefore, if a claim is asserted in any legal proceeding involving the Franchisee, its officers, directors, managers, employees, shareholders, members, owners or partners (collectively, "Franchisee Affiliates") and the Franchisor, its subsidiaries and affiliated companies and their managers, officers, directors, agents, employees or sales agents (collectively, "Franchisor Affiliates") the parties agree that the exclusive venue for disputes between them shall be in the state and federal courts of Colorado or in Denver, Colorado for any arbitration and each party waives any objection they may have to the personal jurisdiction of or venue in the state and federal courts of Colorado or arbitration in Denver, Colorado. **THE FRANCHISOR, THE FRANCHISOR AFFILIATES, THE FRANCHISEE AND THE FRANCHISEE AFFILIATES EACH WAIVE THEIR RIGHTS TO A TRIAL BY JURY**.

23.4 Injunctive Relief. Notwithstanding the above provision for arbitration, the Franchisor and the Franchisee will each have the right in a proper case to obtain injunctive relief and any damages incidental thereto from a court of competent jurisdiction. The Franchisee agrees that the Franchisor may obtain such injunctive relief, without posting a bond or bonds in excess of a total of $1,000, but upon due notice, and the Franchisee's sole remedy in the event of the entry of such injunctive relief will be the dissolution of such injunctive relief, if warranted, upon hearing duly had; provided, however, that all claims for damages by reason of the wrongful issuance of any such injunction are hereby expressly waived by the Franchisee.

Any such action will be brought as provided in Section 23.3 above and the prevailing party shall be entitled to its costs and attorneys' fees.

24. SECURITY INTEREST

24.1 Security Interest. To secure payment and performance of the Obligations, defined below, the Franchisee grants to the Franchisor a continuing security interest in the following "Collateral" which shall consist of all of the following properties, assets and rights of the Franchisee: all goods (including inventory, equipment, furniture and signs), accounts, fixtures, and contract rights (including interests under all real and personal property leases) of or relating to the Business, wherever located, now owned or hereafter acquired, and in all improvements, attachments, additions, accessions, replacements and substitutions thereto and proceeds and products therefrom.

24.2 Obligations. "Obligations" shall mean:

a. All obligations, including payments for services, inventory, equipment and supplies, obligations and payments under this Agreement and other agreements between the Franchisor, its affiliates and the Franchisee and other amounts and obligations owed to the Franchisor or its affiliates.

b. All expenditures of any kind or nature made by the Franchisor to preserve the Collateral, including, but not limited to, all amounts paid to discharge taxes, liens, security interests and any other encumbrances against the Collateral, and to repair any damage to the Collateral or otherwise preserve or maintain the Collateral and all insurance thereon.

c. All expenditures made or incurred by the Franchisor pursuant to the provisions of any credit agreements, any promissory notes and this Agreement.

d. All other indebtedness, obligations and liabilities of the Franchisee to the Franchisor or its affiliates, direct or indirect, absolute or contingent, due or to become due, whether now existing or hereafter arising.

24.3 Authorization to File Financing Statements. The Franchisee hereby irrevocably authorizes the Franchisor at any time and from time to time to file in any filing office in any Uniform Commercial Code jurisdiction any initial financing statements and amendments thereto and to furnish any information relating to such filings to the Franchisor promptly upon the Franchisor's request. The Franchisee further agrees, at the request and option of the Franchisor, to take any and all other actions the Franchisor may determine to be necessary or useful for the attachment, perfection and first priority of, and the ability of the Franchisor to enforce, the Franchisor's security interest in any and all of the Collateral.

24.4 Possession of Collateral. Upon default and termination of the Franchisee's rights under this Agreement, the Franchisor shall have the immediate right to possession and use of the Collateral.

24.5 Remedies. Upon the occurrence of any event of default set forth above or upon the occurrence of any other default in payment or performance of any Obligations for which this security interest is granted, the Franchisor shall have, in addition to all other rights and remedies, the remedies of a secured party under the Uniform Commercial Code as then in effect in the state in which the Business is located ("UCC"), regardless of whether the UCC applies to the security transactions covered by this Agreement, including, without limitation, the right to accelerate the maturity of the obligations, without notice or demand, and to take possession of the Collateral and any proceeds thereof wherever located. The Franchisee shall assemble the Collateral and make the Collateral and all records relating thereto available to the Franchisor at a place to be designated by the Franchisor that is reasonably convenient for both parties. If notice is required, the Franchisor shall give to the Franchisee at least five business days prior written notice of the time and place

of any public sale of the Collateral or of the time after which any private sale or any other intended disposition is to be made. The Franchisee hereby acknowledges that five business days prior written notice of such sale or sales shall be reasonable notice. During the time that the Franchisor is in possession of the Collateral, and to the extent permitted by law, the Franchisor shall have the right to hold, use, operate, manage and control all or any part of the Collateral; to make all such repairs, replacements, alterations, additions and improvements to the Collateral as it may deem proper; and to demand, collect and retain all earnings, proceeds from such use and all other costs, expenses, charges, damage or loss by reason of such use.

25. MISCELLANEOUS PROVISIONS

25.1 **Modification**. The Franchisor and/or the Franchisee may modify this Agreement only upon execution of a written agreement between the two parties. The Franchisee acknowledges that the Franchisor may modify its standards and specifications and operating and marketing techniques set forth in the Operations Manual unilaterally under any conditions and to the extent to which the Franchisor, in its sole discretion, deems necessary to protect, promote, or improve the Marks and the quality of the Licensed Methods, but under no circumstances will such modifications be made arbitrarily without such determination.

25.2 **Entire Agreement**. This Agreement, including all exhibits and addenda, contains the entire agreement between the parties and supersedes any and all prior agreements concerning the subject matter hereof. The Franchisee agrees and understands that the Franchisor shall not be liable or obligated for any oral representations or commitments made prior to the execution hereof or for claims of negligent or fraudulent misrepresentation and that no modifications of this Agreement shall be effective except those in writing and signed by both parties. .

25.3 **Delegation by the Franchisor**. From time to time, the Franchisor shall have the right to delegate the performance of any portion or all of its obligations and duties hereunder to third parties, whether the same are agents of the Franchisor or independent contractors which the Franchisor has contracted with to provide such services. The Franchisee agrees in advance to any such delegation by the Franchisor of any portion or all of its obligations and duties hereunder.

25.4 **Effective Date**. This Agreement shall not be effective until accepted by the Franchisor as evidenced by dating and signing by an officer of the Franchisor. The Effective Date in Exhibit I of this Agreement may be adjusted to an earlier date if the parties are signing it as a successor to an earlier franchise agreement in order to avoid giving the Franchisee a longer term under the successor franchise agreement if the term of the prior agreement was extended until the successor agreement became effective.

25.5 **Payment of Taxes**. The Franchisee shall reimburse the Franchisor, or its affiliates and designees, promptly and when due, the amount of all sales taxes, use taxes, personal property taxes and similar taxes imposed upon, required to be collected or paid by the Franchisor, or its affiliates or designees, on account of services or goods furnished by the Franchisor, its affiliates or designees, to the Franchisee through sale, lease or otherwise (except for any taxes the Franchisor or its affiliates are required by law to collect from the Franchisee with respect to services purchased from the Franchisor and its affiliates), or on account of collection by the Franchisor, its affiliates or designees, of the initial franchise fee, Royalties, Advertising Fees, payment for marketing materials or any other payments made by the Franchisee to the Franchisor required under the terms of this Agreement. The Franchisee must also pay any collection agency fees due if collection actions against the Franchisee are necessary, or if collection actions against the Franchisee's Clients by the Franchisor are necessary.

25.6 **Attorneys' Fees**. In the event of any dispute between the parties to this Agreement, in addition to all other remedies, the non-prevailing party will pay the prevailing party all amounts due and all damages,

costs and expenses, including reasonable attorneys' fees, incurred by the prevailing party in any legal action, arbitration or other proceeding as a result of such dispute.

25.7 No Waiver. No waiver of any condition or covenant contained in this Agreement or failure to exercise a right or remedy by the Franchisor or the Franchisee shall be considered to imply or constitute a further waiver by the Franchisor or the Franchisee of the same or any other condition, covenant, right, or remedy.

25.8 No Right to Set Off. The Franchisee shall not be allowed to set off amounts owed to the Franchisor for Royalties, fees or other amounts due hereunder, against any monies owed to Franchisee, nor shall the Franchisee in any event withhold such amounts due to any alleged nonperformance by the Franchisor hereunder, which right of set off is hereby expressly waived by the Franchisee.

25.9 Invalidity. If any provision of this Agreement is held invalid by any tribunal in a final decision from which no appeal is or can be taken, such provision shall be deemed modified to eliminate the invalid element and, as so modified, such provision shall be deemed a part of this Agreement as though originally included. The remaining provisions of this Agreement shall not be affected by such modification.

25.10 Notices. All notices required to be given under this Agreement shall be given in writing, by certified mail, return receipt requested, or by an overnight delivery service providing documentation of receipt, at the address set forth in the first Section of this Agreement or at such other addresses as the Franchisor or the Franchisee may designate from time to time, and shall be effectively given when deposited in the United States mails, postage prepaid, or when received via overnight delivery, as may be applicable.

25.11 Cumulative Rights. The rights and remedies of the Franchisor and the Franchisee hereunder are cumulative and no exercise or enforcement by the Franchisor or the Franchisee of any right or remedy hereunder shall preclude the exercise or enforcement by the Franchisor or the Franchisee of any other right or remedy hereunder which the Franchisor or the Franchisee is entitled by law to enforce.

25.12 Survival of Provisions. Any provisions that by their terms extend beyond termination or expiration of this Agreement shall continue in full force and effect subsequent to and notwithstanding the termination or expiration of this Agreement.

25.13 Covenant as to Anti-Terrorism Laws. The Franchisee and its principal shareholders, members or owners ("Principal Owners" or "Principals") agree to comply with or to assist the Franchisor to the fullest extent possible in the Franchisor's efforts to comply with Anti-Terrorism Laws (as defined below). In connection with such compliance, the Franchisee and its principals certify, represent, and warrant that none of their respective property or interests are subject to being "blocked" under any of the Anti-Terrorism Laws and that neither the Franchisee nor any of its principals are otherwise in violation of any of the Anti-Terrorism Laws. For the purposes of this Agreement, the term "Anti-Terrorism Laws" shall mean Executive Order 13224 issued by the President of the United States ("Executive Order 13224"), the Terrorism Sanctions Regulations (Title 31, Part 595 of the U.S. Code of Federal Regulations), the Foreign Terrorist Organizations Sanctions Regulations (Title 31, Part 597 of the U.S. Code of Federal Regulations), the Cuban Assets Control Regulations (Title 31, Part 515 of the U.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, and any other government agency with jurisdiction over the parties to this Agreement or their actions) addressing or in any way relating to terrorist acts or acts of war. The Franchisee and its principals certify that none of them, their respective employees, or anyone associated with any of them is listed in the Annex to Executive Order 13224 (the "Annex"). The Franchisee agrees not to knowingly hire any individual who is listed in the Annex (or, if he or she is already employed, retain the employment of that individual). The Franchisee also agrees not to

knowingly: (a) establish a new relationship with a person as an employee, principal, banker, or otherwise who is listed in the Annex (whether or not the Franchisor has consented to a transfer involving such new principal); and (b) maintain a business relationship (whether with an employee, a principal, banker, or otherwise) with a person who is added to the Annex. The Franchisee certifies that it has no knowledge or information that, if generally known, would result in the Franchisee or its principals, its employees, or anyone else associated with the Franchisee to be listed in the Annex. The Franchisee understands that it is solely responsible for ascertaining what actions it must take to comply with the Anti-Terrorism Laws. Any misrepresentation by the Franchisee under this Article or any violation of the Anti-Terrorism Laws by the Franchisee, its principals, its employees, or their respective affiliates shall constitute grounds for immediate termination of this Agreement, and any other Agreement the Franchisee has entered into with the Franchisor or one of the Franchisor's affiliates.

(Signature Page Follows)

IN WITNESS WHEREOF, the parties have executed this Agreement as of the Effective Date set forth in Exhibit I.

FRANCHISOR:	**FRANCHISEE:**
JOURNEY FRANCHISING LLC	**[FRANCHISEE ENTITY],** [a(n) Franchisee State of Formation/Incorporation] [entity type]
By: _____	By: _____
Name: _____	Name: [Franchisee or Franchisee Entity Signatory]
Title: _____	Title: [Franchisee Entity Signatory Title]

EXHIBIT I TO FRANCHISE AGREEMENT

DATA SHEET

1. **Effective Date**. The Effective Date of the Franchise Agreement is: _____, 20___.

2. **Franchisee**. The franchisee identified in the introductory paragraph of the Franchise Agreement is: _____

3. **Notice Address**. Franchisee's address for notices as set forth in Section 25.11 of the Franchise Agreement shall be as follows:

   Attn: _____
   _____
   _____

4. **Protected Territory**. The Protected Territory described in Section 3.2 of the Agreement will be:

_____
_____

5. **Businesses in Protected Territory**. The approximate number of businesses with between 1 and 1,000 employees in the Protected Territory above is: _____.

6. **Financing**. If the box below is checked, the Franchisor has elected in its sole discretion to finance a portion of the Franchisee's initial franchise fee.

   ☐ (**check if applicable**) Financing for a portion of the Initial Franchise Fee has been approved by the Franchisor. The Franchisee and Franchise Owners shall execute a Promissory Note and Security Agreement, in the forms attached in the Franchise Disclosure Document.

FRANCHISOR:	**FRANCHISEE:**
JOURNEY FRANCHISING LLC	**[FRANCHISEE ENTITY],** [a(n) Franchisee State of Formation/Incorporation] [entity type]
By: _____	By: _____
Name: _____	Name: [Franchisee or Franchisee Entity Signatory]
Title: _____	Title: [Franchisee Entity Signatory Title]

EXHIBIT I-1 TO FRANCHISE AGREEMENT

RIDER TO ADDENDUM – OFFICE LOCATION APPROVAL (IF APPLICABLE)

*****Please fill out this Rider only if you intend to operate the Franchised Business out of an Office Location (not your home)**

1. Office Location. By executing this Addendum, the Franchisee acknowledges that (i) the Franchisee has voluntarily chosen to operate the Franchised Business from an Office Location (rather than as a home-based Business); (ii) the Franchisor's approval of the Office Location does not constitute a representation or warranty of any kind, express or implied, as to the suitability of the Office Location for a Franchised Business or for any other purpose and that the Franchisee's acceptance of a franchise for the operation of a Franchised Business at the Office Location is based on its own independent investigation of the suitability of the site and (iii) the Franchisor has complied with its obligations under the Agreement to assist the Franchisee by provision of criteria for the Office Location and determination of fulfillment of the requisite criteria for the Office Location. The Office Location, set forth in Section 3.1 of the Agreement shall be:

Attn: _____
_____
_____
_____

The Office Location (select one):

____ **shall replace** the address for notices under Section 25.11 of the Agreement listed in Paragraph 3 of Exhibit I. Franchisor shall send all notices under the Agreement to the address above.

____ **shall not replace** the address for notices under Section 25.11 of the Agreement listed in Paragraph 3 of Exhibit I. Franchisor shall send all notices to the address listed in Paragraph 3 of Exhibit I.

Fully executed this _____ day of _____, 20___.

FRANCHISOR:	**FRANCHISEE:**
JOURNEY FRANCHISING LLC	**[FRANCHISEE ENTITY],** [a(n) Franchisee State of Formation/Incorporation] [entity type]
By: _____	By: _____
Name: _____	Name: [Franchisee or Franchisee Entity Signatory]
Title: _____	Title: [Franchisee Entity Signatory Title]

EXHIBIT II TO FRANCHISE AGREEMENT

OWNERS AGREEMENT

As a condition to the execution by Journey Franchising LLC ("we" or "us"), of a Franchise Agreement with _____ ("Franchisee"), each of the undersigned individuals ("Owners"), who constitute all of the owners of a direct or indirect beneficial interest in Franchisee, as well as their respective spouses , covenant and agree to be bound by this Owners Agreement ("Owners Agreement").

1. Acknowledgments.

1.1 Franchise Agreement. Franchisee entered into a franchise agreement with us effective as of _____, 20___ ("Franchise Agreement"). Capitalized words not defined in this Owners Agreement will have the same meanings ascribed to them in the Franchise Agreement.

1.2 Role of Owners. Owners are the beneficial owners or spouses of the beneficial owners of all of the direct and indirect equity interest, membership interest, or other equity controlling interest in Franchisee and acknowledge there are benefits received and to be received by each Owner, jointly and severally, and for themselves, their heirs, legal representatives and assigns. Franchisee's obligations under the Franchise Agreement, including the confidentiality and non-compete obligations, would be of little value to us if Franchisee's direct and indirect owners were not bound by the same requirements. Under the provisions of the Franchise Agreement, Owners are required to enter into this Owners Agreement as a condition to our entering into the Franchise Agreement with Franchisee. Owners will be jointly and severally liable for any breach of this Owners Agreement.

2. Non-Disclosure and Protection of Confidential Information.

2.1 Confidentiality. Under the Franchise Agreement, we will provide Franchisee with specialized training, proprietary trade secrets, and other Confidential Information relating to the establishment and operation of a franchised business. The provisions of the Franchise Agreement governing Franchisee's non-disclosure obligations relating to our Confidential Information are hereby incorporated into this Owners Agreement by reference, and Owners agree to comply with each obligation as though fully set forth in this Owners Agreement as a direct and primary obligation of Owners. Further, we may seek the same remedies against Owners under this Owners Agreement as we may seek against Franchisee under the Franchise Agreement. Any and all information, knowledge, know-how, techniques, and other data, which we designate as confidential, will also be deemed Confidential Information for purposes of this Owners Agreement.

2.2 Immediate Family Members. Owners acknowledge that they could circumvent the purpose of Section 2.1 by disclosing Confidential Information to an immediate family member (i.e., spouse, parent, sibling, child, or grandchild). Owners also acknowledge that it would be difficult for us to prove whether Owners disclosed the Confidential Information to family members. Therefore, each Owner agrees that he or she will be presumed to have violated the terms of Section 2.1 if any member of his or her immediate family uses or discloses the Confidential Information or engages in any activities that would constitute a violation of the covenants listed in Section 3, below, if performed by Owners. However, Owners may rebut this presumption by furnishing evidence conclusively showing that Owners did not disclose the Confidential Information to the family member.

3. Covenant Not to Compete.

3.1 Non-Competition During and After the Term of the Franchise Agreement. Owners acknowledge that as a participant in our system, they will receive proprietary and confidential information and materials, trade secrets, and the unique methods, procedures and techniques which we have developed. The provisions of the Franchise Agreement governing Franchisee's restrictions on competition and solicitation both during the term of the Franchise Agreement and following the expiration or termination of the Franchise Agreement are hereby incorporated into this Owners Agreement by reference, and Owners agree to comply with and perform each such covenant as though fully set forth in this Owners Agreement as a direct and primary obligation of Owners. Further, we may seek the same remedies against Owners under this Owners Agreement as we may seek against Franchisee under the Franchise Agreement.

3.2 Construction of Covenants. The parties agree that each such covenant related to non-competition will be construed as independent of any other covenant or provision of this Owners Agreement. If all or any portion of a covenant referenced in this Section 3 is held unreasonable or unenforceable by a court or agency having valid jurisdiction in a final decision to which we are a party, Owners agree 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 resulting covenant were separately stated in and made a part of this Section 3.

3.3 Our Right to Reduce Scope of Covenants. Additionally, we have the right, in our sole discretion, to unilaterally reduce the scope of all or part of any covenant referenced in this Section 3 of this Owners Agreement, without Owners' consent (before or after any dispute arises), effective when we give Owners written notice of this reduction. Owners agree to comply with any covenant as so modified.

4. Guarantee.

4.1 Payment. Owners will pay us (or cause us to be paid) all monies payable by Franchisee under the Franchise Agreement on the dates and in the manner required for payment in the relevant agreement.

4.2 Performance. Owners unconditionally guarantee full performance and discharge by Franchisee of all of Franchisee's obligations under the Franchise Agreement on the date and times and in the manner required in the relevant agreement.

4.3 Indemnification. Owners will indemnify, defend and hold harmless us, all of our affiliates, and the respective shareholders, directors, partners, employees, and agents of such entities, against and from all losses, damages, costs, and expenses which we or they may sustain, incur, or become liable for by reason of: (a) Franchisee's failure to pay the monies payable (to us or any of our affiliates) pursuant to the Franchise Agreement, or to do and perform any other act, matter, or thing required by the Franchise Agreement; or (b) any action by us to obtain performance by Franchisee of any act, matter, or thing required by the Franchise Agreement.

4.4 No Exhaustion of Remedies. Owners acknowledge and agree that we will not be obligated to proceed against Franchisee or exhaust any security from Franchisee or pursue or exhaust any remedy, including any legal or equitable relief against Franchisee, before proceeding to enforce the obligations of the Owners as guarantors under this Owners Agreement, and the enforcement of such obligations can take place before, after, or contemporaneously with, enforcement of any of Franchisee's debts or obligations under the Franchise Agreement.

4.5 Waiver of Notice. Without affecting Owners' obligations under this Section 4, we can extend, modify, or release any of Franchisee's indebtedness or obligation, or settle, adjust, or compromise

any claims against Franchisee, all without notice to the Owners. Owners waive notice of amendment of the Franchise Agreement and notice of demand for payment or performance by Franchisee.

4.6 Effect of Owner's Death. Upon the death of an Owner, the estate of such Owner will be bound by the obligations in this Section 4, but only for defaults and obligations hereunder existing at the time of death; and the obligations of any other Owners will continue in full force and effect.

5. Transfers.

Owners acknowledge and agree that we have granted the Franchise Agreement to Franchisee in reliance on Owners' business experience, skill, financial resources and personal character. Accordingly, Owners agree: (a) not to sell, encumber, assign, transfer, convey, pledge, merge or give away any direct or indirect interest in this Franchisee, unless Owners first comply with the sections in the Franchise Agreement regarding transfers and assignment, and (b) that any attempt to do so will be a material breach of this Owners Agreement and the Franchise Agreement. We may, from time to time, without notice to Owners, assign or transfer any or all of Owners' rights, duties and obligations or any interest therein in this Owners Agreement and, notwithstanding any assignment(s) or transfer(s), the rights, duties and obligations shall be and remain for the purpose of this Owners Agreement. Each and every immediate and successive assignee or transferee of any of the rights, duties or obligations of any interest therein shall, to the extent of such party's interest in the rights duties and/or obligations, be entitled to the benefits of this Owners Agreement to the same extent as if such assignee or transferee were us.

6. Notices.

6.1 Method of Notice. Any notices given under this Owners Agreement shall be in writing and delivered in accordance with the provisions of the Franchise Agreement.

6.2 Notice Addresses. Our current address for all communications under this Owners Agreement is:

Journey Franchising LLC
3351 Eastbrook Drive, Unit 3
Fort Collins, Colorado 80525

The current address of each Owner for all communications under this Owners Agreement is designated on the signature page of this Owners Agreement. Any party may designate a new address for notices by giving written notice to the other parties of the new address according to the method set forth in the Franchise Agreement.

7. Enforcement of This Owners Agreement.

7.1 Dispute Resolution. Any claim or dispute arising out of or relating to this Owners Agreement shall be subject to the dispute resolution provisions of the Franchise Agreement. This agreement to engage in such dispute resolution process shall survive the termination or expiration of this Owners Agreement.

7.2 Choice of Law; Jurisdiction and Venue. This Owners Agreement and any claim or controversy arising out of, or relating to, any of the rights or obligations under this Owners Agreement, and any other claim or controversy between the parties, will be governed by the choice of law and jurisdiction and venue provisions of the Franchise Agreement.

7.3 Provisional Remedies. We have the right to seek from an appropriate court any provisional remedies, including temporary restraining orders or preliminary injunctions to enforce Owners' obligations under this Owners Agreement. Owners acknowledge and agree that there is no adequate remedy at law for Owners' failure to fully comply with the requirements of this Owners Agreement. Owners further acknowledge and agree that, in the event of any noncompliance, we will be entitled to temporary, preliminary, and permanent injunctions and all other equitable relief that any court with jurisdiction may deem just and proper. If injunctive relief is granted, Owners' only remedy will be the court's dissolution of the injunctive relief. If the injunctive relief was wrongfully issued, Owners expressly waive all claims for damages they incurred as a result of the wrongful issuance.

8. Miscellaneous.

8.1 No Other Agreements. This Owners Agreement constitutes the entire, full and complete agreement between the parties, and supersedes any earlier or contemporaneous negotiations, discussions, understandings or agreements. There are no representations, inducements, promises, agreements, arrangements, or undertakings, oral or written, between the parties relating to the matters covered by this Owners Agreement, other than those in this Owners Agreement. No other obligations, restrictions or duties that contradict or are inconsistent with the express terms of this Owners Agreement may be implied into this Owners Agreement. Except for unilateral reduction of the scope of the covenants permitted in Section 3.3 (or as otherwise expressly provided in this Owners Agreement), no amendment, change or variance from this Owners Agreement will be binding on either party unless it is mutually agreed to by the parties and executed in writing. Time is of the essence.

8.2 Severability. Each provision of this Owners Agreement, and any portions thereof, will be considered severable. If any provision of this Owners Agreement or the application of any provision to any person, property or circumstances is determined by a court of competent jurisdiction to be invalid or unenforceable, the remainder of this Owners Agreement will be unaffected and will still remain in full force and effect. The parties agree that the provision found to be invalid or unenforceable will be modified to the extent necessary to make it valid and enforceable, consistent as much as possible with the original intent of the parties (i.e. to provide maximum protection for us and to effectuate the Owners' obligations under the Franchise Agreement), and the parties agree to be bound by the modified provisions.

8.3 No Third-Party Beneficiaries. Nothing in this Owners Agreement is intended to confer upon any person or entity (other than the parties and their heirs, successors and assigns) any rights or remedies under or by reason of this Owners Agreement.

8.4 Construction. Any term defined in the Franchise Agreement which is not defined in this Owners Agreement will be ascribed the meaning given to it in the Franchise Agreement. The language of this Owners Agreement will be construed according to its fair meaning, and not strictly for or against either party. All words in this Owners Agreement refer to whatever number or gender the context requires. If more than one party or person is referred to as you, their obligations and liabilities must be joint and several. Headings are for reference purposes and do not control interpretation

8.5 Binding Effect. This Owners Agreement may be executed in counterparts, and each copy so executed and delivered will be deemed an original. This Owners Agreement is binding on the parties and their respective heirs, executors, administrators, personal representatives, successors and (permitted) assigns.

8.6 Continuing Nature of this Owners Agreement. This Owners Agreement shall be continuing and shall not be discharged, impaired or affected by: (1) the insolvency of Franchisee or the payment in full of all of the obligations under the Franchise Agreement at any time; (2) the validity or

invalidity of any of the terms of the Owners Agreement; (3) the existence or non-existence of Franchisee as a legal entity; (4) any statute of limitations affecting the liability of Owners or the ability of us or our successors or assigns to enforce this Owners Agreement; (5) the transfer or assignment of all or a portion of the ownership in Franchisee and/or the assets of Franchisee; (6) the execution of an owners agreement or any other form of guaranty by any additional direct, indirect or beneficial owner of Franchisee in favor of us or our successors or assigns; (7) any right of offset, counterclaim or defense of any Owner; or (8) the expiration, termination or assignment of the Franchise Agreement or any other agreement between you and us.

8.7 Successors. References to "Franchisor" or "the undersigned," or "you" include the respective parties' heirs, successors, assigns or transferees.

8.8 Nonwaiver. Our failure to insist upon strict compliance with any provision of this Owners Agreement shall not be a waiver of our right to do so. Delay or omission by us respecting any breach or default shall not affect our rights respecting any subsequent breaches or defaults. All rights and remedies granted in this Owners Agreement shall be cumulative.

8.9 No Personal Liability. You agree that fulfillment of any and all of our obligations written in the Franchise Agreement or this Owners Agreement, or based on any oral communications which may be ruled to be binding in a court of law, shall be our sole responsibility and none of our owners, officers, agents, representatives, nor any individuals associated with us shall be personally liable to you for any reason.

8.10 Owners Agreement Controls. In the event of any discrepancy between this Owners Agreement and the Franchise Agreement, this Owners Agreement shall control.

(Signatures on Following Page)

IN WITNESS WHEREOF, the parties have entered into this Owners Agreement as of the effective date of the Franchise Agreement.

OWNER(S):

Sign: _____ Sign: _____

Printed Name: [Insert Name of Owner] Printed Name: [Insert Name of Spouse]

Address: [Insert Address of Owner] Address: [Insert Address of Spouse]

Sign: _____ Sign: _____

Printed Name: [Insert Name of Owner] Printed Name: [Insert Name of Spouse]

Address: [Insert Address of Owner] Address: [Insert Address of Spouse]

Sign: _____ Sign: _____

Printed Name: [Insert Name of Owner] Printed Name: [Insert Name of Spouse]

Address: [Insert Address of Owner] Address: [Insert Address of Spouse]

Sign: _____ Sign: _____

Printed Name: [Insert Name of Owner] Printed Name: [Insert Name of Spouse]

Address: [Insert Address of Owner] Address: [Insert Address of Spouse]

Journey Franchising LLC hereby accepts the agreements of the Owner(s) hereunder.

JOURNEY FRANCHISING LLC

By: _____

Title: _____

EXHIBIT III TO FRANCHISE AGREEMENT

STATEMENT OF OWNERSHIP

Franchisee: [Franchisee or Franchisee Entity]

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 Limited Liability Company, provide name and address of each member and each manager showing percentage owned and indicate the state in which the Limited Liability Company 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.

State and Date of Formation/Incorporation: [State Of Formation/Incorporation] on [Date Of Formation/Incorporation]

Management (managers, officers, board of directors, etc.):

Name	Title
[Franchisee Manager1]	[TitleManager1]
[Franchisee Manager2]	[TitleManager2]
[Franchisee Manager3]	[TitleManager3]
[Franchisee Manager4]	[TitleManager4]

Members, Stockholders, Partners*:

Name	Address	Percentage Owned
[Member1]	[Member1 Full Address]	[Member1 % owned]%
[Member2]	[Member2 Full Address]	[Member2 % owned]%
[Member3]	[Member3 Full Address]	[Member3 % owned]%
[Member4]	[Member4 Full Address]	[Member4 % owned]%

*If any members, stockholders, or partners are entities, please list the owners of such entities up through the individuals.

Identification of Principal Operator. Franchisee's Principal Operator as of the Effective Date is _____. Franchisee may not change the Principal Operator without prior written approval.

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 the Franchisor in writing.

FRANCHISEE:

[FRANCHISEE ENTITY],
[a(n) Franchisee State of Formation/Incorporation] [entity type]

Date: _____

By: _____
Name: [Franchisee or Franchisee Entity Signatory]
Title: [Franchisee Entity Signatory Title]

EXHIBIT D

LIST OF CURRENT AND FORMER FRANCHISEES

Current Franchisees as of December 31, 2022:

Name	Entity Name	Address	City	State	Zip Code	Phone	Email
Steven Harris & Jaime Zuder	JVM Group, LLC	3800 N. Central Ave., Suite 590	Phoenix	AZ	85012	480-699-2729	stevenh@journeypayroll.com jaimez@journeypayroll.com
Joe P. Medina, III	Journey Payroll Tucson LLC	4072 W. Rocky Spring Drive	Tucson	AZ	85745	520-360-0743	joeym@journeypayroll.com
Scott Reynolds		527 Flume Street Unit 6	Chico	CA	95928	530-521-8936	scottr@journeypayroll.com
Matthew DeSantis	DeSantis & Associates LLC	515 Madison Ave., Suite 8104	New York	NY	10022	646-585-6284	mattd@journeypayroll.com
Sonni Leatherwood & Darcey Dearden	Payroll & HR Rockstar Sols LLC	4145 SW Watson Ave., Suite 350	Beaverton	OR	97005	503-483-6181	Beaverton@JourneyPayroll.com

Franchisees with Unopened Outlets as of December 31, 2022:

None

Former Franchisees:

The name and last known address of every franchisee who had a Journey Payroll & HR Franchise transferred, terminated, cancelled, not renewed, or otherwise voluntarily or involuntarily ceased to do business under our Franchise Agreement during the period January 1, 2022 to December 31, 2022, or who has not communicated with us within ten weeks of the Issuance Date of this Franchise Disclosure Document are listed below. If you buy this Franchise, your contact information may be disclosed to other buyers when you leave the Franchise System.

None

EXHIBIT E

STATE ADDENDA
AND AGREEMENT RIDERS

STATE ADDENDA AND AGREEMENT RIDERS

ADDENDUM TO FRANCHISE AGREEMENT, SUPPLEMENTAL AGREEMENTS, AND FRANCHISE DISCLOSURE DOCUMENT FOR CERTAIN STATES FOR JOURNEY FRANCHISING LLC

The following modifications are made to the Journey Franchising LLC ("**Franchisor**," "**us**," "**we**," or "**our**") Franchise Disclosure Document ("**FDD**") given to franchisee ("**Franchisee**," "**you**," or "**your**") and may supersede, to the extent then required by valid applicable state law, certain portions of the Franchise Agreement between you and us dated _____, 20___ ("**Franchise Agreement**"). When the term "**Franchisor's Choice of Law State**" is used, it means Colorado. When the term "**Supplemental Agreements**" is used, it means "none".

Certain states have laws governing the franchise relationship and franchise documents. Certain states require modifications to the FDD, Franchise Agreement and other documents related to the sale of a franchise. This State-Specific Addendum ("**State Addendum**") will modify these agreements to comply with the state's laws. The terms of this State Addendum will only apply if you meet the requirements of the applicable state independently of your signing of this State Addendum. The terms of this State Addendum will override any inconsistent provision of the FDD, Franchise Agreement or any Supplemental Documents. This State Addendum only applies to the following states: California, Hawaii, Illinois, Iowa, Indiana, Maryland, Michigan, Minnesota, New York, North Dakota, Ohio, Rhode Island, South Dakota, Virginia, Washington, and Wisconsin.

If your state requires these modifications, you will sign this State Addendum along with the Franchise Agreement and any Supplemental Agreements.

CALIFORNIA

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

The California Franchise Investment Law requires a copy of all proposed agreements relating to the sale of the Franchise be delivered together with the FDD 14 days prior to execution of agreement.

California Corporations Code Section 31125 requires us to give to you an FDD approved by the Department of Financial Protection and Innovation before we ask you to consider a material modification of your Franchise Agreement.

The Franchise Agreement contains, and if applicable, the Supplemental Agreements may contain, provisions requiring binding arbitration with the costs being awarded to the prevailing party. The arbitration will occur in Colorado. 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 the Franchise Agreement or Supplemental Agreements restricting venue to a forum outside the State of California. The Franchise Agreement may contain a mediation provision. If so, the parties shall each bear their own costs of mediation and shall share equally the filing fee and the mediator's fees.

The Franchise Agreement and Supplemental Agreements require the application of the law of Colorado. This provision may not be enforceable under California law.

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

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 Agreements 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.).

The Franchise Agreement contains, and if applicable, the Supplemental Agreements may contain, a covenant not to compete provision which extends beyond the termination of the Franchise. Such provisions may not be enforceable under California law.

Under California Civil Code Section 1671, certain liquidated damages clauses are unenforceable. Any such provisions contained in the Franchise Agreement or Supplemental Agreements may not be enforceable.

You must sign a general release of claims if you renew or transfer your Franchise. 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).

Item 6 of the FDD is amended to state the highest interest rate allowed by law in California is 10% annually.

You will not receive an exclusive territory. You may face competition from other franchisees, from outlets that we own, or from other channels of distribution or competitive brands that we control.

We do not have a federal registration for one or more of our principal marks. Therefore, such trademarks do not have as many legal benefits and rights as a federally registered trademark. If our right to use the trademark is challenged, you may have to change to an alternative trademark, which may increase your expenses.

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

Any provision of a franchise agreement, franchise disclosure document, acknowledgement, questionnaire, or other writing, including any exhibit thereto, disclaiming or denying any of the following shall be deemed contrary to public policy and shall be void and unenforceable: (a) representations made by the franchisor or its personnel or agents to a prospective franchisee; (b) reliance by a franchisee on any representations made by the franchisor or its personnel or agents; (c) reliance by a franchisee on the franchise disclosure document, including any exhibit thereto; and (d) violations of any provision of this division.

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 IN THIS FRANCHISE DISCLOSURE DOCUMENT 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 of the State of Hawaii
Department of Commerce and Consumer Affairs
Business Registration Division
335 Merchant Street, Room 203
Honolulu, Hawaii 96813

The status of the Franchisor's franchise registrations in the states which require registration is as follows:

1. States in which this proposed registration is effective are listed in Exhibit I of the FDD on the page entitled, "State Effective Dates."

2. States which have refused, by order or otherwise, to register these Franchises are:

   None

3. States which have revoked or suspended the right to offer the Franchises are:

   None

4. States in which the proposed registration of these Franchises has been withdrawn are:

None

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

ILLINOIS

Sections 4 and 41 and Rule 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 FDD, Franchise Agreement and Supplemental Agreements are amended accordingly.

The governing law or choice of law clause described in the FDD and contained in the Franchise Agreement and Supplemental Agreements is not enforceable under Illinois law. This governing law clause shall not be construed to negate the application of Illinois law in all situations to which it is applicable.

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, such 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 FDD 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."

Item 17.w, Choice of Law, of the FDD 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 FDD 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 three years after the act or transaction constituting the violation upon which it is based, the expiration of one 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).

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

INDIANA

Item 8 of the FDD 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 FDD 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 FDD is deleted and the following is inserted in its place:

> No competing business for two years within the Protected Territory.

The "Summary" column in Item 17.t. of the FDD 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 FDD is deleted and the following is inserted in its place:

> Litigation regarding Franchise Agreement in Indiana; other litigation in Colorado. 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, is 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.

The "Summary" column in Item 17.w. of the FDD is deleted and the following is inserted in its place:

> Indiana law applies to disputes covered by Indiana franchise laws; otherwise Colorado law applies.

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 FDD, the Franchise Agreement, or Colorado law, 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 Franchise 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 is hereby 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.

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

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 20 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 to Journey Franchising LLC, 3351 Eastbrook Drive, Unit 3, Fort Collins, Colorado 80525 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

AMENDMENTS TO FRANCHISE DISCLOSURE DOCUMENT AND FRANCHISE AGREEMENTS

Item 17 of the FDD and the Franchise Agreement are amended to state: "The general release required as a condition of renewal, sale, and/or assignment/transfer shall not apply to any liability under the Maryland Franchise Registration and Disclosure Law."

Representations in the Franchise Agreement 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 FDD and sections of the Franchise Agreement are amended to state that you may bring a lawsuit in Maryland for claims arising under the Maryland Franchise Registration and Disclosure Law. Any claims arising under the Maryland Franchise Registration and Disclosure Law must be brought within three years after the grant of the Franchise.

The Franchise Agreement and Franchise Disclosure Questionnaire are amended to state that 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.

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.).

No statement, questionnaire, or acknowledgment signed or agreed to by a franchisee in connection with the commencement of the franchise relationship shall have the effect of (i) waiving any claims under

any applicable state franchise law, including fraud in the inducement, or (ii) disclaiming reliance on any statement made by any franchisor, franchise seller, or other person acting on behalf of the franchisor. This provision supersedes any other term of any document executed in connection with the franchise.

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 five years; and (ii) you are prohibited by the Franchise Agreement 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 six 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.

(iii) 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
525 W. Ottawa Street
Lansing, Michigan 48913
Telephone Number: (517) 373-7117

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

MINNESOTA

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 Minnesota:

1. Any provision in the Franchise 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 FDD or Franchise Agreement can abrogate or reduce any of your rights as provided for in Minnesota Statutes, Chapter 80C, or your rights to any procedure, forum, or remedies provided for by the laws of 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 Franchise 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 Franchise 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 Franchise 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 the Franchise 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 FDD 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 Agreement, to the extent required by Minnesota law.

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

> No Abrogation. Pursuant to 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.

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

NEW YORK

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

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

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

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

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

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

C. No such party has been convicted of a felony or pleaded nolo contendere to a felony charge, or within the 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: violation of a franchise, antifraud or securities law; fraud; embezzlement; fraudulent conversion or misappropriation of property; or unfair or deceptive practices or comparable allegations.

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

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

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

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

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

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

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

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

NORTH DAKOTA

Sections of the FDD, 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 FDD, 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.

Sections of the FDD, the Franchise Agreement, and the Supplemental Agreements relating to choice of law may not be enforceable under Section 51-19-09 of the North Dakota Franchise Investment Law, and are amended accordingly to the extent required by law.

Any section of the FDD, 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 FDD, the Franchise Agreement, 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 FDD, 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.

Item 17(r) of the FDD and Section 21 of the Franchise Agreement disclose the existence of certain covenants restricting competition to which Franchisee must agree. The Commissioner has held that covenants restricting competition contrary to Section 9-08-06 of the North Dakota Century Code, without further disclosing that such covenants may be subject to this statue, are unfair, unjust, or inequitable within the intent of Section 51-19-09 of the North Dakota Franchise Investment Law. The FDD and the Franchise Agreement are amended accordingly to the extent required by law.

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

OHIO

The following language will be added to the front page of 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.

Initials_____ Date_____

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 20 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 to Journey Franchising LLC, 3351 Eastbrook Drive, Unit 3, Fort Collins, Colorado 80525 not later than midnight of the fifth business day after the Effective Date.

I hereby cancel this transaction.

Franchisee:

Date: _____ By: _____
Print Name: _____
Its: _____

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

The above language has been included in this FDD 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.

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

SOUTH DAKOTA

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

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."

In recognition of the restrictions contained in Section 13.1-564 of the Virginia Retail Franchising Act, the FDD for Journey Franchising LLC for use in the Commonwealth of Virginia shall be amended as follows:

Additional Disclosure. The following statements are added to Item 8 and Item 17.h.

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

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

WASHINGTON

ADDENDUM TO FRANCHISE AGREEMENT, FRANCHISE DISCLOSURE QUESTIONNAIRE, AND FRANCHISE DISCLOSURE DOCUMENT

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

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

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

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

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

Pursuant to RCW 49.62.020, a non-competition covenant is void and unenforceable against an employee, including an employee of a franchisee, unless the employee's earnings from the party seeking enforcement, when annualized, exceed $100,000 per year (an amount that will be adjusted annually for inflation). In addition, a non-competition covenant is void and unenforceable against an independent contractor of a franchisee under RCW 49.62.030 unless the independent contractor's earnings from the

party seeking enforcement, when annualized, exceed $250,000 per year (an amount that will be adjusted annually for inflation). As a result, any provisions contained in the franchise agreement or elsewhere that conflict with these limitations are void and unenforceable in Washington.

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

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

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.

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

(Signatures on following page)

APPLICABLE ADDENDA

If any one of the preceding Addenda for specific states ("**Addenda**") is checked as an "Applicable Addenda" below, then that Addenda shall be incorporated into the Franchise Disclosure Document, Franchise Agreement and any other specified agreement(s) entered into by us and the undersigned Franchisee. To the extent any terms of an Applicable Addenda conflict with the terms of the Franchise Disclosure Document, Franchise Agreement and other specified agreement(s), the terms of the Applicable Addenda shall supersede the terms of the Franchise Agreement.

☐ California	☐ Michigan	☐ Rhode Island
☐ Hawaii	☐ Minnesota	☐ South Dakota
☐ Illinois	☐ New York	☐ Virginia
☐ Iowa	☐ North Dakota	☐ Washington
☐ Indiana	☐ Ohio	☐ Wisconsin
☐ Maryland		

Dated: _____, 20____

FRANCHISOR:

Journey Franchising LLC

By: _____

Title: _____

FRANCHISEE:

_____

_____

By: _____

Title: _____

Rev. 030123

EXHIBIT F

FRANCHISE OPERATIONS MANUAL
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JOURNEY FRANCHISING LLC

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EXHIBIT G

CONTRACTS FOR USE WITH THE JOURNEY PAYROLL & HR FRANCHISE

The following contracts contained in Exhibit G are contracts that Franchisee is required to utilize or execute after signing the Franchise Agreement in the operation of the Journey Payroll & HR Business. The following are the forms of contracts that Journey Franchising LLC uses as of the Issuance Date of this Franchise Disclosure Document. If they are marked "Sample," they are subject to change at any time.

EXHIBIT G-1

JOURNEY PAYROLL & HR FRANCHISE

SAMPLE GENERAL RELEASE AGREEMENT

WAIVER AND RELEASE OF CLAIMS

This Waiver and Release of Claims ("Release") is made as of _____, 20___ by _____, a(n) _____ ("Franchisee"), and each individual holding an ownership interest in Franchisee (collectively with Franchisee, "Releasor") in favor of Journey Franchising LLC, a Colorado limited liability company, ("Franchisor," and together with Releasor, the "Parties").

WHEREAS, Franchisor and Franchisee have entered into a Franchise Agreement ("Agreement") pursuant to which Franchisee was granted the right to own and operate a Journey Payroll & HR business;

WHEREAS, (Franchisee has notified Franchisor of its desire to transfer the Agreement and all rights related thereto, or an ownership interest in Franchisee, to a transferee/enter into a successor franchise agreement/amend the Agreement) or **(the Agreement is being terminated/or indicate other reason for the requirement of this waiver and release)**, and Franchisor has consented to such **(transfer/successor franchise agreement/amendment/termination/other reason)**; and

WHEREAS, as a condition to Franchisor's consent to **(transfer the Agreement/enter into a successor franchise agreement/amend the Agreement/terminate the Agreement/other reason)**, Releasor has agreed to execute this Release upon the terms and conditions stated below.

NOW, THEREFORE, in consideration of Franchisor's consent, and for other good and valuable consideration, the sufficiency and receipt of which are hereby acknowledged, and intending to be legally bound, Releasor hereby agrees as follows:

1. Representations and Warranties. Releasor represents and warrants that it is duly authorized to enter into this Release and to perform the terms and obligations herein contained, and has not assigned, transferred, or conveyed, either voluntarily or by operation of law, any of its rights or claims against Franchisor or any of the rights, claims, or obligations being terminated and released hereunder. Each individual executing this Release on behalf of Franchisee represents and warrants that he/she is duly authorized to enter into and execute this Release on behalf of Franchisee. Releasor further represents and warrants that all individuals that currently hold a direct or indirect ownership interest in Franchisee are signatories to this Release.

2. Release. Releasor and its subsidiaries, affiliates, parents, divisions, successors and assigns, and all persons or firms claiming by, through, under, or on behalf of any or all of them, hereby release, acquit, and forever discharge Franchisor, any and all of its affiliates, parents, subsidiaries, or related companies, divisions, and partnerships, and its and their past and present officers, directors, agents, partners, shareholders, employees, representatives, successors and assigns, and attorneys, and the spouses of such individuals (collectively, the "Released Parties"), from any and all claims, liabilities, damages, expenses, actions, or causes of action which Releasor may now have or has ever had, whether known or unknown, past or present, absolute or contingent, suspected or unsuspected, of any nature whatsoever, including without limiting the generality of the foregoing, all claims, liabilities, damages, expenses, actions, or causes of action directly or indirectly arising out of or relating to the execution and performance of the Agreement and the offer and sale of the

franchise related thereto, except to the extent such liabilities are payable by the applicable indemnified party in connection with a third-party claim.

3. Nondisparagement. Releasor expressly covenants and agrees not to make any false representation of facts, or to defame, disparage, discredit, or deprecate any of the Released Parties or otherwise communicate with any person or entity in a manner intending to damage any of the Released Parties, their business, or their reputation.

4. Confidentiality. Releasor agrees to hold in strictest confidence and not disclose, publish, or use the existence of, or any details relating to, this Release to any third party without Franchisor's express written consent, except as required by law.

5. Miscellaneous.

a. Releasor agrees that it has read and fully understands this Release and that the opportunity has been afforded to Releasor to discuss the terms and contents of said Release with legal counsel and/or that such a discussion with legal counsel has occurred.

b. This Release shall be construed and governed by the laws of the State of Colorado.

c. Each individual and entity that comprises Releasor shall be jointly and severally liable for the obligations of Releasor.

d. In the event that it shall be necessary for any Party to institute legal action to enforce or for the breach of any of the terms and conditions or provisions of this Release, the prevailing Party in such action shall be entitled to recover all of its reasonable costs and attorneys' fees.

e. All of the provisions of this Release shall be binding upon and inure to the benefit of the Parties and their current and future respective directors, officers, partners, attorneys, agents, employees, shareholders, and the spouses of such individuals, successors, affiliates, and assigns. No other party shall be a third-party beneficiary to this Release.

f. This Release constitutes the entire agreement and, as such, supersedes all prior oral and written agreements or understandings between and among the Parties regarding the subject matter hereof. This Release may not be modified except in a writing signed by all of the Parties. This Release may be executed in multiple counterparts, each of which shall be deemed an original and all of which together shall constitute but one and the same document.

g. If one or more of the provisions of this Release shall for any reason be held invalid, illegal, or unenforceable in any respect, such invalidity, illegality, or unenforceability shall not affect or impair any other provision of this Release, but this Release shall be construed as if such invalid, illegal, or unenforceable provision had not been contained herein.

h. Releasor agrees to do such further acts and things and to execute and deliver such additional agreements and instruments as any Released Party may reasonably require to consummate, evidence, or confirm the Release contained herein in the matter contemplated hereby.

i. This Release is inapplicable with respect to claims arising under the Washington Franchise Investment Protection Act, chapter 19.100 RCW, and the rules adopted thereunder in accordance with RCW 19.100.220.

(Signature Page Follows)

IN WITNESS WHEREOF, Releasor has executed this Release as of the date first written above.

FRANCHISEE:

_____, a

_____

By: _____

Printed Name: _____

Title: _____

FRANCHISEE'S OWNERS:

Date _____

_____
Signature

_____
Typed or Printed Name

_____
Signature

_____
Typed or Printed Name

Rev. 092122

EXHIBIT G-2

JOURNEY PAYROLL & HR FRANCHISE

SAMPLE SYSTEM PROTECTION AGREEMENT

This System Protection Agreement ("Agreement") is entered into by the undersigned ("you" or "your") in favor of Journey Franchising LLC, a Colorado limited liability company, and its successors and assigns ("us," "we," or "our"), upon the terms and conditions set forth in this Agreement.

1. Definitions. For purposes of this Agreement, the following terms have the meanings given to them below:

"Competitive Business" means any business that: (i) sells or offers to sell products the same as or similar to the type of products sold by you in and/or from the Franchisee Territory (including, but not limited to, the products we authorize); or (ii) provides or offers to provide services the same as or similar to the type of services sold by you in and/or from the Franchisee Territory (including, but not limited to, the services we authorize), but excludes a Journey Employer Solutions business operating pursuant to a franchise agreement with us.

"Copyrights" means all works and materials for which we or our affiliate have secured common law or registered copyright protection and that we allow franchisees to use, sell, or display in connection with the marketing and/or operation of a Journey Payroll & HR business or the solicitation or offer of a Journey Payroll & HR franchise, whether now in existence or created in the future.

"Franchisee" means the Journey Payroll & HR franchisee for which you are a manager or officer.

"Franchisee Territory" means the protected territory granted to you pursuant to a franchise agreement with us.

"Intellectual Property" means, collectively or individually, our Marks, Copyrights, Know-how, and System.

"Know-how" means all of our trade secrets and other proprietary information relating to the development, construction, marketing, and/or operation of a Journey Payroll & HR business, including, but not limited to, methods, techniques, specifications, proprietary practices and procedures, policies, marketing strategies, and information comprising the System and the Manual.

"Manual" means our confidential operations manual for the operation of a Journey Payroll & HR business, which may be periodically modified by us.

"Marks" means the logotypes, service marks, and trademarks now or hereafter involved in the operation of a Journey Payroll & HR business, including "Journey Payroll & HR," and any other trademarks, service marks, or trade names that we designate for use by a Journey Payroll & HR business. The term "Marks" also includes any distinctive trade dress used to identify a Journey Payroll & HR business, whether now in existence or hereafter created.

"Prohibited Activities" means any or all of the following: (i) owning, operating, or having any other interest (as an owner, partner, director, officer, employee, manager, consultant, shareholder, creditor, representative, agent, or in any similar capacity) in a Competitive Business (other than owning an interest of 5% or less in a publicly-traded company that is a Competitive Business); (ii) diverting or attempting to divert any business from us (or one of our affiliates or franchisees); and/or (iii) inducing or attempting to induce any customer of ours (or of one of our affiliates or franchisees) to transfer their business to you or to any other person that is not then a franchisee of ours.

"Restricted Period" means the two-year period after you cease to be a manager or officer of Franchisee's Journey Payroll & HR business; provided, however, that if a court of competent jurisdiction determines that this period of time is too long to be enforceable, then the "Restricted Period" means the one-year period after you cease to be a manager or officer of Franchisee's Journey Payroll & HR business.

"Restricted Territory" means the geographic area within: (i) a 50-mile radius from Franchisee's Journey Payroll & HR business (and including the premises of the approved location of Franchisee); (ii) a 50-mile radius from all other Journey Payroll & HR businesses that are operating or under development as of the beginning of the Restricted Period; and (iii) provided, however, that if a court of competent jurisdiction determines that the foregoing Restricted Territory is too broad to be enforceable, then the "Restricted Territory" means the geographic area within a 25-mile radius from Franchisee's Journey Payroll & HR business (and including the premises of the approved location of Franchisee).

"System" means our system for the establishment, development, operation, and management of a Journey Payroll & HR business, including Know-how, proprietary programs and products, Manual, and operating system.

2. Background. You are a manager or officer of Franchisee. As a result of this relationship, you may gain knowledge of our System. You understand that protecting the Intellectual Property and our System are vital to our success and that of our franchisees and that you could seriously jeopardize our entire System if you were to unfairly compete with us. In order to avoid such damage, you agree to comply with the terms of this Agreement.

3. Know-How and Intellectual Property. You agree: (i) you will not use the Know-how in any business or capacity other than the Journey Payroll & HR business operated by Franchisee; (ii) you will maintain the confidentiality of the Know-how at all times; (iii) you will not make unauthorized copies of documents containing any Know-how; (iv) you will take such reasonable steps as we may periodically ask of you from time to time to prevent unauthorized use or disclosure of the Know-how; and (v) you will stop using the Know-how immediately if you are no longer a manager or officer of Franchisee's Journey Payroll & HR business. You further agree that you will not use all or part of the Intellectual Property or all or part of the System for any purpose other than the performance of your duties for Franchisee and within the scope of your employment or other engagement with Franchisee. These restrictions on Know-how, Intellectual Property and the System shall not apply to any information which is information publicly known or becomes lawfully known in the public domain other than through a breach of this Agreement or is required or compelled by law to be disclosed, provided that you will give reasonable notice to us to allow us to seek protective or other court orders.

4. Unfair Competition During Relationship. You agree not to unfairly compete with us at any time while you are a manager or officer of Franchisee's Journey Payroll & HR business by engaging in any Prohibited Activities.

5. Unfair Competition After Relationship. You agree not to unfairly compete with us during the Restricted Period by engaging in any Prohibited Activities; provided, however, that the Prohibited Activity relating to having an interest in a Competitive Business will only apply with respect to a Competitive Business that is located within or provides competitive goods or services to customers who are located within the Restricted Territory. If you engage in any Prohibited Activities during the Restricted Period, then you agree that your Restricted Period will be extended by the period of time during which you were engaging in the Prohibited Activity.

6. Immediate Family Members. You acknowledge that you could circumvent the purpose of this Agreement by disclosing Know-how to an immediate family member (i.e., spouse, parent, sibling, child, grandparent or grandchild). You also acknowledge that it would be difficult for us to prove whether

you disclosed the Know-how to family members. Therefore, you agree that you will be presumed to have violated the terms of this Agreement if any member of your immediate family: (i) engages in any Prohibited Activities during any period of time during which you are prohibited from engaging in the Prohibited Activities; or (ii) uses or discloses the Know-how. However, you may rebut this presumption by furnishing evidence conclusively showing that you did not disclose the Know-how to the family member.

7. Covenants Reasonable. You acknowledge and agree that: (i) the terms of this Agreement are reasonable both in time and in scope of geographic area; and (ii) you have sufficient resources and business experience and opportunities to earn an adequate living while complying with the terms of this Agreement. **YOU HEREBY WAIVE ANY RIGHT TO CHALLENGE THE TERMS OF THIS AGREEMENT AS BEING OVERLY BROAD, UNREASONABLE, OR OTHERWISE UNENFORCEABLE.**

8. Breach. You agree that failure to comply with the terms of this Agreement will cause substantial and irreparable damage to us and/or other Journey Payroll & HR franchisees for which there is no adequate remedy at law. Therefore, you agree that any violation of the terms of this Agreement will entitle us to injunctive relief. You agree that we may apply for such injunctive relief without bond, but upon due notice, in addition to such further and other relief as may be available at equity or law, and the sole remedy of yours in the event of the entry of such injunction will be the dissolution of such injunction, if warranted, upon hearing duly held (all claims for damages by reason of the wrongful issuance of any such injunction being expressly waived hereby). If a court requires the filing of a bond notwithstanding the preceding sentence, the parties agree that the amount of the bond shall not exceed $1,000. None of the remedies available to us under this Agreement are exclusive of any other, but may be combined with others under this Agreement, or at law or in equity, including injunctive relief, specific performance, and recovery of monetary damages. Any claim, defense, or cause of action that you may have against us, our owners or our affiliates, or against Franchisee, regardless of cause or origin, cannot be used as a defense against our enforcement of this Agreement.

9. Miscellaneous.

a. If we pursue legal remedies against you because you have breached this Agreement and prevail against you, you agree to pay our reasonable attorneys' fees and costs in doing so.

b. This Agreement will be governed by, construed, and enforced under the laws of Colorado, and the courts in that state shall have jurisdiction over any legal proceedings arising out of this Agreement.

c. Each section of this Agreement, including each subsection and portion thereof, is severable. If any section, subsection, or portion of this Agreement is unenforceable, it shall not affect the enforceability of any other section, subsection, or portion; and each party to this Agreement agrees that the court may impose such limitations on the terms of this Agreement as it deems in its discretion necessary to make such terms reasonable in scope, duration, and geographic area.

d. You and we both believe that the covenants in this Agreement are reasonable in terms of scope, duration, and geographic area. However, we may at any time unilaterally modify the terms of this Agreement upon written notice to you by limiting the scope of the Prohibited Activities, narrowing the definition of a Competitive Business, shortening the duration of the Restricted Period, reducing the geographic scope of the Restricted Territory, and/or reducing the scope of any other covenant imposed upon you under this Agreement to ensure that the terms and covenants in this Agreement are enforceable under applicable law.

(Signatures on following page)

EXECUTED on the date stated below.

Date_____ _____

Signature

_____

Typed or Printed Name

Rev. 120619

EXHIBIT G-3

JOURNEY PAYROLL & HR FRANCHISE

SAMPLE CONFIDENTIALITY AGREEMENT

This Confidentiality Agreement ("Agreement") is entered into by the undersigned ("you") in favor of Journey Franchising LLC, a Colorado limited liability company, and its successors and assigns ("us"), upon the terms and conditions set forth in this Agreement.

1. Definitions. For purposes of this Agreement, the following terms have the meanings given to them below:

"Copyrights" means all works and materials for which we or our affiliate(s) have secured common law or registered copyright protection and that we allow Journey Payroll & HR franchisees to use, sell, or display in connection with the marketing and/or operation of a Journey Payroll & HR Business, whether now in existence or created in the future.

"Franchisee" means the Journey Payroll & HR franchisee for which you are an employee, independent contractor, agent, representative, or supplier.

"Intellectual Property" means, collectively or individually, our Marks, Copyrights, Know-how, Manual, and System.

"Know-how" means all of our trade secrets and other proprietary information relating to the development, construction, marketing, and/or operation of a Journey Payroll & HR Business, including, but not limited to, methods, techniques, specifications, proprietary practices and procedures, policies, marketing strategies, and information comprising the System and the Manual.

"Journey Payroll & HR Business" means a business which offers payroll processing, human resources, timekeeping, payroll tax payments, employee benefits administration, background checks, team management and team culture services and other related products and services using our Intellectual Property.

"Manual" means our confidential operations manual for the operation of a Journey Payroll & HR Business.

"Marks" means the logotypes, service marks, and trademarks now or hereafter involved in the operation of a Journey Payroll & HR Business, including "JOURNEY PAYROLL & HR" and any other trademarks, service marks, or trade names that we designate for use by a Journey Payroll & HR Business. The term "Marks" also includes any distinctive trade dress used to identify a Journey Payroll & HR Business, whether now in existence or hereafter created.

"System" means our system for the establishment, development, operation, and management of a Journey Payroll & HR Business, including Know-how, proprietary programs and products, confidential operations manuals, and operating system.

2. Background. You are an employee, independent contractor, agent, representative, or supplier of Franchisee. Because of this relationship, you may gain knowledge of our Intellectual Property. You understand that protecting the Intellectual Property is vital to our success and that of our franchisees, and that you could seriously jeopardize our entire Franchise System if you were to use such Intellectual Property in any way other than as described in this Agreement. In order to avoid such damage, you agree to comply with this Agreement.

3. Know-How and Intellectual Property: Nondisclosure and Ownership. You agree: (i) you will not use the Intellectual Property in any business or capacity other than for the benefit of the Journey Payroll & HR Business operated by Franchisee or in any way detrimental to us or to the Franchisee; (ii) you will maintain the confidentiality of the Intellectual Property at all times; (iii) you will not make unauthorized copies of documents containing any Intellectual Property; (iv) you will take such reasonable steps as we may ask of you from time to time to prevent unauthorized use or disclosure of the Intellectual Property; and (v) you will stop using the Intellectual Property immediately if you are no longer an employee, independent contractor, agent, representative, or supplier of Franchisee. You further agree that you will not use the Intellectual Property for any purpose other than the performing your duties for Franchisee and within the scope of your employment or other engagement with Franchisee.

The Intellectual Property is and shall continue to be the sole property of Journey Franchising LLC. You hereby assign and agree to assign to us any rights you may have or may acquire in such Intellectual Property. Upon the termination of your employment or engagement with Franchisee, or at any time upon our or Franchisee's request, you will deliver to us or to Franchisee all documents and data of any nature pertaining to the Intellectual Property, and you will not take with you any documents or data or copies containing or pertaining to any Intellectual Property.

4. Immediate Family Members. You acknowledge you could circumvent the purpose of this Agreement by disclosing Intellectual Property to an immediate family member (i.e., spouse, parent, sibling, child, or grandchild). You also acknowledge that it would be difficult for us to prove whether you disclosed the Intellectual Property to family members. Therefore, you agree you will be presumed to have violated the terms of this Agreement if any member of your immediate family uses or discloses the Intellectual Property. However, you may rebut this presumption by furnishing evidence conclusively showing you did not disclose the Intellectual Property to the family member.

5. Covenants Reasonable. You acknowledge and agree that: (i) the terms of this Agreement are reasonable both in time and in scope of geographic area; and (ii) you have sufficient resources and business experience and opportunities to earn an adequate living while complying with the terms of this Agreement. **YOU HEREBY WAIVE ANY RIGHT TO CHALLENGE THE TERMS OF THIS AGREEMENT AS BEING OVERLY BROAD, UNREASONABLE, OR OTHERWISE UNENFORCEABLE.**

6. Breach. You agree that failure to comply with this Agreement will cause substantial and irreparable damage to us and/or other Journey Payroll & HR franchisees for which there is no adequate remedy at law. Therefore, you agree that any violation of this Agreement will entitle us to injunctive relief. You agree that we may apply for such injunctive relief, without bond, but upon due notice, in addition to such further and other relief as may be available at equity or law, and the sole remedy of yours, in the event of the entry of such injunction, will be the dissolution of such injunction, if warranted, upon hearing duly held (all claims for damages by reason of the wrongful issuance of any such injunction being expressly waived hereby). If a court requires the filing of a bond notwithstanding the preceding sentence, the parties agree that the amount of the bond shall not exceed $1,000. None of the remedies available to us under this Agreement are exclusive of any other, but may be combined with others under this Agreement, or at law or in equity, including injunctive relief, specific performance, and recovery of monetary damages. Any claim, defense, or cause of action you may have against us or against Franchisee, regardless of cause or origin, cannot be used as a defense against our enforcement of this Agreement.

7. Miscellaneous.

a. Although this Agreement is entered into in favor of Journey Franchising LLC, you understand and acknowledge that your employer/employee, independent contractor, agent, representative, or supplier relationship is with Franchisee and not with us, and for all purposes in connection with such relationship, you will look to Franchisee and not to us.

b. If we pursue legal remedies against you because you have breached this Agreement and prevail against you, you agree to pay our reasonable attorney fees and costs in doing so.

c. This Agreement will be governed by, construed, and enforced under the laws of Colorado, and the courts in that state shall have jurisdiction over any legal proceedings arising out of this Agreement.

d. Each section of this Agreement, including each subsection and portion, is severable. If any section, subsection, or portion of this Agreement is unenforceable, it shall not affect the enforceability of any other section, subsection, or portion; and each party to this Agreement agrees that the court may impose such limitations on the terms of this Agreement as it deems in its discretion necessary to make such terms enforceable.

EXECUTED on the date stated below.

Date_____ _____

Signature

_____

Typed or Printed Name

Rev. 032916

EXHIBIT G-4

AUTOMATED CLEARING HOUSE PAYMENT AUTHORIZATION FORM

Franchisee Information:

Franchisee Name	Business No.
Franchisee Mailing Address (street)	Franchisee Phone No.
Franchisee Mailing Address (city, state, zip)	
Contact Name, Address and Phone number (if different from above)	
Franchisee Fax No.	Franchisee Email Address

Bank Account Information:

Bank Name		
Bank Mailing Address (street, city, state, zip)		
Bank Account No.	☐ Checking ☐ Savings (check one)	Bank Routing No. (9 digits)
Bank Mailing Address (city, state, zip)		Bank Phone No.

Authorization:

Franchisee hereby authorizes Journey Franchising LLC ("Franchisor") to initiate debit entries to Franchisee's account with the Bank listed above, and Franchisee authorizes the Bank to accept and to debit the amount of such entries to Franchisee's account. Each debit shall be made from time to time in an amount sufficient to cover any fees payable to Franchisor pursuant to any agreement between Franchisor and Franchisee as well as to cover any purchases of goods or services from Franchisor or any affiliate of Franchisor. Franchisee agrees to be bound by the National Automated Clearing House Association (NACHA) rules in the administration of these debit entries. Debit entries will be initiated only as authorized above. This authorization is to remain in full force and effect until Franchisor has received written notification from Franchisee of its termination in such time and in such manner as to afford Franchisor and the Bank a reasonable opportunity to act on it. Franchisee shall notify Franchisor of any changes to any of the information contained in this authorization form at least 30 days before such change becomes effective.

Signature: _____ Date: _____

Printed Name: _____

Its: _____

Federal Tax ID Number: _____

Rev. 032916

NOTE: FRANCHISEE MUST ATTACH A VOIDED CHECK RELATING TO THE BANK ACCOUNT.

EXHIBIT G-5

CREDIT CARD PAYMENT AUTHORIZATION

I (We), [Franchisee or Franchisee Entity Signatory], authorize Journey Franchising LLC ("**Company**") to charge the credit/debit card indicated below and authorize the credit card issuer to pay such account pursuant to Company's instructions.

This credit card payment authorization form is intended for use on a recurring basis. This authority is to remain in full force and effect until Company has received written notification from Franchisee of its termination in such time and manner as to afford Company a reasonable opportunity to act on it.

Credit Card Type: ☐ VISA ☐ MC ☐ AMEX ☐ Other/Include Type _____

Credit Card No.: _____ Expiration Date: _____

[FRANCHISEE ENTITY],
[a(n) Franchisee State of Formation/Incorporation] [entity type]

By: _____

Printed Name: [Franchisee or Franchisee Entity Signatory]

Title: [Franchisee Entity Signatory Title]

Date:_____

[Franchisee Street Address]
[Franchisee City, State, Zip]

Phone:_____

Facsimile:_____

EXHIBIT G-6

JOURNEY PAYROLL & HR FRANCHISE

SAMPLE APPROVAL OF REQUESTED ASSIGNMENT

This Approval of Requested Assignment ("**Agreement**") is entered into this _____ day of _____, 20_____, between Journey Franchising LLC ("**Franchisor**"), a Colorado limited liability company, _____ ("**Former Franchisee**"), the undersigned owners of Former Franchisee ("**Owners**") and _____, [a/an Formation State] [corporation/limited liability company] ("**New Franchisee**").

RECITALS

WHEREAS, Franchisor and Former Franchisee entered into that certain franchise agreement dated _____, 20_____ ("**Former Franchise Agreement**"), in which Franchisor granted Former Franchisee the right to operate a Journey Payroll & HR franchise located at _____ ("**Franchised Business**"); and

WHEREAS, Former Franchisee desires to assign ("**Requested Assignment**") the Franchised Business to New Franchisee, New Franchisee desires to accept the Requested Assignment of the Franchised Business from Former Franchisee, and Franchisor desires to approve the Requested Assignment of the Franchised Business from Former Franchisee to New Franchisee upon the terms and conditions contained in this Agreement, including that New Franchisee sign Franchisor's current form of franchise agreement together with all exhibits and attachments thereto ("**New Franchise Agreement**"), contemporaneously herewith.

NOW, THEREFORE, in consideration of the mutual covenants, promises, and agreements herein contained, the parties hereto hereby covenant, promise, and agree as follows:

1. Payment of Fees. In consideration for the Requested Assignment, Former Franchisee acknowledges and agrees to pay Franchisor the Transfer Fee, as required under the Franchise Agreement ("**Franchisor's Assignment Fee**").

2. Assignment and Assumption. Former Franchisee hereby consents to assign all of its rights and delegate its duties with regard to the Former Franchise Agreement and all exhibits and attachments thereto from Former Franchisee to New Franchisee, subject to the terms and conditions of this Agreement, and conditioned upon New Franchisee's signing the New Franchise Agreement pursuant to Section 5 of this Agreement.

3. Consent to Requested Assignment of Franchised Business. Franchisor hereby consents to the Requested Assignment of the Franchised Business from Former Franchisee to New Franchisee upon receipt of the Franchisor's Assignment Fee from Former Franchisee and the mutual execution of this Agreement by all parties. Franchisor waives its right of first refusal set forth in the Former Franchise Agreement.

4. Termination of Rights to the Franchised Business. The parties acknowledge and agree that effective upon the date of this Agreement, the Former Franchise Agreement shall terminate and all of Former Franchisee's rights to operate the Franchised Business are terminated and that from the date of this Agreement only New Franchisee shall have the sole right to operate the Franchised Business under the New

Franchise Agreement. Former Franchisee and the undersigned Owners agree to comply with all of the covenants in the Former Franchise Agreement that expressly or by implication survive the termination, expiration, or transfer of the Former Franchise Agreement. Unless otherwise precluded by state law, Former Franchisee shall execute Franchisor's current form of General Release Agreement.

5. New Franchise Agreement. New Franchisee shall execute the New Franchise Agreement for the Franchised Business (as amended by the form of Addendum prescribed by Franchisor, if applicable), and any other required contracts for the operation of a Journey Payroll & HR franchise as stated in Franchisor's Franchise Disclosure Document.

6. Former Franchisee's Contact Information. Former Franchisee agrees to keep Franchisor informed of its current address and telephone number at all times during the three-year period following the execution of this Agreement.

7. Acknowledgement by New Franchisee. New Franchisee acknowledges and agrees that the purchase of the rights to the Franchised Business ("**Transaction**") occurred solely between Former Franchisee and New Franchisee. New Franchisee also acknowledges and agrees that Franchisor played no role in the Transaction and that Franchisor's involvement was limited to the approval of Requested Assignment and any required actions regarding New Franchisee's signing of the New Franchise Agreement for the Franchised Business. New Franchisee agrees that any claims, disputes, or issues relating New Franchisee's acquisition of the Franchised Business from Franchisee are between New Franchisee and Former Franchisee, and shall not involve Franchisor.

8. Representation. Former Franchisee warrants and represents that it has not heretofore assigned, conveyed, or disposed of any interest in the Former Franchise Agreement or Franchised Business. New Franchisee hereby represents that it received Franchisor's Franchise Disclosure Document and did not sign the New Franchise Agreement or pay any money to Franchisor or its affiliate for a period of at least 14 calendar days after receipt of the Franchise Disclosure Document.

9. Notices. Any notices given under this Agreement shall be in writing, and if delivered by hand, or transmitted by U.S. certified mail, return receipt requested, postage prepaid, or via telegram or telefax, shall be deemed to have been given on the date so delivered or transmitted, if sent to the recipient at its address or telefax number appearing on the records of the sending party.

10. Further Actions. Former Franchisee and New Franchisee each agree to take such further actions as may be required to effectuate the terms and conditions of this Agreement, including any and all actions that may be required or contemplated by the Former Franchise Agreement.

11. Affiliates. When used in this Agreement, the term "**Affiliates**" has the meaning as given in Rule 144 under the Securities Act of 1933.

12. Miscellaneous. This Agreement may not be changed or modified except in a writing signed by all of the parties hereto. This Agreement may be executed in any number of counterparts, each of which shall be deemed to be an original, and all of which together shall constitute one and the same document. This Agreement shall be binding upon and inure to the benefit of the parties and their respective successors and assigns.

13. Governing Law. This Agreement shall be governed by, and construed and enforced in accordance with, the laws of the State of Colorado.

(Signature page follows)

IN WITNESS WHEREOF, the parties have executed this Agreement under seal, with the intent that this be a sealed instrument, as of the day and year first above written.

FRANCHISOR:

Journey Franchising LLC

By: _____

Printed Name: _____

Title: _____

FORMER FRANCHISEE:

_____

By: _____

Printed Name: _____

Title: _____

NEW FRANCHISEE:

_____

By: _____

Printed Name: _____

Title: _____

Rev. 031821

EXHIBIT G-7

JOURNEY PAYROLL & HR FRANCHISE

SAMPLE SECURED PROMISSORY NOTE

$_____ _____, 20___

FOR VALUE RECEIVED, the undersigned _____ _____ ("**Debtor**"), hereby promises to pay to the order of JOURNEY FRANCHISING LLC, a Colorado limited liability company ("**Holder**"), the principal sum of _____ and no/100 Dollars ($_____), as set forth herein. Such principal shall be payable pursuant to Section 1 at such address as Holder may designate from time to time in writing.

1. Interest, Maturity and Payment.

a. Interest and Maturity: This Secured Promissory Note will bear interest at 16% per annum, computed monthly on the last day of each month on the outstanding balance, and shall be paid out in equal monthly installments of principal plus interest together until paid in full on the date that is eighteen months following the date first set forth above.

Payment in full of this Secured Promissory Note shall be due on or before _____ ___, 20___.

b. Interest. All payments on this Note shall be applied first to the payment of any costs, fees, late charges or other charges incurred in connection with the indebtedness evidenced hereby, next to the payment of accrued interest and then to the reduction of the outstanding principal amount balance.

2. Prepayment. Debtor may prepay any portion of this Secured Promissory Note at any time without penalty. Any prepayments shall be first applied as described in Section 1(b) above.

3. Acceleration and Defaulting Interest. At the option of Holder, the entire outstanding principal balance of this Secured Promissory Note shall become immediately due and payable, without notice or demand, upon the occurrence of any one or more of the following events of default: (a) the failure of Debtor to make any required payment on or before the date such payment is due; (b) the filing of a petition by or against Debtor under the provisions of any state insolvency law or the Federal Bankruptcy Act; (c) any assignment by Debtor for the benefit of creditors; (d) any default by Debtor under the terms of that Franchise Agreement with Holder of even date herewith; (e) any default by Debtor of any other agreement entered into by Debtor with Holder; (f) any expiration, termination or attempt to terminate the Franchise Agreement or any other agreement entered into by Debtor with Holder. In this event, interest and principal shall, from and after the date of such default, bear interest at the rate of either (i) 18% per annum or (ii) the highest rate permitted by applicable law, whichever is less.

4. Attorney Fees. Debtor agrees to promptly reimburse Holder for all reasonable costs and expenses, including attorney fees and court costs, incurred to collect this Secured Promissory Note or any installment hereunder, if not paid when due.

5. No Waiver. No failure on the part of Holder to exercise, and no delay in exercising any right hereunder, shall operate as a waiver of such right; nor shall any single or partial exercise by Holder of any right hereunder preclude the exercise of any other right. The remedies herein provided are cumulative and not exclusive of any remedies provided by law.

6. Waiver. Debtor hereby waives presentment, demand for payment, protest for nonpayment, notice of dishonor, diligence in collection, and all other demands, notices and indulgences, in connection with the delivery, acceptance, performance or other enforcement of this Secured Promissory Note.

7. Governing Law. This Secured Promissory Note shall be governed by and interpreted in accordance with the laws of the State in which Debtor's franchised business is located, without reference to the choice of law principles thereof.

8. Security. This Secured Promissory Note and the indebtedness evidenced hereby are secured by the Security Agreement attached hereto as Attachment A.

9. Assignment. Debtor may not assign its obligation hereunder without the prior written consent of the Holder. This Secured Promissory Note may be assigned by Holder by providing notice to the Debtor.

10. Final Agreement. This Secured Promissory Note, together with the documents and agreements referred to herein or therein, represents the entire agreement among the parties hereto with respect to the subject matter specified herein, and is intended to be the full, complete and exclusive contract governing those matters, superseding all other discussions, promises, representations, warranties, agreements and understandings among the parties with respect thereto. There are no oral agreements among the parties hereto that are inconsistent with the terms of this Secured Promissory Note. Any signature hereto sent or delivered by email or other electronic transmission shall be as legally binding and enforceable as a signed original for all purposes.

11. Representations and Warranties of Debtor. Debtor hereby represents and warrants to the Holder, which representations and warranties shall survive the execution and delivery hereof, that (a) this Secured Promissory Note is the legally valid and binding obligation of Debtor, enforceable against Debtor in accordance with its terms, except as such enforcement may be limited by bankruptcy, insolvency, reorganization, moratorium or other similar laws affecting enforcement of creditors' rights generally and by general principles of equity (whether applied in a proceeding at law or in equity) and (b) the Debtor is not restricted or prohibited in any way by the terms, provisions or conditions of any material credit or security agreement to which Debtor is a party in connection with Debtor's execution, delivery and performance of this Secured Promissory Note.

12. General Provisions. This Secured Promissory Note may not be amended, modified, or changed, nor shall any waiver of any provision hereof be effective, except by an instrument in writing and signed by the party against whom enforcement of any waiver, amendment, change, modification, or discharge is sought.

Whenever used herein, the words "**Debtor**" and "**Holder**" shall be deemed to include their respective heirs, legal representatives, successors, and assigns.

(Signature on following page)

IN WITNESS WHEREOF, the undersigned has duly executed this Secured Promissory Note on the day and year first above written.

DEBTOR:

_____

EXHIBIT G-7 ATTACHMENT A

SAMPLE SECURITY AGREEMENT

This Security Agreement ("**Agreement**"), effective as of the ____ day of _____ 20___, is hereby entered into by and between _____ ("**Debtor**"), with a mailing address at _____ _____ hereby grants to JOURNEY FRANCHISING LLC, a Colorado limited liability company ("**Secured Party**"), with an address at _____, and its successors and assigns. All capitalized terms used herein but not otherwise defined shall have the meanings ascribed to them in the Uniform Commercial Code for the State ("**Uniform Commercial Code**") set forth below as the governing law for this Agreement.

1. Grant of a Security Interest. Debtor hereby grants to the Secured Party for the benefit of the Secured Party, to secure the full, punctual and unconditional payment and performance of the Note (as defined below) a first priority lien and security interest in the following assets, together with all replacements, proceeds, products, accessories, parts, additions, and accessions thereof or related thereto, now or hereafter affixed or used in connection therewith, and whether now owned or hereafter acquired, wherever located, whether now owned or hereafter acquired or arising, and all proceeds and products thereof ("**Collateral**"):

All assets (including personal and fixture property of every kind and nature) used by or in connection with the business of the Debtor for that certain franchised business pursuant to which a Franchise Agreement has been entered into with Secured Party, dated as of _____ ("**Franchise Agreement**"), including all Instruments (including promissory notes), Documents, Accounts, Chattel Paper (whether Tangible Chattel Paper or Electronic Chattel Paper), Deposit Accounts (other than payroll accounts), Letter of Credit Rights (whether or not the letter of credit is evidenced by a writing), Commercial Tort Claims, Securities and all other Investment Property, Supporting Obligations, any other contract rights or rights to the payment of money, all sums payable under any policy of insurance (including without limitation, any return for premiums), tort claims, all General Intangibles (including all Payment Intangibles), personal assets, any other contract rights (including all executory contracts pertaining to or arising from the operation of the Debtor's business), franchise lease and rights thereto, customer lists, customer profiles, promotional brochures, mailing lists, and goodwill.

Debtor agrees that the security interest herein granted has attached and shall continue until (i) the Note has been paid, performed and indefeasibly discharged in full and (ii) the Secured Party is no longer committed to extend any credit to the Debtor under the Franchise Agreement, any credit agreement or any other loan document. The security interest is granted as security only and shall not subject the Secured Party to transfer to the Secured Party, or in any way affect or modify, any obligation or liability of the Debtor with respect to any of the Collateral or any transaction in connection therewith.

Debtor agrees to execute such other documentation as may be necessary under applicable law to allow Secured Party continuously to hold and perfect a security interest in the Collateral.

2. Authorization to File Financing Statements and Take Other Action. Debtor hereby irrevocably authorizes Secured Party at any time and from time to time to sign (if required) and file in any appropriate Filing Office, wherever located, any Financing Statement that (a) describes the Collateral (i) as all assets of Debtor or words of similar effect, regardless of whether any particular assets comprised in the Collateral falls within the scope of Article 9 of the Uniform Commercial Code of such jurisdiction, or (ii) as being of any equal or lesser scope or with greater detail and (b) contains any other information required by Part 5 of Article 9 of the Uniform Commercial Code of the applicable jurisdiction for the sufficiency or

Filing Office acceptance of any Financing Statement, including (i) whether Debtor is an organization, the type of organization and any organization identification number issued to Debtor and, (ii) in the case of a Financing Statement filed as a Fixture Filing, a sufficient description of real property to which the Collateral relates. Debtor also authorizes Secured Party to file a copy of this Agreement in lieu of a Financing Statement, and to take any and all actions required by any earlier versions of the Uniform Commercial Code or by any other applicable law. Debtor shall provide Secured Party with any information Secured Party shall reasonably request in connection with any of the foregoing.

3. The Obligation. The security interest granted hereby is to secure payment and performance of all of the liabilities and obligations of Debtor to Secured Party pursuant to that certain Secured Promissory Note of even date herewith ("**Note**").

4. Representations And Warranties Respecting The Collateral. Debtor hereby represents and warrants to Secured Party as follows, each such representation and warranty to continue in full force so long as this Agreement remains in effect:

a. Debtor is, and in the case of property acquired after the date hereof, will be, the sole legal and equitable owner of the Collateral purported to be owned by it, holding good and marketable title to the same free and clear of all Encumbrances, and has good right and legal authority to pledge, sell, assign, deliver, and create this security interest in such Collateral in the manner herein contemplated.

b. This Agreement creates a valid and continuing lien on and security interest in the Collateral, and will be enforceable as such against creditors of Debtor, any owner of the real property where any of the Collateral is located, any purchaser of such real property and any present or future creditor obtaining a lien on such real property.

c. Neither Debtor nor any of its predecessors has performed any act or is bound by any agreement which might prevent Secured Party from enforcing any of the terms of this Agreement, or which would limit Secured Party in any such enforcement.

d. Each Account constituting Collateral (i) is and will be a true and correct statement of the actual Indebtedness incurred by each Account Debtor with respect thereto, (ii) arises and will arise out of or in connection with the sale or lease of Goods or for the rendering of services by Debtor to each Account Debtor, and (iii) is and shall be a valid, legal and binding obligation of the party purported to be obligated thereon, enforceable in accordance with its terms and free of material setoffs, defenses or counterclaims.

e. All Inventory constituting Collateral at any time are and will be genuine and salable in the ordinary course of Debtor's business.

f. Pursuant to the terms of this Agreement, Debtor has endorsed, assigned and delivered to Secured Party all promissory notes and other Instruments pledged hereunder. Regardless of the form of such endorsement, the Debtor hereby waives presentment, demand, notice of dishonor, protest, notice of protest and all other notices with respect thereto.

g. No authorization, approval or other action by, and no notice to or filing with, any domestic or foreign governmental authority or regulatory body or consent of any other Person is required for (i) the grant of the security interest contemplated hereby, (ii) the execution, delivery or performance of this Agreement by Debtor or (iii) the perfection of the security interest contemplated hereby or the exercise by Secured Party of its rights and remedies hereunder, other than the filing of Financing Statements under the Uniform Commercial Code.

h. Debtor has no knowledge of any fact that would impair the validity or make uncollectible any material amount of the Collateral that is Accounts, Chattel Paper, Payment Intangibles, General Intangibles, contract rights, Documents or Instruments, and to the best of Debtor's knowledge, each obligor liable on such Collateral has and will have the capacity to contract.

5. Default. Time is of the essence under this Security Agreement, and Debtor shall be in default ("**Default**") under this Security Agreement upon the happening of any of the following events or conditions: (1) the occurrence of a default under the Note; or (2) Debtor's failure to use the Collateral as provided herein; (3) Debtor's failure to prevent liens from attaching to the Collateral, except as provided herein; and (4) a breach of any provision of this Agreement. Waiver of any Default by Secured Party shall not constitute a waiver of any subsequent Default.

6. Remedies. Upon the occurrence of and during the continuance of any Default pursuant to Section 4 above, in addition to the rights and remedies of a secured party under the Uniform Commercial Code, Secured Party may, by written notice to Debtor, declare the commitments of Secured Party under the Franchise Agreement to be terminated, whereupon such commitments shall forthwith terminate regardless of when such event occurs. Secured Party, by written notice to Debtor, may terminate the Franchise Agreement, whereupon all amounts due to Secured Party shall become and be forthwith due and payable, without presentment, demand, protest, or further notice of any kind, all of which are hereby expressly waived by Debtor. Secured Party may, at its option, without notice or demand, cause all of the obligations under the Note to become immediately due and payable. With respect to any Collateral consisting of Accounts, Secured Party may (i) demand, collect, and receive any amounts relating thereto, as Secured Party may determine; (ii) commence and prosecute any actions in any court for the purposes of collecting any such Accounts and enforcing any other rights in respect thereof, (iii) defend, settle or compromise any action brought and, in connection therewith, give such discharges or releases as Secured Party may deem appropriate; (iv) receive, open and dispose of mail addressed to any of Debtor and endorse checks, notes, drafts, acceptances, money orders, bills of lading, warehouse receipts or other instruments or documents evidencing payment, shipment or storage of the goods giving rise to such Accounts or securing or relating to such Accounts, on behalf of and in the name of any of Debtor; and (v) sell, assign, transfer, make any agreement in respect of, or otherwise deal with or exercise rights in respect of, any such Accounts or the goods or services which have given rise thereto, as fully and completely as though Secured Party were the absolute owner thereof for all purposes. With respect to any Collateral consisting of Equipment or Inventory, Secured Party may (i) make, adjust and settle claims under any insurance policy related thereto and place and pay for appropriate insurance thereon; (ii) discharge taxes and other Encumbrances at any time levied or placed thereon; (iii) make repairs or provide maintenance with respect thereto; and (iv) pay any necessary filing fees and any taxes arising as a consequence of any such filing. Secured Party shall have no obligation to make any such expenditures nor shall the making thereof relieve Debtor of its obligation to make such expenditures.

Without limiting the foregoing, upon the occurrence of a Default, Secured Party shall have all the rights of a secured party under the Uniform Commercial Code, including the right to take possession of and to sell all, or any part of, the Collateral at public or private sale. Upon the request of Secured Party, Debtor shall assemble and deliver the Collateral to such location as Secured Party shall request. If any notification of intended disposition of any of the Collateral is required by law, such notification shall be deemed to have occurred if mailed, in accordance with Section 12 of this Agreement, at least seven (7) days before such disposition. Any proceeds of a disposition of the Collateral or any part thereof may be applied by Secured Party to the payment of expenses in connection with the Collateral (including, without limitation, the storage and/or disposition thereof), including reasonable attorney fees and legal expenses, and any balance of such proceeds may be applied by Secured Party toward the payment of the any obligation of Debtor arising under this Agreement or the Franchise Agreement in such order of application as Secured Party may from time to time deem appropriate.

7. Debtor's Right To Possession. Unless and until the occurrence of a Default as defined herein or in the Agreement, and unless possession is required to perfect a security interest, Debtor shall have possession of the Collateral and may use the same in any lawful manner not inconsistent with or contrary to this Agreement.

8. Termination. Upon payment to Secured Party of all obligations of Debtor pursuant to the Franchise Agreement and the Note, this Agreement shall terminate and Secured Party hereby agrees to execute and deliver any and all necessary documents to effectuate a release of the Collateral and termination of any security interest granted pursuant hereto.

9. Complete Agreement; Amendments. This Agreement, along with the Franchise Agreement and the Note, is the entire agreement, and supersedes any prior agreements and contemporaneous oral agreements of the parties concerning its subject matter. No amendment of, or waiver of, a right under this Agreement will be binding unless it is in writing and signed by the party to be charged.

10. Governing Law. This Security Agreement will be governed by and interpreted in accordance with the laws of the State in which Debtor's franchised business is located, without reference to the choice of law principles thereof.

11. Severability; Successors And Assigns. To the extent a provision of this Security Agreement is unenforceable, this Security Agreement will be construed as if the unenforceable provision were omitted. A successor to or assignee of Secured Party's rights and obligations under this Agreement will succeed to Secured Party's rights and obligations under this Agreement.

12. Notices. A notice or other communication to a party under this Agreement will be in writing (except that entitlement orders may be given orally), will be sent to the party's address set forth above, or to such other address as the party may notify the other parties of, and will be effective on receipt.

13. JURY WAIVER. EACH OF THE PARTIES WAIVES ITS RIGHT TO A JURY TRIAL WITH RESPECT TO ANY ACTION OR CLAIM ARISING OUT OF ANY DISPUTE IN CONNECTION WITH THIS AGREEMENT, ANY RIGHTS, REMEDIES, OBLIGATIONS, OR DUTIES HEREUNDER, OR THE PERFORMANCE OR ENFORCEMENT HEREOF OR THEREOF.

14. Counterparts; Time. This Agreement may be executed and acknowledged in counterparts, all of which executed and acknowledged counterparts shall together constitute a single document. Facsimile signature pages will be acceptable and shall be conclusive evidence of execution. Time is of the essence with regard to each provision of this Agreement as to which time is a factor.

15. Attorney Fees. If any legal action or any arbitration or other proceeding is brought for the enforcement of this Agreement, or because of an alleged dispute, breach, default, or misrepresentation in connection with any of the provisions of this Agreement, the successful or prevailing party or parties shall be entitled to recover reasonable attorney fees and other costs incurred in that action or proceeding, in addition to any other relief to which it or they may be entitled.

(Signature Page Follows)

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

DEBTOR:

_____

SECURED PARTY:

_____

EXHIBIT G-8

JOURNEY PAYROLL & HR FRANCHISE

SERVICES AGREEMENT

Journey Payroll Inc. Services Agreement

This Services Agreement (the "Agreement") is entered into effective as of _____ (the "Effective Date") by and between_____, (the "Franchisee") and Journey Payroll, Inc., d/b/a Journey Payroll & HR and/or Journey Employer Solutions ("Journey"). Franchisee and Journey are sometimes individually referred to herein as a "Party" and collectively as the "Parties."

1 - Journey's Services

1.01. Subject to the terms and conditions of this Agreement, Journey shall make the Payroll and related services described and defined on Exhibit A attached hereto and incorporated herein by this reference (the "Services") available to Franchisee for use by Franchisee's clients (each a "Client") and such Client's employees during the term of this Agreement.

1.02. Journey may add to, remove, or otherwise change the Services provided hereunder, as it deems necessary or appropriate and will provide Franchisee with notice prior to implementing any such change.

1.03 The Parties acknowledge and agree that Journey is not, and shall not be deemed to be, a fiduciary of Franchisee, any Client or any Client employees.

1.04 Franchisee's Client shall at all times retain full control over all its business operations, including human resource business decisions. Journey shall not be liable for payment of any Client Payroll regardless of the amount of the deficiency nor be responsible for any penalty, interest or fee of any kind related to the Payroll. Journey shall be entitled to initiate an EFT withdrawing funds from Franchisee's Client's bank accounts for any outstanding Payroll or fees owed by Franchisee's Client.

2 - Franchisee's Responsibilities

The Franchisee shall be solely responsible for the following:

2.01 Franchisee shall (i) obtain and provide to Journey all ACH and other authorizations as may be required for Journey to render the Services, including but not limited to, those set forth in Exhibit B attached hereto and (ii) use the then-current Client agreement (the "Form Client Agreement") provided by Journey or Journey Franchising LLC (the "Franchisor"), without modification, except such modifications expressly required by the state in which Franchisee operates.

2.02 Franchisee shall ensure that each Client makes funds available to Journey in a timely manner in an amount sufficient to pay all costs of Payroll (defined in Exhibit A) on behalf of such Client;

2.03 Franchisee shall ensure that each Client maintains and provides Journey with complete and accurate records of all of the dates and times worked by Client's employees (including but not limited to, termination, W-4s, I-9s, hiring and benefits information);

2.04 Franchisee shall ensure each Client delivers all documentation requested by Journey related to: (i) originating ETF transactions; (ii) verifying availability of funds in Client's bank account; and (iii) executing and/or providing any other documents which Journey requests to perform its Services under this Agreement;

2.05 Franchisee shall comply, and shall ensure each Client complies, with all federal, state and local laws, rules, regulations, tax reporting requirements, financial requirements and other legal obligations or requirements of any kind ("Laws") related to the Services performed hereunder, including but not limited to, wages, overtime, withholding and any other Laws applicable to Franchisee's business, the Client's

business, the Client's employees or Payroll.

2.06 Franchisee, its Clients and Client's employees shall act professionally and treat Journey members with respect at all time.

3 - Term; Termination

The term of this Agreement shall commence on the Effective Date and shall remain in full force and effect until terminated in accordance with the terms hereof. Journey shall have the right to terminate this Agreement immediately upon written notice to Franchisee in the event (i) Franchisee breaches any term or condition of this Agreement, (ii) a Client breaches any term or condition set forth in the Form Client Agreement, or (iii) any act or omission by Franchisee, a Client or their respective agents or employees which Journey deems harmful, in Journey's sole discretion. This Agreement shall automatically terminate upon the expiration or termination of the franchise agreement entered into between Franchisee and Franchisor (the "Franchise Agreement").

4 - Pricing, Fees and Payment Terms

4.01 **Fees; Interest.** In consideration for the Services provided hereunder, Franchisee shall pay Journey the fees set forth on Journey's then-current price list (the "Price List") (the list current as of the Effective Date attached hereto for reference as Exhibit C). Journey may revise the Price List at any time and from time to time, with a 30 days' prior notice to Franchisee. Franchisee shall pay all amounts due for Services hereunder within five (5) days of delivery of the invoice therefor. Franchisee shall pay Journey a monthly finance charge of one- and one-half percent (1.5%) per month or the highest interest rate allowable by law (whichever is less) ("Interest"), with respect to any fees, expenses or other amounts owed by Franchisee to Journey and not paid when due. Franchisee shall have no right of set-off or withholding, and no deduction of amounts due from Franchisee to Journey shall be made without Journey's prior, written approval. If any amounts due to Journey from Franchisee for any reason, become past due, Journey may at its option and without further notice withhold or cease performing its obligations under this Agreement until such time that all of Franchisee's outstanding invoices have been paid in full, and such withholding shall not be considered a breach or default of any of Journey's obligations under this Agreement. Franchisee will reimburse Journey for collecting all costs associated with collecting delinquent or dishonored payments, including reasonable attorney's fees and costs. Franchisee acknowledges and agrees that nothing set forth herein shall limit or otherwise modify the fees or other amounts payable by Franchisee to Franchisor pursuant to the Franchise Agreement.

4.02 **Client Pricing.** Franchisee shall determine the fees Franchisee charges its Clients for the Services made available by Journey hereunder, subject to any restrictions imposed by Franchisor or applicable law.

4.03 **Automatic Deduction for Payroll Amounts.** Journey will deduct all Payroll amounts due each Payroll cycle from the applicable Client's bank account and will provide the Client with pricing and fee details for each deduction.

4.04 **Personal Guaranty.** Should Franchisee fail to pay any amounts due under this Agreement, the owners of the Franchisee (if an entity) shall be jointly and severally liable.

5 - **Confidentiality**

5.01 **Confidential Information.** Each Party acknowledges that its employees and staff may be given access to or acquire information which is proprietary to or confidential to the other Party. Any and all such information shall be deemed to be confidential and proprietary information. The Parties agree to hold such information in strict confidence and agree not to disclose such information to third parties or to use such information for any purposes whatsoever, other than performing their obligations hereunder without the prior written consent of the other Party, or as required by law. Notwithstanding the foregoing, Franchisee

shall ensure its Clients acknowledge and authorize Journey to share Client Payroll information with and to utilize third party technology and service providers which Journey believes are necessary to assist it with the Services. Journey may also share Franchisee's Client's Payroll information with other third parties upon Franchisee's Client's request. Each Party is responsible for complying with the privacy laws applicable to its business.

5.02 **Required Disclosures.** If the receiving Party is confronted with legal action to disclose confidential information received under this Agreement, the receiving Party shall, unless prohibited by applicable law, provide prompt written notice to the disclosing Party to allow the disclosing Party an opportunity to seek a protective order or other relief it deems appropriate, and receiving Party shall reasonably assist disclosing Party in such efforts.

6 - Ownership/Intellectual Property

Franchisee acknowledges and agrees that any and all software, platforms, data, trademarks, service marks, proprietary information, trade secrets and other technology or intellectual property used by, provided by or developed by or on behalf of Journey in connection with providing the Services hereunder (the "Intellectual Property") are exclusively owned by Journey, Franchisor or their respective affiliates, and nothing set forth herein shall be deemed to transfer any ownership or other rights in or to any such Intellectual Property to Franchisee or any Client. Any and all materials, discoveries or inventions created by Journey in connection with this Agreement and Journey's performance of Services hereunder shall **not** be considered a "work made for hire" pursuant to Section 101 and 201(b) of the Copyright Act 17 U.S.C. 101, *et seq*., and ownership and rights of such materials, discoveries and/or inventions and all associated rights shall remain with Journey.

7 - Representations & Warranties

Each Party represents and warrants to the other that: (i) it has the right to enter into this Agreement and fulfill its obligations as set forth herein without violating any other agreement entered into with any third party and (ii) it will comply with all laws, rules, and regulations applicable to its activities hereunder.

8 – Indemnification

8.01. Franchisee shall indemnify, defend and hold Journey, Franchisor and their respective owners, employees and agents harmless from and against any and all third party claims, actions, liabilities, damages, losses, costs, attorney's fees and expenses of any kind or nature resulting from or arising in connection with (i) breach of any term or condition of this Agreement by Franchisee, (ii) breach by Client of any term or condition of the Form Client Agreement, (iii) use, misuse, reproduction, modification or unauthorized distribution of any Intellectual Property; (iv) Franchisee or Client's violation or failure to comply with any laws, rules, regulations, tax reporting requirements, financial requirements or other legal obligations or requirements of any kind; (v) inaccuracy or insufficiency of any information or authorizations provided by Franchisee or a Client; or (vi) any payments, compensation, damages, penalties, interest or other amounts, however characterized or determined, which Journey has reimbursed or may be obligated to pay or reimburse arising out of or related to this Agreement, the Services or a Client's Payroll.

8.02 For purposes of this section, the acts or omissions of a Client's employees, consultants, subcontractors, agents or representatives shall be deemed the acts or omissions of Client. Franchisee shall provide Journey with prompt written notice of any claim for which indemnification hereunder may be sought, shall give complete control of its defense and settlement to Journey, and shall cooperate in all reasonable respects with Journey, its insurance company and its legal counsel in the defense of such claim, at Franchisee's expense.

9 – Disclaimer; Limitation of Liability

THE SERVICES PROVIDED HEREUNDER ARE PROVIDED "AS-IS" AND "AS AVAILABLE" AND, EXCEPT AS EXPRESSLY SET FORTH IN SECTION 7 ABOVE, JOURNEY MAKES NO REPRESENTATIONS, WARRANTIES OR GUARANTEES OF ANY KIND, AND JOURNEY EXPRESSLY DISCLAIMS ANY AND ALL WARRANTIES OR ANY KIND OR CHARACTER, WHETHER EXPRESS OR IMPLIED, INCLUDING BUT NOT LIMITED TO WARRANTIES OF DESIGN, FITNESS FOR A PARTICULAR PURPOSE, NON-INFRINGEMENT, AND ANY GUARANTEES OR WARRANTIES ARISING OUT OF COURSE OF DEALING, USAGE OR TRADE PRACTICES. EXCEPT FOR THE CONFIDENTIALITY OBLIGATIONS AND INDEMNIFICATION OBLIGATIONS IN THIS AGREEMENT, IN NO EVENT SHALL EITHER PARTY BE LIABLE UNDER THIS AGREEMENT TO THE OTHER PARTY OR ANY THIRD PARTY FOR ANY INCIDENTAL, CONSEQUENTIAL, INDIRECT, STATUTORY, SPECIAL, EXEMPLARY OR PUNITIVE DAMAGES, INCLUDING, BUT NOT LIMITED TO, LOST PROFITS, LOST REVENUE, LOSS OF USE, LOSS OF TIME, INCONVENIENCE, LOST BUSINESS OPPORTUNITIES, COST OF REPLACEMENT SERVICES, OR DAMAGE TO GOOD WILL OR REPUTATION, REGARDLESS OF WHETHER SUCH LIABILITY IS BASED ON BREACH OF CONTRACT, TORT, STRICT LIABILITY OR OTHERWISE, AND EVEN IF ADVISED OF THE POSSIBILITY OF SUCH DAMAGES OR SUCH DAMAGES COULD HAVE BEEN REASONABLY FORESEEN. JOURNEY'S TOTAL AGGREGATE LIABILITY FOR ALL CLAIMS ARISING OUT OF OR RELATING TO THIS AGREEMENT OR THE USE OF OR INABILITY TO USE THE SERVICES HEREUNDER, SHALL BE LIMITED TO AN AMOUNT EQUAL TO THE FEES PAID TO JOURNEY BY FRANCHISEE UNDER THIS AGREEMENT DURING THE SIX (6) MONTHS IMMEDIATELY PRECEDING THE EVENT GIVING RISE TO SUCH LIABILITY.

10 – Relationship of the Parties

Journey is an independent contractor hereunder and nothing in this Agreement, and no course of dealing between the Parties, shall be construed to create or imply an employment or agency relationship or a partnership or joint venture relationship between the Parties or between one Party and the other Party's employees or agents. Franchisee shall indemnify and hold Journey, its owners, employees and agents harmless in the event that any court, enforcement agency, government entity, arbitrator or other adjudicator determines that a Client and Journey are joint employers for purposes of any federal, state and/or local laws. Franchisee agrees to pay the entire costs of the legal defense of any such claims and to fully indemnify Journey, its owners, employees and agents for any damages, losses, liabilities, penalties, costs and expenses that may be imposed as result of any such claim.

11 - Governing Law and Venue

This Agreement shall be interpreted under the laws of the State of Colorado which laws shall prevail in the event of any conflict of law. The Parties agree that the exclusive venue for disputes between them shall be in the state courts in the City and County of Denver, Colorado and federal courts located in Colorado and each waive any objections they may have to the personal jurisdiction of or venue in the state courts in the City and County of Denver, Colorado and federal courts located in Colorado. THE PARTIES FURTHER AGREE, TO THE EXTENT PERMITTED BY APPLICABLE LAW, TO WAIVE ANY RIGHT TO TRIAL BY JURY WITH RESPECT TO ANY CLAIM, COUNTERCLAIM OR ACTION ARISING FROM OR RELATED TO THIS AGREEMENT.

12 - Attorney's Fees

If either Party incurs any legal fees associated with the enforcement of this Agreement or any rights under this Agreement, the prevailing Party shall be entitled to recover its reasonable attorney's fees and any court, arbitration, mediation, or other litigation expenses from the other Party.

13 - Notices

Any notice required under this Agreement must be in writing, shall be deemed given upon receipt and must be given by: personal delivery, overnight courier service; or email with electronic confirmation of delivery, each addressed to the Parties as follows:

To Journey:

Journey Payroll, Inc.
3800 Automation
Way, 3rd Floor
Fort Collins, CO
80525
AudraS@JourneyPayroll.com

To Franchisee's Client:

Franchisee: _____
Address: _____
Email: _____

Either Party may change the address and/or email address for providing notices hereunder by providing written notice of such change.

14 - Assignment; Third Party Beneficiaries

Franchisee may not assign this Agreement without the prior written consent of Journey and Franchisor. Any assignment made without such consent will be null and void. Neither Franchisor nor any of Franchisor's other affiliates are responsible for Journey's performance under this Agreement. Franchisor is a third-party beneficiary under this Agreement, and shall be entitled to the rights and benefits hereunder and may enforce the provisions hereof as if it were a party hereto.

15 - Severability

If any provision or portion of this Agreement shall be held by a court of competent jurisdiction to be illegal, invalid, or unenforceable, the remaining provisions or portions shall remain in full force and effect.

16 - Counterparts

This Agreement may be executed in one or more counterparts, each of which will be deemed to be an original, but all of which together will constitute one and the same instrument, without necessity of production of the others. An executed signature page delivered via electronic signature shall be deemed as effective as an original executed signature page.

17 – Waiver

No waiver of any term or right in this Agreement shall be effective unless in writing, signed by an authorized representative of the waiving Party. The failure of either Party to enforce any provision of this Agreement shall not be construed as a waiver or modification of such provision, or impairment of its right to enforce such provision or any other provision of this Agreement thereafter.

18 – Survival

The provisions hereof that are intended by their very nature to survive any termination or expiration of this

Agreement shall so survive, including without limitation, the provisions regarding indemnification, representations and warranties, governing law, disclaimer, limitations on liability, and confidentiality provisions.

19 - Incorporation of Exhibits

All attachments and exhibits to this Agreement including, without limitation, Journey's Services, Price List(s), and Client Instructions and Authorizations, and Personal Guaranty are incorporated as substantive terms into this Agreement.

20 - Entire Agreement; Modification

This Agreement and its exhibits constitute the entire agreement between the Parties with respect to the subject matter hereof and supersede any prior agreements or communications between the Parties, whether written, oral, electronic or otherwise. Except as otherwise specified herein, no change, modification, amendment, or addition of or to this Agreement or any part thereof shall be valid unless in writing and signed by authorized representatives of the Parties.

The Parties have agreed to and signed this Agreement as of the Effective Date.

FRANCHISEE	**JOURNEY PAYROLL, INC.**
Signature: _____	Signature: _____
Print Name: _____	Print Name: Kevin Welch
Title: _____	Title: CEO

EXHIBIT A
TO SERVICES AGREEMENT
Description of Services

*Journey's payroll services will assist with calculation and payment of Franchisee's Client's employee's wages or base salary and taxes and, as requested by the Franchisee's Client, employee's commission, overtime, vacation, sick time, paid time off, paid leave of absence, severance, withholdings, and garnishments (collectively "Payroll").

*Payroll Implementation

*End of Year Processing

EXHIBIT B TO SERVICES AGREEMENT
FRANCHISEE'S CLIENT INSTRUCTIONS AND AUTHORIZATIONS

1. **Submitting Payroll:** Each date Franchisee's Client regularly pays its employees shall be referred to as a "Payroll Date."

   Franchisee's Client will provide Journey with complete payroll information no later than 12:00 p.m. Pacific Time / 1:00 p.m. Mountain Standard Time / 3:00 p.m. Eastern Standard.

   Franchisee's Client must turn payroll in their payroll through the online platform (currently using Execupay's offerings called PPX and PPX Pro). If Franchisee's Clients need to turn in payroll via email, phone, or another way, this must be approved and accepted by Journey (extra charges will noted in the price list).

   Franchisee's Client authorizes Journey to: (i) process Electronic Funds Transfer ("EFT") transactions, or such other payment methods selected by Journey, withdrawing funds from Franchisee's Client's bank account(s) in amounts sufficient to pay all Payroll at any time as reasonably necessary to perform the Services; and (ii) prepare, sign and file with proper taxing authorities all returns for payroll related taxes during the term of this Agreement. Unless otherwise agreed between the Parties, all amounts will be held in accounts established and solely controlled by Journey until such time as these amounts are due to the appropriate taxing authorities or Franchisee's Client's employees. If Journey is unable to confirm receipt of funds sufficient to pay all Payroll by ETF, wire transfer, or other method prior to the check date, remittance of Payroll to the appropriate party may be delayed or cancelled and Journey shall have no liability therefor.

2. **ACH, Bank Accounts and Transfers.** Franchisee's Client authorizes Journey to provide information to banks or other third parties necessary to identify Franchisee's Client as reasonably necessary to perform the Services. Franchisee's Client grants Journey, and any third party selected by Journey, authority to: (i) process automatic credit and debit entries from Franchisee's Client's bank accounts; and (ii) correct inadvertent duplicate and/or erroneous credit/debit entries or information associated with the Franchisee's Client's bank accounts and the Services. The authority granted to Journey, in this Agreement to process debit and credit entries from Franchisee's Client's bank accounts shall extend to all transactions and third parties reasonably necessary to perform the Services and pay all Payroll. In order to perform the Services and pay all Payroll, Journey may, at its election, transfer funds to Journey's bank accounts to pay third parties, may transfer funds directly from Franchisee's Client's bank accounts to third parties, or may use a combination of such methods. Journey may change third party providers (in example, ACH provider) at its sole discretion. Franchisee's Client will notify Journey no less than 14 days prior to any change in Franchisee's Client's bank account information set forth below. If Journey requires payment for Payroll via wire transfer or other method, Franchisee's Client agrees to provide Journey with all information necessary to confirm receipt of such payment prior to the Check Date or other date a payment is due. Franchisee's Client shall pay Journey a fees for wire transfers.

3. **Errors, Fixing or Resubmitting Payroll:** Franchisee's Client is responsible for any errors when it submits Payroll. If Franchisee's Client submits its corrections and Journey is able to rerun the Payroll, there may be a fee (all fees will be on the Price List). If Journey needs to correct any errors and is unable to rerun the Payroll, Franchisee's Client shall pay Journey a fee of $175/hour required to correct the errors, and may ask for a retainer in advance. If Journey has made an error, payroll will be rerun as fast as possible at no charge.

4. **Franchisee's Client 3rd Party Contact and Company Contacts:**

Franchisee's Client authorizes Journey to correspond with the 3rd Party contacts and company contacts it lists on the agreement between Client and Franchisee.

EXHIBIT C TO SERVICES AGREEMENT
Price List

Payroll Service Processing: One-time implementation charge of $50 for each new Client, plus a base fee of $15 for each prior Payroll loaded plus $1.55 per employee. Following implementation, the charges are a base fee of $31 per payroll plus $1.70 per employee, per payroll, for online clients.

End of Year Processing: $21 base fee per Client, plus $3.25 per W-2 employee.

Check Impounding Administration: $1 per Client per month ($100 minimum). $50 per check stop payment.

Local Number Call Forwarding: $10 per month

Shipping Fee: $4.25 per shipment completed by JPI (plus reimbursement of actual shipping costs or postage). $0.75 per garnishment check mailed.

EXHIBIT H

FRANCHISE DISCLOSURE QUESTIONNAIRE

FRANCHISE DISCLOSURE QUESTIONNAIRE

(This questionnaire is not to be used for any franchise sale in or to residents of California, Hawaii, Illinois, Indiana, Maryland, Michigan, Minnesota, New York, North Dakota, Rhode Island, South Dakota, Virginia, Washington, or Wisconsin)

As you know, Journey Franchising LLC ("we" or "us"), and you are preparing to enter into a Franchise Agreement for the operation of a Journey Payroll & HR franchise. **You cannot sign or date this questionnaire the same day as the Receipt for the Franchise Disclosure Document, but you must sign and date it the same day you sign the Franchise Agreement.** Please review each of the following questions carefully and provide honest responses to each question. If you answer "No" to any of the questions below, please explain your answer in the table provided below.

Do not sign this Questionnaire if you are a resident of Maryland or the franchise is to be operated in Maryland.

l.	Yes__	No__	Have you received and personally reviewed the Franchise Agreement and each attachment or exhibit attached to it that we provided?
2.	Yes__	No__	Have you received and personally reviewed the Franchise Disclosure Document and each attachment or exhibit attached to it that we provided?
3.	Yes__	No__	Did you sign a receipt for the Franchise Disclosure Document indicating the date you received it?
4.	Yes__	No__	Do you understand all the information contained in the Franchise Disclosure Document and Franchise Agreement?
5.	Yes__	No__	Have you reviewed the Franchise Disclosure Document and Franchise Agreement with a lawyer, accountant, or other professional advisor, or have you had the opportunity for such review and chosen not to engage such professionals?
6.	Yes__	No__	Have you had the opportunity to discuss the benefits and risks of developing and operating a Journey Payroll & HR Franchise with an existing Journey Payroll & HR franchisee?
7.	Yes__	No__	Do you understand the risks of developing and operating a Journey Payroll & HR Franchise?
8.	Yes__	No__	Do you understand the success or failure of your Journey Payroll & HR Franchise will depend in large part upon your skills, abilities, and efforts, and those of the persons you employ, as well as many factors beyond your control such as competition, interest rates, the economy, inflation, labor and supply costs, and other relevant factors?
9.	Yes__	No__	Do you understand all disputes or claims you may have arising out of or relating to the Franchise Agreement must be arbitrated in Colorado, if not resolved informally or by mediation (subject to state law)?
10.	Yes__	No__	Do you understand that you must satisfactorily complete the initial training program before we will allow your Journey Payroll & HR Franchise to open or consent to a transfer of the Journey Payroll & HR Franchise to you?

11. Yes__ No__ Do you agree that no employee or other person speaking on our behalf made any statement or promise regarding the costs involved in operating a Journey Payroll & HR Franchise that is not contained in the Franchise Disclosure Document or that is contrary to, or different from, the information contained in the Franchise Disclosure Document?

12. Yes__ No__ Do you agree that no employee or other person speaking on our behalf made any statement or promise or agreement, other than those matters addressed in your Franchise Agreement and any addendum, concerning advertising, marketing, media support, marketing penetration, training, support service, or assistance that is contrary to, or different from, the information contained in the Franchise Disclosure Document?

13. Yes__ No__ Do you agree that no employee or other person speaking on our behalf made any statement or promise regarding the actual, average or projected profits or earnings, the likelihood of success, the amount of money you may earn, or the total amount of revenue a Journey Payroll & HR Franchise will generate that is not contained in the Franchise Disclosure Document or that is contrary to, or different from, the information contained in the Franchise Disclosure Document?

14. Yes__ No__ Do you understand that the Franchise Agreement, including each attachment or exhibit to the Franchise Agreement, contains the entire agreement between us and you concerning the Journey Payroll & HR Franchise?

15. Yes__ No__ 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?

YOU UNDERSTAND THAT YOUR ANSWERS ARE IMPORTANT TO US AND THAT WE WILL RELY ON THEM. BY SIGNING THIS QUESTIONNAIRE, YOU ARE REPRESENTING THAT YOU HAVE CONSIDERED EACH QUESTION CAREFULLY AND RESPONDED TRUTHFULLY TO THE ABOVE QUESTIONS.

Signature of Franchise Applicant	Signature of Franchise Applicant
Name (please print)	Name (please print)
Date	Date

EXPLANATION OF ANY NEGATIVE RESPONSES (REFER TO QUESTION NUMBER):

Question Number	Explanation of Negative Response

Rev. 030123

EXHIBIT I

STATE EFFECTIVE DATES

State Effective Dates

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

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

State	Effective Date
California	Pending
Minnesota	Pending
New York	Pending
Washington	Pending

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

EXHIBIT J

RECEIPT

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

Under Iowa law, if applicable, Journey Franchising LLC must provide this disclosure document to you at your first personal meeting to discuss the franchise. Michigan requires Journey Franchising LLC to give you this disclosure document at least ten business days before the execution of any binding franchise or other agreement or the payment of any consideration, whichever occurs first. New York requires you to receive this disclosure document at the earlier of the first personal meeting or ten business days before the execution of the franchise or other agreement or the payment of any consideration that relates to the franchise relationship.

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

The name, principal business address, and telephone number of each franchise seller offering the franchise is:
Kevin Welch, 3351 Eastbrook Drive, Unit 3, Fort Collins, Colorado 80525, (970) 568-8613

Issuance Date: April 27, 2023

I received a disclosure document issued April 27, 2023 which included the following exhibits:

Exhibit A	State Administrators/Agents for Service of Process
Exhibit B	Financial Statements
Exhibit C	Franchise Agreement
Exhibit D	List of Current and Former Franchisees
Exhibit E	State Addenda and Agreement Riders
Exhibit F	Franchise Operations Manual Table of Contents
Exhibit G	Contracts for use with the Journey Payroll & HR Franchise
Exhibit H	Franchise Disclosure Questionnaire
Exhibit I	State Effective Dates
Exhibit J	Receipts

Date	Signature	Printed Name
Date	Signature	Printed Name

Rev. 012417

PLEASE RETAIN THIS COPY FOR YOUR RECORDS.

RECEIPT
(Our Copy)

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Exhibit J	Receipts

Date	Signature	Printed Name
Date	Signature	Printed Name

Rev. 012417

Please sign this copy of the receipt, date your signature, and return it to Journey Franchising LLC, 3351 Eastbrook Drive, Unit 3, Fort Collins, Colorado 80525.