FRANCHISE DISCLOSURE DOCUMENT

Patrice Franchising, LLC
a Delaware limited liability company
9112 East Verde Grove View | Suite 101-E
Scottsdale, AZ 85255
(301) 327-5059
www.patriceandassociates.com
patricer@patriceandassociates.com

The franchise offered is for the establishment and operation of a recruiting business specializing in providing management candidates to the retail, restaurant and hospitality industry, as well as all other industries, according to the System and under the Marks.

The total investment necessary to begin operation of a Patrice & Associates franchise is $90,050 to $92,750. This includes $82,000 that must be paid to the franchisor or affiliate.

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 ~~Brian K~~Jason C. Miller, 9112 East Verde Grove View, Suite 101-E, Scottsdale, AZ 85255, (301) 327-5059 or email Mr. Miller at ~~b~~jasonmiller@patriceandassociates.com.

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 an accountant.

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

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

Date of Issuance: April 30, 2024 (amended January 9, 2025)

How to Use This Franchise Disclosure Document

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

QUESTION	WHERE TO FIND INFORMATION
How much can I earn?	Item 19 may give you information about outlet sales, costs, profits or losses. You should also try to obtain this information from others, like current and former franchisees. You can find their names and contact information in Exhibit E.
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?	Exhibit D includes financial statements. Review these statements carefully.
Is the franchise system stable, growing, or shrinking?	Item 20 summarizes the recent history of the number of company-owned and franchised outlets.
Will my business be the only Patrice & Associates 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 Patrice & Associates franchisee?	Exhibit E lists current and former franchisees. You can contact them to ask about their experiences.
What else should I know?	These questions are only a few things you should look for. Review all 23 Items and all Exhibits in this disclosure document to better understand this franchise opportunity. See the table of contents.

What You Need To Know About Franchising *Generally*

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

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

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

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

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

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

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

Some States Require Registration

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

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

Special Risks to Consider About *This* Franchise

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

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

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

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

THE FOLLOWING PROVISIONS APPLY ONLY TO TRANSACTIONS GOVERNED BY THE MICHIGAN FRANCHISE INVESTMENT LAW

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

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

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

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

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

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

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

(g) A provision which permits 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 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 provisions have been made for providing the required contractual services.

If the franchisor's most recent financial statements are unaudited and show a net worth of less than $100,000, the franchisor shall, at the request of a franchisee, arrange for the escrow of initial investment and other funds paid by the franchisee or subfranchisor until the obligations to provide real estate, improvements, equipment, inventory, training, or other items included in the franchise offering are fulfilled. At the option of the franchisor, a surety bond may be provided in place of escrow.

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

ANY QUESTIONS REGARDING THIS NOTICE SHOULD BE DIRECTED TO THE OFFICE OF THE ATTORNEY GENERAL, CONSUMER PROTECTION DIVISION, ATTN: FRANCHISE SECTION, G. MENNEN WILLIAMS BUILDING, 1ST FLOOR, LANSING, MICHIGAN 48913, (517) 373-7117.

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FRANCHISE DISCLOSURE DOCUMENT
Patrice Franchising, LLC

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

To simplify the language in this Disclosure Document, the words "we," "our," "us" and "Patrice & Associates" refer to Patrice Franchising, LLC, the franchisor of this business. "You" and "your" refer to the person who buys the franchise, whether you are a corporation, limited liability company or other business entity. If you are a corporation, limited liability company or partnership, "you" also means all of your owners and their spouses. A "P&A Agency" means the franchised business offered under this Disclosure Document, and may refer to P&A Agencies owned by us, our affiliates or our franchisees.

The Franchisor and Our Parents, Predecessors and Affiliates

Patrice Franchising, LLC is a Delaware limited liability company that was organized on August 15, 2022. Our principal business address is 9112 East Verde Grove View, Suite 101-E, Scottsdale, AZ 8525 and our telephone number is (301) 327-5059. We do not do business under any names other than our corporate name and the name Patrice & Associates.

Our direct and indirect parent companies are listed in the table below:

Parent Companies		
Name of Parent	**Direct or Indirect**	**Principal Business Address**
Patrice Holdings, LLC	Direct	9112 East Verde Grove View, Suite 101-E, Scottsdale, AZ 85255
CCG Patrice, LLC	Indirect	9112 East Verde Grove View, Suite 101-E, Scottsdale, AZ 85255
Patrice & Associates, Inc.	Indirect	9112 East Verde Grove View, Suite 101-E, Scottsdale, AZ 85255
Patrice & Associates Franchising, Inc.	Indirect	9112 East Verde Grove View, Suite 101-E, Scottsdale, AZ 85255

Our predecessor is Patrice & Associates Franchising, Inc. ("PAF"). PAF is also our indirect parent company. PAF offered franchises for P&A Agencies from 2008 until December 2022 when it transferred the assets associated with the franchise system to us. PAF also offered area representative franchises from 2017 to December 2022. The area representative program was offered under a separate franchise disclosure document. Area representatives help the franchisor sell and support P&A Agency franchises within a defined territory. However, area representatives do not have management responsibilities or decision-making authority relating to the sale or operation of franchises. As of December 31, 2023, there were 12 area representatives operating. PAF no longer offers franchises in this or any other line of business. PAF never operated a P&A Agency.

Our company was formed in 2022 for purposes of: (a) acquiring the assets associated with the Patrice & Associates franchise system from PAF; and (b) offering and selling P&A Agency franchises. We have offered franchises for P&A Agencies since December 2022. We conduct no business activities other than offering franchises for P&A Agencies and administering the franchise system. We have never offered franchises in any other line of business. We have never operated a P&A Agency.

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Main Squeeze Juice Franchising, LLC ("MSJF") is our only affiliate that offers franchises. MSJF's principal business address is 5521 Tchoupitoulas Street, New Orleans, Louisiana 70115. Since May 2022, MSJF has offered franchises for a retail store that sells vegetable and fruit juices, smoothies, cleanses, acai bowls and other health-centric snacks and foods under the names "Main Squeeze®" and "Main Squeeze Juice Co.®" ("MSJ Stores"). Since May 2022, MSJF has also offered franchises for an area representative business. Area representatives help the franchisor sell and support MSJ Store franchises within a defined territory. As of the issuance date of this Disclosure document, MSJF has sold a total of 3 MSJ Store franchises and 1 area representative franchise. MSJF conducts no business activities other than offering franchises for MSJ Stores and area representative businesses and administering the Main Squeeze franchise system. MSJF has never offered franchises for P&A Agencies or in any line of business other than those described above. MSJF has never operated a P&A Agency.

Except for MSJF, we do not have any affiliates that offer (or have ever offered) franchises in this or any other line of business. We do not have any affiliates that provide goods or services to our franchisees.

Agent for Service of Process

Our agents for service of process in franchise registration states are listed on Exhibit A to this Disclosure Document. Our agent for service of process in all other states is Corporation Service Company, 251 Little Falls Dr., Wilmington, Delaware, 19808 (tel: 302-636-5401).

The Business

A P&A Agency is a recruiting business specializing in providing management candidates to the retail, restaurant and hospitality industry as well as all other industries according to our System and under our Marks as described in the Franchise Agreement which is attached as Exhibit B ("Franchise Agreement"). To that end, as part of the franchise, you will have access to our proprietary database which includes qualified hospitality management candidates, hospitality management positions, and a billing and collection service. You will be required to recruit candidates in addition to those already in the database. Recruiting industry standards indicate a successful recruiter has 20 conversations per day. In addition, we may obtain clients for system wide benefit; however, you should also look to develop your own clients who have open job requisitions and/or positions for your P&A Agency to fill. You will also receive a personalized URL, the development of your webpage linked to our Website and maintenance of your webpage, specialized training in the preparation of advertisements for candidates and use of social media, post-training materials and mentoring by us. "System" means a specially developed method of operating a recruiting business specializing in providing management candidates in any industry. This includes confidential operating procedures; methods and techniques for financial controls, record keeping, billing and collection procedures and process, accounting and reporting, personnel management, sales marketing and advertising, training and development materials, proprietary database, all software, and the proprietary know-how developed by Franchisor and its Affiliate, and any of which may be changed, improved, modified and further developed by Franchisor or its Affiliate from time to time. "Marks means such service marks, trademarks, trade dress, trade names and all configurations and derivations, as may presently exist, or which may be modified, changed, or acquired by us or our affiliates, in connection with the operation of the business contemplated by the Franchise Agreement. Marks currently include "Patrice & Associates". You will do business under the fictitious or assumed name of "Patrice & Associates" or any other name that we decide to use in the future. In this disclosure document, the P&A Agency you will operate according to the terms of the Franchise Agreement is referred to as the "Agency".

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This disclosure document describes our Single Unit Franchise Program. If we approve you as a franchisee, you will sign a Franchise Agreement to operate a single P&A Agency. In no event will you be a franchisee until we have signed a Franchise Agreement with you.

General Description of the Market and Competition

You will provide management recruiting services to the restaurant, hospitality, hotel, casino and retail industries, as well as all other industries. You may have to compete with other businesses offering employment recruiting, including franchised operations, national chains and independently owned companies. Changes in local and national economic conditions and population density affect this industry and are generally difficult to predict.

Applicable Regulations

The regulations vary from state to state and locality to locality for businesses that provide management recruiting services. You must comply with any state and local regulations pertaining to licensing of employment agencies and recruiting firms. You must comply with all employments laws, rules and regulations, including the Equal Opportunity Employment Act, with respect to interviewing potential candidates. You must check all applicable governmental laws, regulations and ordinances, and are responsible for knowing and complying with all laws and licensing requirements related to the operation of your Agency. It is likely that you will be required by city and/or state law to obtain a license to operate the Agency.

ITEM 2. BUSINESS EXPERIENCE

Jason C. Miller - Chief Executive Officer~~: Brian K. Miller~~

Mr. Miller has been our Chief Executive Officer since December ~~2022. Since April 2014, he has served as Chief Operating Officer of PAF (our predecessor and indirect parent) in Dunkirk, Maryland.~~ 2024. His other employment positions during the past 5 years include the following:

Employer Name	Location	Title	Time Period
Patrice Franchising, LLC	Southbury, CT	Vice President Franchise Development	Dec 2022 to Nov 2024
PAF (predecessor and indirect parent of Patrice Franchising, LLC)	Southbury, CT	Vice President Franchise Development	Jun 2016 to Nov 2022

Lauren Wanamaker – Chief Growth Officer (Parent)*

Lauren Wanamaker has served as Chief Growth Officer for our parent, CCG Patrice, LLC, since March 2023. Her other employment positions during the past 5 years include the following:

Employer Name	Location	Title	Time Period
WellBiz Brands, Inc.	Denver, CO	VP of Franchise Development	Nov 2022 to Mar 2023
WellBiz Brands, Inc.	Denver, CO	Sr. Director of Development	Jan 2019 to Nov 2022
WellBiz Brands, Inc.	Denver, CO	Director of Development	Jan 2018 to Jan 2019

* This individual is not an officer of the franchisor but exercises management responsibility by virtue of her

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position with the parent company, CCG Patrice, LLC.

ITEM 3. LITIGATION

Mark Fischer v. Patrice & Associates Franchising, Inc. (now Patrice Franchising, LLC), No CV-17-629 (First Judicial District of Minnesota filed July 19, 2017). Franchisee and regional developer, Mark Fischer, was in default under both his Franchise Agreement and his Regional Development Agreement. Despite this, on July 19, 2017, Fischer filed a lawsuit in Minnesota State Court against our predecessor, PAF, claiming fraudulent misrepresentation, negligent misrepresentation and violation of the Minnesota Franchise Act and sought actual damages in excess of $50,000 together with interest, costs and disbursements and attorneys' fees. The state-court suit has been dismissed upon joint stipulation by the parties, and has proceeded to arbitration as required under the Franchise Agreement [GE-Q5RVKRDRUJNV-1870464117-2]. PAF filed counterclaim for breach of the Franchise Agreement and Regional Development Agreement as well as intentional interference with contractual relationship and intentional interference with business expectancy seeking damages in excess of $1,000,000. Following a lengthy arbitration, an arbitration award was granted on February 28, 2019, whereby Mark Fischer was awarded only a refund of his franchise fees under the Franchise Agreement and Regional Development Agreement with prejudgment interest but was denied lost opportunity damages and claimed operating expenses. Mark Fischer was also awarded approximately one-third of the attorneys' fees and expenses he sought. All other claims and counterclaims made by both parties were either denied or dropped by the parties.

Daniel Harris and Hospitality Partners, LLC v. Patrice and Associates Franchising, Inc., Patrice Rice and Brian Miller, Case No. 01-18-0000-0461 (American Arbitration Association). Franchisee Daniel Harris and Hospitality Partners, LLC ("Claimant") filed for arbitration on January 3, 2018 naming the following parties as defendants: our predecessor, PAF; our former Chief Executive Officer, Brian K. Miller (who served as PAF's Chief Operating Officer at the time the suit was filed); and our Consultant, Patrice Rice (who served as PAF's President and Director at the time the suit was filed). Claimant alleged violation of New York State Franchise Sales Act, common law fraud, and negligent misrepresentation based on claims that PAF wrongfully and fraudulently sold Claimant a franchise by providing disclosures which were misleading and contained misrepresentations. The Claimant's demand was for rescission of the franchise agreement, $75,000 plus interest and costs, and attorneys' fees. PAF filed an Answer on March 21, 2018, containing multiple defenses (including that Claimant suffered no damages but instead returned his investment in less than a year) and a counterclaim that Claimant breached the franchise agreement and, as a result, PAF requested an award for the fees that PAF would have received (in excess of $250,000) had the breach not occurred, plus interest, attorneys' fees, costs and expenses. On May 25, 2018, the arbitrator dismissed Patrice Rice and Brian Miller from the case. Rather than involve the company in protracted litigation and to remain focused on its performing franchisees, on July 2, 2018, PAF and the Claimant entered into a confidential settlement agreement whereby PAF refunded only the fees and training costs Claimant paid to PAF ($69,000) (without any consideration of his alleged damages) and the parties exchanged mutual releases without admitting any wrongdoing whatsoever.

Patrice & Associates Franchising, Inc. (now Patrice Franchising, LLC), v. McCoury Enterprises, Inc., Case No. 01-19-0004-4829 (American Arbitration Association). On December 12, 2019, our predecessor, PAF, filed for arbitration against McCoury Enterprises, Inc. ("McCoury"), an area representative, seeking a declaratory judgment stating that (a) McCoury breached the area representative agreement in several material respects, including, but not limited to, failure to make efforts to solicit potential franchisees and failure to submit required reports and (b) PAF had the right to terminate the area representative agreement and related franchise agreement, both of which were signed on January 17, 2018. On May 22, 2020, the parties entered into a confidential settlement agreement whereby PAF agreed to pay to McCoury an amount of $125,000 and the parties mutually agreed to terminate the Area Representative Agreement and Franchise Agreement and exchanged mutual releases.

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Other than as described above, no litigation is required to be disclosed in this Item.

ITEM 4. BANKRUPTCY

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

ITEM 5. INITIAL FEES

Franchise Agreement

You must pay us an initial franchise fee of $65,000 in a lump sum when you sign the Franchise Agreement ("Initial Franchise Fee"). If you purchase the right to operate an additional Agency, your Initial Franchise Fee will be reduced to $52,200. The Initial Franchise Fee is fully earned when paid and in no event is the Initial Franchise Fee refundable.

In addition, you must pay us a training fee of $7,000 when you sign the Franchise Agreement ("Training Fee"). The Training Fee is not refundable.

Upon execution of this Agreement, you must pay us a $7,000 fee for the development of up to a 10-page website ("Microsite") about your Agency and the maintenance for your Microsite. This fee is not refundable.

You must pay us or our designated supplier $3,000 for a starter kit ("Starter Kit") of initial inventory of marketing materials to reach businesses in your area. The Starter Kit includes items such as client brochures, apparel, business cards, note cards, pens, congratulations cards, table sign, personalized stationary and envelopes. This fee is nonrefundable.

ITEM 6. OTHER FEES

Type of Fee	Amount	Due Date	Remarks
Royalty Fee (Note 1)	10% of Gross Sales	Payable weekly each Friday based on Gross Sales of the previous week	We will invoice clients and pay you the net due (after deducting royalties and all other applicable fees).
Marketing Fund Contribution (Note 1)	2% of Gross Sales	Payable weekly each Friday based on Gross Sales of the previous week	We will invoice clients and pay you the net due (after deducting royalties and all other applicable fees).
Proprietary Database Fee (Note 1)	7% of Gross Sales	Payable weekly each Friday based on Gross Sales of the previous week	We provide you with access to our proprietary software and database in exchange for this fee. We will invoice clients and pay you the net due (after deducting royalties and all other applicable fees).

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Type of Fee	Amount	Due Date	Remarks
Billing Services Fee (Note 1)	5% of Gross Sales	Payable weekly each Friday based on Gross Sales of the previous week	We will invoice clients and pay you the net due (after deducting royalties and all other applicable fees).
Annual Conference Fee	Reasonable Fee and all expenses. Currently the fee is $495 per person	30 days prior to the Conference or, if you are a new franchisee, you will pay this fee at the time of initial training.	The attendance for you and your designated manager is mandatory. Your credit card will be debited for the cost of the Annual Conference Fee regardless of whether you attend.
Additional Training and Assistance	Fee and expenses (only if we visit your Agency). The current fee is $600 per day and the expenses would include our travel and living costs	Upon request or as we require	This is for additional training we may provide from time to time, training more than one person during the initial training program or additional assistance that you need or request.
Interest on late payments	Lesser of 1 $^1/_2$% per month or maximum legal rate	On all overdue payments	Payable on all overdue amounts.
Transfer Fee-Franchise Agreement	$10,000	At the time of transfer	Payable if there is a Transfer under the Franchise Agreement.
Taxes (Note 2)	Actual Cost	Upon Demand	Payable if certain taxes are levied or assessed on the fees you pay to us or our affiliates.
Recruiter Training	Reasonable Fees. Currently $500	Time of class reservation	If you are not certified to use the Proctor Program to train your recruiters, recruiters will need to attend virtual training.
New Recruiter Fee	$125 set up charge and $45 per month. We may also charge you our then-current fee to train recruiters using the Proctor Program (not currently charged)	At the time you hire a new recruiter	This is a set up charge which includes setting up the email and the new recruiter's continued access to the Database.
Training of designated manager	Reasonable Fees. Currently $3,500	Time of class reservation	If you hire a designated manager, he or she must attend and satisfactorily complete the training program
Non-Compliance Fee	$100 per incident	Upon invoice	For non-compliance of operational requirements in this Agreement and the Manual. You will also be denied access to our software for a period of 5 days and must pay the Non-Compliance Fee to be reactivated.

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Type of Fee	Amount	Due Date	Remarks
Technology Fee	Our then-current fee, currently $350 per month	Monthly	For market research and development costs of recruiting software, ongoing cost of developing and maintaining enhancements and updates to CRM, franchisee CRM access, the email platform for franchisees, and rising cost of technology.
Temporary Management Assistance	Currently, $600 per day plus our expenses	Each month that it applies	If you breach the Franchise Agreement or following the death or incapacity of an owner of the franchise, we may temporarily manage your Agency.
Indemnification	Will vary under circumstances	As incurred	You must reimburse us if there are 3rd party claims against us resulting from the operation of your Agency.
Approval of Suppliers	Reasonable fee based on the costs of the test	As incurred	Applies to the costs we expend in our evaluation of new suppliers you wish to purchase from or products you wish to purchase.
Costs and Attorneys' Fees	Will vary under circumstances	As incurred	Due when you do not comply with the Franchise Agreement and we have to seek assistance to enforce the Franchise Agreement.
Failure to Comply with the Dispute Resolution Provisions	Damages in the amount of the initial franchise fee plus costs and expenses	As incurred	If you or your guarantors do not comply with the provisions in the Dispute Resolution Section of the Franchise Agreement

All fees are imposed by and are payable to us or our Affiliate. All fees are non-refundable. All fees are uniformly imposed.

NOTES

Note 1: Royalty Fees, Marketing Fund Contributions, Proprietary Database Fee and Billing Service Fee. You are required to pay us a weekly Royalty Fee equal to 10% of Gross Sales, a weekly Marketing Fund Contribution equal to 2% of Gross Sales, a weekly Proprietary Database Fee of 7% of Gross Sales and a weekly Billing Services Fee of 5% of Gross Sales. These fees are due and payable each Friday based on Gross Sales collected by Franchisor on behalf of Franchisee received in the previous week. If we do not collect any Gross Sales on your behalf during any week, then there will be no Royalty Fee, Marketing Fund Contributions, Proprietary Database Fee and Billing Service Fee due for that week. We are permitted to change the payment dates at our sole discretion. "Gross Sales" means the total amount of all sales of products, services and merchandise sold from, through or in connection with the Agency, whether for cash, on credit, barter or otherwise, exclusive of applicable sales, use or service taxes. All payments will be deducted from the amounts we collect on your behalf and the balance will be remitted to you. This remittance will be processed on the following Friday after the prior week's Gross Sales have been received. We may require you to use Electronic Funds Transfer. All customer hires have a guarantee period of which the candidate must be continuously employed. Should the candidate

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leave his or her job before the expiration of the guarantee, you shall refund monies paid to us relating to that hire no later than 10 days from notification of candidate guarantee default.

Note 2: Taxes. You agree to indemnify and/or reimburse us and our affiliates for all capital, gross receipts, sales, and other taxes and assessments imposed by any applicable state or local governmental authority as a result of the conduct of the Agency or the license of any of our or our affiliates' intangible property to you (whether required to be paid by us or our affiliates, withheld by you or otherwise). Your obligation to reimburse us for these taxes do not extend to income-type taxes which a state or local government imposes on our income.

ITEM 7. ESTIMATED INITIAL INVESTMENT

YOUR ESTIMATED INITIAL INVESTMENT

Type of Expenditure	Amount		Method of Payment	When Due	To Whom Payment Is to be Made
	Low	High			
Initial Franchise Fee (Note 1)	$65,000	$65,000	Lump Sum by cashier's check or ACH wire transfer	Upon signing of Franchise Agreement	Us
Training Fee	$7,000	$7,000	Lump Sum by cashier's check or ACH wire transfer	Upon signing of Franchise Agreement	Us
Office Equipment & Supplies (Note 2)	$300	$500	Lump Sum	Before opening	Suppliers
Rent and Security Deposit (Note 3)	$0	$1,000	As incurred	Before opening	Landlord
Initial Inventory (Note 4)	$3,000	$3,500	Lump sum	Before opening	Suppliers or Us
Computer(s)	$500	$1,000	Lump Sum	Before opening	Suppliers
Development of Microsite and Maintenance	$7,000	$7,000	As incurred	Upon signing of Franchise Agreement	Us
Legal & Accounting	$1,000	$1,500	Lump Sum	Before opening	Attorney, Accountant

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Dues, Subscriptions & Business License or permit (Note 5)	$1,000	$1,000	Lump Sum	Before opening	Associations, Suppliers
Insurance (Note 6)	$250	$250	As incurred	As incurred	Insurance agents
Additional Funds – 3 months (Note 7)	$5,000	$5,000	As incurred	As incurred	Employees, Utilities, Lessor and Suppliers
TOTAL (Note 8)	**$90,050**	**$92,750**			

The low range on the chart above is based on an Agency operated from a home office and with no employees. The high range on the chart is based on an Agency operated from a "brick and mortar" office with 2 employees. We recommend that you begin the operation of the Agency from your home if it is permitted by local zoning rules and ordinances. This chart assumes you have a vehicle available to use. If you do not have a vehicle, the costs must be added to this chart. You are encouraged to make an independent investigation and analysis of the potential expenses which may be incurred in order to start your Agency.

NOTES.

Note 1: Initial Franchise Fee. For a single Unit, the Initial Franchise Fee is $65,000.

Note 2: Office Equipment & Supplies. You must purchase general office supplies including typical office equipment. This includes copier/scanner/fax machine, separate telephone line, and a cell phone with data package.

Note 3: Rent and Security Deposit. Typically, you will operate your office from your home, but you may choose to lease your office space subject to our consent. If you lease an office space, it will typically be approximately 250-300 square feet. The low end represents you operating your Agency from your home. The high end represents 1 months' rent for office space and 1 months' rent for the security deposit.

Note 4: Initial Inventory. You must purchase a Starter Kit of initial inventory of marketing collateral to reach businesses in your area, which may include items such as client brochures, apparel, business cards, pens, note cards, congratulations cards, table sign, personalized stationary and envelopes. The high end includes any additional supplies you may want to purchase but are not required to do so.

Note 5: Dues, Subscriptions & Business License or Permit. It is highly recommended (but not required) that you join the local Chamber of Commerce, State Restaurant Association and other local business networking organizations. In addition, if required by law, you may have to obtain a business license or permit depending on the location of your Agency.

Note 6: Insurance. You are required to obtain at least the minimum insurance coverage which we required. If your Agency is operated out of a principal residence the amount of insurance you will need will be less than if you lease or purchase office space. Typically, if your Agency operates from a principal residence, you will only be required to obtain an umbrella policy on your homeowner's insurance. If your Agency is being operated out of an office outside of a principal residence, the minimum required insurance is described in Item 8.

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Note 7: Additional Funds. This item estimates your initial startup expenses during the initial period of 3 months of the operation of your Agency. These expenses include telephone utilities, additional supplies, etc. These amounts do not include any of the fees or any other expenses which are already listed in the above charts in Item 6 & 7 and do not include an owner's salary or draw. These figures are estimates based on the past experience of our franchisees. These amounts also do not include rent expenses incurred during the initial period of operations.

Note 8: Total. Costs and expenses can vary depending on factors like whether you can operate the Agency from your owner's home or whether you will hire any employees. These figures were based on the experience of our Affiliate since 1989 and our franchisees. The expenses may differ in other parts of the country. Except as described above, none of the fees listed in this Item are refundable. You should review these figures carefully with a business advisor before making any decision to purchase the franchise.

We do not offer, either directly or indirectly, financing to you for any items.

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ITEM 8. RESTRICTIONS ON SOURCES OF SERVICES AND PRODUCTS

You must operate the Agency according to our System. To ensure that the System is uniformly maintained, we have established standards and specifications for you to follow which are described in our Manual. Therefore, you are required to purchase all products, services, supplies, inventory, computer systems, equipment and materials required for the operation of the Agency from manufacturers, suppliers or distributors that we approve, or from other suppliers who meet our specifications and standards and to which we consent. Specification of a supplier may be conditioned on requirements relating to, among other things, frequency of delivery, standards of services, including prompt attention, as well as payments, contributions or other considerations to us, our Affiliate, any advertising fund and/or otherwise, and may be temporary, in each case in our reasonable discretion. We may, from time-to-time withhold, condition and/or revoke our approval of particular items or suppliers in our reasonable discretion. We have imposed these requirements in order to assure quality and uniformity of the décor and products sold to customers. Approved suppliers will be designated in the Manual or some other writing delivered to you. We may modify the list of approved brands, products and suppliers, and will notify you, in writing, of any modification. Currently, we are: (a) an approved supplier of certain branded items and the Starter Kit; (b) the exclusive licensor of our proprietary software and database; and (c) the exclusive supplier for microsite development and maintenance services and billing and collection services. Currently, other than the goods and services referenced in the preceding sentence, neither we nor any affiliate is an approved supplier of any products or services that you are required to purchase, but we reserve the right for us or any affiliate to be in the future.

For the fiscal year ending December 31, 2023, we did not collect any amount from franchisees' required purchases or leases of required products. All franchisees paid our designated supplier directly for the Starter Kits in 2023. There is no designated supplier that is owned, in whole or in part, by any of our officers, but we reserve the right to do so in the future. In 2023, neither the Franchisor nor any affiliate derived any revenue from franchisees' required purchases or leases.

You must purchase and use any hardware and software programs we designate. Presently, you will have access and can use our software that we provide to you in exchange for the Proprietary Database Fee. We also require you to purchase the following hardware and software: Laptop and optional secondary workstation which are not older than 3 years old. You will need a minimum of Microsoft Office including Outlook, Windows, desk top version of QuickBooks and a web browser preferably Google Chrome. You must use an endpoint protection system to ensure the security of your computer systems and data. This includes installing and maintaining up-to-date virus and malware protection software on all devices used in the operation of the franchise. The endpoint protection system must be configured to provide real-time threat detection and remediation and automatic updates to ensure the software is up-to-date and able to defend against the latest security threats. Failure to comply with these requirements may be considered a default under the Franchise Agreement. The approximate cost of the hardware that you will need to support and run the required software ranges from $500 to $1,000.

We have the right to require you to update, replace or modify the types of computer hardware and software we require at your sole expense. You will be required to sign whatever type of licensing agreement is required for any new or different type of software.

If you wish to purchase or lease any goods, products, equipment or supplies not approved by us as meeting our specifications, you must first notify us. We may require you to submit sufficient photographs, drawings and/or other information and samples to determine whether these goods, products, equipment or supplies meet our specifications. Our standards and specifications may impose minimum requirements for

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delivery, performance, design and appearance. We will advise you within a 45 day period whether these goods, products, equipment or supplies meet our specifications. We may require samples from alternate suppliers to be delivered to us or to a designated independent testing laboratory (or other place we determine) for testing before approval and use. We may also require you to pay reimburse us for the actual costs of the test made by us or by an independent testing laboratory designated by us. We may require your proposed supplier to execute a confidentiality agreement regarding the product. Upon request, we will provide you with any objective specifications pertaining to our evaluation of a supplier, although certain important subjective criteria (e.g., product appearance, design, functionality, etc.) are important to our evaluation but cannot be described in writing.

We and our affiliates reserve the right to negotiate with various vendors for quantity discount contracts which may include rebates to us or our affiliates under these contracts. You may or may not find the contracts to your advantage and may elect to participate or not to participate in them. We have the right to condition or revoke your right to participate in any supplier programs if you are in default under the Franchise Agreement. We have the right to affiliate ourselves with suppliers or become an approved supplier or the sole supplier, and/or receive revenues, rebates, commissions or other benefits from purchases made by our franchisees. We did not receive any rebates during the year ending December 31, 2023. The amount of all required purchases of products and services that meet standards and specifications will represent approximately 50%-60% of your overall purchases in opening the franchise and less than 10% of your overall purchases in operating the franchise.

There are currently no purchasing or distribution cooperatives. We may negotiate purchase arrangements with suppliers (including price terms), for the benefit of the franchise system. We do not provide material benefits to you (for example, renewal or granting additional franchises) based on your purchase of particular products or services or use of particular suppliers.

In addition to the purchases or leases described above, you must buy and maintain, at your own expense, insurance coverage that we require and to meet the other insurance-related obligations. The current minimum insurance requirements are the following: (a) “all risk” property insurance coverage on all assets used in the operation of the Agency (your property insurance policy shall include coverage for fire, vandalism and malicious mischief and must have coverage limits of at least full replacement cost); (b) workers’ compensation insurance that complies with the statutory requirements of the state in which the Agency is located and employer liability coverage with a minimum limit of $100,000 or, if higher, the statutory minimum limit as required by state law; (c) comprehensive general liability insurance against claims for bodily and personal injury, death and property damage caused by, or occurring in conjunction with, the operation of the Agency, or your conduct of business according to the Franchise Agreement, with a minimum liability coverage of $1,000,000 per occurrence and $2,000,000 in the aggregate or, if higher, the statutory minimum limit required by state law; (d) business interruption insurance in amounts and with terms acceptable to Franchisor; (e) if the vehicle is in your name, automobile liability insurance for owned or hired vehicles, with a combined single limit of at least $1,000,000 or, if higher, the statutory minimum limit required by state law; and (f) such insurance as necessary to provide coverage under the indemnity provision. If you operate the Agency from a principal residence, the only required insurance is a $1,000,000 umbrella policy on you or your owner's homeowner's policy. The cost of coverage will vary depending on the insurance carrier's charges, terms of payment and your history. All insurance policies must name us as an additional insured party. We may, from time to time, in our sole discretion, make such changes in minimum policy limits, coverage, and endorsements as we may determine.

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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 the Franchise Agreement	Disclosure Document Item
a.	Site selection and acquisition/lease	Section 2.2 of the Franchise Agreement	ITEMS 11 and 12
b.	Pre-opening purchases/leases	Sections 2, 10.1 of the Franchise Agreement	ITEMS 7 and 8
c.	Site development and other pre-opening requirements	Section 2.2 of the Franchise Agreement	ITEMS 7, 8 and 11
d.	Initial and ongoing training	Section 5 of the Franchise Agreement	ITEMS 6, 7 and 11
e.	Opening	Section 10.1 of the Franchise Agreement	ITEM 11
f.	Fees	Section 3 of the Franchise Agreement	ITEMS 5, 6 and 7
g.	Compliance with standards and policies/Operating Manual	Section 8 of the Franchise Agreement	ITEMS 8, 14 and 16
h.	Trademarks and proprietary information	Sections 6 of the Franchise Agreement	ITEMS 13 and 14
i.	Restrictions on products/services offered	Section 10.5 of the Franchise Agreement	ITEMS 8 and 16
j.	Warranty and customer service requirements	Section 10.4 of the Franchise Agreement	ITEM 16
k.	Territorial development	Section 2.3 of the Franchise Agreement	ITEM 12
l.	Ongoing product/service purchases	Section 10.5 of the Franchise Agreement	ITEMS 8 and 11
m.	Maintenance, appearance and remodeling requirements	Section 10.6 of the Franchise Agreement	ITEM 6
n.	Insurance	Section 10.8 of the Franchise Agreement	ITEMS 6, 7 and 8
o.	Advertising	Section 9 of the Franchise Agreement	ITEMS 6, 7 and 11
p.	Indemnification	Section 15.2 of the Franchise Agreement	ITEM 6
q.	Owner's participation/management/ staffing	Section 10.11 of the Franchise Agreement	ITEM 15

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r.	Records and reports	Section 10.9 of the Franchise Agreement	ITEM 11
s.	Inspections and audits	Sections 10.9, 10.10 of the Franchise Agreement	ITEMS 6, 11 and 13
t.	Transfer	Section 14 of the Franchise Agreement	ITEMS 6 and 17
u.	Renewal	Section 4 of the Franchise Agreement	ITEM 17
v.	Post-termination obligations	Section 13 of the Franchise Agreement	ITEM 17
w.	Non-competition covenants	Sections 11 of the Franchise Agreement	ITEM 17
x.	Dispute resolution	Section 17 of the Franchise Agreement	ITEM 17

ITEM 10. FINANCING

We do not offer direct or indirect financing. We do not guarantee your lease or other obligations.

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 Agency, we will:

(1) Approve the location of your Agency. Typically, you will operate your office from your home if you are purchasing a single Unit, but you may choose to lease your office space subject to our consent. You are solely responsible for locating, securing and evaluating the suitability of your office and, if applicable, for the review and negotiations of your lease. We do not typically own the premises and then lease it to the franchisee. You are solely responsible for conforming the premises to local ordinances and building codes, as well as obtaining any required permits, and/or constructing, remodeling or decorating the premises, and/or hiring and training employees. (Franchise Agreement - Section 2.2).

We will approve or disapprove your site within 30 days of submission. If we do not agree, you can submit multiple sites until we reach an agreement. Neither we nor any of our employees have special expertise in selecting sites; we make no representations that your Agency will be profitable or successful by being located at the approved location. Any approval is intended only to indicate that the proposed site meets our minimum criteria based upon our general business experience. If you purchase a Territory that does not include your home zip code, you must have a business presence in your Territory. In reviewing a proposed site, we consider factors such as:

- condition of the premises
- demographics of the surrounding area
- proximity to other P&A Agencies

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- lease requirements
- overall suitability

(2) Designate your Territory. (Franchise Agreement - Section 2.3).

(3) Develop and provide for you a webpage and URL which is linked to our website. (Franchise Agreement - Section 5.9).

(4) Provide you with access to our proprietary database that maintains all of the candidates and all job openings. (Franchise Agreement – Section 5.7).

(5) Provide an initial training program for you. (Franchise Agreement – Section 5.1).

(6) Provide approved suppliers or specification for the products, equipment and services you need to equip your Agency. (Franchise Agreement – Section 10.5).

We will provide you with the names of approved suppliers and the written specification for all of the products, equipment and services you will need. If you purchase branded items or a Starter Kit from us, we will deliver these items to you. We will also provide you with online access to (a) our proprietary software and database and (b) the microsite we develop for you. Except as otherwise disclosed above, we do not deliver or install any items that you must purchase, lease or license.

(7) Provide to you, on loan, one copy of the Patrice & Associates Confidential Operations Manual ("Manual"), as described below. (Franchise Agreement – Section 8).

Time for Opening the Agency

Upon signing the Franchise Agreement, you will be provided access to our proprietary database, which allows you to immediately begin your recruiting efforts. As such, your Agency is considered open for business as soon as you complete the initial training program. We estimate that the typical length of time between signing of the Franchise Agreement and the opening of your Agency is approximately 30 days. Factors affecting the length of time usually include satisfactorily completing the initial training, obtaining all necessary equipment and supplies, and obtaining all necessary licenses or permits (in the event they are required). The opening of the franchise may be delayed only if such delay is caused by contingencies not within your control, such as acts of God, governmental restrictions, strikes or labor disputes. You will use your best efforts to cure any such delay and any such delay in opening shall be for a period of days equal to number of days during which such event actually prevents completion. You must notify us of any such delays promptly. You must open within 90 days after you sign the Franchise Agreement or we have the right to terminate the Franchise Agreement.

Post-Opening Assistance

After the opening of the Agency, we will:

(1) Provide you access and ongoing maintenance and support to the database containing candidates and job postings. (Franchise Agreement – Section 5.7).

(2) Provide you billing and collections services. (Franchise Agreement – Section 5.8).

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(3) Provide ongoing maintenance and support of your webpage at our website, advertising the location and services to be provided by your Agency. (Franchise Agreement – Section 5.9).

(4) Provide a reasonable amount of support via telephone, email, conference calls and on-line training. (Franchise Agreement – Section 5.5).

(5) Furnish you, at your request, with additional guidance, assistance, training and certification of recruiters on the terms we designate. We reserve the right to charge a reasonable fee. (Franchise Agreement – Sections 5.2).

(6) Provide to you twice a week telephone calls with our franchisees during the first 6 weeks your Agency is open in order to provide you additional training and support (Franchise Agreement – Section 5.1).

(7) Provide to you access to a mentor who will communicate with you periodically for the first 90 days your Agency is in operation (Franchise Agreement – Section 5.1).

(8) Continue to lend you the Manual. (Franchise Agreement – Section 8).

(9) Establish and have exclusive control over the prices (including minimum and maximum prices), discounts, specifications, and all other terms and conditions governing the sale of products to you, if any. Pricing of products is subject to change at any time or from time to time, effective upon notice to you. (Franchise Agreement – Section 10.5)

The Manual may be in paper or electronic form, and includes any other items as may be provided, added to, changed, modified or otherwise revised by us from time to time. It contains or describes the standards, methods, procedures and specifications of the System, including other operations, administration and managers' manuals and all books, computer programs, password-protected portions of an Internet site, pamphlets, memoranda and other publications prepared by, or on behalf of, us. The Manual is confidential and remains our property. You will operate your Agency in strict compliance with those operational systems, procedures, policies, methods and requirements found in the Manual which are designated as mandatory and in any supplemental bulletins and notices, revisions, modifications, or amendments to the Manual, which we may provide to you in writing, either in document or electronic form, all of which are a part of the Manual.

You must treat the Manual, any other manuals or written materials provided by us or our Affiliate for use in the operation of the Agency, (in any format whatsoever, including but not limited to electronically, via the Internet, hard copy, etc.) and the information contained in them, as confidential, and must use all reasonable efforts to maintain this information as secret and confidential. You must not copy, duplicate, record, or otherwise reproduce these materials, in whole or in part or otherwise make them available to any unauthorized person. The Manual must be kept in a secure place within your Agency. It must be returned to us upon termination or expiration of your Franchise Agreement.

We have the right to make additions to, deletions from or revisions to the Manual which you have to comply with at your own cost. You must ensure that the Manual is kept current at all times. If there is any dispute as to the contents of the Manual, the terms of the master copy maintained by us, at our principal office, will be controlling. The table of contents of the Manual, including allocation of pages to each subject, is included as Exhibit C to this disclosure document. As of the date of this disclosure document, the Manual is 147 pages.

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Advertising

Marketing Fund

To assist in our regional and national advertising, we have developed a System-wide marketing fund ("Marketing Fund" or "Fund"), and you must contribute 2% of your Gross Sales weekly to the Fund. We will administer the Marketing Fund. We will control the creative concepts and the materials and media to be used, and we will determine the placement and allocation of advertisements. We may use print, television, radio, Internet or other media for advertisements and promotions. The marketing and advertising paid for by the Marketing fund will be regional and national in scope. We have no obligation to expend our own funds or resources for any marketing activities in your area. We do not guarantee that any particular franchisee will benefit directly or in proportion to their contribution from the placement of advertising by the Marketing Fund. We may use your contributions to meet or reimburse us for any cost of producing, maintaining, administering and directing consumer advertising (including the cost of preparing and conducting television, radio, Internet, magazine, direct mail and newspaper advertising campaigns and other public relations activities; hosting an Internet web page of similar activities; employing advertising agencies to assist; providing promotional brochures; conducting market research; and providing other marketing materials to franchisees). We will maintain your contributions in a separate account from our funds and we will not use them for any of our general operating expenses, except for our reasonable administrative costs and overhead related to the administration of the Marketing Fund. We will not use Marketing Fund contributions for any activity whose sole purpose is for the direct solicitation of franchise sales. We expect to use all contributions in the fiscal year they are made, however if we do not use all of the contributions in that year, we will carry it over to the next year. We will use any interest or other earnings of the marketing fund before we use current contributions. We intend for the marketing fund to be perpetual, but we have the right to terminate it if necessary. We will not terminate the marketing fund until all contributions and earnings have been used for advertising and promotional purposes or we have returned your *pro rata* share. All P&A Agencies owned by us or an affiliate will make similar contributions to the Marketing Fund as required of franchisees. We will have an unaudited accounting of the marketing fund prepared each year and we will provide you with a copy if you request it. The Marketing Fund is not a trust and we assume no fiduciary duty in administering the marketing fund. As of our fiscal year ending December 31, 2023, 53% of the Fund's monies were spent on media placement, 13% of the Fund's monies were spent on administrative items, and 34% on production. Except for salaries of any marketing personnel that may be employed by us, we do not and will not receive compensation for providing goods or services to the fund.

Local Advertising

Other than as described below, you do not need to spend a minimum amount on local advertising. You must submit all of your own advertising, marketing and sale promotion materials to us or our national advertising agency for prior consent. If you do not receive written approval of submitted materials within 20 days after we or our advertising agency receives them, then the materials are deemed rejected. You will not advertise or use in advertising or other form of promotion, the Marks without the appropriate copyright, trademark, and service mark symbols ("©", "®", "TM" or "SM"). We have no obligation to conduct any advertising or marketing in your territory or elsewhere except for our obligation to administer the Marketing Fund.

Any advertising to solicit candidates for job openings, must reflect that that the Agency is an equal opportunity employer and must specifically include the phrase "equal opportunity employer" in the text of the advertising. The Franchisor is not liable for any equal-opportunity-employer violations brought against the Franchisee and/or Agency by the Equal Employment Opportunity Commission or otherwise.

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We will develop your webpage and maintain the webpage and update any necessary technical changes. You are restricted from establishing a presence on, or marketing on the Internet without our consent. We have an Internet website at the uniform resource locator www.patriceandassociates.com ("Website") that provides information about the System and about P&A Agencies. We will include at the Patrice & Associates website an interior page containing information about your Agency. All information must be approved by us before it is posted. We retain the sole right to market on the Internet, including the use of websites, domain names, uniform resource locators, keywords, linking, search engines (and search engine optimization techniques), banner ads, meta-tags, marketing, auction sites, e-commerce and co-branding arrangements. You may be requested to provide content for our Internet marketing and you must follow our intranet and Internet usage rules, policies and requirements. We retain the sole right to use the Marks on the Internet, including on websites, as domain names, directory addresses, search terms and meta-tags, and in connection with linking, marketing, co-branding and other arrangements. We retain the sole right to approve any linking to, or other use of, the Website. Subject to our right to consent, you may be permitted to create a social media account from which to advertise your Agency on the Internet (such as on LinkedIn, Facebook or Twitter). Any such permission shall only be for such time as we permit and shall be on the terms and condition we specify from time to time in the Manual, which may restrict the content that you are permitted to post to the social media outlet. We have the right to cease granting you permission to operate any social media outlet at any time and to require you to give us administrative control and/or log-in information for any social media site you operate for the promotion of the Agency. You may, but are not required to, use online job boards in your advertising efforts. If you choose to use an online job board, you will be required to make payments directly to the third-party online job board provider.

There are currently no requirements for participation in an advertising council or any local advertising cooperatives, though we reserve the right to establish an advertising council or advertising cooperatives in the future.

Computer Hardware and Software

You must purchase and use any hardware and software programs we designate. Presently, you will have access and can use our software that we provide to you in exchange for the Proprietary Database Fee. We also require you to purchase the following hardware and software: Laptop and optional secondary workstation which are not older than 3 years old. You will need a minimum of Microsoft Office including Outlook, Windows, desk top version of QuickBooks and a web browser preferably Google Chrome. You must use an endpoint protection system to ensure the security of your computer systems and data. This includes installing and maintaining up-to-date virus and malware protection software on all devices used in the operation of the franchise. The endpoint protection system must be configured to provide real-time threat detection and remediation and automatic updates to ensure the software is up-to-date and able to defend against the latest security threats. Failure to comply with these requirements may be considered a default under the Franchise Agreement. The approximate cost of the hardware that you will need to support and run the required software ranges from $500 to $1,000. The computer systems may generate and store the following types of data: sales, inventory, customer, employee, supplier, tax and accounting, and analytics data.

You do not have to enter into any ongoing maintenance or support agreements for the maintenance of a computer system. You may periodically be required to update or upgrade computer hardware and software at your sole cost, if we believe it is necessary, which we estimate will be approximately between $0 and $1,000 per year. We may introduce new requirements or modify our specifications and requirements for computer systems. There are no limits on our rights to do so. We have the right to full and independent access

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of all the information you collect or compile, information, data, and emails from the computer systems, at any time without first notifying you.

We have the right to require you to update, replace or modify the types of computer hardware and software we require at your sole expense. You will be required to sign whatever type of licensing agreement is required for any new or different type of software.

Training

We provide you an initial training program that covers material aspects of the operation of the Agency, which you must complete to our satisfaction. The initial training program is offered on an as needed basis and is provided virtually. If you hire a recruiter or a designated manager, they must also attend and successfully complete the initial training program at your expense or you will have the option of training recruiters yourself using the Proctor Program. If you elect to train your recruiters using the Proctor Program, you pay us our then-current fee for each recruiter trained (not currently charged). If you elect not to train your recruiters using the Proctor Program, then they must be trained by us and the fee is currently $2,000 per recruiter. Your Agency must at all times be under the day-to-day supervision of you or a designated manager who has satisfactorily completed our initial training program. If you hire a designated manager, he or she has 45 days to attend and complete initial training. Currently the charge for training a designated manager is $3,500 plus you are responsible for their expenses.

TRAINING PROGRAM

Subject	Hours of Classroom Training	Hours of On-The-Job Training	Location
Roles of a recruiter	.5	-	Virtual
Characteristics of a great candidate	1	-	Virtual
Importance of building great resumes and cover letters	1	1	Virtual
Learning client companies	3	-	Virtual
Software terminology and usage	16	10	Virtual
Internet advertising and resume databases	2	2	Virtual
Developing your area of primary responsibility	2	3	Virtual
Developing business strategy	1	-	Virtual
Sourcing passive candidates	1	2	Virtual
Targeted goals for success	1	-	Virtual
Additional assistance		40	Virtual

Training will be conducted by ~~Brian~~Jason Miller, George Wooten and Brian Martin. Award Winning Senior Franchisees may also provide training. Any trainers will have at least one year of experience with us and in the field. Our current trainers' qualifications are as follows:

~~Brian K~~

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Jason C. Miller has ~~served as~~been our Chief Executive Officer since December 202~~2~~4. He has also served as ~~Chief Operating Officer of our predecessor, PAF, since 2014. In addition, Mr. Miller was~~our Vice President ~~of My~~ Franchise ~~Trainer, LLC, a consulting company,~~Development from ~~February 2014~~December 2022 to ~~2016.~~November 2024 in Southbury, CT. From ~~October 2003 until December 2013, Mr. Miller was the Chief Operating Officer of~~June 2016 to November 2022 he served as Vice President Franchise ~~Source Brands International.~~Development for PAF (our predecessor and indirect parent) in Southbury, CT.

George Wooten has 32 years of experience in the restaurant industry, including serving as the Chief Operating Office of a fast-food chain. He is also a Regional Developer with us and has been a franchisee for seven years.

Brian Martin has 27 years of experience in the restaurant industry, including serving as a general manager for a multi-unit restaurant. He has owned an Agency for twelve years.

You will also have access to our Intranet site which contains podcasts, training materials and videos to provide additional assistance to you as well as monthly kickoff calls which you can dial into in order to participate. These are provided all at no additional charge to you.

For the first 90 days, a mentor will provide daily (business days only) one-on-one telephone calls generally with a support representative. Thereafter, we may also provide business development training, including hiring and training employees/recruiters, business expansion, client development, leadership training and territorial enhancement. Your payment of the Training Fee to us entitles you to this training at no additional charge to you.

We will also provide twice a week video conferences with our franchisees during the first 6 weeks following completion of initial training. In addition, you will be provided access to a mentor who will be an established franchisee. As described above, this mentor will call you periodically during the first 90 days your Agency is in operation.

Periodically, you, your designated managers, recruiters and/or employees must attend refresher-training programs to be conducted at our headquarters or another location we designate, which may be at our annual conference. Attendance at these programs will be at your expense. Lastly, we may have annual conferences. Attendance at the Annual Conference is mandatory for you and your designated manager. The Annual Conference Fee is currently $495 per person and it can be increased at our discretion. The Annual Conference Fee is due 30 days prior to the conference and will be automatically charged to your credit card for each person at your Agency who is required to attend (regardless of whether they attend). You will be responsible for all of the expenses you and your employees incur in attending the Annual Conference. If you are a new franchisee, you will pay the Annual Conference Fee at the time of initial training.

ITEM 12. TERRITORY

Franchise Agreement

We will assign you a specific territory which will be described in Exhibit I of the Franchise Agreement ("Territory"). We determine the boundaries of the Territory based on a variety of factors, including population, the amount of infrastructure in hospitality and retail, proximity to competitors, proximity to other franchisees and natural, physical or political boundaries. Territories usually contain 250,000 in population and are described by zip codes. Typically, you will operate your office from your home if you are purchasing a single Unit, but

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you may choose to lease your office space subject to our consent. You are permitted to obtain clients and customers for your Agency anywhere within the United States while abiding by the rules in our Client Development Policy, which is a policy included in our Manuals that describes how you may solicit and serve clients and customers outside your Territory. However, client solicitation for your Agency must originate from within your Territory unless sourced during your normal course of business, referrals or circle of influence as outlined in the Manual. In other words, you cannot actively solicit clients within the territory of another P&A Agency, but you may, in certain instances, accept clients that are referred to you from third-party referral sources or generated through other passive means.

So long as you are not in default under the Franchise Agreement, we will not grant anyone else the right to establish and operate a P&A Agency from a place of business located anywhere within your Territory. However, other P&A Agencies may service clients located in your Territory as long as they obtain the clients through passive means. You must receive our written permission before relocating. If you find a new customer that has a job position which needs filling, we will include the job position in the database as "open". If another P&A Agency fills the new customer's job position, you will receive 20% of the commission collected (less applicable fees).

We and our Affiliates retain and reserve: (i) all the rights to operate and to franchise or license to third parties the rights to operate businesses similar to a P&A Agency using the Systems and/or Marks anywhere except in your Territory; (ii) the right to go into any other business under the Marks or under marks different than the Marks anywhere; (iii) the right to sell services on the Internet; (iv) the right to sell some or all of the products and services authorized for sale by an Agency in any channel of distribution the Systems and/or Marks anywhere; (v) to acquire, merge with, or otherwise affiliate with, and after that own and operate, and franchise or license others to own and operate, any business of any kind, including, without limitation, any business that offers products or services the same as or similar to the Agency (but under different marks), at any location; and (vi) use the Marks and Systems, and license others to use the Marks and Systems, to engage in any other activities not expressly prohibited in your Franchise Agreement. We are not required to pay you if we exercise any of these rights specified above. 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 are not permitted to provide the services of the Agency on the Internet or in any other alternative channel of distribution.

With regard to any of the above sales, assignments and dispositions described in the above paragraph, you expressly and specifically waive any claims, demands or damages arising from or related to the loss of Marks (or any variation thereof) and System and/or the loss of association with or identification of "Patrice & Associates" as a franchisee under the Franchise Agreement. If we assign our rights in the Franchise Agreement, we are not required to remain in the recruiting business or to offer or sell any products or services to you.

You have no options, rights of first refusal, or similar rights to acquire additional franchises. Although we and our Affiliates have the right to do so, we and our affiliates have not operated or franchised and have no plans to operate or franchise, other businesses selling or leasing similar products or services under different trademarks. Continuation of your rights in the Territory does not depend on your achieving a certain sales volume, market penetration or other contingencies.

ITEM 13. TRADEMARKS

You receive the right to operate your business under the name, Patrice & Associates®, which is the primary Mark used to identify our System. Patrice & Associates, Inc. obtained a registration of the following Mark on the U.S. Patent and Trademark Office ("USPTO") Principal Register:

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Mark	Registration Number	Registration Date
Patrice & Associates (standard character mark)	3560253	January 13, 2009

On December 2, 2022, Patrice & Associates, Inc. assigned the Marks to Patrice IP, LLC, which is an affiliate of ours ("Affiliate"). On December 14, 2022, we entered into a license agreement with Affiliate (the "License Agreement"). Under the terms of the License Agreement, Affiliate granted us the right to use the Marks and sublicense the Marks to our franchisees. The term of the License Agreement automatically renews annually, unless it is terminated in accordance with its terms. Affiliate is permitted to terminate the License Agreement only if we declare bankruptcy or become insolvent, if we and Affiliate mutually agree to terminate the License Agreement or if we breach Affiliate's quality control standards and fail to cure the breach within a 60 day cure period. If the License Agreement is terminated, the agreement states that all sublicenses granted by us to our franchisees will continue in full force and effect until the expiration or termination of the applicable franchise agreement. Other than the above, there are no agreements currently in effect that significantly limit our rights to use or license the use of the Mark in any manner material to the franchise.

All necessary renewals and affidavits for the Marks have been filed as required by the United States Patent and Trademark Office. Currently, we know of no effective material determinations of the USPTO, trademark trial and appeal board, the trademark administrator of the State of Arizona or any court; pending infringement, opposition or cancellation; or pending material litigation involving the Marks.

We know of no infringing or prior superior uses that could materially affect the use of the Marks in the State of Arizona or any other state in which the Agency is to be located. You do not receive any rights to the Marks other than the nonexclusive right to use them in the operation of your Agency. You must follow our rules when you use the Marks. You must use the Marks as the sole trade identification of the Agency. You cannot use a name or Marks as part of a corporate name or with modifying words, designs or symbols except for those which we license to you. You may not use any Marks in connection with the sale of any unauthorized services or products, or in any other manner that we do not authorize in writing. You must obtain a fictitious or assumed name registration if required by your state or local law. Any unauthorized use of the Marks by you is a breach of the Franchise Agreement and an infringement of our rights in the Marks. You must not contest the validity or ownership of the Marks, including any Marks that we license to you after you sign the Franchise Agreement. You must not assist any other person in contesting the validity or ownership of the Marks.

You must immediately notify us when you learn about an infringement of, or challenge to your use of, any Mark, or any claim by any person of any rights in any Marks, and you must not communicate with any person other than us and our counsel regarding any infringements, challenges or claims unless you are legally required to do so, however, you may communicate with your own counsel at your own expense. We will take the action we think appropriate in these situations; we have exclusive control over any settlement or proceeding concerning any Mark. You must take any actions that, in the opinion of our counsel, may be advisable to protect and maintain our interests in any proceeding or to otherwise protect and maintain our interests in the Marks. The Franchise Agreement does not require us to participate in your defense and/or indemnify you for expenses or damages if you are a party to an administrative or judicial proceeding involving a Mark or if the proceeding is resolved unfavorably to you.

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If we require, you must modify or discontinue the use of any Mark and use other trademarks or service marks we designate. We do not have to reimburse you for modifying or discontinuing the use of a Mark or for substituting another trademark or service mark for a discontinued Mark. If we adopt and use new or modified Marks, you must add or replace equipment, signs, supplies and fixtures, and you must make other modifications we designate as necessary to adapt your Agency for the new or modified Marks at your own cost.

ITEM 14. PATENTS, COPYRIGHTS AND PROPRIETARY INFORMATION

No patents are material to the franchise. We own copyrights in the Manual, our Website, our marketing materials and other copyrightable items that are part of the System. While we claim copyrights in these and similar items, we have not registered these copyrights with the United States Register of Copyrights. You may use these items only as we specify while operating the Agency and you must stop using them if we direct you to do so.

We know of no effective determinations of the U.S. Copyright Office or any court regarding any of our copyrighted materials. Our right to use or license copyrighted items is not materially limited by any agreement or known infringing use.

We have developed certain trade secrets and other confidential information, including methods of business management, sales and promotion techniques, and know-how, knowledge of, and experience in, operating a P&A Agency. We will provide our trade secrets and other confidential information to you during training, in the Manual and as a result of the assistance we furnish you during the term of the franchise. You may only use the trade secrets and other confidential information for the purpose of operating your Agency. You may only divulge trade secrets and other confidential information to employees who must have access to it to operate the Agency. You are responsible for enforcing the confidentiality provisions as to your employees.

Certain individuals with access to trade secrets or other confidential information, including your managers, executives, employees and staff may be required to sign nondisclosure and non-competition agreements in a form we require. We will be a third-party beneficiary with the right to enforce those agreements.

All ideas, concepts, techniques or materials concerning the Agency and/or the System, whether or not protectable intellectual property and whether created by or for you or your owners or employees, must be promptly disclosed to us and will be our sole and exclusive property and a part of the System that we may choose to adopt and/or disclose to other franchisees, and you agree to assign to us all right, title and interest in any intellectual property so developed. Likewise, we will disclose to you concepts and developments of other franchisees that we make part of the System. You must also assist us in obtaining intellectual property rights in any concept or development if requested.

Your use of the Manual, trade secrets or other confidential information in an unauthorized manner is a default of the Franchise Agreement that may result in automatic termination of the Franchise Agreement.

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

Your Agency must always be under the direct, full-time, day-to-day supervision of a designated manager. If you are an individual, we may require you to be the designated manager of the Agency. If we require you to be the designated manager, you must request our consent to select another individual to replace you as the designated manager. If you are a corporation or other business entity, you will select a designated manager for the franchise and we may require that the individual you select be an owner of the Agency. The designated

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manager must attend and satisfactorily complete our initial training program before operating the Agency. You must keep us informed at all times of the identity of your designated manager. If you must replace the designated manager, your replacement must attend and satisfactorily complete our initial training program within 45 days of starting work.

Your recruiters, designated manager and supervisory employees (if any) will be required to sign nondisclosure and non-competition agreements in a form acceptable to us, but none are required to own any interest in the franchisee entity (assuming none are you). We will be a third-party beneficiary with the independent right to enforce the agreements.

If you are a corporation or other business entity, anyone who owns an interest in the entity and their spouses must personally guarantee the performance of all of your obligations under the Franchise Agreement and agree to be personally liable for your breach of the Franchise Agreement by signing the Guaranty and Assumption of Obligations attached to the Franchise Agreement.

ITEM 16. RESTRICTIONS ON WHAT THE FRANCHISEE MAY SELL

You must offer the services we specify. You may not sell any services that we have not authorized and you must discontinue offering any services that we may disapprove. We may take action, including terminating your Franchise Agreement if you purchase or sell unapproved services or make purchases from unapproved suppliers. There are no limits to our rights to change the required or authorized services or products which you must provide. You will be required to comply within 30 days of notification.

Subject to the restrictions explained above, you will be permitted to solicit clients and customers anywhere and you understand that other P&A Agencies are permitted to solicit clients and customers anywhere.

ITEM 17. RENEWAL, TERMINATION, TRANSFER, AND DISPUTE RESOLUTION THE FRANCHISE RELATIONSHIP

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

PROVISION	SECTION IN FRANCHISE AGREEMENT	SUMMARY
a. Length of the franchise term	Section 4 of the Franchise Agreement	The initial term is 5 years.
b. Renewal or extension	Section 4 of the Franchise Agreement	You may renew for 3 successive terms of 5 years each.

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PROVISION	SECTION IN FRANCHISE AGREEMENT	SUMMARY
c. Requirement for franchisee to renew or extend	Section 4 of the Franchise Agreement	"Renewal" means extending your franchise relationship with us for an additional term. Conditions to renew include: you have fully complied with the Franchise Agreement; have made capital expenditures as necessary to maintain uniformity with the System; have satisfied all monetary obligations owed to us; are not in default of any provision of the Franchise Agreement or any other agreement with us; sign a current Franchise Agreement, the terms of which may differ substantially; comply with current training requirements; and you sign a general release (subject to state law).
d. Termination by franchisee	Not Applicable	Not Applicable. You are permitted to terminate the Franchise Agreement by any grounds available by state law.
e. Termination by franchisor without cause	Not Applicable	Not Applicable.
f. Termination by franchisor with cause	Section 12.1 of the Franchise Agreement	If you do not satisfactorily complete training, do not open within 90 days after you sign the Franchise Agreement, or generally if you breach the Franchise Agreement.
g. "Cause" defined-curable defaults	Section 12.1 of the Franchise Agreement	You have 10 days to cure monetary defaults and failure to maintain insurance and 30 days to cure all others except those listed without an opportunity to cure in Section 12.1 of the Franchise Agreement.
h. "Cause" defined – non-curable defaults	Section 12.1 of the Franchise Agreement	Non-curable defaults: conviction of felony or any crime of moral turpitude, abandonment, giving insufficient funds checks and bankruptcy
i. Franchisee's obligations on termination/non-renewal	Section 12.2 of the Franchise Agreement	You must: stop operating the franchised business; stop using any trade secrets, confidential information, the System and the Marks; cancel or assign to us any assumed names; pay all sums owed to us; return the Manual and all other confidential information; assign your telephone and facsimile numbers to us; comply with the covenants not to compete and any other surviving provisions of the Franchise Agreement.
j. Assignment of contract by franchisor	Section 14.1 of the Franchise Agreement	There are no restrictions on our right to assign our interest in the Franchise Agreement.
k. "Transfer" by franchisee-definition	Section 14.2 of the Franchise Agreement	Transfer of contract or ownership change
l. Franchisor's approval of transfer by franchisee	Section 14.2 of the Franchise Agreement	You may not Transfer without our prior written consent.

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PROVISION	SECTION IN FRANCHISE AGREEMENT	SUMMARY
m. Conditions for franchisor approval of transfer	Section 14.2 of the Franchise Agreement	Transferee qualifies, transfer fee paid, new franchise agreement signed, training of transferee, and release signed (subject to state law).
n. Franchisor's right of first refusal to acquire franchisee's business	Section 14.4 of the Franchise Agreement	We may match an offer for your franchised business or an ownership interest you propose to sell.
o. Franchisor's option to purchase franchisee's business	Not applicable	Not applicable.
p. Death or disability of franchisee	Section 14.3 of the Franchise Agreement	After the death or incapacity of an owner of the franchise, his or her representative must transfer, subject to the terms of the Franchise Agreement, the individual's interest in the franchise within 180 days of death or incapacity or we may terminate the Franchise Agreement.
q. Non-competition covenants during the term of the franchise	Section 11.1of the Franchise Agreement	No involvement in a Competitive Business (as defined in the Franchise Agreement). This provision is subject to state law.
r. Non-competition covenant after the franchise is terminated or expires	Sections11.2, 11.3 of the Franchise Agreement	No involvement in a Competitive Business except as duly licensed by us for 2 years within your Territory or any P&A Agency's territory. You will also be bound by a 2-year non-solicitation clause of customers and candidates in the Proprietary Database and you are not permitted to become employed by any of our clients. This provision is subject to state law.
s. Modification of the agreement	Sections 16.6 of the Franchise Agreement	The Franchise Agreement can be modified only by written agreement between you and us. We may modify the Confidential Operations Manual without your consent if the modification does not materially alter your fundamental rights.
t. Integration/merger clause	Section 16.6 of the Franchise Agreement	Only the terms of the Franchise Agreement and other related written agreements are binding (subject to state law). Any representations or promises outside of the Disclosure Document and Franchise Agreement may not be enforceable. Nothing in the Franchise Agreement or any related agreement is intended to disclaim any of the representations we made in this Disclosure Document.
u. Dispute resolution by arbitration or mediation	Section 17 of the Franchise Agreement	Mediation and, subject to state law, arbitration in Maricopa County, Arizona.
v. Choice of forum	Section 16.19 of the Franchise Agreement	Subject to state law, any arbitration must be pursued in courts located in Maricopa County, Arizona.

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PROVISION	SECTION IN FRANCHISE AGREEMENT	SUMMARY
w. Choice of law	Section 16.18 of the Franchise Agreement	Subject to state law, Delaware law applies.

If a state regulator requires us to make additional disclosures related to the information contained in this franchise disclosure document, these additional disclosures are contained in a State Law Addendum included in this disclosure documents as Exhibit F.

ITEM 18. PUBLIC FIGURES

We do not presently use any public figures to promote our franchise.

ITEM 19. FINANCIAL PERFORMANCE REPRESENTATIONS

The FTC's Franchise Rule permits a franchisor to provide information about the actual or potential financial performance of its franchised and/or franchisor-owned 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.

This Item 19 includes historical information from the 196 P&A Agencies that were operating as of the Issuance Date of this Franchise Disclosure Document ("FPR 2023 Units").

Financial Performance Representation – FPR 2023 Units

	Combined Placement Fees[1]	Executive Search Placement Fees Only[1]
Range of Placement Fees[1]	$1,000 to $50,000	$5,000 to $50,000
Average Placement Fee[2]	$9,285	$20,943
Median Placement Fee[3]	$7,500	$19,906

Notes:

1. The FPR 2023 Units combined placement fees include paid, regular placement fees for client agreements, which ranged from $1,000 to $50,000 per hire. We have excluded a small number of irregular, one-off placement fees that did not involve formal agreements, which are not part of a P&A Agency's ordinary course of business and immaterial to the P&A Agency. Executive search placements fees are comprised of a subset of the combined placement fees that involve placement of executive management personnel, and which ranged from $5,000 to $50,000 per hire.

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2. The average combined placement fee charged by the FPR 2023 Units was $9,285. Of the 196 FPR 2023 Units, 32% (or 63 units) had placement fees equal to or higher than $9,285. We added all of the placement fees collected for hires with customers and then divided by the number of these placement fees to obtain an average. Of the 196 FPR 2023 Units, 43% (or 85 units) do executive search placements. The average executive search placement fee charged by the FPR 2023 Units that did executive search placements was $20,943. Of the 85 FPR 2023 Units that do executive search placements, 47% (or 40 units) of these units had executive search placement fees equal to or higher than $20,943. We added all of the executive search placement fees collected for hires with customers and then divided by the number of these placement fees to obtain an average.
3. The median combined placement fee in 2023 was $7,500. The median was calculated by taking the middle value in the range of combined placement fees. The median executive search placement fee in 2023 was $19,906. The median was calculated by taking the middle value in the range of executive search placement fees.

Bases and Assumptions

These figures are based on the actual placement fees for hires, without any deductions for fees, costs or expenses. The FPR 2023 Units operate a substantially similar business as the P&A Agency offered under this disclosure document. As we provide the billing and collection for all of our franchisees, we have all of the information regarding the collected fees. There were no company-owned P&A Agencies in operation during 2023. Therefore, all data is based on the historical results of franchised P&A Agencies.

Some of the P&A Agencies have billed this amount. Your individual results may differ. There is no assurance you will earn as much.

Written substantiation for the financial performance representations will be made available to the prospective franchisee upon reasonable request.

Other than the preceding financial performance representation, Patrice & Associates Franchising, LLC does not make any financial performance representations. We also do not authorize our employees or representatives to make any such representations either orally or in writing. If you are purchasing an existing outlet, however, we may provide you with the actual records of that outlet. If you receive any other financial performance information or projections of your future income, you should report it to the franchisor's management by contacting ~~Brian K~~Jason C. Miller, CEO, 9112 East Verde Grove View, Suite 101-E, Scottsdale, AZ 85255, (301) 327-5059, the Federal Trade Commission, and the appropriate state regulatory agencies.

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ITEM 20. OUTLETS AND FRANCHISEE INFORMATION

Table No. 1
Systemwide Outlet Summary For Years 2021 to 2023

Column 1 Outlet Type	Column 2 Year	Column 3 Outlets at the Start of the Year	Column 4 Outlets at the End of the Year	Column 5 Net Change
Franchised	**2021**	180	179	-1
	2022	179	172	-7
	2023	172	196	+24
Company-Owned*	**2021**	0	0	0
	2022	0	0	0
	2023	0	0	0
Total Outlets	**2021**	180	179	-1
	2022	179	172	-7
	2023	172	196	+24

Table No. 2
Transfer of Outlets from Franchisees to New Owners (other than the Franchisor)
For Years 2021 to 2023

Column 1 State	Column 2 Year	Column 3 Number of Transfers
California	**2021**	0
	2022	0
	2023	2
New York	**2021**	0
	2022	1
	2023	0
Texas	**2021**	0
	2022	0
	2023	1
Total	**2021**	0
	2022	1
	2023	2

Table No. 3
Status of Franchised Outlets
For Years 2021 to 2023

Column 1 State	Column 2 Year	Column 3 Outlets at Start of Year	Column 4 Outlets Opened	Column 5 Termina-tions	Column 6 Non-Renewals	Column 7 Reacquired by Franchisor	Column 8 Ceased Opera-tions-Other Reasons	Column 9 Outlets at End of the Year
	2021	3	0	1	0	0	1	1

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Column 1 State	Column 2 Year	Column 3 Outlets at Start of Year	Column 4 Outlets Opened	Column 5 Termina-tions	Column 6 Non-Renewals	Column 7 Reacquired by Franchisor	Column 8 Ceased Opera-tions-Other Reasons	Column 9 Outlets at End of the Year
AL	**2022**	1	0	0	0	0	0	1
	2023	1	0	0	0	0	0	1
AZ	**2021**	3	1	1	0	0	0	3
	2022	3	0	0	0	0	0	3
	2023	3	1	0	0	0	0	4
CA	**2021**	11	3*+	0	2	0	0	12
	2022	12	2	0	0	0	0	14
	2023	14	2	4	0	0	2++	10
CO	**2021**	6	0	0	0	0	0	6
	2022	6	0	0	0	0	0	6
	2023	6	1	2	1	0	0	4
CT	**2021**	2	2	0	0	0	0	4
	2022	4	1	0	0	0	0	5
	2023	5	1++	0	0	0	0	6
DE	**2021**	1	1	0	0	0	0	2
	2022	2	0	0	0	0	0	2
	2023	2	0	0	0	0	0	2
FL	**2021**	13	2**	1	0	0	0	14
	2022	14	7	2	1	0	0	18
	2023	18	3	2	1	0	0	18
GA	**2021**	6	1	1	0	0	0	6
	2022	6	2	3	1	0	0	4
	2023	4	3	0	0	0	0	7
HI	**2021**	3	0	0	0	0	1+	2
	2022	2	0	0	1	0	0	1
	2023	1	0	0	0	0	0	1
IL	**2021**	4	1	0	0	0	1*	4
	2022	4	1	0	0	0	0	3
	2023	3	3	0	0	0	0	6
IN	**2021**	4	0	0	0	0	0	4
	2022	4	1	0	1	0	0	4
	2023	4	0	0	0	0	0	4
IA	**2021**	2	0	0	0	0	0	2
	2022	2	0	0	0	0	0	2
	2023	2	0	0	0	0	0	2
KS	**2021**	1	0	0	0	0	0	1
	2022	1	1	0	0	0	0	2
	2023	2	1	1	0	0	0	2
KY	**2021**	4	0	0	0	0	0	4
	2022	4	0	0	0	0	0	4
	2023	4	1	0	0	0	0	5

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Column 1 State	Column 2 Year	Column 3 Outlets at Start of Year	Column 4 Outlets Opened	Column 5 Termina-tions	Column 6 Non-Renewals	Column 7 Reacquired by Franchisor	Column 8 Ceased Opera-tions-Other Reasons	Column 9 Outlets at End of the Year
LA	**2021**	2	0	0	0	0	0	2
	2022	2	0	0	0	0	0	2
	2023	2	0	0	0	0	0	2
MD	**2021**	13	2	0	1	0	2	12
	2022	12	0	0	3	0	0	9
	2023	9	1	0	0	0	0	10
MA	**2021**	4	1	0	0	0	1	4
	2022	4	1	0	1	0	0	4
	2023	4	2	1	0	0	0	5
MI	**2021**	5	0	1	0	0	0	4
	2022	4	0	1	0	0	0	3
	2023	3	2	0	0	0	0	5
MO	**2021**	7	0	0	1	0	0	6
	2022	6	0	1	2	0	0	3
	2023	3	0	1	0	0	0	2
MN	**2021**	4	0	1	0	0	1	2
	2022	2	0	0	0	0	0	2
	2023	2	0	1	0	0	0	1
MS	**2021**	1	0	0	0	0	0	1
	2022	1	0	0	0	0	0	1
	2023	1	0	0	0	0	0	1
NE	**2021**	2	0	0	0	0	0	2
	2022	2	0	0	0	0	0	2
	2023	2	0	0	0	0	0	2
NV	**2021**	1	1	0	0	0	0	2
	2022	2	0	0	0	0	0	2
	2023	2	3	0	0	0	0	5
NJ	**2021**	8	0	0	1	0	1**	6
	2022	6	1	1	0	0	0	6
	2023	6	0	2	0	0	0	4
NH	**2021**	1	0	0	0	0	0	1
	2022	1	0	0	0	0	0	1
	2023	1	0	0	0	0	0	1
NY	**2021**	8	1	0	1	0	0	8
	2022	8	2	2	0	0	0	8
	2023	8	1	0	0	0	0	9
NC	**2021**	6	3	0	0	0	0	9
	2022	9	2	2	0	0	0	9
	2023	9	3	0	0	0	0	12
	2021	3	0	0	0	0	0	3
	2022	3	1	0	0	0	0	4

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Column 1 State	Column 2 Year	Column 3 Outlets at Start of Year	Column 4 Outlets Opened	Column 5 Termina-tions	Column 6 Non-Renewals	Column 7 Reacquired by Franchisor	Column 8 Ceased Opera-tions-Other Reasons	Column 9 Outlets at End of the Year
OH	**2023**	4	0	1	0	0	0	3
OK	**2021**	2	0	0	0	0	0	2
	2022	2	0	0	0	0	0	2
	2023	2	0	0	0	0	0	2
OR	**2021**	2	0	0	0	0	0	2
	2022	2	1	0	0	0	0	3
	2023	3	1	1	0	0	0	3
PA	**2021**	6	0	0	0	0	1	5
	2022	5	1	0	1	0	0	5
	2023	5	0	0	0	0	0	5
RI	**2021**	0	1	0	0	0	0	1
	2022	1	0	0	0	0	0	1
	2023	1	0	0	0	0	0	1
SC	**2021**	3	0	1	0	0	0	2
	2022	2	0	0	0	0	0	2
	2023	2	2	0	0	0	0	4
SD	**2021**	1	0	0	0	0	0	1
	2022	1	0	0	0	0	0	1
	2023	1	0	0	0	0	0	1
TN	**2021**	6	0	1	0	0	0	5
	2022	5	0	1	2	0	0	2
	2023	2	2	1	0	0	0	3
TX	**2021**	12	3	1	1	0	0	13
	2022	13	1	1	3	0	1	9
	2023	9	7++	0	0	0	0	16
UT	**2021**	1	0	0	0	0	1	0
	2022	0	0	0	0	0	0	0
	2023	0	1	0	0	0	0	1
VA	**2021**	15	1	0	1	0	0	15
	2022	15	1	0	0	0	0	16
	2023	16	3	0	0	0	0	19
WA	**2021**	2	1	0	0	0	0	3
	2022	3	0	1	0	0	0	2
	2023	2	0	1	0	0	0	1
BV	**2021**	0	0	0	0	0	0	0
	2022	0	0	0	0	0	0	0
	2023	0	1	0	0	0	0	1
BC	**2021**	0	0	0	0	0	0	0
	2022	0	0	0	0	0	0	0
	2023	0	1	0	0	0	0	1
	2021	2	1	0	0	0	0	3

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Column 1 State	Column 2 Year	Column 3 Outlets at Start of Year	Column 4 Outlets Opened	Column 5 Termina-tions	Column 6 Non-Renewals	Column 7 Reacquired by Franchisor	Column 8 Ceased Opera-tions-Other Reasons	Column 9 Outlets at End of the Year
Ontario	**2022**	3	2	0	1	0	0	4
	2023	4	0	0	0	0	0	4
TOTAL	**2021**	179	26	9	8	0	10	178
	2022	178	28	15	17	0	1	171
	2023	172	46	17	2	0	2	196

*One of these outlets is from a franchisee that moved from Illinois to California.
** One of these outlets is from a franchisee that moved from New Jersey to Florida.
+ This outlet is from a franchisee that moved from Hawaii to California.
++ These outlets are from franchisees that transferred territories from California to Connecticut, and from California to Texas.

Table No. 4
Status of Company-Owned Outlets
For years 2021 to 2023

Column1 State	Column 2 Year	Column 3 Outlets at Start of the Year	Column 4 Outlets Opened	Column 5 Outlets Reacquired From Franchisee	Column 6 Outlets Closed	Column 7 Outlets Sold to Franchisee	Column 8 Outlets at End of the Year
Total	**2021**	0	0	0	0	0	0
	2022	0	0	0	0	0	0
	2023	0	0	0	0	0	0

Table No. 5
Projected Openings As Of December 31, 2023

Column 1 State	Column 2 Franchise Agreements Signed But Outlet Not Opened	Column 3 Projected New Franchised Outlet In The Next Fiscal Year	Column 4 Projected New Company-Owned Outlet In the Next Fiscal Year
Total	0	0	0

Tables No. 1 through No. 5 above reflect events through February 29, 2024.

Exhibit E lists the names, addresses and telephone numbers of all of our operating franchisees. Exhibit E also lists the name, city and state, and the current business telephone number (or, if unknown, the last known home telephone number) of every franchisee who had an outlet terminated, canceled, transferred, not renewed or otherwise voluntarily or involuntarily ceased to do business under the Franchise Agreement during our most recently completed fiscal year or who has not communicated with us within 10 weeks of the

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issuance date of this disclosure document. If you buy this franchise, your contact information may be disclosed to other buyers when you leave the franchise system. In some instances, current and former franchisees during the last 3 years have sign confidentiality clauses which may restrict their ability to speak only about their experience with the Patrice & Associates Franchise System. You may wish to speak with current and former franchisees, but be aware that not all such franchisees will be able to communicate with you.

We created the Patrice & Associates Franchise Advisory Council. Its address is 9112 East Verde Grove View, Suite 101-E, Scottsdale, AZ 85255, the telephone number is 301-327-5059. It was created to work with our franchisees in encouraging the development of the brand and the direction of the franchise system.

ITEM 21. FINANCIAL STATEMENTS

Our fiscal year ends on December 31st. Audited financial statements of Patrice Franchising, LLC for the fiscal years ending December 31, 2023 and December 31, 2022 are attached to this Disclosure Document as EXHIBIT D. In addition, an unaudited balance sheet as of November 30, 2024 and an unaudited statement of operations and statement of cash flows from January 1, 2024 through November 30, 2024 are attached to this Disclosure Document as EXHIBIT D. Because we have not been in existence for 3 years, we cannot provide all of the financial statements required by the FTC franchise disclosure guidelines.

ITEM 22. CONTRACTS

The following are attached to this disclosure document:
Exhibit B - Franchise Agreement
~~Exhibit D-1 – Guaranty of Performance~~
Exhibit G – Release

ITEM 23. RECEIPTS

See Exhibit H.

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EXHIBIT A
LIST OF STATE AGENCIES AND AGENTS FOR SERVICE OF PROCESS

NOTE: SOME STATES REQUIRED THAT THE FRANCHISE BE REGISTERED WITH A STATE AGENCY. WE DO NOT OFFER OR SELL FRANCHISES IN ANY OF THOSE STATES UNLESS WE ARE REGISTERED, AND THE LISTING OF A STATE BELOW DOES NOT MEAN THAT WE ARE SO REGISTERED.

LIST OF STATE AGENCIES

California
Department of Financial Protection and Innovation
One Sansome Street, Ste. 600
San Francisco, CA 94104
(866) 275-2677

Florida
Dept. of Agriculture & Consumer Services
Division of Consumer Affairs
227 N. Bronough St., 7th Fl.
Tallahassee, FL 32301
(904) 922-2770

Hawaii
Department of Commerce & Consumer Affairs
Business Registration Div.
335 Merchant Street, Rm 203
Honolulu, HI 96813
(808) 586-2722

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

Indiana
Indiana Secretary of State
Securities Division
302 West Washington St.
Rm E-111
Indianapolis, Indiana 46204
(317) 232-6531

Maryland
Office of the Attorney General
Securities Division
200 St. Paul Place
Baltimore, MD 21202
(401) 576-6360

Michigan
Attorney General
Consumer Protection Division, Franchise Unit
525 Ottawa Street
G. Mennen Williams Bldg,
Lansing, Michigan 48909
(517) 373-7117

Minnesota
Dept of Commerce Securities-Franchise Registration
85 7th Place East, Suite 280 St. Paul, Minnesota 55101
(651) 539-1600

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

North Dakota
North Dakota Securities Dpt.
600 East Boulevard Avenue
State Capitol – 14th Floor
Bismarck, ND 58505-0510
(701) 328-4712

Rhode Island
Division of Securities John O. Pastore Complex 1511 Pontiac Avenue Building 69, 1st Floor
Cranston, RI 02920 (402) 222-3048

South Dakota
Dept. of Labor & Regulation
Division of Securities
124 S. Euclid, Suite 104 Pierre,
South Dakota 57501
(605) 773-3563

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

Washington
Dept. of Financial Institutions
Securities Division
150 Israel Road Southwest
Olympia, Washington 98501
(360) 902-8760

Wisconsin
Division of Securities
Dept. of Financial Institutions
345 West Washington Ave.
Madison, Wisconsin 53703
(608) 261-9555

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LIST OF STATE AGENTS FOR SERVICE OF PROCESS

California
Commissioner of the Department of
Financial Protection and Innovation
320 West 4th Street, Suite 750
Los Angeles, CA 90013
(866) 275-2677

Hawaii
Commissioner of Securities Business
Registration Division Securities Compliance
Branch 335 Merchant Street, Room 203
Honolulu, Hawaii 96813
(808) 586-2722

Illinois
Illinois Attorney General
500 South Second Street
Springfield, Illinois 62706
(217) 782-1090

Indiana
Indiana Secretary of State
302 West Washington Street, Room E-111
Indianapolis, Indiana 46204
(317) 232-6531

Maryland
Maryland Securities Commissioner
200 St. Paul Place
Baltimore, Maryland 21202
(410) 576-6360

Michigan
Department of Commerce
Corporations and Securities Bureau
6546 Mercantile Way
Lansing, Michigan 48909
(517) 334-6212

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

New York
Secretary of the State of New York
99 Washington Avenue
Albany, New York 12231
(518) 473-2492

North Dakota
North Dakota Securities Department
State Capitol – 14th Floor
600 East Boulevard
Bismarck, North Dakota 58505-0510
(701) 328-4712

Rhode Island
Director of Rhode Island
Department of Business Regulations
John O. Pastore Complex
1511 Pontiac Avenue, Building 69, 1st Floor
Cranston, Rhode Island 02920
(401) 222-3048

South Dakota
Director of South Dakota Division of Securities
124 S. Euclid, Suite 104
Pierre, South Dakota 57501
(605) 773-3563

Virginia
Clerk, State Corporation Commission
Tyler Building, 1st Floor
1300 East Main Street
Richmond, Virginia 23219
(804) 371-9051

Washington
Director, Department of Financial Institutions
Securities Division
150 Israel Road Southwest
Olympia, Washington 98501
(360) 902-8760

Wisconsin
Commissioner of Securities
345 West Washington Street, 4th Floor
Madison, Wisconsin 53703
(608) 261-9555

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EXHIBIT B

FRANCHISE AGREEMENT

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2024 Franchise Disclosure Document (Registration States)

PATRICE FRANCHISING, LLC

FRANCHISE AGREEMENT

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GUARANTY AND ASSUMPTION OF OBLIGATIONS

EXHIBITS

I. LOCATION AND TERRITORY
II. STATE LAW ADDENDUM

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2024 Franchise Disclosure Document (Registration States)

PATRICE FRANCHISING, LLC

FRANCHISE AGREEMENT

This Franchise Agreement made this _____ day of _____, 202 ___ , is by and between Patrice Franchising, LLC, a Delaware limited liability company, having its principal place of business at 9112 East Verde Grove View, Suite 101-E, Scottsdale, AZ 85255 ("Franchisor"), and_____ _____ , an individual/partnership/corporation/limited liability company established in the State of _____ _____ and whose principal address is _____ _____ ("Franchisee").

W I T N E S S E T H :

WHEREAS, Franchisor is an affiliate of Patrice & Associates, Inc. which is engaged in the business of providing management candidates to the retail, restaurant and hospitality industry, as well as all other industries, according to the System and under the Marks; and

WHEREAS, Franchisor has obtained the right from Patrice IP, LLC to license others the right to operate a specialized recruiting business in accordance with the Marks and the System; and

WHEREAS, Franchisee desires to participate in the use of the System and Marks in connection with the operation of an Agency under the terms and conditions set forth below.

NOW, THEREFORE, Franchisor and Franchisee, intending to be legally bound, agree as follows:

1. DEFINITIONS

Whenever used in this Agreement, the following words and terms have the following meanings:

"Affiliate(s)" means any business entity that controls, is controlled by, or is under common control with Franchisor, including but not limited to Patrice & Associates, Inc.

"Agency" means the P&A Agency to be established and operated by Franchisee pursuant to this Agreement.

"Competitive Business" means any business that offers or provides (or grants franchises or licenses to others to operate a business that offers or provides) management recruiting services for the hospitality industry or any industry for which the Franchisor previously, currently, or may in the future provide recruiting services, or in which Trade Secrets or other Confidential Information could be used to the disadvantage of Franchisor, any Affiliate or their other franchisees; provided, however, that the term "Competitive Business" shall not apply to (a) any business operated by Franchisee under a Franchise Agreement with Franchisor, or (b) any business operated by a publicly-held entity in which Franchisee owns less than a five percent (5%) legal or beneficial interest.

"Franchisee" shall be deemed to include: (a) those persons and their spouses owning any interest in a corporate franchisee or a limited liability company; (b) all partners and their spouses owning any interest in a partnership franchisee; (c) the individual who owns a sole proprietorship franchisee and his or her spouse;

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and (d) the guarantors of this Agreement. For purposes of determining ownership in a franchise, the interests owned by a husband and wife shall be considered one interest, and both husband and wife shall be obligated hereunder, regardless of whether the interest is owned by just one spouse or both spouses.

"Gross Sales" means the total amount of all sales of products, services and merchandise sold from, through or in connection with the Agency, whether for cash, on credit, barter or otherwise, exclusive of applicable sales, use or service taxes.

"Marks" means such service marks, trademarks, trade dress, trade names and all configurations and derivations, as may presently exist, or which may be modified, changed, or acquired by Franchisor or its affiliates, in connection with the operation of the business contemplated by this Agreement. Marks currently include Patrice & Associates.

"Manual" means the Patrice & Associates Confidential Operations Manual, whether in paper or electronic form, and any other items as may be provided, added to, changed, modified or otherwise revised by Franchisor from time to time that contain or describe the standards, methods, procedures and specifications of the System, including other operations, administration and managers' manuals and all books, computer programs, password-protected portions of an Internet site, pamphlets, memoranda and other publications prepared by, or on behalf of, Franchisor.

"P&A Agency" means any recruiting business operating under the System and Marks, whether owned by Franchisor or its Affiliate, or licensed or franchised by Franchisor or its Affiliate.

"Principal Owner" means the Franchisee if Franchisee is a sole proprietor, the majority shareholder of Franchisee if Franchisee is a corporation, a partner owning a majority share of the partnership if Franchisee is a partnership, or the manager or member owning a majority of interest if the Franchisee is a limited liability company.

"System" means a specially developed method of operating a recruiting business specializing in providing management candidates to the retail, restaurant and hospitality industry, as well as all other industries. This includes confidential operating procedures; methods and techniques for financial controls, record keeping, billing and collection procedures and process, accounting and reporting, personnel management, sales marketing and advertising, training and development materials, proprietary database, all software, and the proprietary know-how developed by Franchisor and its Affiliates, any of which may be changed, improved, modified and further developed by Franchisor or its Affiliates from time to time.

"Transfer" means and includes any voluntary or involuntary, direct or indirect, assignment, sale, gift, conveyance, lease or other disposition of an interest in this Agreement, Franchisee or the Agency, including: (a) transfer of any capital stock, partnership interest, limited liability company interest or other ownership interest; (b) merger, consolidation, reorganization, business combination or other issuance of additional stock or ownership interests; (c) transfer in bankruptcy or dissolution of marriage or otherwise by operation of law or by order of court; (d) transfer to a personal representative upon disability or transfer upon the death of a Principal Owner; (e) the grant or creation of any lien or encumbrance on any ownership interest or asset; (f) the grant of any option, call, warrant, conversion rights or rights to acquire any equity or voting interest; (g) assignment of contract rights; (h) sale of assets (including the inventory, furniture, fixtures, equipment and other operating assets of the Agency, other than in ordinary course of business); or (i) any change of control or management of the Agency.

2. GRANT OF FRANCHISE; APPROVED LOCATION

2.1 Grant.

Subject to the terms and conditions of this Agreement, Franchisor grants Franchisee the nonexclusive right to operate an Agency under the Marks and in accordance with the System. Franchisee is permitted to recruit candidates and obtain customers desiring candidates to fill job positions anywhere within the United States. Franchisee shall not sublicense the use of the System or Marks to any person or entity.

2.2 Approved Location

Franchisee must operate the Agency from one location that Franchisor approves. Subject to local ordinances and zoning rules, Franchisor may permit Franchisee to locate the Agency within Franchisee's or its designated manager's principal residence. Approval of a principal residence's use as the office of the Agency does not hold Franchisor out as knowing or verifying Franchisee's local ordinances and zoning rules and is within Franchisor's sole discretion. If Franchisee does not use Franchisee's or its designated manager's principal residence as its location for the Agency, then Franchisor shall provide Franchisee with general guidelines to assist Franchisee in selecting a site suitable for the Agency. Franchisor has the right to approve or disapprove a proposed location based on such factors as it deems appropriate, including, without limitation, the condition of the premises, demographics of the surrounding area, proximity to other P&A Agencies, lease requirements and overall suitability. Franchisee shall not locate the Agency on a selected site without the prior written approval of Franchisor. Franchisor does not represent that it, or any Affiliates, owners, employees or agents, have special expertise in selecting sites. Neither Franchisor's assistance nor approval is intended to indicate or indicates that the Agency will be profitable or successful at the approved location. Franchisee is solely responsible for identifying the approved location. The location of the Agency will be described in Exhibit I attached hereto. Franchisee must receive Franchisor's written consent before relocating.

2.3 Territory

Franchisor will assign Franchisee a specific territory which will be described in Exhibit I attached hereto ("Territory"). So long as Franchisee is not in default under this Agreement, Franchisor will not grant the rights to the Territory or any area which is contained within the Territory to anyone else.

2.4 Franchisor's Reservation of Rights

Except to the extent provided in Section 2.3, Franchisor and its Affiliates retain and reserve: (i) all the rights to operate, and to franchise or license to third parties the rights to operate, businesses similar to a P&A Agency using the Systems and/or Marks anywhere except in Franchisee's Territory; (ii) the right to go into any other business under the Marks or under marks different than the Marks anywhere; (iii) the right to sell services on the Internet; (iv) the right to sell some or all of the products and services authorized for sale by the P&A Agency in any channel of distribution the Systems and/or Marks anywhere; (v) to acquire, merge with, or otherwise affiliate with, and after that own and operate, and franchise or license others to own and operate, any business of any kind, including, without limitation, any business that offers products or services the same as or similar to the Agency (but under different marks), at any location; and (vi) use the Marks and Systems, and license others to use the Marks and Systems, to engage in any other activities not expressly prohibited in this Agreement. Franchisor is not required to pay Franchisee if Franchisor exercise any of these rights specified in this subsection. Franchisee is not permitted to provide the services of the Agency on the Internet or in any other alternative channel of distribution.

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With regard to any of the above sales, assignments and dispositions described in the above paragraph, Franchisee expressly and specifically waives any claims, demands or damages arising from or related to the loss of the Marks (or any variation thereof) and System and/or the loss of association with or identification of "Patrice & Associate" as a franchisee under this Agreement. If Franchisor assigns its rights in this Agreement, nothing herein shall be deemed to require Franchisor to remain in the recruiting business or to offer or sell any products or services to Franchisee.

3. FEES

3.1 Franchise Fee

Upon execution of this Agreement, Franchisee shall pay a fee ("Initial Franchise Fee") to Franchisor of $65,000. The Initial Franchise Fee shall be deemed fully earned upon execution of this Agreement and is non-refundable. This Initial Franchise Fee must be paid by cashier's check or ACH wire transfer.

3.2 Training Fee and Starter Kit

Upon execution of this Agreement, Franchisee must pay Franchisor a training fee of $7,000 ("Training Fee"). This Training Fee covers the cost of training and mentoring. During the first 3 month the P&A Agency is open, a mentor will provide daily (business days only) one-on-one telephone calls with Franchisee. Thereafter, Franchisor may also provide business development training, including hiring and training employees/recruiters, business expansion, client development, leadership training and territorial enhancement.

Upon execution of this Agreement, Franchisee must pay Franchisor or its designated supplier a fee of $3,000 for a starter kit of initial inventory ("Starter Kit") of marketing materials to reach businesses in Franchisee's area. The Starter Kit includes client brochures, apparel, business cards, note cards, pens, congratulations cards, table sign, personalized stationary and envelopes. This fee is nonrefundable.

3.3 Royalty Fee

During the term of this Agreement, Franchisee shall pay Franchisor a weekly royalty fee of 10% of Gross Sales from the prior week ("Royalty Fee") in accordance with the provisions set forth in Section 3.8 below.

3.4 Proprietary Database

During the term of this Agreement, Franchisee shall pay Franchisor a weekly proprietary database fee of 7% of Gross Sales from the prior week ("Proprietary Database Fee") in accordance with the provisions set forth in Section 3.8 below.

At the time Franchisee hires a new recruiter, Franchisee must pay Franchisor a New Recruiter Fee of $125 for the set up charge and $45 per month. This set up charge includes setting up the email and the recruiter's continued access to the Database.

3.5 Billing Services Fee

During the term of this Agreement, Franchisee shall pay Franchisor a weekly billing services fee of 5% of Gross Sales from the prior week ("Billing Services Fee") in accordance with the provisions set forth in Section 3.8 below.

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3.6 Marketing Fund Contribution

During the term of this Agreement, Franchisee shall pay Franchisor a weekly marketing fund contribution of 2% of Gross Sales from the prior week ("Marketing Fund Contribution") in accordance with the provisions set forth in Section 3.8 below.

3.7 Technology Fee

During the term of this Agreement, Franchisee is required to pay Franchisor's then-current technology fee in accordance with the terms of Section 3.8 of this Franchise Agreement for market research and development costs of recruiting software, ongoing cost of developing and maintaining enhancements and updates to CRM, franchisee CRM access, the email platform for franchisees, and rising cost of technology ("Technology Fee").

3.8 Time and Manner of Payment

The Royalty Fees, Proprietary Database Fees, Billing Fees and Marketing Fund Contributions are due and payable each Friday based on the Gross Sales that were received in the previous week. The Technology Fee is due and payable on the first of each month. If Franchisor does not receive any Gross Sales on behalf of Franchisee in a particular week, then there will be no Royalty Fee, Marketing Fund Contributions, Proprietary Database Fee and Billing Service Fee due for that week (other than as described below). Franchisor is permitted to change the payment dates at its sole discretion. All of the fees set forth herein that are based on Gross Sales will be deducted from the Gross Sales Franchisor collects on Franchisee's behalf and the balance will be remitted to Franchisee. This remittance will be processed on the following Friday after the prior week's Gross Sales have been received. All customer hires have a guarantee period of which the candidate must be continuously employed. Should the candidate leave his or her job before the expiration of the guarantee, Franchisee shall refund monies paid to Franchisor relating to that hire no later than 10 days from notification of candidate guarantee default.

3.~~8~~9 Taxes

Franchisee agrees to indemnify and/or reimburse Franchisor and its Affiliates for all capital, gross receipts, sales, and other taxes and assessments imposed by any applicable state or local governmental authority as a result of the conduct of the Agency or the license of any of Franchisor's or its Affiliates' intangible property to Franchisee (whether required to be paid by Franchisor or its Affiliates, withheld by Franchisee or otherwise). Franchisee's obligation to indemnify or reimburse Franchisor or its Affiliates for these taxes does not extend to income-type taxes which a state or local government imposes on Franchisor or its Affiliates' income.

3.~~9~~10 Additional Training Fees

If Franchisee hires new recruiters, these recruiters must be trained either by the Franchisee or by the Franchisor. The Franchisee is permitted to train its new recruiters by using the Proctor Program. If so, the Franchisor will charge the then-current fee for each recruiter trained. This fee covers the Franchisor's costs in providing an electronic version of the Training Manual, providing a Daily Agenda for a "paint by number" approach to training including the lessons, training videos and quizzes including the final Exam. If Franchisee does not wish to train its recruiters, the recruiters must be trained by the Franchisor. The Franchisee will need to pay the Franchisor a "Recruiter Training Fee. The price of the Recruiter Training Fee will be described in

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the Manual and is subject to change. Currently the Recruiter Training is $2,000 which is payable in advance of the training. Franchisee shall be responsible for the costs and expenses incurred by its recruiter to attend the training. Franchisee shall pay Franchisor a manager training fee for training Franchisee's designated manager. The price of the fee for manager training will be described in the Manual and is subject to change. Currently this fee is $3,500 which is payable in advance of the training. Franchisee shall be responsible for the designated manager's costs and expenses incurred in attending the training.

3.~~10~~11 No Right to Offset

Franchisee agrees to make prompt payment, without deduction or set-off, of all charges which are properly due in addition to the fees and amounts due under this Agreement. Such payments cannot be withheld on grounds of non-performance by Franchisor or its Affiliates of any obligations hereunder.

3.~~11~~12 Interest on Late Payments

If any fees due under this Agreement or any other amounts due to Franchisor or its Affiliate are not paid when due, Franchisor shall have the right to charge interest on late payments equal to the lesser of one and one-half per cent (1 $^{1}/_{2}$%) per month or the maximum legal rate in the jurisdiction where the Agency is located. Franchisor's right to interest is in addition to any other remedies that Franchisor may have.

4. TERM AND RENEWAL

This Agreement shall be effective and binding for an initial term of five (5) years from the date of this Agreement, unless sooner terminated pursuant to the terms of this Agreement. If Franchisee is in full compliance with the terms of this Agreement, Franchisee shall have the right to renew for 3 additional terms of 5 years each, provided that Franchisee: (a) is not in default under this Agreement; (b) executes the most current franchise agreement being utilized by Franchisor (which may contain significantly different terms than this Agreement); (g) upgrades any of the equipment required to be used in the Agency to meet the current standards as set forth in the Manual; (h) signs a general release, as permitted by applicable law, in a form satisfactory to Franchisor, of any and all claims against Franchisor and its Affiliates, and their members, managers, shareholders, officers, directors, employees and agents and (i) complies with the other terms of this paragraph. Notwithstanding anything contained herein to the contrary, Franchisor may, in its discretion, refuse to renew this Agreement if Franchisee has been notified of any default (even if subsequently cured) under this Agreement more than 2 times during the initial term or more than 2 times during any renewal term, even if Franchisee is not in default at the time of such renewal. Franchisee agrees to give Franchisor not less than 6 nor more than 9 months written notice of an election to renew the franchise, prior to the end of the initial term and Franchisor will comply with any notice requirements imposed on it by applicable law with regard to renewals. If Franchisee fails to give such notice to renew, Franchisor shall have the right, in its discretion, to treat such failure as an election not to renew the franchise. If any termination or expiration of the term of this Agreement would violate any applicable law, Franchisor may reinstate or extend the term for the purpose of complying with the law. Notwithstanding anything herein to the contrary, if Franchisee continues to operate the Agency following the expiration of this Agreement, the continuation will be a month-to-month extension of this Agreement, unless otherwise set forth in writing. All provisions of this Agreement will apply while Franchisee continues to operate the Agreement; however, this Agreement will then be terminable by either party on 30 days written notice to the other party, with all post-termination provisions remaining in effect after such termination.

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5. OBLIGATIONS OF FRANCHISOR

5.1 Initial Training

Franchisor will provide an initial training program for the operation of the Agency for the Franchisee or its Principal Owner. The initial training program is furnished via a virtual program and after this Agreement is executed and prior to the opening of the Agency and will be furnished at such time as Franchisor may designate. Franchisee or its Principal Owner must attend and satisfactorily complete the initial training programs. In addition, any and all new recruiters and any designated managers must satisfactorily complete the initial training program before beginning work at the Agency. Satisfactory completion of the initial training program is, however, no assurance of the success of the Agency. Franchisor has the right to modify the training based on the experience of the Franchisee and its Principal Owner.

5.2 Recruiter and Designated Manager Training

All recruiters must attend and successfully complete Franchisor's training at Franchisee's expense. Franchisor shall conduct the recruiter/manager training program virtually or at another designated location. If Franchisee does not wish to train its recruiters by the Proctor Program, and pay the fee for doing so, Franchisee will be required to pay the Recruiter Training Fee and all expenses of its recruiters in attending the training. All designated managers must have satisfactorily completed the initial training program within 45 days of being named and Franchisee must pay the Designated Training Fee and all expenses of its designated managers in attending the training.

5.3 Mentoring and Additional Telephone Support

Franchisor will provide to Franchisee a mentoring program. During the first 3 months the Franchisee operates the P&A Agency, a mentor will provide periodic telephone calls with Franchisee. During the first 6 weeks following completion of initial training, Franchisor will provide Franchisee with twice weekly videoconference calls with its franchisees to provide additional assistance and support.

5.4 Marketing and Development Training

Franchisor may provide Franchisee and its employees with additional training in some of the following areas: business development, business expansion, client development, leadership training and territorial enhancement at no additional charge to Franchisee.

5.5 Additional Training and Assistance

Franchisor may provide additional or refresher training programs from time to time at a place and time as may be designated by Franchisor. Franchisee shall pay all transportation, lodging, meals and other expenses incurred by it and its employees in attending such programs. Further, Franchisor will make available such continuing advisory assistance in the operation of the Agency, rendered in such manner and available from time to time, as Franchisor may deem appropriate. However, if Franchisee requests additional assistance or Franchisor determines that Franchisee requires additional assistance, Franchisor reserves the right to charge a reasonable fee for such assistance as well as to be compensated for any travel expenses including but not limited to transportation, lodging, meals and other expenses Franchisor's employees incur in providing such additional assistance.

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5.6 Conferences

Franchisor may have annual conferences. Attendance at the Annual Conference is mandatory for Franchisee and its designated manager. The Annual Conference Fee is currently $495 per person and it can be increased at Franchisor's discretion. The Annual Conference Fee will be automatically charged to Franchisee's credit card for each person at the Agency who is required to attend (regardless of whether they attend) within 30 days prior to notification. Franchisor reserves the right to charge and collect this fee at the time of initial training, at the time of the conference or at any other time designated by Franchisor. Franchisee will be responsible for all of the expenses Franchisee and its employees incur in attending the Annual Conference.

5.7 Proprietary Database

Franchisor shall maintain and support a proprietary database which includes qualified hospitality management candidates and hospitality management positions. Franchisee will have access to this database and will be permitted and encouraged to fill the current job positions or place the current candidates listed therein. In addition, Franchisee must notify Franchisor of any new customers who may need job positions filled. Once Franchisor contracts with any of these new customers and the new customer has a job position which needs filling, Franchisor will include the job position in the database as "open". If another P&A Agency fills the new customer's job position, Franchisee will receive 20% of the commission collected (less applicable fees). Refer to the Manual for further details.

5.8 Billing and Collection Service

Franchisor will provide Franchisee with billing and collection services. However, Franchisor is not responsible if the customer fails to pay nor is Franchisor required to commence any further action other than as set forth herein if they do not pay.

1. Authorization to Franchisor. Franchisee hereby authorizes Franchisor to bill each customer on a scheduled basis, as set forth in the Manual, accept payments from customer accounts, collect accounts receivable, and maintain revenue records. Franchisor will provide customer imprinted invoices, envelopes and postage. In addition, Franchisor will provide ongoing phone contact and reminder notices emailed or otherwise transmitted to delinquent customers on a monthly basis. Franchisee hereby authorizes Franchisor to collect cash and other forms of payment from accounts to which Franchisee has rendered services or products, and take any other action necessary to carry out the terms of this Agreement.

Franchisee further authorizes Franchisor to deduct from payments Franchisor collects from the customers the fees described in Sections 3 of this Agreement and any other amounts due to Franchisor and any out of pocket costs (including but not limited to attorney's fees, credit card fees and court costs) incurred by Franchisor in enforcing payment of accounts by customers, Franchisee or Franchisee's guarantors. Franchisor will collect all payments actually received and disburse the amount due to Franchisee in accordance with the procedures set forth in the Manual. Franchisor will remit to Franchisee the amounts it is due based on the fees it has collected on Franchisee's behalf on the Friday of the following week.

2. Collections. Franchisor will not hire attorneys, commence litigation, or do any acts (other than to send scheduled statements) in order to enforce payment of accounts by customers. The only collection activities Franchisor is required to provide are ongoing phone contact and reminder notices to

delinquent customers on a monthly basis for such time as Franchisor deems appropriate. In the event that Franchisor engages a collection agency to assist in collecting the debt and the collection agency is successful, the collection agency's fee will be deducted from the amount Franchisor receives prior to the allocation of funds between Franchisor and Franchisee.

3. Taxes. Franchisee is and will continue to be responsible for complying with all local, state and federal tax requirements including but not limited to income tax, sales tax, use tax or any other tax required along with the proper reporting requirements.

5.9 Webpage

Franchisor will provide Franchisee a webpage and URL which will be linked to Franchisor's website. This webpage will focus on Franchisee's agency, including advertising the services provided by Franchisee's Agency, and will include all of Franchisee's contact information. Franchisor will also provide ongoing maintenance and support of this webpage.

6. PROPRIETARY MARKS

6.1 Ownership

Franchisee's right to use the Marks is derived solely from this Agreement, is nonexclusive and is limited to the conduct of business by Franchisee pursuant to, and in compliance with, this Agreement and all applicable standards, specifications and operating procedures prescribed from time to time by Franchisor. Any unauthorized use of the Marks by Franchisee is a breach of this Agreement and an infringement of the rights of Franchisor in and to the Marks. Franchisee's use of the Marks, and any goodwill created thereby, shall inure to the benefit of Franchisor and its Affiliate. Franchisee shall not at any time acquire an ownership interest in the Marks by virtue of any use it may make of the Marks. This Agreement does not confer any goodwill, title or interest in the Marks to Franchisee. Franchisee shall not, at any time during the term of this Agreement or after its termination or expiration, contest the validity or ownership of any of the Marks or assist any other person in contesting the validity or ownership of any of the Marks.

6.2 Limitations on Use

Franchisee shall not use any Mark or portion of any Mark as part of any business entity name. Franchisee shall not use any Mark in connection with the sale of any unauthorized product or service or in any other manner not expressly authorized in writing by Franchisor. Franchisee shall obtain such fictitious or assumed name registrations as may be required under applicable law to do business under the Marks in that state or states in which the Territory is located. Franchisee shall not register or seek to register as a trademark or service mark, either with the United States Patent and Trademark Office or any state or foreign country, any of the Marks, or a trademark or service mark that is confusingly similar to any Mark. Franchisee shall include on its letterhead, forms, cards, stationery and other such identification, and shall display at the Agency, a prominent and conspicuous notice stating that the Agency is an "Independently Owned and Operated Patrice & Associates Franchise". Franchisee shall also prominently and conspicuously display Franchisee's business entity name at the Agency.

6.3 Notification of Infringements and Claims

Franchisee shall immediately notify Franchisor of any infringement of the Marks, challenge to its use of any of the Marks or claim by any person of any rights in any of the Marks. Franchisee shall not communicate

with any person other than Franchisor and Franchisor's counsel in connection with any such infringement, challenge or claim; provided, however, Franchisee may communicate with Franchisee's counsel at Franchisee's expense. Franchisor has the right to take such action as it deems appropriate and the right to exclusively control any litigation or other proceeding arising out of any infringement, challenge or claim or otherwise relating to any of the Marks. Franchisee shall execute any and all instruments and documents, render such assistance, and do such acts and things as may, in the opinion of Franchisor's counsel, be necessary or advisable to protect and maintain Franchisor's interests in any such litigation or other proceeding or to otherwise protect and maintain Franchisor's interest in the Marks.

6.4 Change of Marks

If Franchisor deems it necessary for Franchisee to add to, modify or discontinue use of any of the Marks, and/or use one or more additional or substitute trade names, trademarks, service marks or other commercial symbols, Franchisee shall comply with Franchisor's directions within 10 business days after notice to Franchisee by Franchisor. Franchisor shall not be required to reimburse Franchisee for its expenses in modifying or discontinuing the use of a Mark or any loss of goodwill associated with any modified or discontinued Mark or for any expenditures made by Franchisee to promote a modified or substitute Mark.

6.5 Use of Marks on the Internet

Franchisee shall not use the Marks (or any marks or names confusingly similar to the Marks, or any abbreviation, acronym or variation of the Marks) as an Internet domain name or in the content of any social media or other Internet websites without permission from Franchisor. Franchisor and its Affiliate retain the sole right to advertise on the Internet and create a website using any of the Marks or any variation of the Marks. Franchisor and its Affiliate retain the sole right to determine the content on any website it or they create. Franchisee will comply with all policies and procedures that Franchisor may establish from time to time for use of the Marks and advertising on the Internet.

7. CONFIDENTIAL INFORMATION AND TRADE SECRETS

Franchisee acknowledges that the trade secrets, information, ideas, research, methods, manuals, procedures, systems, improvements and copyrighted materials, etc., including the Manual, billing and collection software, proprietary database, marketing and training materials owned or developed by or licensed to Franchisor or its Affiliate, whether or not published, confidential or suitable for registration or copyright, and the goodwill associated with them, are and shall remain the sole and exclusive property of Franchisor and its Affiliate. The foregoing are provided or revealed to Franchisee in trust and confidence, along with any and all information, knowledge and know-how not generally known in the business about the System and products, specifications, standards, methods, procedures, sales and marketing material, systems, procedure and techniques, knowledge of and experience in operating a P&A Agency and all non-public information concerning the financial data, customer accounts, client specific information, work product performed for any customer or client, work product documents and records, specific strategies and other information or material which Franchisor may designate as confidential ("Confidential Information and Trade Secrets") all of which shall be deemed confidential for purposes of this Agreement. It is understood and agreed that the Confidential Information and Trade Secrets, if used by others, give them a substantial competitive advantage which is presently enjoyed by Franchisor, its Affiliate and Franchisor's franchisees. Franchisee shall not, during the term of this Agreement, or after Transfer or expiration or termination of this Agreement for any reason, communicate or divulge to anyone or use any Confidential Information and Trade Secrets, nor shall Franchisee disclose, use or divulge in whole or in part any Confidential Information and Trade Secrets, unless such information is generally known and in the public domain and except to the extent necessary to operate the

Agency. All employees of Franchisee will exercise the highest degree of diligence and make every effort to maintain the absolute confidentiality of all Confidential Information and Trade Secrets and proprietary rights during and after the term of this Agreement. Further, Franchisee and Guarantors agree that they shall not, directly or indirectly, make any statements or take any actions which in any way disparages Franchisor or which could reasonably be expected to harm the reputation and/or goodwill of Franchisor the Franchisor's employees and officers and director and the Patrice & Associates franchise system.

8. CONFIDENTIAL OPERATIONS MANUAL

Franchisor shall provide Franchisee, for the duration of this Agreement and any renewal, access to the Manual. Franchisee agrees to comply with the mandatory requirements in the Manual and that said compliance is an essential part of its obligations under this Agreement. Franchisee shall at all times be responsible for ensuring that its employees and all other persons under its control comply with the mandatory provisions of the Manual in all respects. The Manual constitutes Confidential Information and Trade Secrets of Franchisor, shall remain the property of Franchisor, and can be used by Franchisee only so long as this Agreement is in effect. The Manual cannot be photocopied, reproduced, or disseminated without Franchisor's written consent. The Manual may be modified from time to time by Franchisor in its discretion, and Franchisee agrees that from time to time Franchisor may reasonably change the System. Franchisee expressly agrees to comply with each mandatory modification, addition or deletion of the System or Manual at its sole cost and expense. Franchisee acknowledges that due to the changing nature of the staffing business, computer hardware and software, as well as changing attitudes of customers and other factors, such changes to the Manual may be necessary and may involve the expenditure of substantial sums of money by Franchisee.

9. ADVERTISING AND PROMOTIONAL ACTIVITIES

9.1 Microsite

Franchisee must pay Franchisor upon the execution of this Agreement a fee of $7,000 for the Franchisor's web developer to create up to a 10 page website (Microsite) about the Agency. Franchisor will assist its web developer in the creation of this Microsite. This fee will include maintenance of the Microsite.

9.2 Local Advertising

Franchisee must submit all of its own advertising, marketing and sale promotion materials to Franchisor or its advertising agency for approval prior to use. If Franchisee does not receive written disapproval of submitted materials within 20 days after Franchisor or its advertising agency receives them, then the material are deemed rejected. Franchisee will not advertise or use in advertising or other form of promotion, the Marks without the appropriate copyright, trademark and service mark symbols ("©", "®", "TM" or "SM").

Any advertising to solicit candidates for job openings, must reflect that that the Agency is an equal opportunity employer and must specifically include the phrase "equal opportunity employer" in the text of the advertising. The Franchisor is not liable for any equal-opportunity-employer violations brought against the Franchisee and/or Agency by the Equal Employment Opportunity Commission or otherwise.

There are currently no requirements for participation in an advertising council or any local advertising cooperatives, though Franchisor reserves the right to establish an advertising council or advertising cooperatives in the future.

9.3 Marketing Fund

Franchisor has established and administers a System-wide marketing, advertising and promotion fund to assist in Franchisor's regional and national advertising ("Marketing Fund"). Franchisor shall oversee all marketing programs, with sole control over creative concepts, materials and media used in such programs, and the placement and allocation thereof. Franchisor does not warrant that any particular franchisee will benefit directly or *pro rata* from expenditures by the Marketing Fund. The program(s) may be local, regional or System-wide. Franchisor does not warrant the success or effectiveness of any particular marketing program.

Franchisee's Marketing Fund Contributions may be used to meet the costs of, or to reimburse Franchisor for its costs of, producing, maintaining, administering and directing consumer advertising (including, without limitation, the cost of preparing and conducting television, radio, Internet, magazine, newspaper, and direct mail advertising campaigns and other public relations activities; developing and/or hosting an Internet web page or site and similar activities; employing advertising agencies to assist therein; and providing promotional brochures and other marketing materials to franchisees). All Marketing Fund Contributions shall be maintained in a separate account from the monies of Franchisor and shall not be used to defray any of Franchisor's general operating expenses, except for such reasonable costs and expenses, if any, that Franchisor may incur in activities reasonably related to the administration of the Marketing Fund.

Franchisor shall endeavor to spend all Marketing Fund Contributions on marketing programs and promotions during Franchisor's fiscal year within which such contributions are made. If excess amounts remain in any Marketing Fund at the end of such fiscal year, all expenditures in the following fiscal year(s) shall be made first out of such excess amounts, including any interest or other earnings of the Marketing Fund, and next out of prior year contributions and then out of current contributions.

Although Franchisor intends the Marketing Fund to be of perpetual duration, Franchisor has the right to terminate the Marketing Fund at any time. The Marketing Fund shall not be terminated, however, until all Marketing Fund Contributions have been expended for advertising and promotional purposes or returned to Franchisee and other franchisees on a pro rata basis based on total Marketing Fund Contributions made in the aggregate by each franchisee.

Each P&A Agency operated by Franchisor or an Affiliate shall make Marketing Fund Contributions at the same rate as Patrice & Associates franchisees. An unaudited accounting of the operation of the Marketing Fund shall be prepared annually and shall be available to Franchisee upon request. Franchisee acknowledges that the Marketing Fund is not a trust and Franchisor assumes no fiduciary duty in administering the Marketing Fund.

9.4 Advertising on the Internet

Franchisor has an Internet website at the uniform resource locator www.patriceandassociates.com ("Website") that provides information about the System and about P&A Agencies. Franchisor will include at the Patrice & Associates website Franchisee's webpage containing information about the Agency. Franchisor will develop Franchisee's webpage and maintain the webpage and update any necessary changes. All information must be approved by Franchisor before it is posted. Other than the webpage, Franchisee is restricted from establishing a presence on, or marketing on the Internet without Franchisor's consent. Franchisor retains the sole right to market on the Internet, including the use of websites, domain names, uniform resource locators, keywords, linking, search engines (and search engine optimization techniques), banner ads, meta-tags, marketing, auction sites, e-commerce and co-branding arrangements. Franchisee may be requested to provide content for Franchisor's Internet marketing and Franchisee must follow Franchisor's intranet and Internet usage rules, policies and requirements. Franchisor retains the sole right to use the Marks on the Internet, including on websites, as domain names, directory addresses, search terms and meta-tags, and

in connection with linking, marketing, co-branding and other arrangements. Franchisor retain the sole right to approve any linking to, or other use of, the Website. Subject to Franchisor's right to consent, Franchisee may be permitted to create a social media account from which to advertise the Agency on the Internet (such as on LinkedIn, Facebook or Twitter). Any such permission shall only be for such time as Franchisor permits and shall be on the terms and conditions Franchisor specifies from time to time in the Manual, which may restrict the content that Franchisee is permitted to post to the social media outlet. Franchisor has the right to cease granting Franchisee permission to operate any social media outlet at any time and to require Franchisee to give Franchisor administrative control and/or log-in information for any social media site Franchisee operates for the promotion of the Agency.

10. STANDARDS OF OPERATION

10.1 Opening of Agency

Franchisee agrees that its Agency is open for business immediately after Franchisee or its Principal Owner satisfactorily completes the initial training program. Franchisor suggests that the first three months of operation, Franchisee will equip the Agency in accordance with specifications prepared by Franchisor. Opening may be delayed only if such delay is caused by contingencies not within the control of Franchisee, such as, acts of God, governmental restrictions, strikes or labor disputes, about which Franchisor is notified within a reasonable period of time of such delay. Franchisee shall use its best efforts to cure any such delay and any such delay in completion shall be for a period of days equal to the number of days during which such event actually prevents completion. In such event, Franchisee shall notify Franchisor of any such delay in writing. In the event that the Agency is not within the residence of the Franchisee or designated manager, Franchisee is solely responsible for complying with the requirements of the Americans with Disability Act ("ADA") and other matters affecting or relating to the construction and design of the Agency in all respects and nothing contained herein or in the Manual shall be construed as or implied as imposing any obligation on Franchisor or its Affiliate in relation to the ADA or other matters relating to the construction or design of the Agency.

10.2 Compliance with Laws

Franchisee shall secure and maintain in force all required licenses, permits and certificates necessary for the operation of the Agency and shall operate the Agency in full compliance with all applicable laws, ordinances and regulations. Franchisor makes no representation to Franchisee with regard to any legal requirements that Franchisee must satisfy or comply with in connection with the operation of the Agency. Franchisee shall be solely responsible for investigating and complying with all such laws, ordinances and regulations with regard to the operation of the Agency. At no time is Franchisor required to inform Franchisee of any federal, state, municipal, or local law, rule, regulation, ordinance, code or tax.

10.3 Use of Marks and System

During the term of this Agreement, Franchisee shall operate, advertise and promote its business under the Marks without prefix or suffix and to adopt and use the Marks and System licensed hereunder solely in the manner prescribed by Franchisor, and Franchisee agrees to identify its Agency with a sign in compliance with applicable local ordinances and approved by Franchisor if the Agency is not being operated in the Franchisee or its designated manager's residence.

10.4 Standards of Operation

Franchisee shall use its best efforts to promote and increase the sales and recognition of services offered through the Agency. Franchisee shall require all of Franchisee's employees, managers, officers, agents and representatives to make a good faith effort to enhance and improve the System and the sales of all services and products provided as part of the System. Franchisee agrees to offer such products and services required by Franchisor and only those products and services permitted by Franchisor. Franchisee will not conduct any business or sell any services or products other than those approved by Franchisor. Franchisee will comply with Franchisor's mandatory policies, practices, procedures, regulations and standards, whether set forth in the Manual or in other materials supplied to Franchisee by Franchisor, which may be changed or modified from time to time. Franchisee agrees to and shall take all steps as are necessary to ensure that its employees treat all customers and candidates fairly and provide services hereunder in an honest, ethical and non-discriminatory manner. Franchisee will not withhold any material information from its customers or attempt to sell any service to them that Franchisee believes, in its good faith estimation, is not needed; and Franchisee will not advertise in a deceptive, misleading or unethical manner. Franchisee will only make those promises, representations and guarantees to customers, candidates and others at the Agency authorized in writing by Franchisor; preserve good customer relations; render competent, prompt, courteous and knowledgeable service; and meet such minimum standards as Franchisor may establish from time to time in the Manual. The Agency must conform with the mandatory standards relating to signage, appearance, cleanliness, sanitation, types of products and displays and type of equipment as designated by Franchisor. In addition, the Agency shall be equipped with appropriate computer hardware and software (including anti-virus software and firewall), high speed internet connection, telephone system and facsimile machine that is approved by Franchisor and a functioning email address, as further outlined in the Manual. Franchisee must comply with Franchisor's specifications for hardware and software, which may be changed by Franchisor from time to time. Franchisee must use an endpoint protection system to ensure the security of the computer systems and data. This includes installing and maintaining up-to-date virus and malware protection software on all devices used in the operation of the franchise. The endpoint protection system must be configured to provide real-time threat detection and remediation and automatic updates to ensure the software is up-to-date and able to defend against the latest security threats. Failure to comply with these requirements may be considered a default under this Franchise Agreement. Franchisee acknowledges and agrees that Franchisor will have independent access to Franchisee's information, data, and emails which are contained on the computer system, Franchisee shall exercise diligent efforts to recruit, screen, interview, indoctrinate, contract with and for, and assign, place and dispatch direct hire employees in accordance with the standards and procedures of Franchisor and the Systems, and without regard to race, color, religion, sex, national origin or age. All of Franchisee's business dealings will be governed by the highest standards of honesty, integrity, fair dealing and ethical conduct. Franchisee will do nothing that would tend to discredit, dishonor, reflect adversely upon, or in any manner injure the reputation of Franchisor, its other franchisees or its Affiliate.

10.5 <u>Authorized Products, Services and Suppliers</u>

Franchisee acknowledges that the reputation and goodwill of the System is based in large part on offering high quality services to its clients. Accordingly, Franchisee shall provide and offer for sale or use at the Agency only those supplies, signs, equipment, computer hardware and software and other items that Franchisor from time to time approves (and which are not thereafter disapproved) and that comply with Franchisor's specifications and quality standards. Additionally, Franchisee shall use all agreements and other documentation relating to the Agency authorized by Franchisor. If required by Franchisor, any such items or services shall be purchased only from "Approved Suppliers" that Franchisor designates or approves (which might include, or be limited to, Franchisor or an Affiliate). Franchisee shall not offer for sale, sell or provide through the Agency any services or products that Franchisor has not approved. Franchisor shall provide Franchisee, in the Manual, a list of specifications and, if required, a list of Approved Suppliers for some or all of the supplies, signs, equipment and other approved or specified items and services, and Franchisor may from time to time issue revisions to such list. If Franchisee desires to utilize any products (e.g. software,

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agreements, etc.), specific assessment tests, or services that Franchisor has not approved (for services and products that require supplier approval), Franchisor shall direct Franchisee to have the service or product and/or supplier evaluated by an independent agency to determine whether the service or product complies with Franchisor's standards and specifications or whether the supplier meets its Approved Supplier criteria. Franchisee shall bear all of the expenses for such independent evaluation. Franchisor will decide within a reasonable time (usually 30 days) after receiving the required information whether Franchisee may purchase or lease such items or services from such supplier or whether the supplier can become an Approved Supplier. Approval of a supplier may be conditioned on the supplier's ability to provide sufficient quantity of product; quality of services or products at competitive prices; production and delivery capability; and dependability and general reputation. Nothing in this Section shall be construed to require Franchisor to approve any particular supplier, or to require Franchisor to make available to prospective suppliers, standards and specifications that Franchisor deems confidential.

Notwithstanding anything contrary in this Agreement, Franchisor has the right to review from time to time its approval of any items, services or suppliers. Franchisor may revoke its approval of any item, service or supplier at any time by notifying Franchisee and/or the supplier. Franchisee shall, at its own expense, promptly cease using, selling or providing any items or services disapproved by Franchisor and shall promptly cease purchasing from suppliers disapproved by Franchisor. Franchisor has the right to retain volume rebates, markups and other benefits from suppliers or in connection with the furnishing of suppliers. Franchisee shall have no entitlement to or interest in any such benefits.

Currently, Franchisor is an approved supplier of certain branded items and the Starter Kit. Franchisee must purchase the Starter Kit from the Franchisor or its designated supplier prior to opening. The Starter Kit includes an initial inventory of client brochures, apparel, business cards, note cards, pens, congratulations cards, table sign, personalized stationary and envelopes. Franchisee agrees to purchase certain products listed in the Manual, or as otherwise communicated to Franchisee, from Franchisor. If Franchisor or its Affiliates fail to offer any of these products, Franchisor will designate an Approved Supplier or suppliers for said products.

(a) Availability. Contingent upon the availability of these products, Franchisor will supply such products to Franchisee within a reasonable time after the receipt of said orders; provided, however, that Franchisor does not warrants that: (i) it will be able to obtain all such products; or (ii) the products will be obtained by the dates requested.

(b) Pricing. Franchisor shall establish and have exclusive control over the prices, discounts, specifications, and all other terms and conditions governing the sale of products to Franchisee, if any. Pricing of products is subject to change at any time or from time to time, effective upon notice to Franchisee.

(c) Terms of Purchase. All purchases of product from Franchisor shall be personally guaranteed by the individuals who are required to guarantee this Agreement pursuant to the Guaranty and Assumption of Obligations attached hereto. The terms of payment shall be established by Franchisor from time to time.

10.6 Appearance and Condition of the Agency

Franchisee shall maintain the Agency and any equipment, vehicle and signage used by the Agency in "like new" condition, and shall repair or replace equipment, fixtures, supplies, inventory, vehicle and signage as necessary to comply with the specifications of Franchisor and Franchisee's lessor and any applicable laws or regulations. The expense of such maintenance shall be borne by Franchisee and shall be in addition to any required System modifications.

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10.7 Contributions and Donations

In order to protect the Marks, Franchisee must obtain Franchisor's prior written consent before making any contributions or donations of items, services or funds to any individual or entity, or providing any type of other benefit to any charitable, religious, political, social, civic or other type of organization (or to any individual on behalf of any organization). Franchisor may withhold any such consent in its sole and absolute discretion.

10.8 Insurance Requirements

At its sole expense, Franchisee shall procure prior to opening the Agency and maintain in full force and effect during the term of this Agreement, at a minimum, the types and amount of insurance listed below. All policies (except any workers' compensation insurance) shall expressly name Franchisor as an additional insured or loss payee and all shall contain a waiver of all subrogation rights against Franchisor and its successors and assigns. If the Agency is located within Franchisee's or the designated manager's principal residence, Franchisee may not need all of the following insurance policies. In addition to any other insurance that may be required by applicable law, or by lender or lessor, Franchisee shall procure:

(a) "all risk" property insurance coverage on all assets used in the operation of the Agency. Franchisee's property insurance policy shall include coverage for fire, vandalism and malicious mischief and must have coverage limits of at least full replacement cost;

(b) workers' compensation insurance that complies with the statutory requirements of the state in which the Agency is located and employer liability coverage with a minimum limit of $100,000 or, if higher, the statutory minimum limit as required by state law;

(c) comprehensive general liability insurance against claims for bodily and personal injury, death and property damage caused by, or occurring in conjunction with, the operation of the Agency, or Franchisee's conduct of business pursuant to this Agreement, with a minimum liability coverage of $1,000,000 per occurrence and $2,000,000 in the aggregate or, if higher, the statutory minimum limit required by state law;

(d) business interruption insurance in amounts and with terms acceptable to Franchisor;

(e) if the vehicle is in the name of the Franchisee, automobile liability insurance for owned or hired vehicles, with a combined single limit of at least $1,000,000 or, if higher, the statutory minimum limit required by state law; and

(f) such insurance as necessary to provide coverage under the indemnity provisions set forth in Section 15.2. If Franchisee operates the Agency from a principal residence, the only required insurance is a $1,000,000 umbrella policy on Franchisee or its owner's homeowner's policy.

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Franchisor has the right to reasonably increase the minimum liability protection requirement annually and require different or additional insurance coverage(s) to reflect inflation, changes in standards of liability, future damage awards or other relevant changes in circumstances. Such policies shall be written by an insurance company licensed in the state in which Franchisee operates and having at least an "A" Rating Classification as indicated in the latest issue of A.M. Best's Key Rating Guide. Although A.M. Best groups "A" and "A-" in the same classification, Franchisor demands an "A" rating. Franchisee's obligation to obtain and maintain the foregoing policies shall not be limited in any way by reason of any insurance which may be maintained by Franchisor, nor shall Franchisee's performance of this obligation relieve it of liability under the indemnity provisions set forth in Section 15.2. Franchisee shall provide to Franchisor, 14 days of obtaining insurance, certificates of insurance showing compliance with the foregoing requirements and continue to do so each year. Such certificates shall state that said policy or policies shall not be canceled or altered without at least thirty (30) days' prior written notice to Franchisor and shall reflect proof of payment of premiums. Should Franchisee not procure and maintain insurance coverage as required by this Agreement or not provide Franchisor the insurance certificate, Franchisor has the right (but not the obligation) to immediately procure such insurance coverage and to charge the premiums to Franchisee, which charges, together with a reasonable fee for expenses incurred by Franchisor in connection with such procurement, shall be payable by Franchisee immediately upon notice.

10.9 Records and Reporting Obligations

Franchisee shall maintain full, complete and accurate books, records and accounts in accordance with the standard accounting system prescribed by Franchisor in the Manual or otherwise in writing. Franchisee shall retain during the term of this Agreement, and for 6 years thereafter, all books and records related to the Agency including, without limitation, purchase orders, invoices, payroll records, sales tax records, state and federal tax returns, bank statements, cancelled checks, deposit receipts, cash receipts and disbursement journals, general ledgers, and any other financial records designated by Franchisor or required by law. Franchisor shall have full access to all of Franchisee's computer data and systems and all related information by means of direct access, either in person or by telephone, modem or Internet to permit Franchisor to verify Franchisee's compliance with its obligations under this Agreement. Franchisee will send to Franchisor all records, reports and financial information as Franchisor requires, including an annual income and expense statement within 60 days of the end of Franchisee's fiscal year; monthly profit and loss statements by the 20th day of the following months and any other information or reports including copies of balance sheets, copies of sales tax returns and such other financial reports and information as Franchisor may reasonably request. However, Franchisee will not be obligated to disclose confidential tax returns if such disclosure would violate applicable state law. All reporting data will be prepared in accordance with United States generally accepted accounting principles, consistently applied. At all times, Franchisor will have access to and may use the information contained in Franchisee's books, records and accounts for any purpose Franchisor deem appropriate, including, but not limited to, disseminating such information to Franchisor's creditors and potential franchisees (except that Franchisor will not disclose social security number, birth date or home address information without Franchisee consent, unless required or permitted by law).

10.10 Right to Inspect

Franchisor or its designee has the right, during normal business hours, to examine, copy and audit the books, records and tax returns of Franchisee. If the Agency is located within Franchisee or its designated manager's principal residence, Franchisor shall be permitted access to all books, records and tax returns, at all reasonable times with 3 days' prior notice, without being found guilty of trespass or any other crime or tort. Franchisor's right to approve certain matters, to inspect its operation and to enforce Franchisor's rights, exists only to the extent necessary to protect Franchisor's interest in the System and Marks. Neither the retention nor

the exercise of these rights is for the purpose of establishing any control, or the duty to take control, over those matters which are clearly reserved to Franchisee, nor will they be construed to do so. The obligations of this provision survive termination or expiration of the term of this Agreement. Franchisor or its designee has the right to contact any and all of Franchisee's customers and candidates at its sole discretion.

10.11 Actual Participation

Franchisee or its Principal Owner agrees to participate personally in the direct operation of the Agency and devote substantially all of the Agency business time and efforts to the direct operation of the Agency. Franchisee or its Principal Owner shall (a) successfully complete the initial training Program; (b) throughout the term of this Agreement devote full working time and best efforts in the day-to-day operations of the Agency and shall keep free from conflicting enterprises or any other activities which would be detrimental to or interfere with the business of the Agency; and (c) have been granted general management power and authority over the business affairs of the Agency including, without limitation, the power and authority to act solely on behalf of and legally bind the Franchisee. In the alternative Franchisee may appoint a designated manager to operate the Agency. Any designated manager must satisfy all of the requirements which apply to Franchisee or its Principal Owner. Regardless of whether Franchisee has a designated manager in charge of the Agency, Franchisee is still ultimately responsible for the operation of the Agency. Franchisee shall keep Franchisor informed at all times of the identity of the designated manager of the Agency.

10.12 Cooperation for Financial Performance Representations

Franchisee shall maintain its books and records in accordance with generally acceptable accounting principles, consistently applied. If Franchisor at any time desires to utilize a financial performance representation or similar document in connection with the sale of franchises, Franchisee agrees to provide Franchisor, at no cost, with such reasonable information as Franchisor requires from Franchisee in order to properly prepare such documents, and shall permit Franchisor to utilize such information as it deems necessary.

10.13 Innovations

All ideas, concepts, techniques, innovations, developments, improvements, suggestions or materials concerning the Agency, whether or not protectable intellectual property and whether created by or for Franchisee or its owners, affiliates, employees or representatives, must be promptly disclosed to Franchisor and will be deemed to be Franchisor's sole and exclusive property, part of the System and works made-for-hire for Franchisor. To the extent any such item does not qualify as a "work made-for-hire" for Franchisor, Franchisee must assign, or must require its owners, affiliates, employees or representatives to assign, its or their ownership interest of such item to Franchisor. Franchisee agree to take, or direct Franchisee's owners, affiliates, employees or representatives to take, whatever action required by Franchisor to document such assignment or to assist Franchisor in obtaining any and all intellectual property rights in such item. However, if this provision is found to be invalid or unenforceable, Franchisee and its principals grant to Franchisor a worldwide, perpetual, non-exclusive and fully paid license to use and sublicense the use of the idea, concept, technique or material.

10.14 Staffing

Franchisee will maintain a competent, conscientious, and trained staff. Franchisee will be solely responsible for all employment decisions and functions of the Agency including those related to hiring, firing, training, wage and hour requirements, record-keeping, supervision and discipline of employees. Franchisee is

solely responsible for taking necessary or appropriate security and safety measures to protect employees, customers, those engaging in business with Franchisee, those coming on the premises of the Agency and the general public at large. Franchisor does not in any way share any of that responsibility. Franchisee agrees to cause all employees of Franchisee who participate in the operation, marketing or management of the Agency as well as all recruiters to attend and complete all training required by Franchisor pursuant to this Agreement. Franchisee must require all of their supervisory employees and recruiters to execute a nondisclosure, non-competition and non-solicitation agreement, in a form acceptable to Franchisor. Upon Franchisor's request, Franchisee shall provide Franchisor with copies of these agreements signed pursuant to this Section. Such agreements shall remain on file at the offices of Franchisee and are subject to audit or review as otherwise set forth herein. Franchisor shall be a third-party beneficiary with the right to enforce covenants contained in such agreements.

11. NON-COMPETITION AND NON-SOLICITATION

11.1 Non-Competition During the Term of this Agreement

Franchisee acknowledges the uniqueness of the System and that Franchisor is making its knowledge, know-how, and expertise available to Franchisee for the purpose of operating the Agency. Franchisee agrees that it would be an unfair method of competition to use or duplicate, or to allow others to use or duplicate, any of the knowledge, know-how or expertise Franchisee receive, from Franchisor or its Affiliate for any reason other than for the operation of the Agency under this Agreement. Franchisor further recognizes the importance of devoting substantial time and energy to the Agency. Therefore, Franchisee warrants that during the term of this Agreement, unless Franchisee has Franchisor's prior written consent, neither Franchisee nor any of Franchisee's owners will directly or indirectly perform any services for, engage in or acquire, be an employee of, have any financial, beneficial or equity interest in, or have any interest based on profits or revenues of any Competitive Business except as a duly licensed franchisee of Franchisor (except for a 5% or less beneficial interest in a reporting company registered under the Securities Act of 1933, as amended.)

In addition, during the term of this Agreement and for 2 years after a Transfer, the expiration or termination of the term of this Agreement for any reason or the entry of final order of a court of competent jurisdiction enforcing this covenant, whichever it later, neither Franchisee nor any of its owners will seek to become employed by or act as an independent contractor for any Customer (as defined below) of Franchisee or any other P&A Agency.

11.2 Non-Competition After the Term of this Agreement

For 2 years after a Transfer, the expiration or termination of the term of this Agreement for any reason, or the entry of final order of a court of competent jurisdiction enforcing this covenant, whichever is later, neither Franchisee nor any of its owners will directly or indirectly perform any services for, engage in or acquire, be an employee of, have any financial interest in, loan money to, or have any interest based on profits or revenues of any Competitive Business (except for other outlets franchised from Franchisor to Franchisee and its owners, and except for a 5% or less beneficial interest in a reporting company registered under the Securities Act of 1933, as amended). The geographical scope of this restriction will cover the Territory and the area within any other P&A Agency's territory.

11.3 Non-Solicitation

For 2 years after a Transfer, the expiration or termination of the term of this Agreement for any reason, or the entry of final order of a court of competent jurisdiction enforcing this covenant, whichever is later, Franchisee will not, directly or indirectly, solicit or accept any business from, and will not directly or indirectly contact: (a) any existing customers or candidates on the proprietary database; or (b) potential candidates or customers who Franchisee has contacted within the previous 2 years ("Customers").

11.4 Reasonableness of Restriction

Franchisor and any guarantor of this Agreement acknowledge and confirm that the length of the term and geographical restrictions contained in Sections 7 and 11 are fair and reasonable and not the result of overreaching, duress or coercion of any kind. Franchisee acknowledges and confirms its and its guarantors full, uninhibited and faithful observance of each of the covenants contained in Sections 7 and 11 will not cause any undue hardship, financial or otherwise, and that enforcement of each of the covenants contained in Sections 7 and 11 will not impair Franchisee or its guarantors ability to obtain employment commensurate with their respective abilities and on terms fully acceptable to Franchisee or its guarantors or otherwise to obtain income required for Franchisee or their guarantors' comfortable support and, if such person is an individual, his or her family, and the satisfaction of the needs of his or her creditors.

11.5 Enforcement

Franchisee acknowledges that to disregard the provisions of Sections 7 and 11 would effectively foreclose Franchisor from selling other franchises and Franchisee could be unjustly enriched and unfairly derive benefit from Franchisor's goodwill and/or the training Franchisee received from Franchisor. Moreover, Franchisor's franchisees and the P&A Agencies could be severely disadvantaged if Franchisee competes against them using the Marks, System or other Confidential Information and Trade Secrets. Franchisor intends to restrict Franchisee's activities under Sections 7 and 11 of this Agreement only to the extent necessary for the protection of Franchisor's, its Affiliate's and its franchisees' legitimate business interests. Each of the foregoing covenants will be construed as severable and independent and will be interpreted and applied consistent with the requirements of reasonableness and equity. Franchisor will have the right to reduce the scope of any covenant contained in Sections 7 or 11 without Franchisee's consent, effective immediately upon receipt by Franchisee; and Franchisee will comply with any reduced covenant. In addition to any other remedies available at law or equity, Franchisor will have the right to injunctive relief for Franchisee's violation or threatened violation of any covenant described in Sections 7 or 11. The terms of these non-compete and non-solicitation provisions are assignable by Franchisor and will inure to Franchisor's benefit, as well as Franchisor's successors and assigns. In the event of any assignment, sale, merger or change in Franchisor's ownership or structure, the resulting entity will step into Franchisor's place, without any additional consent of or notice to Franchisee, as if the term "Franchisor" was defined in this Agreement to include such entity.

12. DEFAULT AND TERMINATION

12.1 Termination by Franchisor

Franchisor may at its option, and without prejudice to any other rights or remedies provided for in this Agreement or at law or in equity, terminate the term of this Agreement for "good cause". Without limitation as to other situations, "good cause" for termination exists if Franchisee or any guarantor of this Agreement:

(a) Do not substantially perform all of the mandatory terms, conditions, and obligations of this Agreement, or the mandatory obligations under the Manual; or

(b) Fail to pay Franchisor or its Affiliate (notwithstanding anything herein to the contrary, Franchisee only has a 10 day period to cure this default);

(c) Lose any permit or license which is a prerequisite to the operation of the Agency for a period of at least 5 days; or

(d) Misuse the Marks or Confidential Information and Trade Secrets, or engage in conduct which, in Franchisor's opinion, reflects unfavorably upon the operation, maintenance, goodwill and/or reputation of the System; or

(e) Are adjudged bankrupt, become insolvent, or make a general assignment for the benefit of creditors (subject to subsection (d) below); or

(f) Commit any other act which constitutes good cause under applicable state law or court decision; or

(g) Divert or collect any fees from customers in violation of Section 5.8 which provide that customer billings and collections are to be done by Franchisor or its Affiliate; or

(h) Fail to keep the Agency open for a period of 5 consecutive days without justifiable cause; or

(i) Fail to pay any lawful debt or tax when due; or

(j) Surrender or transfer control of the operation of the Agency, or make an unauthorized direct or indirect Transfer; or

(k) Fail to install and maintain endpoint protection system (including up-to-date virus and malware protection software) on all devices used in the operation of the franchise.

Subject to applicable law and except as otherwise provided in this Agreement, Franchisor will give Franchisee at least 30 days' prior written notice of default (except that, if state law permits, Franchisor will have the right to terminate earlier if the “good cause” constitutes a default that is not curable). The notice will state the reason(s) for default and will provide that Franchisee has 30 days from the date of the notice to correct any claimed deficiency. If the default is corrected within this period, the notice will be void. If the default is not corrected within this period, Franchisor has the right to terminate the term of this Agreement immediately upon written notice to Franchisee.

Notwithstanding anything contained herein to the contrary, if state law permits, Franchisor will be permitted to terminate the franchise immediately and without notice when the basis or grounds for termination is: (a) conviction of a felony or any other criminal misconduct that materially and adversely affects the operation, maintenance, reputation or goodwill of the Agency or the System; (b) fraudulent activity that materially and adversely affects the operation, maintenance, reputation or goodwill of the Agency or the System; (c) abandonment of the Agency; (d) bankruptcy or insolvency of Franchisee or that of Franchisee's guarantors; (e) the giving of more than 2 no account or insufficient funds checks to Franchisor or its Affiliate within a 12 month period, or Franchisor or its Affiliate's receipt of any similar notice when utilizing any EFT

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payment; (f) the repeated failure or refusal to comply with the lawful provisions of this Agreement (i.e. 2 or more times in any 12 month period), whether or not the repeated failures or refusals are corrected after notice; (g) making or having made any material misrepresentation or omission in the application for this franchise; or (h) any other act or omission that permits termination without notice and/or an opportunity to cure under applicable state law.

12.2 Right of Franchisor to Operate the Agency

In order to prevent any interruption of the Agency, which Franchisee agrees would cause harm to the Agency and the System, if Franchisee is unable to operate the business for any reason whatsoever, Franchisee authorizes Franchisor, or its agents and Affiliate to operate the Agency, if Franchisor, or its agents and Affiliates agree to do so in their sole discretion, for so long as Franchisor deems necessary and practical. All income from the operation of the business will be kept in a separate account, and the expenses of the business, including reasonable compensation and expenses of Franchisor or its agents, will be charged to this separate account. Nothing in this Section 12.2 is intended to require Franchisor to operate the business in the event of Franchisee's inability, and the rights described in this Section 12.2 may be exercised or not exercised in Franchisor's sole and absolute discretion. Franchisee will be required to pay Franchisor a fee for operating the Agency pursuant to this Section 12.2. Nothing herein is to be construed to require Franchisor or its agents or Affiliates to operate the Agency.

13. RIGHTS AND DUTIES UPON EXPIRATION OR TERMINATION

13.1 Actions to be Taken

Except as otherwise provided herein, upon Transfer, termination or expiration, this Agreement and all rights granted hereunder to Franchisee shall terminate and Franchisee shall immediately cease to operate the Agency, including ceasing to access Franchisor’s proprietary database and Franchisee's webpage, and shall not thereafter, directly or indirectly, represent to current clients, the public or hold itself out as a present or former franchisee of Franchisor;

(a) cease to use the Confidential Information and Trade Secrets, the System and the Marks including, without limitation, all signs, slogans, symbols, logos, advertising materials, stationery, forms and any other items which display or are associated with the Marks;

(b) if the Agency is not within Franchisee's or its designated manager's principal residence, Franchisee shall remove all signs or indications relating to the Marks or System;

(c) take such action as may be necessary to cancel or assign to Franchisor, at Franchisor’s option, any assumed name or equivalent registration filed with state, city or county authorities which contains the name “Patrice & Associates” or any other Mark, and Franchisee shall furnish Franchisor with evidence satisfactory to Franchisor of compliance with this obligation within thirty (30) days after termination or expiration of this Agreement;

(d) pay all sums owing to Franchisor and its Affiliate. In the event of termination for any default of Franchisee, such sums shall include, but not be limited to, all damages, costs and expenses, including

reasonable attorneys' fees with respect to litigation, arbitration, appellate or bankruptcy proceedings, unpaid fees , and any other amounts due to Franchisor or any Affiliate;

(e) pay to Franchisor all costs and expenses, including reasonable attorneys' fees, incurred by Franchisor subsequent to the termination or expiration of the Franchise in obtaining injunctive or other relief for the enforcement of any provisions of this Agreement;

(f) comply with all post-term covenant obligations including but not limited to the Confidential Information and Trade Secrets, non-competition, non-solicitation and indemnification. All Customers are customers of Franchisor and will remain so. In such event, Franchisee will provide Franchisor with all records, files and information on each Customer upon Franchisor's request;

(g) immediately return to Franchisor the Manual, and all other material containing Confidential Information and Trade Secrets including records, files, instructions, brochures, agreements, disclosure statements and any and all other materials provided by Franchisor to Franchisee relating to the operation of the Agency (all of which are acknowledged to be Franchisor's property); and

(h) assign all telephone listings and numbers for the Agency to Franchisor and shall notify the telephone company and all listing agencies of the termination or expiration of Franchisee's right to use any telephone numbers or facsimile numbers associated with the Marks in any regular, classified or other telephone directory listing and shall authorize transfer of same to or at the direction of Franchisor.

13.2 Survival of Certain Provisions

All obligations of Franchisor and Franchisee, which expressly or by their nature survive the expiration or termination of this Agreement, shall continue in full force and effect subsequent to and notwithstanding their expiration or termination and until satisfied or by their nature expire.

14. TRANSFERABILITY OF INTEREST

14.1 Transfer by Franchisor

This Agreement and all rights and duties hereunder are fully transferable in whole or in part by Franchisor and such rights will inure to the benefit of any person or entity to whom transferred; provided, however, that with respect to any assignment resulting in the subsequent performance by the assignee of the functions of Franchisor, the assignee shall assume the obligations of Franchisor hereunder and Franchisor shall thereafter have no liability for the performance of any obligations contained in this Agreement.

14.2 Transfer by Franchisee to a Third Party

The rights and duties of Franchisee as set forth in this Agreement, and the franchise herein granted, are personal to Franchisee (or its owners), and Franchisor has entered into this Agreement in reliance upon Franchisee's (or its owners') personal or collective skill and financial ability. Accordingly, there can be no Transfer without Franchisor's prior written consent. Any consent by Franchisor will not operate as a consent to any future such Transfer, and no future such Transfer will be valid without Franchisor's prior written consent to that specific Transfer. Any attempted Transfer in violation of this Section 14.2 is voidable at Franchisor's option. If Franchisor elects not to exercise Franchisor's right of first refusal pursuant to Section 14.4 below,

Franchisor will not unreasonably withhold its consent to such a Transfer, provided that the following conditions are satisfied:

(a) all amounts owed to Franchisor and its Affiliate, and all other outstanding obligations relating to the Agency, are fully paid and satisfied;

(b) the Transfer is conducted in compliance with applicable laws, regulations and licensing requirements;

(c) the transferee updates the equipment used in the Agency to comply with the then-current standards imposed by Franchisor;

(d) Franchisee has performed its obligations and duties under this Agreement and Franchisee is not in default under this Agreement, or any other agreement with Franchisor or its Affiliate;

(e) the prospective transferee has satisfied Franchisor that it meets Franchisor's management, business and financial standards, and otherwise possesses the character and capabilities, including business reputation and credit rating, as Franchisor may require to demonstrate ability to conduct the Agency and neither transferee nor any owner or affiliate of transferee operate or has an ownership interest in or performs services for a Competitive Business;

(f) the transferee and, if Franchisor requires, all persons owning any interest in the transferee, have executed the then-current franchise agreement and guaranty and assumption of obligations for new franchisees, which may be substantially different from this Agreement, including different fees and other material provisions, and the franchise agreement then executed shall be for the term specified in such agreement;

(g) to the extent permitted by law, Franchisee, including all of its officers, directors and owners (as well as all guarantors under this Agreement) must execute a general release, in the form Franchisor approves, of any and all claims against Franchisor, its Affiliates, and each entity's respective officers, directors, employees and agents;

(h) Franchisee has provided Franchisor with a complete copy of all contracts and agreements and related documentation between Franchisee and the prospective transferee relating to the intended sale or transfer of the Franchise;

(i) Franchisee or the transferee, has paid to Franchisor a transfer fee in the amount of $10,000 in lieu of the initial franchise fee under the Franchise Agreement;

(j) Franchisee has agreed to be bound to the obligations of the new franchise agreement and to guarantee the full performance thereof by the transferee, if required by Franchisor; and

(k) the transferee agrees that transferee, a recruiter and its designated manager, if any, shall complete, to Franchisor's satisfaction, a training program in substance similar to the initial training prior to assuming the management of the day-to-day operation of the Agency.

Although Franchisor will not be required to determine the value of business upon a Transfer, if in Franchisor's reasonable judgment, the purchase price or terms of the Transfer are not economically feasible to the transferee, Franchisor can withhold its consent to such Transfer. Franchisor's consent is not, however to be construed as an implication or warranty that the terms of the sale are in fact economically feasible. Franchisor may, in good faith, notify Franchisee, stating the reasons for which Franchisor has elected to withhold approval of the proposed Transfer.

14.3 Transfer by Death or Incapacity

Franchisee or Franchisee's owners, by will or other written instrument, may appoint a designated heir or conservator to continue operation of the Agency upon death or legal incapacity. The designated heir must meet the qualifications of Section 14.2, including the requirement to meet Franchisor's standards for new franchisees, execute the then-current form of franchise agreement and the designated manager or new Principal Owner has, or within 45 days will have, satisfactorily completed the initial training program; provided that no transfer fee will be charged on a Transfer pursuant to this Section 14.2. The Transfer to a designated heir, personal representative or conservator, as applicable, in the event of the death or legal incapacity, will not give rise to Franchisor's right of first refusal as described in Section 14.4 below, but such Transfer must take place within 120 days of the death or declaration of legal incapacity.

14.4 Right of First Refusal

If Franchisee shall obtain a *bona fide*, executed written offer or proposal from a third party to purchase any interest in the Agency, Franchisee or this Agreement, Franchisee shall deliver the offer or proposal, along with all pertinent documents including any contract or due diligence materials, to Franchisor. Franchisor shall, for 30 days from the date of delivery of all such documents, have the right, exercisable by written notice to Franchisee, to purchase the offered assets or interest for the price and on the same terms and conditions contained in such offer communicated to Franchisee. Franchisor has the right to substitute cash for the fair market value of any form of payment proposed in such offer and Franchisor is not responsible for the payment of any broker fees. Franchisor's credit shall be deemed at least equal to the credit of any proposed buyer. After providing notice to Franchisee of Franchisor's intent to exercise this right of first refusal, Franchisor shall have up to 60 days to close the purchase. Franchisor shall be entitled to receive from Franchisee all customary representations and warranties given by Franchisee as the seller of the assets or such ownership interest or, at Franchisor's election, such representations and warranties contained in the proposal. If Franchisor does not exercise its right of first refusal within 30 days from the date of delivery of all such documents or Franchisor fails to close within 60 days from the date it timely elects to exercise this right of first refusal, the offer or proposal may be accepted by Franchisee or any of its owners, subject to Franchisor's prior written approval as required by Section 14.2. Should the sale to such third party fail to close within 120 days after the offer is delivered to Franchisor, Franchisor's right of first refusal shall renew and be implemented in accordance with this Section.

15. RELATIONSHIP AND INDEMNIFICATION

15.1 Relationship

This Agreement is purely a contractual relationship between the parties and does not appoint or make Franchisee an agent, legal representative, joint venturer, partner, employee, servant or independent contractor of Franchisor for any purpose whatsoever. Franchisee may not represent or imply to third parties that Franchisee is an agent of Franchisor, and Franchisee is in no way authorized to make any contract, agreement,

warranty or representation on behalf of Franchisor, or to create any obligation, express or implied, on Franchisor's behalf. During the term of this Agreement, and any extension or renewal hereof, Franchisee shall hold itself out to the public only as a franchisee and an owner of the Agency pursuant to a franchise from Franchisor. Franchisee shall take such affirmative action as may be necessary including, without limitation, exhibiting a notice of that fact in a conspicuous place at the Agency and on all forms, stationery, business cards or other written materials, including all signage, the content of which Franchisor has the right to specify. Under no circumstances shall Franchisor be liable for any act, omission, contract, debt, nor any other obligation of Franchisee. Franchisor shall in no way be responsible for any injuries to persons or property resulting from the operation of the Agency.

This Agreement does not establish a fiduciary relationship between the parties. Unless otherwise specifically provided in this Agreement with respect to certain issues, whenever this Agreement requires Franchisee to obtain Franchisor's written consent or permits Franchisee to take any action or refrain from taking any action, Franchisor is free to act in its own self-interest without any obligation to act reasonably, to consider the impact on Franchisee or to act subject to any other standard of care limiting Franchisor's right, except as may be provided by statute or regulation.

15.2 Indemnification

Franchisee shall hold harmless and indemnify Franchisor, any Affiliate, all holders of a legal or beneficial interest in Franchisor, its Affiliate and their respective officers, directors, executives, managers, members, partners, owners, employees, agents, successors and assigns (collectively "Franchisor Indemnitees") from and against all losses, damages, fines, costs, expenses or liability (including reasonable attorneys' fees and all other costs of litigation) incurred in connection with any action, suit, demand, claim, investigation or proceeding, or any settlement thereof, which arises from or is based upon Franchisee's (a) ownership or operation of the Agency; (b) violation, breach or asserted violation or breach of any federal, state or local law, regulation or rule; (c) breach of any representation, warranty, covenant, or provision of this Agreement or any other agreement between Franchisee and Franchisor (or an Affiliate); (d) defamation of Franchisor or the System; (e) acts, errors or omissions committed or incurred in connection with the Agency, including any negligent or intentional acts; or (f) infringement, violation or alleged infringement or violation of any Mark, patent or copyright or any misuse of the Confidential Information and Trade Secrets. The obligations of this Section 15.2 shall expressly survive the termination of this Agreement. The obligations of Indemnitors are joint and several. This indemnification must not be construed to indemnify a Franchisor Indemnitee to the extent such indemnification is prohibited by law, including, an indemnification of any Indemnified Party from its own negligence, if prohibited by law. To the extent indemnification of any party hereunder would be prohibited by law, this provision will not apply to such party, but will continue to be effective as to all other parties with respect to whom indemnification is not prohibited by applicable law.

16. GENERAL CONDITIONS AND PROVISIONS

16.1 No Waiver

No failure by Franchisor to exercise any power reserved to it hereunder, or to insist upon strict compliance by Franchisee with any obligation or condition hereunder, and no custom or practice of the parties in variance with the terms hereof, shall constitute a waiver of Franchisor's right to demand exact compliance with the terms of this Agreement. Waiver by Franchisor of any particular default by Franchisee shall not be binding unless in writing and executed by Franchisor and shall not affect or impair Franchisor's right with respect to any subsequent default of the same or of a different nature. Subsequent acceptance by Franchisor of

any payment(s) due shall not be deemed to be a waiver by Franchisor of any preceding breach by Franchisee of any terms, covenants or conditions of this Agreement.

16.2 Injunctive Relief

Franchisee agrees that any breach of any of the restrictions contained in Sections 6, 7 and 11 would result in irreparable injury to Franchisor, and as the damages arising out of any such breach would be difficult to ascertain, in addition to all other remedies provided by law or in equity, Franchisor shall be entitled to seek injunctive relief (whether a restraining order, a preliminary injunction or a permanent injunction) against any such breach, whether actual or contemplated, without the necessity of posting security or bond and Franchisee shall be responsible for Franchisor's reasonable attorneys' fees incurred in pursuing the same. Franchisor's right to seek injunctive relief will not affect the parties' waiver of jury trial and covenant to arbitrate all disputes. Franchisor's rights herein shall include pursuing injunctive relief through arbitration or in a state or federal court.

16.3 Notices

All notices required or permitted under this Agreement shall be in writing and shall be deemed received: (a) at the time delivered by hand to the recipient party (or to an officer, director or partner of the recipient party); (b) on the next business day after transmission by facsimile or other reasonably reliable electronic communication system; (c) 1 business days after being sent via guaranteed overnight delivery by a commercial courier service; or (d) 3 business days after being sent by Registered Mail, return receipt requested. Either party may change its address by a written notice sent in accordance with this Section 16.3. All notices, payments and reports required by this Agreement shall be sent to Franchisor and Franchisee at the address set forth in the first paragraph of this Agreement.

16.4 Cost of Enforcement or Defense

In the event of any court or arbitration proceeding, the non-prevailing party will reimburse the prevailing party for all of the prevailing party's costs and expenses, including reasonable accounting, paralegal, expert witness and attorneys' fees which are incurred before, at trial and at all appellate levels, even if not taxable as court costs, in addition to any other relief to which such party or parties may be entitled.

16.5 Approvals

Whenever this Agreement requires the prior approval or consent of Franchisor, Franchisee shall make a timely written request to Franchisor for such approval and, except as otherwise provided herein, any approval or consent granted shall be effective only if in writing. Franchisor makes no warranties or guarantees upon which Franchisee may rely, and assumes no liability or obligation to Franchisee or any third party to which it would not otherwise be subject, by providing any waiver, approval, advice, consent or services to Franchisee in connection with this Agreement, or by reason of any neglect, delay or denial of any request for approval.

16.6 Entire Agreement

This Agreement and all exhibits to this Agreement constitute the entire agreement between the parties and supersede any and all prior negotiations, understandings, representations and agreements. Nothing in the Franchise Agreement or any related agreements is intended to disclaim any of the representations we made

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in this Disclosure Document. 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.

16.7 Severability and Modification

Except as noted below, each paragraph, part, term and provision of this Agreement shall be considered severable. If any paragraph, part, term or provision herein is ruled to be unenforceable, unreasonable or invalid, such ruling shall not impair the operation of or affect the remaining portions, paragraphs, parts, terms and provisions of this Agreement, and the latter shall continue to be given full force and effect and bind the parties; and such unenforceable, unreasonable or invalid paragraphs, parts, terms or provisions shall be deemed not part of this Agreement.

16.8 Construction

All captions herein are intended solely for the convenience of the parties, and none shall be deemed to affect the meaning or construction of any provision hereof. The language of this Agreement will be construed according to its fair meaning and not strictly for or against either party. All words used in this Agreement refer to whatever number or gender the context requires.

16.9 Force Majeure/Timing

Whenever a period of time is provided in this Agreement for either party to perform any act, except pay monies, neither party shall be liable nor responsible for any delays due to strikes, lockouts, casualties, acts of God, war, terrorism, governmental regulation or control or other causes beyond the reasonable control of the parties, and the time period for the performance of such act shall be extended for the amount of time of the delay. This clause shall not result in an extension of the term of this Agreement. Time is of the essence. Failure to perform any act within the time required or permitted by this Agreement shall be a material breach.

16.10 Withholding Payments

Franchisee shall not, for any reason, withhold payment of any fee or any other amounts due to Franchisor or to an Affiliate. Franchisee shall not withhold or offset any amounts, damages or other monies allegedly due to Franchisee against any amounts due to Franchisor. No endorsement or statement on any payment for less than the full amount due to Franchisor will be construed as an acknowledgment of payment in full, or an accord and satisfaction, and Franchisor has the right to accept and cash any such payment without prejudice to Franchisor's right to recover the full amount due, or pursue any other remedy provided in this Agreement or by law. Franchisor has the right to apply any payments made by Franchisee against any of Franchisee's past due indebtedness as Franchisor deems appropriate. Franchisor shall set off sums Franchisor owes to Franchisee against any unpaid debts owed by Franchisee to Franchisor.

16.11 Effect/Joint and Several Liability

This Agreement will be binding upon and inure to the benefit of the parties, their legal representatives, heirs, administrators, executors, and permitted successors and assigns. If Franchisee is comprised of 2 or more persons, the obligations and liabilities to Franchisor of each of these persons will be joint and several.

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16.12 Limitation of Legal Action

(A) EXCEPT WITH RESPECT TO FRANCHISEE'S OBLIGATIONS REGARDING THE MARKS AND CONFIDENTIAL INFORMATION AND TRADE SECRETS, FRANCHISOR AND FRANCHISEE (AND ITS OWNERS) EACH WAIVE, TO THE FULLEST EXTENT PERMITTED BY LAW, THE RIGHT TO OR CLAIM FOR PROSPECTIVE PROFITS OR SPECIAL, INDIRECT, PUNITIVE OR CONSEQUENTIAL DAMAGES FOR ANY CONDUCT ARISING OUT OF THIS AGREEMENT OR FRANCHISOR'S RELATIONSHIP WITH FRANCHISEE.

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

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

(D) FRANCHISEE WILL BE BARRED FROM BRINGING ANY AND ALL CLAIMS ARISING OUT OF OR RELATING TO THIS AGREEMENT OR FRANCHISEE'S RELATIONSHIP WITH FRANCHISOR, UNLESS A JUDICIAL OR ARBITRATION PROCEEDING IS COMMENCED WITHIN ONE (1) YEAR FROM THE DATE ON WHICH FRANCHISEE KNEW OR SHOULD HAVE KNOWN OF THE FACTS GIVING RISE TO THAT CLAIM.(E) FRANCHISOR'S MAXIMUM AGGREGATE LIABILITY AND THE MAXIMUM AGGREGATE LIABILITY OF ANY OF FRANCHISOR'S OFFICERS, OWNERS, DIRECTORS, MEMBERS, MANAGERS, EMPLOYEES, AFFILIATES, PARENTS OR SUBSIDIARIES RELATED TO ANY AND ALL CLAIMS RELATING TO OR ARISING FROM THIS AGREEMENT OR THE FRANCHISE RELATIONSHIP SET FORTH IN THIS AGREEMENT SHALL BE COLLECTIVELY LIMITED TO THE AMOUNT FRANCHISEE PAID TO FRANCHISOR WITHIN THE PRIOR 12 MONTHS IMMEDIATELY BEFORE WRITTEN NOTICE OF ANY PROPER CLAIM IS RECEIVED BY FRANCHISOR.

16.13 Limitation on Liens

Franchisee will not grant a security interest, pledge, or place a lien upon its interest in this Agreement or in the Agency or in the furniture, fixtures, or equipment used in the business, except that Franchisee will be permitted to grant a security interest in such furniture, fixtures, and equipment to secure its obligation to the seller of, or lender of funds used for the purchase of, such furniture, fixtures, and equipment.

16.14 Day-to-Day Control

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Franchisee has the sole right and responsibility for the manner and means by which the day-to-day operation of the Agency is determined and conducted and for achieving Franchisee's business objectives. Subject to any approval, inspection and enforcement rights reserved to Franchisor in this Agreement, this right and responsibility possessed by Franchisee includes the employment, supervision, setting the conditions of employment and discharge for Franchisee's employees, daily maintenance, safety concerns and the achievement of conformity with the System.

16.15 Third Party Beneficiary

Patrice & Associates, Inc. is a third-party beneficiary to this Agreement and has the right to assume any of Franchisor's responsibilities, duties or functions in the event that the agreement between it and Franchisor expires or is terminated for any reason. Furthermore, Patrice & Associates, Inc. will have the right, but not the obligation, to enforce Franchisee's compliance with any provision of this Agreement.

16.16 Receipt of this Agreement and the Franchise Disclosure Document

Franchisee acknowledges receipt of Franchisor's Franchise Disclosure Document, along with this Agreement, at least 14 days before Franchisee's execution of this Agreement or any payment by Franchisee to Franchisor. If any unilateral modifications have been made to this Agreement, Franchisee acknowledge that it has had at least 7 days to review them.

16.17 Right to Subcontract

Franchisor has the right to subcontract the performance of any of its obligations pursuant to this Agreement to any of its Affiliate or any other third party designee.

16.18 Choice of Law

Except to the extent this Agreement or any particular dispute is governed by the U.S. Trademark Act of 1946 or other federal law, this Agreement shall be governed by and construed in accordance with the laws of the State of Delaware (without reference to its conflict of laws principles). If, however, any provision of this Agreement would not be enforceable under the laws of Delaware, and if the Agency is located outside of Delaware and the provision would be enforceable under the laws of the state in which the Agency is located, then the provision in questions (and only that provision) will be interpreted and construed under the laws of the state where the Agency is located. Further, any law regulating the offer or sale of franchises, business opportunities or similar interests or governing the relationship between a franchisor and a franchisee or any similar relationship will not apply unless its jurisdictional requirements are met independently without reference to this Section 16.18. The Federal Arbitration Act shall govern all matters subject to arbitration. References to any law refer also to any successor laws and to any published regulations for such law as in effect at the relevant time. If a state regulator requires an amendment to this Agreement, the amendment is attached hereto in a State Law Addendum as Exhibit II. Franchisor shall not, however, be precluded from contesting the validity, enforceability, or applicability of such laws or regulations in any action relating to this Agreement or to its rescission or termination.

16.19 Consent to Jurisdiction

Any action brought by either party, except those claims required to be submitted to arbitration, shall only be brought in the appropriate state or federal court located in or serving Maricopa County, Arizona. The parties waive all questions of personal jurisdiction or venue for the purposes of carrying out this provision.

This exclusive choice of jurisdiction and venue provision shall not restrict the ability of the parties to confirm or enforce judgments or arbitration awards in any appropriate jurisdiction.

16.20 Cumulative Rights and Remedies

No right or remedy conferred upon or reserved to Franchisor or Franchisee by this Agreement is intended to be, nor shall be deemed, exclusive of any other right or remedy herein or by law or equity provided or permitted, but each shall be in addition to every other right or remedy. Nothing contained herein shall bar Franchisor's right to obtain injunctive relief against threatened conduct that may cause it loss or damages, including obtaining restraining orders and preliminary and permanent injunctions. For purposes of this Agreement, a termination will include a termination for any reason, expiration, cancellation, failure to renew, assignment or Transfer.

17. DISPUTE RESOLUTION

17.1 Mediation

Before any party may bring an action in court for any controversy, dispute or claim between Franchisor and Franchisee arising from this Agreement or the franchise relationship set forth in this Agreement, the parties must first have a conference with each other to try to resolve the dispute. If this fails to bring about a resolution, the dispute will first be submitted to non-binding mediation (the "Mediation") in Maricopa County, Arizona, unless the parties mutually agree to another location. The Mediation shall be conducted in accordance with then-current AAA mediation rules (the "AAA Mediation Rules") except to the extent the AAA Mediation Rules differ from the terms of this Agreement, in which event the terms of this Agreement shall be applied. The mediation does not have to be conducted under the AAA. Franchisor and Franchisee will select the mediator. If the parties cannot agree on the selection of a mediator, the mediation shall be conducted through the AAA who will make the selection of mediator using their rules and guidelines. The cost of the Mediation, including the mediator's fee and expenses, shall be paid by the Franchisee. All negotiations and mediation proceedings (including without limitation, discovery conducted therein, as well as all statements and settlement offers made by either party or the mediator in connection with the Mediation) shall be strictly confidential, shall be considered as compromise and settlement negotiations for purposes of the Federal Rules of Evidence and state rules of evidence, and shall not be admissible or otherwise used in connection with any court or arbitration proceeding for any purpose. The mediator may not be called as a witness in any court or arbitration proceeding for any purpose. If the parties, after a good faith effort to settle the dispute using Mediation, are unable to reach settlement, Franchisor and Franchisee agree that the dispute will be resolved according to the Sections below. Failure to submit the dispute to Mediation prior to commencing any litigation or arbitration proceeding shall be grounds for dismissal of the litigation or arbitration proceedings.

The obligation of this Section to mediate will not be binding with respect to claims brought by Franchisor and relating to Franchisor's trademarks, service marks, patents, or copyrights, including the Marks; claims relating to any lease or sublease of any real property between the parties or their affiliated entities; or requests by Franchisor for temporary restraining orders, preliminary injunctions, permanent injunctions or other proceedings in a court of competent jurisdiction to obtain interim or permanent relief when deemed necessary by such court to preserve the status quo or prevent irreparable injury pending resolution of the actual dispute between the parties.

17.2 Arbitration

In the event that the dispute is not resolved by mediation if so required, the parties, subject to all other provisions above, will submit the dispute to binding arbitration conducted in Maricopa County, Arizona (unless the parties mutually agree otherwise). The arbitration proceeding will be conducted in accordance with the then-current commercial arbitration rules of the American Arbitration Association ("AAA Rules"), except to the extent the AAA Rules differ from the terms of this Agreement, in which event the terms of this Agreement will apply. The arbitration does not have to be conducted under the AAA. The arbitrator must be mutually selected by the parties and must have at least 5 years of substantial experience in franchise law. Each party will be limited to 25 document requests, 15 interrogatories and 1 deposition unless otherwise agreed to between the parties. For purposes of this Section, if any dispute that names, involves or includes Franchisor, it respective affiliates, officers, directors, agents, brokers or employees, such persons or entities shall also be included in and made party to the arbitration proceeding to the extent such parties consent to proceeding forward in arbitration.

The arbitrator will have the right to award or include in his award any relief which he deems proper in the circumstances, including money damages (with interest on unpaid amounts from date due), specific performance, and attorneys' fees and costs; however, the arbitrator will not be allowed to award or include in his award any punitive, exemplary, or consequential damages, to which the parties waive any right. The arbitrator, and not any federal, state, or local court or agency, shall have exclusive authority to resolve any dispute relating to the interpretation, applicability, or enforceability of this Section, including but not limited to, any claim that all or any part of this Section is void or voidable. The award and decision of the arbitrator will be conclusive and binding upon all parties, and judgment upon the award may be entered in any court of competent jurisdiction; however, the arbitrator may not under any circumstances: (1) stay the effectiveness of any pending termination of this Agreement; or (2) make any award which extends, modified or suspends any lawful term of this Agreement. Each party waives any right to contest the validity or enforceability of the award of an arbitrator under this Section except to the extent permitted by applicable law. The arbitrator must submit a reasoned award and this award must be consistent with the terms of this Agreement. If the arbitrator's award is not reasoned or not consistent with the terms of this Agreement, then Franchisor may appeal the arbitration award in Federal or State Court. An arbitration award or decision entered in any other case (whether or not Franchisor was a party) will not be binding on Franchisor in any other dispute, will have no precedential value and cannot be used as evidence in any other proceeding.

The arbitrator will apply the provisions of any applicable statute of limitations. In connection with any arbitration proceeding, Franchisor and Franchisee will submit or file any claim which would constitute a compulsory counterclaim (as defined by Rule 13 of the Federal Rules of Civil Procedure) within the same proceeding as the claim to which it relates. Any of these compulsory claims which are not submitted or filed in the same proceeding in which they relate will be barred. This provision will continue in full force and effect subsequent to and notwithstanding the Transfer, or the termination or expiration of the term of this Agreement. Except as provided in subsection A. above, the arbitration will be conducted on an individual, not a class-wide basis. None of the parties to the arbitration will be entitled to consolidation of the arbitration proceedings with the proceedings of any third party, nor will the arbitrator or any court be empowered to order a consolidation of proceedings with any third party.

In the event that the Franchisee or its guarantors have not complied with the provisions in this Section on Dispute Resolutions, Franchisee shall reimburse Franchisor for all of its expenses incurred in curing the Franchisee's breach (including, without limitation, Franchisor's attorneys' fees and costs related to dismissing and responding to any improperly filed claim) and pay the Franchisor the amount of the initial franchise fee set forth in this Agreement. This is in addition to any other rights or remedies which Franchisor has in law or equity.

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18. ACKNOWLEDGMENTS

A. YOU RECEIVED: (A) AN EXACT COPY OF THIS AGREEMENT AND ITS ATTACHMENTS, WITH ALL MATERIAL TERMS FILLED IN, AT LEAST SEVEN (7) CALENDAR DAYS BEFORE YOU SIGNED THIS AGREEMENT; AND (B) OUR FRANCHISE DISCLOSURE DOCUMENT AT THE EARLIER OF (i) 14 CALENDAR DAYS BEFORE YOU SIGNED A BINDING AGREEMENT OR PAID ANY MONEY TO US OR OUR AFFILIATES OR (ii) SUCH EARLIER TIME IN THE SALES PROCESS THAT YOU REQUESTED A COPY;

B. YOU ARE AWARE OF THE FACT THAT OTHER PRESENT OR FUTURE FRANCHISEES OF OURS MAY OPERATE UNDER DIFFERENT FORMS OF AGREEMENT AND CONSEQUENTLY THAT OUR OBLIGATIONS AND RIGHTS WITH RESPECT TO OUR VARIOUS FRANCHISEES MAY DIFFER MATERIALLY IN CERTAIN CIRCUMSTANCES; AND

C. WE MAY NEGOTIATE TERMS OR OFFER CONCESSIONS TO OTHER FRANCHISEES AND WE HAVE NO OBLIGATION TO OFFER YOU THE SAME OR SIMILAR NEGOTIATED TERMS OR CONCESSIONS EXCEPT TO THE EXTENT REQUIRED BY APPLICABLE LAW.

19. CAVEAT

THE SUCCESS OF THE AGENCY IS SPECULATIVE AND DEPENDS, TO A LARGE EXTENT, UPON FRANCHISEE'S ABILITY AS AN INDEPENDENT BUSINESS PERSON, AS WELL AS OTHER FACTORS. FRANCHISOR DOES NOT MAKE ANY REPRESENTATION OR WARRANTY AS TO THE POTENTIAL SUCCESS OF THE AGENCY AND NO ONE IS AUTHORIZED TO MAKE ANY SUCH REPRESENTATION OR WARRANTY ON FRANCHISOR'S BEHALF.

FRANCHISEE UNDERSTANDS AND AGREES THAT FRANCHISOR HAS NO OBLIGATION TO ACCEPT FRANCHISEE'S APPLICATION AND MAY REFUSE TO GRANT FRANCHISEE A FRANCHISE FOR ANY REASON, OR NO REASON, WITHOUT DISCLOSING THE BASIS FOR FRANCHISOR'S DECISION. FRANCHISEE AFFIRMS THAT ALL INFORMATION SET FORTH IN ANY AND ALL APPLICATIONS, FINANCIALS STATEMENTS AND SUBMISSIONS TO FRANCHISOR ARE TRUE, COMPLETE AND ACCURATE IN ALL RESPECTS AND THAT FRANCHISEE ACKNOWLEDGES THAT FRANCHISOR IS RELYING UPON THE TRUTHFULNESS, COMPLETENESS AND ACCURACY OF THE INFORMATION. FRANCHISEE ACKNOWLEDGES THAT UNLESS AND UNTIL FRANCHISOR SIGN THIS AGREEMENT, THE FRANCHISE HAS NOT BEEN GRANTED, FRANCHISEE IS NOT A FRANCHISEE OF FRANCHISOR AND FRANCHISEE MAY NOT RELY UPON BECOMING A FRANCHISEE OF FRANCHISOR.

20. NON-LIABILITY OF FRANCHISOR'S AFFILIATE

Franchisor is the only company obligated to Franchisee under this Agreement. Franchisee may not look to any Affiliate or related companies, other business entities or any individuals for performance of this Agreement.

IN WITNESS WHEREOF, the parties hereto, intending to be legally bound hereby have duly executed this Agreement.

Patrice Franchising, LLC

By: _____
~~Brian K~~Jason C. Miller, CEO

FRANCHISEE: _____
(type/print name)

By: _____

Name: _____

Title: _____

[or, if an individual]

Signed: _____

Name printed: _____

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GUARANTY AND ASSUMPTION OF OBLIGATIONS

In consideration of, and as an inducement to, the execution of the above Franchise Agreement (the "Agreement"), by Patrice Franchising, LLC ("Franchisor") in favor of_____ ("Franchisee"), each of the undersigned ("Guarantors") hereby personally and unconditionally guarantees to Franchisor, its Affiliates (as hereinafter defined), and their successors and assigns for the term of the Agreement and thereafter as provided in the Agreement, that Franchisee will punctually pay and perform each and every undertaking, agreement and covenant set forth in the Agreement and agrees to be personally bound by, and personally liable for the breach of each and every provision in the Agreement. The Guarantors each agree to be personally and unconditionally bound by each and every undertaking, agreement and covenant set forth in the Agreement, including, the restrictive covenants and non-disclosure provisions contained in the Agreement, as well as the provisions in the Agreement relating to the Marks and Transfers to the same extent as and for the same period of time as Franchisee is required to comply with and abide by such covenants and provisions. All of the foregoing obligations of the undersigned will survive any expiration or termination of the term of the Agreement or this Guaranty and Assumption of Obligations. The Guarantors further hereby personally and unconditionally guarantee all debts and obligations Franchisee incurs to Franchisor, its successors, assigns, affiliated entities, parent corporation, and subsidiaries ("Affiliates"), as the case may be, as a result of any obligations under the Agreement and as a result of purchases of products or services from Franchisor and its Affiliates. Each of the undersigned waives:

(1) acceptance and notice of acceptance by Franchisor or Affiliates of the foregoing undertakings; and

(2) notice of demand for payment of any indebtedness or nonperformance of any obligations hereby guaranteed; and

(3) protest and notice of default to any party with respect to the indebtedness or nonperformance of any obligations hereby guaranteed; and

(4) any right he may have to require that an action be brought against Franchisee or any other person as a condition of liability; and

(5) all rights to payments and claims for reimbursement or subrogation which any of the Guarantors may have against the Franchisee arising as a result of the Guarantors' execution of and performance under this Guaranty and Assumption of Obligations; and

(6) any and all other notices and legal or equitable defenses to which he may be entitled. Each of the

undersigned consents and agrees that:

(1) his or her direct and immediate liability under this Guaranty and Assumption of Obligations will be joint and several; and

(2) he or she will render any payment or performance required under the Agreement upon demand if the Franchisee fails or refuses punctually to do so; and

(3) such liability will not be contingent upon or conditioned upon the pursuit by Franchisor or Affiliates of any remedies against the Franchisee or any other person; and

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(4) such liability will not be diminished, relieved or otherwise affected by any extension of time, credit or the indulgence which Franchisor or Affiliates may from time to time grant to the Franchisee or to any other person, including, without limitation, the acceptance of any partial payment or performance or the compromise or release of any claims, none of which will in any way modify or amend this Guaranty and Assumption of Obligations, which will be continuing and irrevocable during the term of the Agreement.

If Franchisor or any of the Affiliates are required to enforce this Guaranty and Assumption of Obligations in any judicial proceeding or appeal thereof, the Guarantors will reimburse Franchisor and Affiliates for its costs and expenses, including, but not limited to, reasonable accountants', attorneys', attorney assistants', and expert witness fees, costs of investigation and proof of facts, court costs, other litigation expenses and travel and living expenses, whether incurred prior to, in preparation for or in contemplation of the filing of any written demand, claim, action, hearing or proceeding to enforce this Guaranty and Assumption of Obligations.

The undersigned Guarantors also recognize that certain disputes relating to the Franchise Agreement are to be resolved by arbitration and hereby consent to such arbitration in accordance with the terms of the Franchise Agreement. Further, the undersigned Guarantors also hereby consent to the applicability of the venue, governing law and jurisdiction provisions in the Franchise Agreement. The terms contained in the Agreement and this Guaranty and Assumption of Obligations constitute the entire agreement between the parties, and there are no representations, inducements, promises, or agreements, oral or otherwise, between the parties not embodied herein.

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

Print Name: _____
Signature: _____
Date: _____
Address:
_____
_____

Print Name: _____
Signature: _____
Date: _____
Address:
_____
_____

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EXHIBIT I TO THE FRANCHISE AGREEMENT

LOCATION AND TERRITORY

The location of the Agency is: _____

The Territory is: _____

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EXHIBIT II TO THE FRANCHISE AGREEMENT

STATE LAW ADDENDUM

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STATE LAW ADDENDUM TO THE FRANCHISE AGREEMENT - CALIFORNIA

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

In recognition of the requirements of the California Franchise Investment Law, Cal. Corporations Code Sections 31000 et seq. the franchise disclosure document and Franchise Agreement for PATRICE & ASSOCIATES, FRANCHISING, INC. for use in the State of California shall be amended as follows:

Item 3 of the FDD is supplemented to include the following:

Neither we nor any person identified 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. 78a *et seq.*, suspending or expelling such person from membership in such association or exchange.

Other provisions:

California Business & Professions Code Sections 20000 through 20043 provides rights to the franchisee concerning termination or nonrenewal of a franchise. If the Franchise Agreement contains a provision that is inconsistent with the California Business & Professions Code Sections 20000 through 20043, the California Business & Professions Code Sections 20000 through 20043 controls.

The Franchise Agreement provides for termination upon bankruptcy. These provisions may not be enforceable under federal bankruptcy law (11 U.S.C.A. Sec. 101 *et seq.*).

The Franchise Agreement requires binding arbitration. The arbitration will occur in Anne Arundel County, MD with the costs being borne by both parties.

The Franchise Agreement contains a covenant not to compete which extends beyond the termination, expiration or transfer of the franchise. This provision may not be enforceable under California law.

The Franchise Agreement contains a liquidated damages clause. Under California Civil Code Section 1671, certain liquidated damages clauses are unenforceable.

Prospective franchisees are encouraged to consult private legal counsel to determine the applicability of California and federal laws (such as Business and Professions Code 20040.5, Code of Civil Procedure Section 1281, and Federal Arbitration Act) to any provisions of a Franchise Agreement restricting venue to a forum outside the State of California.

The Franchise Agreement requires application of the law of the State of Delaware. This provision may not be enforceable under California law.

Waiver of jury trial and the restriction on the statute of limitations may not be enforceable under California law.

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You must sign a release if you transfer your franchise. California Corporations Code 31512 voids a waiver of your rights under the Franchise Investment Law (California Corporations Code 31000 through 31516). Business and Professions Code 20010 voids a waiver of your rights under the Franchise Relations Act (Business Professions Code 2000 through 20043).

OUR WEBSITE IS www.patriceandassociate.com OUR WEBSITE HAS NOT BEEN REVIEWED OR APPROVED BY THE CALIFORNIA DEPARTMENT OF CORPORATIONS, 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.

Section 31125 of the California Corporation Code requires the franchisor to give the franchisee a disclosure document, in a form and containing such information as the Commissioner may by rule or order require, prior to a solicitation of a proposed material modification of an existing franchise.

The financial performance representation figures does not reflect the costs of sales, operating expenses, or other costs or expenses that must be deducted from the gross revenues or gross sales figures to obtain your net income or profit. You should conduct an independent investigation of the costs and expenses you will incur in operating your Agency. Franchisees or former franchisees, listed in the FDD, may be one source of this information.

Other Provisions Unaffected: All other terms and provisions contained in the Franchise Agreement, and Franchise Disclosure Document shall remain in full force and effect, except to the extent specifically modified herein.

Section 4 of the Franchise Agreement is amended to include the following: If we elect not to renew or offer you the right to renew, we will send you a written notice of non-renewal at least 180 days prior to the expiration date, which shall set forth the basis for our decision not to renew or offer you the right to renew. Our failure to send you a notice of non-renewal at least 180 days prior to the expiration date shall constitute our offer to renew your franchise in accordance with, and subject to, the renewal terms and conditions set forth above. If you have any objections to our notice of non-renewal, including any dispute as to the basis for our decision not to renew, you must send us a written notice of objection that sets forth the basis for your objections. Your notice of objection must be sent to us no later than 30 days after you receive our notice of non-renewal. Your failure to send us a written notice of objection during such 30-day period shall constitute your agreement to the non-renewal of your franchise. You still must comply with all renewal requirements contained in this Section 4, including providing us with not less than 6 nor more than 9 months written notice of an election to renew the franchise, prior to the end of the initial term.

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.

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

Dated on the _____ day of_____, 20 .

Patrice Franchising, LLC	Franchisee: _____
By: _____	By:_____
Name: _____	Name: _____
Title: _____	Title: _____

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STATE LAW ADDENDUM - HAWAII

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

THE FRANCHISE INVESTMENT LAW MAKES IT UNLAWFUL TO OFFER OR SELL ANY FRANCHISE IN THIS STATE WITHOUT FIRST PROVIDING TO THE PROSPECTIVE FRANCHISEE, OR SUBFRANCHISOR, AT LEAST SEVEN DAYS PRIOR TO THE EXECUTION BY THE PROSPECTIVE FRANCHISEE OF ANY BINDING FRANCHISE OR OTHER AGREEMENT, OR AT LEAST SEVEN DAYS PRIOR TO THE PAYMENT OF ANY CONSIDERATION BY THE FRANCHISEE, OR SUBFRANCHISOR, WHICHEVER OCCURS FIRST, A COPY OF THE 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 THE FRANCHISOR AND THE FRANCHISEE.

THE NAME AND ADDRESS OF OUR AGENT TO RECEIVE SERVICE OF PROCESS IN THE STATE OF HAWAII IS LISTED IN EXHIBIT A ATTACHED TO THE DISCLOSURE DOCUMENT.

THIS REGISTRATION IS, OR WILL SHORTLY BE ON FILE IN THE FOLLOWING STATES: ILLINOIS, CALIFORNIA, NEW YORK, MARYLAND, VIRGINIA, NORTH DAKOTA, RHODE ISLAND, MINNESOTA, WISCONSIN AND WASHINGTON. NO STATES HAVE REFUSED, BY ORDER OR OTHERWISE, TO REGISTER THESE FRANCHISES. NO STATES HAVE REVOKED OR SUSPENDED THE RIGHT TO OFFER THESE FRANCHISES.

No release language set forth in the Franchise Agreement shall relieve us or any other person, directly or indirectly, from liability imposed by the laws concerning franchising in the State of Hawaii.

The undersigned does hereby acknowledge receipt of this Addendum.

Dated on the _____ day of_____ , 20 .

Patrice Franchising, LLC

By: _____

Name: _____

Title: _____

Franchisee: _____

By:_____

Name: _____

Title: _____

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STATE LAW ADDENDUM- ILLINOIS

Notwithstanding anything contained in the foregoing Franchise Agreement and Franchise Disclosure Document ("FDD") to the contrary, the following provisions of the Illinois Franchise Disclosure Act ("Act") shall apply to any franchise located in the State of Illinois, which shall control to the extent of any inconsistency:

Item 17v. and 17w of the FDD, the State Cover Page of the FDD, and Sections 16.18 and 16.19 of the Franchise Agreement and Sections VIII.G and H. Choice of Law and Choice of Forum shall be Illinois.

State Law, Jurisdiction and Venue. Any provision in the Franchise Agreement, including but not limited to Sections 16.18 and 16.19, which designates governing law, jurisdiction or venue in a forum outside the State of Illinois is void.

Termination or Nonrenewal Franchise: The Illinois Franchise Disclosure Act provides rights to you concerning nonrenewal and termination of the Franchise Agreement. If the Franchise Agreement contains a provision that is inconsistent with the Act, the Act will control.

Waiver. 815 ILCS 705/41 provides that the rights provided by the Illinois Franchise Disclosure Act of 1987 (the "Act") along with other laws of the State of Illinois may not be waived. Consequently, any release of claims or acknowledgements of fact contained in the Agreement that would negate or remove from judicial review any statement, misrepresentation or action that would violate the Act or any other law of the State of Illinois shall be void and hereby deleted with respect to claims under the Act or any other law of the State of Illinois.

Participation in Trade Associations: We will not in any way restrict any Franchisee from joining or participating in any trade association.

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

Other Provisions Unaffected: All other terms and provisions contained in the Franchise Agreement shall remain in full force and effect, except to the extent specifically modified herein.

Dated on the _____ day of_____ , 20 .

Patrice Franchising, LLC

By: _____

Name: _____

Title: _____

Franchisee: _____

By:_____

Name: _____

Title: _____

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STATE LAW ADDENDUM - MARYLAND

The following provisions of the Maryland Franchise Registration and Disclosure Law ("Maryland Franchise Law") shall apply to any franchises sold or offered for sale within the State of Maryland, operated in this State or to a Maryland resident, which amends the Franchise Agreement:

Section 12.1 of the Franchise Agreement: Section 12.1 of the Franchise Agreement is amended to add: "The provision in this Franchise Agreement which terminates the franchise upon the bankruptcy of the Franchisee may not be enforceable under federal bankruptcy law, Title 11, United States Code Section 101 et seq."

Section 16.12 of the Franchise Agreement. Section 16.12 of the Franchise Agreement is amended to add: "Any claims arising under the Maryland Franchise Registration and Disclosure Law must be brought within 3 years after the grant of the franchise."

Franchise Agreement: "Notwithstanding anything in the Franchise Agreement to the contrary, all representations requiring prospective franchisee 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."

Sections 4 and 14.2 of the Franchise Agreement: Sections 4 and 14.2 of the Franchise Agreement is 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."

Section 17 of the Franchise Agreement. Section 17 of the Franchise Agreement is amended to state:

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

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.

Dated on the _____ day of_____ , 20 .

Patrice Franchising, LLC	Franchisee: _____
By: _____	By:_____
Name: _____	Name: _____
Title: _____	Title: _____

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STATE LAW ADDENDUM - MINNESOTA

Notwithstanding anything contained in the foregoing Franchise Agreement and Franchise Disclosure Document ("FDD") to the contrary, the following provisions of the Minnesota Franchise Act shall apply to any franchise or franchisee located in the State of Minnesota, which shall control to the extent of any inconsistency:

1. MINN. STAT. SECTION 80C.21 and MINNESOTA RULES 2860.4400(J) prohibit the franchisor from requiring litigation to be conducted outside Minnesota, requiring waiver of a jury trial, or requiring the franchisee to consent to liquidated damages, termination penalties or judgment notes. In addition, nothing in the Franchise Disclosure Document or agreement(s) can abrogate or reduce (1) any of the franchisee's rights as provided for in MINN. STAT. CHAPTER 80C or (2) franchisee's rights to any procedure, forum, or remedies provided for by the laws of the jurisdiction.

2. With respect to franchises governed by Minnesota law, the franchisor will comply with MINN. STAT. SECTION 80C.14 SUBD. 3-5, which require (except in certain specified cases)

(i) that a franchisee be given 90 days' notice of termination (with 60 days to cure) and 180 days' notice for non-renewal of the franchise agreement and

(ii) that consent to the transfer of the franchise will not be unreasonably withheld.

3. Minnesota considers it unfair to not protect the franchisee's right to use the trademarks. Refer to MINN. STAT. SECTION 80C.12 SUBD. 1(G). The franchisor will protect the franchisee's rights to use the trademarks, service marks, trade names, logotypes, or other commercial symbols or indemnify the franchisee from any loss, costs, or expenses arising out of any claim, suit, or demand regarding the use of the name.

4. MINNESOTA RULES 2860.4400(D) prohibits a franchisor from requiring a franchisee to assent to a general release.

5. The franchisee cannot consent to the franchisor obtaining injunctive relief. The franchisor may seek injunctive relief. See MINNESOTA RULES 2860.4400(J) also, a court will determine if a bond is required.

6. The Limitations of Claims section must comply with MINN. STAT. SECTION 80C.17 SUBD.

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

8. Other Provisions Unaffected: All other terms and provisions contained in the Franchise Agreement and FDD shall remain in full force and effect, except to the extent specifically modified herein.

[Signature Page Follows]

© 2024 Patrice & Associates Franchising, LLC

Dated on the _____ day of_____, 20 .

Patrice Franchising, LLC	Franchisee: _____
By: _____	By:_____
Name: _____	Name: _____
Title: _____	Title: _____

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NEW YORK STATE LAW ADDENDUM

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 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 CAN NOT USE THE NEGOTIATING PROCESS TO PREVAIL UPON A PROSPECTIVE FRANCHISEE TO ACCEPT TERMS THAT ARE LESS FAVORABLE THAN THOSE SET FORTH IN THIS FRANCHISE DISCLOSURE DOCUMENT.

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

With the exception of what is stated above, the following applies to the franchisor, its predecessor, a person identified in Item 2, or an affiliate offering franchises under the franchisor's principal trademark:

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

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

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

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

3. The following is added to the end of the "Summary" sections of Item 17(c), titled "**Requirements for a 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 the franchisee by Article 33 of the General Business Law of the State of New York

6. Franchise Questionnaires and Acknowledgements--No statement, questionnaire, or 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.

7. Receipts--Any sale made must be in compliance with § 683(8) of the Franchise Sale Act (N.Y. Gen. Bus. L. § 680 *et seq.*), which describes the time period a Franchise Disclosure Document (offering prospectus) must be provided to a prospective franchisee before a sale may be made. New York law requires a franchisor to provide the Franchise Disclosure Document at the earlier of the first personal meeting, ten (10) business days before the execution of the franchise or other agreement, or the payment of any consideration that relates to the franchise relationship.

Dated on the _____ day of_____, 20 .

Patrice Franchising, LLC

By: _____

Name: _____

Title: _____

Franchisee: _____

By:_____

Name: _____

Title: _____

STATE LAW ADDENDUM – NORTH DAKOTA

Notwithstanding anything contained in the foregoing Franchise Agreement and Franchise Disclosure Document ("FDD") to the contrary, the following provisions of the North Dakota Franchise Investment Law shall apply to any franchise or franchisee located in the State of North Dakota, which shall control to the extent of any inconsistency:

Item 17 of the FDD, Section 11 of the Franchise Agreement.

The covenants not to compete found in the Franchise Agreement is generally considered unenforceable to the extent that the covenants conflicts with North Dakota law.

Item 17(u) of the FDD, Section 17 of the Franchise Agreement.

The provisions of the Franchise Agreement requiring consent to arbitration or mediation of disputes to be held outside of North Dakota are unenforceable to the extent that the provision conflicts with North Dakota law.

Item 17(v) of the FDD, Section 16.19 of the Franchise Agreement.

The provisions of the Franchise Agreement requiring consent to the jurisdiction of courts outside of North Dakota are unenforceable to the extent that the provision conflicts with North Dakota law.

Item 17 of the FDD, Section 16.8 of the Franchise Agreement .

The provisions of the Franchise Agreement requiring that the Franchise Agreement be governed by the laws of a state other than North Dakota are unenforceable to the extent the provision conflicts with North Dakota law.

Section 16.12 of the Franchise Agreement.

The provision of the Franchise Agreement requiring Franchisee to consent to the waiver of jury trial is unenforceable to the extent the provision conflicts with North Dakota law.

Section 16.12 of the Franchise Agreement.

The provisions of the Franchise Agreement requiring Franchisee to consent to a waiver of exemplary and punitive damages are unenforceable to the extent the provision conflicts with North Dakota law.

Item 17 of the FDD, Sections 4, 14.2 of the Franchise Agreement.

The provisions of the Franchise Agreement requiring that the franchisee sign a release upon the renewal of the Franchise Agreement are unenforceable to the extent that it conflicts with North Dakota law.

Item 17 of the FDD, Section 13.1 of the Franchise Agreement.

The provisions of the Franchise Agreement requiring that the franchisee consent to a liquidated damages clause are unenforceable to the extent that it conflicts with North Dakota law.

Section 16.2 of the Franchise Agreement.

The provision of the Franchise Agreement that requires the franchisee consent to the limitation of claims is unenforceable to the extent the provision conflicts with North Dakota law.

All fees payable to us under the terms of the Franchise Agreement are subject to deferral pursuant to order of the State of North Dakota. Accordingly, you shall pay no fees to us until we have completed all of our material pre-opening responsibilities to you and you commence operating the franchised business

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 behalf of the franchisor. This provision supersedes any other term of any document executed in connection with the franchise.

All other terms and provisions contained in the Franchise Agreement and FDD shall remain in full force and effect, except to the extent specifically modified herein.

Dated on the _____ day of_____ , 20 .

Patrice Franchising, LLC

By: _____

Name: _____

Title: _____

Franchisee: _____

By:_____

Name: _____

Title: _____

STATE LAW ADDENDUM - RHODE ISLAND

The following modifies and supersedes the Franchise Disclosure Document ("FDD") and Franchise Agreement with respect to franchises offered for sale or sold in the State of Rhode Island, as followings:

§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." Therefore, Item 17v. and 17 w. of the FDD, Section 16.18 of the Franchise Agreement are hereby modified.

All other terms and provisions contained in the Franchise Agreement, and FDD shall remain in full force and effect, except to the extent specifically modified herein.

Dated on the _____ day of_____ , 20 .

Patrice Franchising, LLC

By: _____

Name: _____

Title: _____

Franchisee: _____

By:_____

Name: _____

Title: _____

STATE LAW ADDENDUM – VIRGINIA

Notwithstanding anything contained in the foregoing Franchise Agreement and Franchise Disclosure Document ("FDD") to the contrary, the following provisions of the Virginia Retail Franchising Act shall apply to any franchise or franchisee located in the State of Virginia, which shall control to the extent of any inconsistency:

The following is added to Item 17.h. of the FDD, and corresponding provisions in the Franchise Agreement:

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 my be defined in the Virginia Retail Franchising Act or the laws of Virginia, that provision may not be enforceable.

Dated on the _____ day of_____ , 20 .

Patrice Franchising, LLC

By: _____

Name: _____

Title: _____

Franchisee: _____

By:_____

Name: _____

Title: _____

STATE LAW ADDENDUM – WASHINGTON

This Addendum modifies the FDD, Franchise Agreement, and any supplemental or related agreements or other documents related to the sale of a franchise to comply with Washington law. The terms of this Addendum will override any inconsistent provision of the FDD, Franchise Agreement and any supplemental or related agreements or other documents related to the sale of a franchise.

The state of Washington has a statute, RCW 19.100.180, which may supersede the Franchise Agreement in your relationship with 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 FRANCHISOR, including the areas of termination and renewal of your franchise.

1. In the event of a conflict of laws, the provisions of the Washington Franchise Investment Protection Act, Chapter 19.100 RCW will prevail.
2. 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.
3. 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.
4. 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.
5. Transfer fees are collectable to the extent that they reflect the Franchisor's reasonable estimated or actual costs in effecting a transfer.
6. Pursuant to RCW 49.62.020, a noncompetition covenant is void and unenforceable against an employee, including an employee of a franchisee, unless the employee's earnings from the party seeking enforcement, when annualized, exceed $100,000 per year (an amount that will be adjusted annually for inflation). In addition, a noncompetition covenant is void and unenforceable against an independent contractor of a franchisee under RCW 49.62.030 unless the independent contractor's earnings from the party seeking enforcement, when annualized, exceed $250,000 per year (an amount that will be adjusted annually for inflation). As a result, any provisions contained in the Franchise Agreement or elsewhere that conflict with these limitations are void and unenforceable in Washington. RCW 49.62.060 prohibits a franchisor from restricting, restraining, or prohibiting a franchisee from (i) soliciting or hiring any employee of a franchisee of the same franchisor or (ii) soliciting or hiring any employee of the franchisor. As a result, any such provisions contained in the Franchise Agreement or elsewhere are void and unenforceable in Washington.
7. As it applies to Washington franchisees:
    a. Section 2.4 of the Franchise Agreement is hereby revised to remove the first sentence of the second paragraph, which reads: "With regard to any of the above sales, assignments and dispositions described in the above paragraph, Franchisee expressly and specifically waives any claims, demands or damages arising from or related to the loss of the Marks (or any variation thereof) and System and/or the loss of association with or identification of 'Patrice & Associate' as a franchisee under this Agreement."
    b. Section 11.4 of the Franchise Agreement is hereby removed in its entirety.
    c. Section 14.1(j) of the Franchise Agreement is hereby removed in its entirety.

d. Section 15.2 of the Franchise Agreement is hereby revised to clarify that the franchisee's indemnification obligation does not extend to liabilities caused by the Franchisor's acts or omissions amounting to gross negligence, willful misconduct, strict liability, or fraud.
e. Section 16.5 of the Franchise Agreement is hereby revised to remove the last sentence, which reads: "Franchisor makes no warranties or guarantees upon which Franchisee may rely, and assumes no liability or obligation to Franchisee or any third party to which it would not otherwise be subject, by providing any waiver, approval, advice, consent or services to Franchisee in connection with this Agreement, or by reason of any neglect, delay or denial of any request for approval."
f. Section 16.6 of the Franchise Agreement is hereby revised to remove the fourth sentence, which reads: "Franchisee acknowledges that it is entering into this Agreement, and all ancillary agreements executed contemporaneously with this Agreement, as a result of its own independent investigation of the franchised business and not on reliance of or as a result of any representations made by Franchisor's owners, officers, directors, managers, employees, agents, representatives, attorneys, franchisees, area representatives, or brokers which are not contained in or are contrary to the terms set forth in this Agreement or of any representation in the Franchise Disclosure Document."
g. Section 16.12(D) of the Franchise Agreement is hereby removed in its entirety.
h. Section 17.1 of the Franchise Agreement is revised to clarify that the cost of the Mediation, including the mediator's fee and expenses, shall be paid by the non-prevailing party.
i. Section 17.2 of the Franchise Agreement is revised to clarify that either party may appeal the arbitration award in federal or state court.

8. All initial fees referenced in the Franchise Agreement are subject to deferral pursuant to order of the State of Washington. Accordingly, you will pay no fees to us until we have completed all of our material pre-opening responsibilities to you and you commence operating the franchised business.

9. The following additional risk factor is added to the Special Risks to Consider About *This* Franchise page:

"**3. <u>Turnover Rate.</u>** During the last 3 years, a large number of franchised outlets (91) were terminated, not renewed, re-acquired, or ceased operations for other reasons. This franchise could be a higher risk investment than a franchise in a system with a lower turnover rate.

The undersigned does hereby acknowledge receipt of this addendum.

[SIGNATURE PAGE TO FOLLOW]

Dated on the _____ day of_____, 20 .

Patrice Franchising, LLC

By: _____

Name: _____

Title: _____

Franchisee: _____

By:_____

Name: _____

Title: _____

EXHIBIT C

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EXHIBIT D

AUDITED 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.

Patrice and Associates
Balance Sheet
As of November 30, 2024

	Total
ASSETS	
Current Assets	
Bank Accounts	
BOK Financial - 4945	$ 287,394.68
BOK Financial 4934	$ 12,633.36
Total Bank Accounts	**$ 300,028.04**
Accounts Receivable	
Accounts Receivable (A/R)	$ 351,683.00
Total Accounts Receivable	**$ 351,683.00**
Other Current Assets	
Allowance for Bad Debts	$ (6,612.00)
Deferred Cost	$ 2,664,081.67
Insurance Deposit	$ 4,423.25
Prepaid expenses	$ 15,643.57
Total Other Current Assets	**$ 2,677,536.49**
Total Current Assets	**$ 3,329,247.53**
Other Assets	
Deferred Cost - L/T	$ 2,478,572.73
Intercompany - Patrice Holdings	$ 2,154,110.11
Goodwill	$ 4,568,043.57
Goodwill - Accumulated Amortization	$ (612,648.41)
Total Goodwill (Net of Accum Amort)	$ 3,955,395.16
Total Other Assets	**$ 8,588,078.00**
TOTAL ASSETS	**$ 11,917,325.53**
LIABILITIES AND EQUITY	
Liabilities	
Current Liabilities	
Accounts Payable	
Accounts Payable (A/P)	$ 466,494.79
Total Accounts Payable	**$ 466,494.79**
Credit Cards	
American Express	
American Express - CD	$ 11,406.00
Total American Express	**$ 11,406.00**
BOK Credit Card	$ 1,530.00
Total Credit Cards	**$ 12,936.00**
Other Current Liabilities	
Accrued Accounts Payable (A/P)	$ 2,600.00
Accrued Payroll	$ 18,634.93

Accrued Payroll Taxes	$	1,043.14
Accrued Zee/RD Payout	$	462,481.27
Deferred Revenue	$	3,601,382.40
Notes Payable (S/T)	$	12,737.29
Retainer Payable	$	62,125.00
Vacation Accrual	$	18,835.09
Total Other Current Liabilities	**$**	**4,179,839.12**
Total Current Liabilities	**$**	**4,659,269.91**
Long-Term Liabilities		
Deferred Revenue - L/T	$	3,182,379.78
Intercompany - Patrice Franchising	$	2,154,110.11
Notes Payable (L/T)	$	1,716,493.56
Total Long-Term Liabilities	**$**	**7,052,983.45**
Total Liabilities	**$**	**11,712,253.36**
Equity		
Capital Contribution	$	1,800,000.00
Retained Earnings	$	(611,118.87)
Net Income	$	(983,808.96)
Total Equity	**$**	**205,072.17**
TOTAL LIABILITIES AND EQUITY	**$**	**11,917,325.53**

P&A Consolidated
Profit and Loss
January - November, 2024

	Total
Income	
Franchise Sales Fee	$ 1,534,000.00
Microsite Fee	$ 168,000.00
Placement Fee	$ 4,680,601.00
Retained Services Fee	$ 102,000.00
Retainer Fee	$ 5,000.00
Starter Kit Fee	$ 62,000.00
Technology Fees	$ 344,435.00
Training Fee	$ 168,000.00
Total Income	**$ 7,064,036.00**
Cost of Goods Sold	
Broker Fee	$ 639,000.00
CCG Franchise Sales Commission	$ 351,000.00
Placement Fee (Zee/RD)	$ 3,470,509.07
Placement Fee Chargeback	$ 536,666.00
RD Commission	$ 177,840.00
Sales Commission	$ 147,800.00
Starter Kit Expense	$ 30,829.99
Training Fee Expense	$ 133,000.00
Total Cost of Goods Sold	**$ 5,486,645.06**
Gross Profit	**$ 1,577,390.94**
Expenses	
Advertising & marketing	
Franchise Leads	$ 41,227.17
Marketing	$ 49,410.40
Press Release	$ 1,706.04
Social media	$ 19,843.36
Website	$ 172,192.32
Total Advertising & marketing	**$ 284,379.29**
Conference & Trade Shows	$ 13,199.00
Employee benefits	
Health & accident plans	$ 93,975.18
Worker's compensation insurance	$ 858.75
Total Employee benefits	**$ 94,833.93**
Interest Paid	$ 132,562.59
General business expenses	
Bad Debt	$ 12,712.50
Bank fees & service charges	$ 3,530.38
Business & Filing Fees	$ 6,406.64

Continuing education	$	248.50
Exchange Rate Variance	$	257.00
Memberships & subscriptions	$	7,198.35
Merchant account fees	$	9,243.33
Total General business expenses	**$**	**39,596.70**
Insurance		
Business insurance	$	19,320.03
Total Insurance	**$**	**19,320.03**
Office expenses		
Computers & Equipment	$	2,301.34
Office supplies	$	14.97
Shipping & postage	$	1,180.69
Software & apps	$	47,370.53
Total Office expenses	**$**	**50,867.53**
Payroll expenses		
Contract Labor	$	141,331.36
Payroll Processing Fee	$	7,572.70
Payroll taxes	$	56,340.03
Salaries & Wages	$	601,725.68
Training Expense	$	151,261.25
Severance	$	5,000.00
Total Payroll expenses	**$**	**963,231.02**
Professional Fees		
Accounting fees	$	12,895.15
CCG Management Fee	$	100,596.15
Franchise Development Fee	$	68,750.00
Legal fees	$	49,619.61
Professional Fees	$	6,400.00
Total Professional Fees	**$**	**238,260.91**
Taxes paid	$	2,670.00
Technology Fee Expense	$	1,626.60
Travel		
Airfare	$	2,879.01
Hotels	$	3,708.12
Mileage	$	1,142.72
Parking & tolls	$	182.00
Taxis or shared rides	$	1,024.64
Travel Individual Meals	$	151.99
Travel Meals with Clients	$	291.90
Total Travel	**$**	**9,380.38**
Rent & Lease	$	15,400.00
Utilities		
Phone service	$	400.00
Total Utilities	**$**	**400.00**

Total Expenses	**$**	**1,865,727.98**
Net Operating Income	**$**	**(231,488.16)**
Other Expenses		
Amortization Expense	$	279,158.22
Total Other Expenses	**$**	**279,158.22**
Other Income		
Other income	$	11,333.33
Net Other Income	**$**	**(279,158.22)**
Net Income	**$**	**(556,161.93)**
Addbacks:		
Amortization Expense	$	279,158.22
CCG Management Fee	$	100,596.15
CCG Fran Dev Fee	$	68,750.00
CCG Franchise Sales Commission	$	351,000.00
CCG Support	$	140,558.86
Seller Carryback ($2M @ 8% Interest. 10 yr)	$	132,256.47
Total Add Backs	**$**	**1,072,319.70**
EBITDA (Adjusted)	**$**	**516,157.77**

PATRICE FRANCHISING, LLC

FINANCIAL STATEMENTS

DECEMBER 31, 2023 AND 2022

PATRICE FRANCHISING, LLC

Financial Statements

December 31, 2023 and 2022

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Independent Auditors' Report

To the Managing Member of
Patrice Franchising, LLC:

Opinion

We have audited the accompanying financial statements of Patrice Franchising, LLC, which comprise the balance sheets as of December 31, 2023 and 2022, and the related statements of income and member's equity (deficit), and cash flows for the year ended December 31, 2023 and for the period from December 3, 2022 (inception) through December 31, 2022, 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 Patrice Franchising, LLC as of December 31, 2023 and 2022, and the results of its operations and its cash flows for the year ended December 31, 2023 and for the period from December 3, 2022 (inception) through December 31, 2022 in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audits of the Financial Statements section of our report. We are required to be independent of Patrice Franchising, LLC and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audit. 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 the 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 Patrice Franchising, LLC's ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

Auditors' Responsibilities for the Audits 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 auditors' 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 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 Patrice Franchising, LLC'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 Patrice Franchising, LLC'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.

April 29, 2024

PATRICE FRANCHISING, LLC

Balance Sheets

December 31, 2023 and 2022

ASSETS	2023	2022
Current assets:		
Cash	$ 287,213	$ 136,000
Receivables, less allowance for doubtful accounts	437,308	1,110,989
Prepaid expenses	37,468	17,692
Deferred franchise costs, current	1,314,574	1,101,031
Total current assets	2,076,563	2,365,712
Due from related party	1,599,755	2,057,110
Deferred franchise costs, noncurrent	2,478,573	1,904,170
Total assets	$ 6,154,891	$ 6,326,992
LIABILITIES AND MEMBER'S EQUITY (DEFICIT)		
Current liabilities:		
Accounts payable and accrued expenses	$ 296,540	$ 708,201
Accrued commissions	63,158	781,856
Retainer contract liability	93,375	38,730
Replacement credits contract liability	259,124	239,000
Deferred revenue, current	1,823,881	1,668,562
Total current liabilities	2,536,078	3,436,349
Deferred revenue, noncurrent	3,182,379	2,962,281
Total liabilities	5,718,457	6,398,630
Member's equity (deficit)	436,434	(71,638)
Total liabilities and member's equity (deficit)	$ 6,154,891	$ 6,326,992

See accompanying notes and independent auditors' report.

PATRICE FRANCHISING, LLC

Statements of Income and Member's Equity (Deficit)

For the Year Ended December 31, 2023 and
the Period from December 3, 2022 (inception) through December 31, 2022

	2023	2022
Revenues	$ 9,256,878	$ 584,644
Operating expenses:		
Direct expenses	6,989,998	366,575
Selling, general and administrative expenses	1,758,808	289,707
Total operating expenses	8,748,806	656,282
Net income	$ 508,072	$ (71,638)
Member's equity (deficit):		
Beginning of year	(71,638)	-
End of year	$ 436,434	$ (71,638)

See accompanying notes and independent auditors' report.

PATRICE FRANCHISING, LLC

Statements of Cash Flows

For the Year Ended December 31, 2023 and
the Period from December 3, 2022 (inception) through December 31, 2022

	2023	2022
Operating activities:		
Net income (loss)	$ 508,072	$ (71,638)
Adjustments to reconcile net income (loss) to net cash provided by (used in) operating activities:		
Provision for bad debt	196,543	142,349
Change in operating assets and liabilities:		
Receivables	477,138	(1,253,338)
Prepaid expenses	(19,776)	(17,692)
Deferred franchise costs	(787,946)	(3,005,201)
Accounts payable and accrued expenses	(1,055,590)	1,767,787
Deferred revenue	375,417	4,630,843
Net cash provided by (used in) operating activities	(306,142)	2,193,110
Financing activities:		
Repayments from (advances to) related party, net	457,355	(2,057,110)
Net cash provided by (used in) financing activities	457,355	(2,057,110)
Net increase in cash	151,213	136,000
Cash, beginning of period	136,000	-
Cash, end of period	$ 287,213	$ 136,000

See accompanying notes and independent auditors' report.

1. Nature of Business

Patrice Franchising, LLC (the "Company") was formed under the laws of the State of Delaware on August 15, 2022 for the purpose of operating a recruiting business specializing in retaining candidates for the food and beverage and hospitality industries, as well as other industries, under a franchise business model. Operations commenced on December 3, 2022 (inception) following the execution of the December 2, 2022 subscription and contribution agreement discussed in Note 6.

2. Summary of Significant Accounting Policies

Basis of accounting:

The accompanying financial statements have been prepared in accordance with accounting principles generally accepted in the United States of America ("U.S. GAAP").

Use of estimates:

The preparation of the financial statements in conformity with U.S. GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements. Accordingly, actual results could differ from those estimates.

Cash:

Cash is maintained in immediately withdrawable accounts. At December 31, 2023, deposits with banks exceeded the Federal Deposit Insurance Corporation ("FDIC") insurance limit by approximately $41,000. The Company does not anticipate any losses in such accounts.

Receivables:

Receivables are primarily derived from placement fees, franchise fees, transfer and other fees and are carried at original invoice less an estimate made for doubtful accounts based on management's best estimate of probable losses inherent in the receivables balance. Management determines any allowance for doubtful accounts by regularly evaluating specific customer account activity. Receivables are written off when deemed uncollectible. The allowance for doubtful accounts was $78,543 at December 31, 2023. There was no allowance for doubtful accounts at December 31, 2022.

Revenue recognition and contract assets and liabilities:

Revenues are comprised of placement fees, franchise revenue, technology fees and other fees. Franchise revenue is primarily derived from franchise fees, transfer fees, training fees, microsite set up fees, starter kit sales and advertising funds.

Revenues for the year ended December 31, 2023 and the period from December 3, 2022 (inception) through December 31, 2022 are included in the accompanying Statements of income and member's equity (deficit), as follows:

	2023	2022
Placement Fees	$ 6,484,143	$ 355,350
Franchise fees	2,509,661	201,936
Technology fees	258,049	17,358
Other fees	5,025	10,000
	$ 9,256,878	$ 584,644

2. Summary of Significant Accounting Policies (continued)

Revenue recognition and contract assets and liabilities (continued):

Placement fees are generated from the provision of recruiting services, and are recorded at a point in time, when all services or conditions relating to the performance obligation have been substantially performed or satisfied, generally at the time of billing. Management believes the Company is the principal in the generation of placement fees, as the contract with the hiring entity is directly with the Company, who is responsible for ensuring the transfer of services.

Franchise fees include fees attributable to pre-opening services. The Company has made a policy election under Accounting Standard Codification ("ASC") Topic 606, *Revenue from Contracts with Customers* ("ASC 606"), to account for pre-opening services as a single performance obligation distinct from the franchise license. Pre-opening services include assistance with the determination of the franchise territory, training of the franchisee and franchisee personnel, set up and launch of microsite, preparation and distribution of operating manuals and materials, information technology and advisory services and quality control program. The Company used the fair value approach to determine the stand-alone selling price for the pre-opening service performance obligation. Revenue earned from pre-opening services is recorded at a point in time, when all material, services or conditions relating to pre-opening services have been substantially performed or satisfied by the Company or its regional director, generally within 30 days of signing. The Company considers the remaining franchise fee revenue associated with the franchise license to be earned over time and is recognized on a straight-line basis over the term of the agreement from the time of signing.

Transfer fees are recognized over the term of the agreement from the date of transfer.

Franchise fees are payable by the franchisee upon the signing of the franchise agreement, and transfer fees are paid to the Company when one franchisee transfers a franchise agreement to another franchisee.

Receipts and expenditures related to market fund activities, which benefit the brand the franchisees operate under, are considered by management to be highly interrelated with the franchise right and therefore not considered distinct. As a result, revenues for the market fund are recognized as revenue as they are billed. Expenses incurred to provide brand building services are recognized when incurred.

Separate performance obligations for technology and other services are accounted for over time as the performance obligations are satisfied, generally concurrent with the time of billing.

For the year ended December 31, 2023 and the period from December 3, 2022 (inception) through December 31, 2022, approximately 70% and 61%, respectively, of revenues were recognized at a point in time, versus over time.

2. Summary of Significant Accounting Policies (continued)

Revenue recognition and contract assets and liabilities (continued):

The Company incurs incremental costs in the course of obtaining franchise agreements. Such costs are capitalized and recognized as expense on a straight-line basis over the term of the related franchise agreement. The resulting contract assets at December 31, 2023 and 2022 are $3,793,147 and $3,005,201, respectively, reported as Deferred franchise costs in the accompanying Balance sheets.

Advertising:

Advertising costs include website and social media advertising, promotional expenses, trade shows and other advertising programs and are expensed as incurred. Advertising expense approximated $438,000 for the year ended December 31, 2023 and $33,000 for the period from December 3, 2022 (inception) through December 31, 2022, and is included in General and administrative expenses in the accompanying Statements of income and member's equity (deficit).

Income taxes:

The Company is a limited liability company taxed as a partnership and its income or loss is allocated to its members in accordance with their respective ownership percentage. Such members are generally responsible for income taxes related thereto and, accordingly, no income tax related accounts are recorded in the Company's financial statements.

The Company has evaluated its tax positions and any estimates utilized in its tax returns and concluded that the Company has taken no uncertain tax positions that require adjustment to the financial statements.

Subsequent events:

Subsequent events were evaluated through April 29, 2024, which is the date the financial statements were available to be issued.

3. Fair Value Measurements

The Company utilizes valuation techniques that maximize the use of observable inputs and minimize the use of unobservable inputs to the extent possible. The Company determines fair value based on assumptions that market participants would use in pricing an asset or liability in the principal or most advantageous market. When considering market participant assumptions in fair value measurements, the following fair value hierarchy distinguishes between observable and unobservable inputs, which are categorized in one of the following levels (with the highest priority given to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1) and the lowest priority to unobservable inputs (Level 3):

- Level 1 Inputs: Unadjusted quoted prices in active markets for identical assets or liabilities accessible to the reporting entity at the measurement date.
- Level 2 Inputs: Other than quoted prices included in Level 1, inputs that are observable for the asset or liability, either directly or indirectly, for substantially the full term of the asset or liability.
- Level 3 Inputs: Unobservable inputs for the asset or liability used to measure fair value to the extent that observable inputs are not available, thereby allowing for situations in which there is little, if any, market activity for the asset or liability at measurement date.

3. Fair Value Measurements (continued)

The following methods and assumptions were used to estimate the fair value of each class of financial instrument:

- Cash, receivables, accounts payable and accrued expenses, and accrued commissions: These financial instruments represent Level 1 inputs as the carrying amounts at face value approximate fair value because of the short maturity of these instruments.

4. Contract Liabilities

Contract liabilities at December 31, 2023 and 2022 are included in the accompanying Balance sheets as follows:

	2023	2022
Deferred revenue	$ 5,006,260	$ 4,630,843
Retainer contract liability	93,375	38,730
Replacement credits contract liability	259,124	239,000
Total contract liabilities	$ 5,358,759	$ 4,908,573

5. Related Party Transactions

Patrice Holdings, Inc. ("Holdings"), the Company's sole member, provides brand and marketing services to the Company, for which the Company was charged $75,000 during 2023. In addition, Holdings paid approximately $485,000 in personnel costs on behalf of the Company in 2023, which are included in General and administrative expenses in the accompanying Statement of income and member's equity (deficit).

For the year ended December 31, 2023 and the period from December 3, 2022 (inception) through December 31, 2022, the Company incurred $561,250 and $14,500, respectively, in commissions on new franchise sales to a related party.

6. Subscription and Contribution Agreement

In connection with the execution of the December 2, 2022 subscription and contribution agreement (the "SCA") between Patrice & Associates Franchising, Inc. and Patrice & Associates, Inc. (collectively, "Patrice") and Holdings, substantially all assets and liabilities of Patrice were contributed to Holdings. Concurrently, Holdings allocated approximately $67,000 in net assets to the Company as of December 2, 2022, which management believes represents the fair value of allocated assets and liabilities on such date. In connection with the execution of the SCA, Holdings issued a promissory note to Patrice for a total of $2,000,000, the liability for which is recorded on the balance sheet of Holdings at December 31, 2023.

7. Risks and Uncertainties

The Company monitors and seeks to minimize potential adverse effects of the Company's risk exposures, which are reviewed periodically for changes in market conditions and the Company's operations.

The Company is involved, from time to time, in claims incidental to the conduct of its business. Based on consultation with legal counsel, management believes the Company does not have claims, either individually or in the aggregate, that would have a material adverse effect on the Company's financial condition or results of operations.

EXHIBIT E

LIST OF FRANCHISEES

As of February 29, 2024

First Name	Last Name	Address	City	State	Zip	Phone
R Vann	Wilhite	1439 Greystone Dr.	Tuscallosa	Alabama	35406	205-310-0233
Colleen	Casey	11028 N. Valley Drive	Fountain Hills	Arizona	85268	908-403-3318
Sabrina / Leigh Anne	Demetriades	9962 E. Desert Jewel Drive	Scottsdale	Arizona	85255	(480) 381-0727
John	Gillen	9252 E. Aster Drive	Scottsdale	Arizona	85260	(626) 523-7726
Matthew / Sarah	Johns	4125 E Keresan Street	Phoenix	Arizona	85044	602-538-0542
Afshin	Ardalan	480 Evergreen Place	North Vancouver	British Columbia	V7N 2Z2	6047248987
Anthony	Bucklen	615 Healdsburg Ave. #405	Santa Rosa	California	95401	813-967-4329
Dustin	Chappel	394 Travers Drive, S	Madera	California	93637	559-612-3655
Heather	Haas	15609 Borges Ct	Moorpark	California	93021	815-979-5086
Yoichi	Hasegawa	176 Pathway	Irvine	California	92618	310-999-9007
Austin	Jiang	5463 E Laurite Avenue	Fresno	California	93727	415-624-6120
Gary	Kinsinger	2636 32nd St	Santa Monica	California	90405	310-995-9406
Leah	Licea	3316 Fallen Oak CT	Modesto	California	95355	408-499-0391
Matthew / Aida	Lopez	112 Brookmead Ct	San Anselmor	California	94460	415-521-6036
Sheela	Mohan-Peterson	970 Cherry Ave	San Jose	California	95126	408-891-3885
Karen	Weber	4510 Cabrillo Way	Sacramento	California	95820	206-612-5019
Carlie	Knauer	P.O. Box 1392	Vail	Colorado	81658	970-390-0562
Greg	Matchett	6977 Dudley Dr	Arvada	Colorado	80004	303-919-9394
Daniel	O'Neil	31638 Gallery Lane	Evergreen	Colorado	80439	602-358-7498
Mimie	Yang	14552 Race Street	Thornton	Colorado	80602	(303) 818-3849
Curtis	Harbour	18 Cole Lane	Bethel	Connecticut	06801	805-732-8513
Elizabeth	Costa	54 Josiah Lane	Tolland	Connecticut	6084	860-918-2954
Jase / Melissa	Doane	95 Main Street	East Hampton	Connecticut	6424	860-574-3138
David	Evens	30 Canton Springs Road, PO Box 134	Canton	Connecticut	6019	(860) 690-1948
Ed	Liedke	205 Harding Ave	Newington	Connecticut	6111	(860) 306-2307

Laura	Murfin	163 Mell Rd	Lisbon	Connecticut	6351	(843) 384-3586
Janice	Martin	22561 Grebe Lane	Ocean View	Delaware	19970	410-977-4191
Dionne	Spriggens	9 E. Loockerman Street	Dover	Delaware	19901	240-421-0826
Adam	Badurek	2721 Marlette Street	Sarasota	Florida	34231	(561) 629-3386
Frederick / Tiffany Davis	Baer	15 Kenmore Ave	Ponte Vedra	Florida	32081	(608) 628-2254
Christopher	Bousquet	13867 Hunter Oak Drive	Fort Myers	Florida	33913	347-678-7910
Eric	Coultoff Eric/Lisa	1413 Portmoor Way	Winter Garden	Florida	34787	321-217-4349
Christopher	Elmes	1498 SW 9 Street	Boca Raton	Florida	33486	646-705-1741
Jodi	Furraitti	3824 SW 20th Ave	Cape Coral	Florida	33914	248-736-3788
Tim	Gates	15 Whistling Duck Court	Daytona Beach	Florida	32119	386-262-9479
Linwood / Kathy	Helfand	1506 Ember Lane	Tarpon Springs	Florida	34689	727-667-3056
Yogesh / Pradnya	Khadilkar / Kulkarni	18115 Ramble on Way	Land 'O Lakes	Florida	34638	(847) 630-2081
Jacqueline	Kleinau	11496 Whisper Sound Drive	Boca Raton	Florida	33428	561-436-0240
David / Chris	Kohlasch	1336 Wandering Willow Way	Loxahatchee	Florida	33470	571-291-1520
Scott	Philip	14411 65th Way N	West Palm Beach	Florida	33418	561-632-5822
Sonia	Postema	2021 Traymore Rd	Jacksonville	Florida	32207	(614) 214-6212
Rafael	Saray	7630 NW 25th Street	Miami	Florida	33127	+57 320 2111116
Mathew	Smit	295A 8th Ave. S	Naples	Florida	34102	239-302-5405
Gary	Valerio	751 10th Street East, Unit #120	Palmetto	Florida	34221	941-284-1179
Marcus	Williams	108 Broad Way	Ponte Vedra Beach	Florida	32082	(908) 356-0228
Alex	Yost	7507 N. 12th St	Tampa	Florida	33604	480-510-3645
Kevin	Bennett	4299 Old Bridge Lane Northwest	Norcross	Georgia	30092	678-557-1052
Kimberly	Briggs	4333 Dunwoody Park, # 3102	Dunwoody	Georgia	30338	678-779-3576
Mercedes	Concepcion-Gray	4002 Edgewood Ct.	Marietta	Georgia	30068	770-509-4810
Kurt	Dean	1048 Avery Creek Drive	Woodstock	Georgia	30188	678-571-8991
Matthew	DeWalt	56 Peppermill Dr SW	Cartersville	Georgia	30120	610-349-2317
James	Gray	4002 Edgewood Ct	Marietta	Georgia	30068	678-296-2322

Mitch	Rushing	350 Allendale Dr. SE	Atlanta	Georgia	30317	(864) 918-9169
Eric	Wright	4032 Concourse Trail	Snellville	Georgia	30039	678-852-1511
Marcel & Nicolle	Bekers	1189 Waimanu Street, #3304	Honolulu	Hawaii	96814	(808) 723-9000
Julia	Blair	2720 South Highland Ave #762	Lombard	Illinois	60148	815-210-5158
Tim / Sherry	Keith	2130 Hidden Creek St	St Jacob	Illinois	62281	618-616-0057
Helen	Nourai	655 Perrie Drive Unit 205	Elk Grove Village	Illinois	60007	847-364-7900
William	Small	1219 Birchdale Lane	Aurora	Illinois	60504	(630) 215-9728
Susan / Maria	Van Kley	3551 S State St	Crete	Illinois		9173747520
Maria	Vazquez	5924 Wainwright Ct	Roscoe	Illinois	61073	787-367-5683
Mike	Cinamon	4433 Wentz Drive	Carmel	Indiana	46033	317-218-3886
William	Comerford	14075 Knightstown Drive East	Carmel	Indiana	46033	773-814-9698
Ed / Priscilla	Curry	7914 Cork Bend Lane	Indianapolis	Indiana	46239	(317) 862-0356
Mark	Rubick	10849 Tournament Lane	Indianapolis	Indiana	46229	513-227-6325
Jeremy	Frisbey	1776 Enid Ave	Evansdale	Iowa	50707	757-641-4909
Laura	Westemeyer	4696 Oak Crest Hill Road	Iowa City	Iowa	52240	319-466-9428
Gregory / Sara	Read	12522 W BINTER COURT	Wichita	Kansas	67235	316-347-9480
Kent / Gail & Jess Moran Mounts	Sieckman	14905 120th road	Erie	Kansas	66733	720-470-4009
Erica	Berry	1641 Maryland Parkway	Ashland	Kentucky	41101	606-831-4602
David	Brown	7501 Turner Ridge Road	Crestwood	Kentucky	40014	(502) 417-8982
Darrell	Carlson	326 Redmon Rd	Paris	Kentucky	40361	(859) 684-1979
Scott	Meyer	1342 Lismore Ct	Independence	Kentucky	41051	(859) 992-7181
Milton	Sallee	9328 Community Cove Way	Louisville	Kentucky	40229	502-365-7739
R. Whitney	Davis	428 Blue Heron Ln	Madisonville	Louisiana	70447	760-586-5245
Bruce	Leininger	917 Rosedown Lane	Lafayette	Louisiana	70503	337-552-6920
Quiana	Bills	7501 Trafalgar Circle	Hanover	Maryland	21076	(404) 275-1579

Robert / Ceclila	Gayhardt	9010 Lodi Road	Nottingham	Maryland	21236	(443) 604-3304
Steve	Hankins	114 Greenwich Dr	Walkersville	Maryland	21793	301-335-2714
Susan	Herskovitz	11 Worthington Ridge Court	Reisterstown	Maryland	21136	(860) 788-6233
Shawn	Hoye	55 Maine Ave	Earleville	Maryland	21919	410 925-8476
Michael / Ariel	Hunt	9039 Allenswood Road	RANDALLS TOWN	Maryland		14437995315
Brian	Martin	730 Lazy Creek Lane	Huntingtown	Maryland	20639	240-300-0043
Patricia	Mayorca	8311 Larkmeade Terrace	Potomac	Maryland	20854	571-276-1757
Hamoon	Piroozmand	11870 Grand Park Ave Apt 1218	Rockville	Maryland	20852	(301) 213-6073
Kenneth	Schreifels	189 11th St	Pasadena	Maryland	21122	520-366-1514
Christopher	Bovio	217 Adams St	Newton	Massachusetts	2458	617-546-0822
Fred	Dobson	19 Meadowbank Road	Billerica	Massachusetts	1821	978-664-4288
Hyissia	Lewis-Ivey	68 Bird Street	Dorchester	Massachusetts	2125	617-279-9635
Alexandra	Pomponio	1510 N. Shore Rd	Revere	Massachusetts	2151	310-433-1090
Frank	Rondeau	264 King Street	Littleton	Massachusetts	1460	413-883-7987
Casey / Brian	Chapman / Czarnecki	11479 Fox Row	Stanwood	Michigan	49346	570-832-7126
Glenn	Forgie	5706 Woodduck Way	Midland	Michigan	48642	616-916-8615
Bruce	Perry	14358 Sarasota Street	Redford	Michigan	48239	(313) 570-6593
Gary	Tietz	1390 Lincoln Street	Lapeer	Michigan	48446	810-724-6488
Rick / Betty	Weaver	1720 Northumberland Drive	Rochester Hills	Michigan	48309	(248) 802-6138
Corina	Mack	2804 Aspen Lake Drive NE	Blaine	Minnesota	55449	763-754-6070
Mike	Kunkle	47 Live Oak Lane	Starkville	Mississippi	39759	334-618-3414
Clinton	Carpenter	18803 Haystack Lane	Chesterfield	Missouri	63005	314-724-4002
Greg	Nakata	120 West 8th St	Kearney	Missouri	64060	816-728-8111
David	Hotovy	4244 Washington Street	Lincoln	Nebraska	68506	402-853-6413
Rowney	Jensen	6910 S 197th St	Gretna	Nebraska	68028	402-432-7905
Magali	Badio	10845 Griffith Peak Drive Suite 550	Las Vegas	Nevada	89135	(702) 933-8111
Jane	Baudelaire	5851 Desert Mirage Dr	Sparks	Nevada	89436	414-550-5869

Gregory	Ehlers	PO Box 481 Glenbrook Road	Glenbrook	Nevada	89413	12035368133
Joan	Mastropaolo	8936 Regatta Bay Place	Las Vegas	Nevada	89131	(917) 494-5243
Melissa	Oliveira Denis	382 Day Street	Manchester	New Hampshire	3104	603-413-8761
Craig	Coyle	227 Schooner Circle	Neptune	New Jersey	7753	(732) 963-5987
Bryan	Curtis	805 France Ct.	Toms River	New Jersey	8753	908 313-9252
Marvin	Dillard	284 Katherine St.	Englewood	New Jersey	7631	2012201897
Mary Beth	Drake	10 Fredrick Ct	Hillsborough	New Jersey	8844	732-357-6264
Jodi	Baer	6 Stuyvesant Oval Apt 8C	New York	New York	10009	845-642-1847
Francisco	Chevez	555 W59th St 10B	New York	New York	10019	917-497-9034
Edward	Donahue	84-06 109th Street, Apt. 8F	Richmond Hill	New York	11418	1917-868-0196
Miles	Gordon	100 Riverside Blvd	New York	New York	10069	914-666-2344
Margo	Kornfeld	301 West 118th St.	New York	New York	10026	917-636-5621
Miten	Negandhi	72 Queen Anne Dr.	Slingerlands	New York	12159	(516) 567-6663
Taasha	Ramsay	1439 E 89th St	Brooklyn	New York	11236	(917) 747-4665
Marc / Lorna	Richardson / Dominquez	275 South Street	New York	New York	10002	(646) 345-5275
Daniel	Severance	21 Cross Rd	Patterson	New York	12563	845-554-7728
Tim / Amy	Ambrose	189 Booth Pond Rd	Raeford	North Carolina	28376	520-678-2500
Alan / Robin	Bilskie	9411 Rocky River Road	Harrisburg	North Carolina	28075	704-948-0410
Sheila	Cox	1026 FIR PLACE	Greensboro	North Carolina	27407	828-301-2627
Mandy	Giust	707 Villas Ct	Asheville	North Carolina	28806	330-284-9536
Sally	Kennedy	2101 Old Pine Needle Way	Apex	North Carolina	27539	919-475-0805
Chaz	Linder	221 Wilbur Lake Dr	Fuquay Varina	North Carolina	27526	516-376-5306
Meenakshi	Madaan	1121 Hemby Ridge Ln	Morrisville	North Carolina	27560	
Vania	Mendes	1042 Gentle Reed Drive	Durham	North Carolina	27703	(919) 593-7045
Tom	Schmitt	251 Camelot Drive	Morganton	North Carolina	28655	864-395-2250
Sarah	Straniero	5248 Fairmead Circle	Raleigh	North Carolina	27613	(919) 744-9926
Steve	Tubel	514 Carlisle Drive	Indian Trail	North Carolina	28079	(704) 363-4724
John	Ward	8317 Aspen Court	Charlotte	North Carolina		7043052050

Chuck / Sharon	Helden	23980 Halburton Road	Beachwood	Ohio	44122	(412) 420-4139
Nicholas / Leah	Whited	4628 Fields Way	Lorain	Ohio	44053	(440) 420-5785
Terry / Shannon	Wilcox	101 Sentinel Pond Lane	Granville	Ohio	43023	740-644-2085
Michael	Bickle	218 E 8th St	Edmond	Oklahoma	73034	(405) 361-0654
John	Mathew	11063-D South Memorial Drive	Tulsa	Oklahoma	74133	469-981-0565, (469) 486-3175
Kyle	Andrews	1141 Cooke Blvd	Burlington	Ontario	L7T 0C3	905-334-6859
Ross / Karen	Horton	4025 Dorchester Rd	Niagara Falls	Ontario	L2E 7K8	(604) 762-8226
Srinivas	Nayudu		Kitchener	Ontario	N2P 1H6	519-722-6785
Mohammad Sauban	Siddiqui	3817 Bloor Street West	Toronto	Ontario	M9B 1K7	+974 662-44-889
Mike	Christie	12855 NE Pacific St	Portland	Oregon	97230	(310) 489-8266
Manny / Marna	Gatlin	14234 NW Lakeshore Ct	Portland	Oregon	97229	503-789-1811
Vicki	Marshall	62684 Larkview Rd	Bend	Oregon	97701	541-312-8222
Carol	Bullock	4087 Daubert Drive	Allentown	Pennsylvania	18104	914-462-7872
William	Creasi/John Izzo	51 N Feathering Ln	Media	Pennsylvania	19063	(415) 412-9506
Caleb	Flor	14 Latchstring Ln	Hatboro	Pennsylvania	19040	(570) 401-4970
Michael / Lisa	McDugall	10 Briar	Wayne	Pennsylvania	19087	484-584-4220
Verne	Vetrulli	3006 Saint Vincent Street	East Norriton	Pennsylvania	19403	484-888-3488
Mirna	Fisher	222 Country View Dr	Warwick	Rhode Island	2888	401-569-8484
Dennis	Carpenter	12 Devon Lane, Chesnee, SC 29323	Chesnee	South Carolina	29323	810-965-3655
Tonya	DiCola	224 Reedy Creek Road	Bradley	South Carolina	29819	772-342-6827
Allison	Sullivan	5124 Mill Race Lane	Lancaster	South Carolina	29720	(864) 900-4620
Timothy	Walker	734 Caledonia Court	Florence	South Carolina	29501	(843) 617-5118
Duane	Witte	1215 Birchwood Lane	Aberdeen	South Dakota	57401	605-216-3255
Russell	Doyle	4306 N Chapel Rd	Franklin	Tennessee	37067	615-397-4472
Darryl	Jackson	1076 luxborough Dr	HENDERSONVILLE	Tennessee	37075	228-209-9343

Bryan	Morris	341 Baronswood Dr	Nolensville	Tennessee	37135	615-910-3079
Kyl	Benton	4545 Conrad Ave	Aubrey	Texas	76227	(254) 383-9586
Todd / Lance	Bolt / May	401 Boyd Drive	Grapevine	Texas	76051	813-451-5859
Bess Ann / Kerry	Bredemeyer	314 W. Railroad	PORT ISABEL	Texas	78578	817-946-2787
Edward	Carroll	2430 Ridgewood Drive	West Columbia	Texas	77486	(970) 231-9613
Daniel	Davis	21303 Encino Commons, Apt 2602	San Antonio	Texas	78259	(210) 440-0212
Thomas / Maya	Evers	10838 Davis Farms	San Antonio	Texas	78254	760-201-7837
Vicki	Gadson	8000 Lead Circle	Fort Worth	Texas	76137	405-757-1953
John	Gatewood	34018 Mill Creek Way	Pinehurst	Texas	77362	281-910-7683
Benjamin / Jennifer	Glen	2929 Gilchrist Dr	Lorena	Texas	76655	(702) 857-4895
Rogen / Dahlia	Jefferson	12615 Lexi Petal	San Antonio	Texas	78253	512-665-6682 R
Kimberly / Kimberly	Marzett / Tennyson	4209 Creek Bend Court	Corinth	Texas	76208	972-999-3344
Casey / Todd	Nichik / Gerjes	1803 Autumn Fire Dr	CEDAR PARK	Texas	78613	(646) 436-0934
Brent	Troxel	6308 Widgeon Dr	Plano	Texas	75024	817-905-2768
Jonatan / Sandra	Villegas	7000 Thomas Paine Dr	Midland	Texas	79706	432-967-7067
Jeffrey	Weller	2604 Oriole Avenue	McAllen	Texas	78504	956-994-8253
Delma	Gonzalez	7218 Bella Garden	San Antonio	Texas	78256	915-630-6114
Guy	Dansie	830 S 1620 West	Lehi	Utah	84043	801-560-1544
Mary-Hunter	Bartzen	346 Albemarle Ave	Richmond	Virginia	23226	(804) 366-8220
Russell	Billen	3508 Pike Rd	Alexandria	Virginia	22310	703-622-7659
Karl	Busch	31050 Rhea Valley Road	Meadowview	Virginia	24361	843-405-1340
Hezekiah	Butler	5406 Parrish Creek Circle	Chesterfield	Virginia	23832	(804) 721-5096
Edward	Chalkley	12504 Popes Head Rd	Clifton	Virginia	20124	757 338-5432
Jennifer	Edgerton	3615 Lido Place	Fairfax	Virginia	22031	808-348-6095 Jen
Angelo / Karen	Girardi	2537 Bombay Landing	Virginia Beach	Virginia	23456	908-472-3490
Jaclynn	Graybill	6123 Algona Ct	Alexandria	Virginia	22310	571-835-2217
Patrick	Hamilton	1956 Mt. Crawford Avenue	Bridgewater	Virginia	22812	540-237-4951
Shawn	King	4497 Bunker Ct	Montclair	Virginia	22025	520-234-6815

Ken	Lacy	12000 Coloriver Road	Manassas	Virginia	20112	(703) 362-8171
Jonathan	Litt	1778 West Wind Way	Mclean	Virginia	22102	(310) 867-4568
Nick / Victoria	Mastrovito	116 Old Mill Road	Floyd	Virginia	24091	423-258-2946
Hector	Paz	6514 POTOMAC AVE	ALEXANDRIA	Virginia	22307	954-243-4840
Paige	Riordan	3500 Lillards Ford Road	Brightwood	Virginia		18048737393
Roberto	Sempe	203 Lake Sever Drive	Winchester	Virginia	22603	571-293-8238
Sarah / Earl	Smith	118 Affirmed Drive	Stafford	Virginia	22556	719 238-9695
Carly	Tucker	153 Deer Trail	Aylett	Virginia	23009	443-465-0303
George / Sue	Wooten	P.O. Box 172	Basye	Virginia	22810	540-217-6491
Brian	Monigold	1811 S Eden St	Green Acres	Washington	99016	509-280-8882
Cassandra	Kelly	994 Loudon Heights Rd	Charleston	West Virginia	25314	3049893397

SIGNED FRANCHISE AGREEMENT BUT NOT OPENED AS OF ISSUANCE DATE

None.

FRANCHISEES WHO LEFT THE SYSTEM

For the prior 12 month period prior to the Issuance Date, the following are franchisees who have had an outlet terminated, cancelled, transferred, not renewed or otherwise voluntarily or involuntarily ceased to do business under a franchise agreement during the most recently completed fiscal year or who have not communicated with us within 10 weeks of the Disclosure Document issuance date. If you buy this franchise, your contact information may be disclosed to other buyers when you leave the franchise system.

Non-Renewals

First Name	Last Name	Street Address	City	State	ZIP	Phone Number
James	Schwinghammer	266 River Birch St	Durango	Colorado	81301	720-799-5289
Geoffrey & Kathryn	Giordano / Rozen	14791 Trapper Rd	Orlando	Florida	32837	203-274-2801

Terminations:

First Name	Last Name	Street Address	City	State	ZIP	Phone Number
David / Audrey	Israel / Rosenfeld	13340 W. Milton Drive	Peoria	Arizona (Washington Franchisee)	85345	206-618-0292

Lance	Allard	9820 Caminito Cuadro	San Diego	California	92129	858-254-0540
Stephanie	Burton	31542 Navy Sky Dr.	Menifee	California	92584	760-408-4665
Stephen	Leube	2747 Manresa shore Ln	Oakley	California	94561	530-624-2863
Melony	McFadden	39520 Murrieta Hot Springs Rd 10642	Murrieta	California	92563	240-416-9635
Dean/Amy	Isaacs	Wintersweet Pl	Parker	Colorado	80134	(720) 469-0020
Heather	Leach	10660 N Shumaker Rd	Bennett	Colorado	80102	970-209-5048
Scott	Lubore	11 Palm Harbor Dr	Holmes Beach	Florida	34217	941-223-5977
Claus	Madsen	1101 Miranda Lane, Suite 131	Kissimmee	Florida	34741	206-747-9328
Paul	Ostberg	504 Pleasantview Lane	Lakin	Kansas	67860	620-260-7911
Anne	Bernardin	3014 Pine St. PO Box 117	Bondsville MA	Massachusetts	1009	413-310-0222
Kenneth	Kirkman	13750 Fleetwood Avenue	Apple Valley	Minnesota	55124	763-412-5803
Ray	Ramage	1502 E. 7th St	Lamar	Missouri	64759	417-214-9773
Christopher	Bousquet	221 River Street	Hoboken	New Jersey	7030	347-678-7910
Helena	Nash	63 Montrose Ave	Fanwood	New Jersey	7023	(908) 889-0216
Alaine	Manda	2650 Cyprus Drive SE	Massillon	Ohio	44646	330-324-3736
Courtney	Bonifacio		Beaverton	Oregon	97006	VIP000108379
Lee	Wynn	7366 Royce Cove	Memphis	Tennessee	38125	901-643-1618

Transfers

First Name	Last Name	Street Address	City	State	ZIP	Phone Number
Thomas / Maya	Evers	10838 Davis Farms	San Antonio	Texas (was California)	78254	760-201-7837
Unette/Curtis	Harbour			Connecticut (was California)		805-732-8513

EXHIBIT F

STATE LAW ADDENDA

STATE LAW ADDENDUM TO THE FRANCHISE DISCLOSURE DOCUMENT - CALIFORNIA

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

In recognition of the requirements of the California Franchise Investment Law, Cal. Corporations Code Sections 31000 et seq. the franchise disclosure document and Franchise Agreement for PATRICE & ASSOCIATES, FRANCHISING, INC. for use in the State of California shall be amended as follows:

Item 3 of the FDD is supplemented to include the following:

Neither we nor any person identified 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. 78a *et seq.*, suspending or expelling such person from membership in such association or exchange.

Other provisions:

California Business & Professions Code Sections 20000 through 20043 provides rights to the franchisee concerning termination or nonrenewal of a franchise. If the Franchise Agreement contains a provision that is inconsistent with the California Business & Professions Code Sections 20000 through 20043, the California Business & Professions Code Sections 20000 through 20043 controls.

The Franchise Agreement provides for termination upon bankruptcy. These provisions may not be enforceable under federal bankruptcy law (11 U.S.C.A. Sec. 101 *et seq.*).

The Franchise Agreement requires binding arbitration. The arbitration will occur in Anne Arundel County, MD with the costs being borne by both parties.

The Franchise Agreement contains a covenant not to compete which extends beyond the termination, expiration or transfer of the franchise. This provision may not be enforceable under California law.

The Franchise Agreement contains a liquidated damages clause. Under California Civil Code Section 1671, certain liquidated damages clauses are unenforceable.

Prospective franchisees are encouraged to consult private legal counsel to determine the applicability of California and federal laws (such as Business and Professions Code 20040.5, Code of Civil Procedure Section 1281, and Federal Arbitration Act) to any provisions of a Franchise Agreement restricting venue to a forum outside the State of California.

The Franchise Agreement requires application of the law of the State of Delaware. This provision may not be enforceable under California law.

Waiver of jury trial and the restriction on the statute of limitations may not be enforceable under California law.

You must sign a release if you transfer your franchise. California Corporations Code 31512 voids a waiver of your rights under the Franchise Investment Law (California Corporations Code 31000 through 31516). Business and Professions Code 20010 voids a waiver of your rights under the Franchise Relations Act (Business Professions Code 2000 through 20043).

OUR WEBSITE IS www.patriceandassociate.com OUR WEBSITE HAS NOT BEEN REVIEWED OR APPROVED BY THE CALIFORNIA DEPARTMENT OF CORPORATIONS, 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.

Section 31125 of the California Corporation Code requires the franchisor to give the franchisee a disclosure document, in a form and containing such information as the Commissioner may by rule or order require, prior to a solicitation of a proposed material modification of an existing franchise.

The financial performance representation figures does not reflect the costs of sales, operating expenses, or other costs or expenses that must be deducted from the gross revenues or gross sales figures to obtain your net income or profit. You should conduct an independent investigation of the costs and expenses you will incur in operating your Agency. Franchisees or former franchisees, listed in the FDD, may be one source of this information.

Other Provisions Unaffected: All other terms and provisions contained in the Franchise Agreement and Franchise Disclosure Document shall remain in full force and effect, except to the extent specifically modified herein.

FA Section 4

If we elect not to renew or offer you the right to renew, we will send you a written notice of non-renewal at least 180 days prior to the expiration date, which shall set forth the basis for our decision not to renew or offer you the right to renew. Our failure to send you a notice of non-renewal at least 180 days prior to the expiration date shall constitute our offer to renew your franchise in accordance with, and subject to, the renewal terms and conditions set forth above. If you have any objections to our notice of non-renewal, including any dispute as to the basis for our decision not to renew, you must send us a written notice of objection that sets forth the basis for your objections. Your notice of objection must be sent to us no later than 30 days after you receive our notice of non-renewal. Your failure to send us a written notice of objection during such 30-day period shall constitute your agreement to the non-renewal of your franchise.

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.

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

STATE LAW ADDENDUM - HAWAII

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

THE FRANCHISE INVESTMENT LAW MAKES IT UNLAWFUL TO OFFER OR SELL ANY FRANCHISE IN THIS STATE WITHOUT FIRST PROVIDING TO THE PROSPECTIVE FRANCHISEE, OR SUBFRANCHISOR, AT LEAST SEVEN DAYS PRIOR TO THE EXECUTION BY THE PROSPECTIVE FRANCHISEE OF ANY BINDING FRANCHISE OR OTHER AGREEMENT, OR AT LEAST SEVEN DAYS PRIOR TO THE PAYMENT OF ANY CONSIDERATION BY THE FRANCHISEE, OR SUBFRANCHISOR, WHICHEVER OCCURS FIRST, A COPY OF THE 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 THE FRANCHISOR AND THE FRANCHISEE.

THE NAME AND ADDRESS OF OUR AGENT TO RECEIVE SERVICE OF PROCESS IN THE STATE OF HAWAII IS LISTED IN EXHIBIT A ATTACHED HERETO.

THIS REGISTRATION IS, OR WILL SHORTLY BE ON FILE IN THE FOLLOWING STATES: ILLINOIS, CALIFORNIA, NEW YORK, MARYLAND, VIRGINIA, NORTH DAKOTA, RHODE ISLAND, MINNESOTA, WISCONSIN AND WASHINGTON. NO STATES HAVE REFUSED, BY ORDER OR OTHERWISE, TO REGISTER THESE FRANCHISES. NO STATES HAVE REVOKED OR SUSPENDED THE RIGHT TO OFFER THESE FRANCHISES.

No release language set forth in the Franchise Agreement shall relieve us or any other person, directly or indirectly, from liability imposed by the laws concerning franchising in the State of Hawaii.

STATE LAW ADDENDUM- ILLINOIS

Notwithstanding anything contained in the foregoing Franchise Agreement and Franchise Disclosure Document ("FDD") to the contrary, the following provisions of the Illinois Franchise Disclosure Act ("Act") shall apply to any franchise located in the State of Illinois, which shall control to the extent of any inconsistency:

Item 17v. and 17 w of the FDD, the State Cover Page of the FDD, and Sections 16.18 and 16.19 of the Franchise Agreement and Sections VIII.G and H. Choice of Law and Choice of Forum shall be Illinois.

State Law, Jurisdiction and Venue. Any provision in the Franchise Agreement, including but not limited to Sections 16.18 and 16.19, which designates governing law, jurisdiction or venue in a forum outside the State of Illinois is void.

Termination or Nonrenewal Franchise: The Illinois Franchise Disclosure Act provides rights to you concerning nonrenewal and termination of the Franchise Agreement. If the Franchise Agreement contains a provision that is inconsistent with the Act, the Act will control.

Waiver. 815 ILCS 705/41 provides that the rights provided by the Illinois Franchise Disclosure Act of 1987 (the "Act") along with other laws of the State of Illinois may not be waived. Consequently, any release of claims or acknowledgements of fact contained in the Agreement that would negate or remove from judicial review any statement, misrepresentation or action that would violate the Act or any other law of the State of Illinois shall be void and hereby deleted with respect to claims under the Act or any other law of the State of Illinois.

Participation in Trade Associations: We will not in any way restrict any Franchisee from joining or participating in any trade association.

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

Other Provisions Unaffected: All other terms and provisions contained in the Franchise Agreement shall remain in full force and effect, except to the extent specifically modified herein.

STATE LAW ADDENDUM - INDIANA

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

1. The laws of the State of Indiana supersede any provisions of the Franchise Agreement, the other agreements or Delware 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 therein as material breach of the Franchise Agreement, shall supersede the provisions of the Franchise Agreement in the State of Indiana to the extent they may be inconsistent with such prohibition.

3. Liquidated damages and termination penalties are prohibited by law in the State of Indiana and, therefore, the Disclosure Document and the Franchise Agreement are amended by the deletion of all references to liquidated damages and termination penalties and the addition of the following language to the original language that appears therein:

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

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

4. No release language set forth in the Disclosure Document or Franchise Agreement shall relieve Franchisor or any other person, directly or indirectly, from liability imposed by the laws concerning franchising of the State of Indiana.

5. The Franchise Agreement is amended to provide that such agreement will be construed in accordance with the laws of the State of Indiana.

6. Any provision in the Franchise Agreement which designates jurisdiction or venue, or requires the Franchisee to agree to jurisdiction or venue, in a forum outside of Indiana, is deleted from any Franchise Agreement issued in the State of Indiana.

STATE LAW ADDENDUM - MARYLAND

The following provisions of the Maryland Franchise Registration and Disclosure Law ("Maryland Franchise Law") shall apply to any franchises sold or offered for sale within the State of Maryland, operated in this State or to a Maryland resident, which amends the Franchise Disclosure Document ("FDD"):

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

Item 17. Item 17 is 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."

Item 17. Item 17 is amended to state: "This franchise agreement provides that disputes are resolved through arbitration. A Maryland franchise regulation states that it is an unfair or deceptive practice to require a franchisee to waive its right to file a lawsuit in Maryland claiming a violation of the Maryland Franchise Law. In light of the Federal Arbitration Act, there is some dispute as to whether this forum selection requirement is legally enforceable."

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.

STATE LAW ADDENDUM – MINNESOTA

Notwithstanding anything contained in the foregoing Franchise Agreement and Franchise Disclosure Document ("FDD") to the contrary, the following provisions of the Minnesota Franchise Act shall apply to any franchise or franchisee located in the State of Minnesota, which shall control to the extent of any inconsistency:

1. MINN. STAT. SECTION 80C.21 and MINNESOTA RULES 2860.4400(J) prohibit the franchisor from requiring litigation to be conducted outside Minnesota, requiring waiver of a jury trial, or requiring the franchisee to consent to liquidated damages, termination penalties or judgment notes. In addition, nothing in the Franchise Disclosure Document or agreement(s) can abrogate or reduce (1) any of the franchisee's rights as provided for in MINN. STAT. CHAPTER 80C or (2) franchisee's rights to any procedure, forum, or remedies provided for by the laws of the jurisdiction.

2. With respect to franchises governed by Minnesota law, the franchisor will comply with MINN. STAT. SECTION 80C.14 SUBD. 3-5, which require (except in certain specified cases)

(i) that a franchisee be given 90 days notice of termination (with 60 days to cure) and 180 days notice for non-renewal of the franchise agreement and

(ii) that consent to the transfer of the franchise will not be unreasonably withheld.

3. Minnesota considers it unfair to not protect the franchisee's right to use the trademarks. Refer to MINN. STAT. SECTION 80C.12 SUBD. 1(G). The franchisor will protect the franchisee's rights to use the trademarks, service marks, trade names, logotypes, or other commercial symbols or indemnify the franchisee from any loss, costs, or expenses arising out of any claim, suit, or demand regarding the use of the name.

4. MINNESOTA RULES 2860.4400(D) prohibits a franchisor from requiring a franchisee to assent to a general release.

5. The franchisee cannot consent to the franchisor obtaining injunctive relief. The franchisor may seek injunctive relief. See MINNESOTA RULES 2860.4400(J) also, a court will determine if a bond is required.

6. The Limitations of Claims section must comply with MINN. STAT. SECTION 80C.17 SUBD.

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

8. Other Provisions Unaffected: All other terms and provisions contained in the Franchise Agreement and FDD shall remain in full force and effect, except to the extent specifically modified herein.

NEW YORK STATE LAW ADDENDUM

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 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 CAN NOT USE THE NEGOTIATING PROCESS TO PREVAIL UPON A PROSPECTIVE FRANCHISEE TO ACCEPT TERMS THAT ARE LESS FAVORABLE THAN THOSE SET FORTH IN THIS FRANCHISE DISCLOSURE DOCUMENT.

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

With the exception of what is stated above, the following applies to the franchisor, its predecessor, a person identified in Item 2, or an affiliate offering franchises under the franchisor's principal trademark:

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

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

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

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

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3. The following is added to the end of the "Summary" sections of Item 17(c), titled "**Requirements for a 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 the franchisee by Article 33 of the General Business Law of the State of New York

6. Franchise Questionnaires and Acknowledgements--No statement, questionnaire, or 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.

7. Receipts--Any sale made must be in compliance with § 683(8) of the Franchise Sale Act (N.Y. Gen. Bus. L. § 680 *et seq.*), which describes the time period a Franchise Disclosure Document (offering prospectus) must be provided to a prospective franchisee before a sale may be made. New York law requires a franchisor to provide the Franchise Disclosure Document at the earlier of the first personal meeting, ten (10) business days before the execution of the franchise or other agreement, or the payment of any consideration that relates to the franchise relationship.

8. The following additional risk factor is added to the Special Risks to Consider About *This* Franchise page:

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

9. In New York, we will not establish an advertising council or advertising cooperative. As a result, the following paragraph in Item 11 is deleted in its entirety: "There are currently no requirements for participation in an advertising council or any local advertising cooperatives, though we reserve the right to establish an advertising council or advertising cooperatives in the future." This paragraph is replaced with the following: "There are currently no requirements for participation in an advertising council or any local

advertising cooperatives, nor will there be such requirements in the future."

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STATE LAW ADDENDUM – NORTH DAKOTA

Notwithstanding anything contained in the foregoing Franchise Agreement and Franchise Disclosure Document ("FDD") to the contrary, the following provisions of the North Dakota Franchise Investment Law shall apply to any franchise or franchisee located in the State of North Dakota, which shall control to the extent of any inconsistency:

Item 17 of the FDD, Section 11 of the Franchise Agreement.

The covenants not to compete found in the Franchise Agreement is generally considered unenforceable to the extent that the covenants conflicts with North Dakota law.

Item 17(u) of the FDD, Section 17 of the Franchise Agreement.

The provisions of the Franchise Agreement requiring consent to arbitration or mediation of disputes to be held outside of North Dakota are unenforceable to the extent that the provision conflicts with North Dakota law.

Item 17(v) of the FDD, Section 16.19 of the Franchise Agreement.

The provisions of the Franchise Agreement requiring consent to the jurisdiction of courts outside of North Dakota are unenforceable to the extent that the provision conflicts with North Dakota law.

Item 17 of the FDD, Section 16.8 of the Franchise Agreement.

The provisions of the Franchise Agreement requiring that the Franchise Agreement be governed by the laws of a state other than North Dakota are unenforceable to the extent the provision conflicts with North Dakota law.

Section 16.12 of the Franchise Agreement.

The provision of the Franchise Agreement requiring Franchisee to consent to the waiver of jury trial is unenforceable to the extent the provision conflicts with North Dakota law.

Section 16.12 of the Franchise Agreement.

The provisions of the Franchise Agreement requiring Franchisee to consent to a waiver of exemplary and punitive damages are unenforceable to the extent the provision conflicts with North Dakota law.

Item 17 of the FDD, Sections 4, 14.2 of the Franchise Agreement.

The provisions of the Franchise Agreement requiring that the franchisee sign a release upon the renewal of the Franchise Agreement are unenforceable to the extent that it conflicts with North Dakota law.

Item 17 of the FDD, Section 13.1 of the Franchise Agreement.

The provisions of the Franchise Agreement requiring that the franchisee consent to a liquidated damages clause are unenforceable to the extent that it conflicts with North Dakota law.

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Section 16.2 of the Franchise Agreement.

The provision of the Franchise Agreement that requires the franchisee consent to the limitation of claims is unenforceable to the extent the provision conflicts with North Dakota law

All fees payable to us under the terms of the Franchise Agreement are subject to deferral pursuant to order of the State of North Dakota. Accordingly, you shall pay no fees to us until we have completed all of our material pre-opening responsibilities to you and you commence operating the franchised business

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 behalf of the franchisor. This provision supersedes any other term of any document executed in connection with the franchise.

All other terms and provisions contained in the Franchise Agreement and FDD shall remain in full force and effect, except to the extent specifically modified herein.

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STATE LAW ADDENDUM - RHODE ISLAND

The following modifies and supersedes the Franchise Disclosure Document ("FDD") and Franchise Agreement with respect to franchises offered for sale or sold in the State of Rhode Island, as followings:

§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." Therefore, Item 17v. and 17 w. of the FDD, Section 16.18 of the Franchise are hereby modified.

All other terms and provisions contained in the Franchise Agreement and FDD shall remain in full force and effect, except to the extent specifically modified herein.

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STATE LAW ADDENDUM – VIRGINIA

Notwithstanding anything contained in the foregoing Franchise Agreement and Franchise Disclosure Document ("FDD") to the contrary, the following provisions of the Virginia Retail Franchising Act shall apply to any franchise or franchisee located in the State of Virginia, which shall control to the extent of any inconsistency:

The following is added to Item 17.h. of the FDD, and corresponding provisions in the Franchise Agreement:

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 my be defined in the Virginia Retail Franchising Act or the laws of Virginia, that provision may not be enforceable.

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STATE LAW ADDENDUM – WASHINGTON

This Addendum modifies the FDD, Franchise Agreement, and any supplemental or related agreements or other documents related to the sale of a franchise to comply with Washington law. The terms of this Addendum will override any inconsistent provision of the FDD, Franchise Agreement and any supplemental or related agreements or other documents related to the sale of a franchise.

The state of Washington has a statute, RCW 19.100.180, which may supersede the Franchise Agreement in your relationship with 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 FRANCHISOR, including the areas of termination and renewal of your franchise.

1. In the event of a conflict of laws, the provisions of the Washington Franchise Investment Protection Act, Chapter 19.100 RCW will prevail.
2. 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.
3. 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.
4. 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.
5. Transfer fees are collectable to the extent that they reflect the Franchisor's reasonable estimated or actual costs in effecting a transfer.
6. Pursuant to RCW 49.62.020, a noncompetition covenant is void and unenforceable against an employee, including an employee of a franchisee, unless the employee's earnings from the party seeking enforcement, when annualized, exceed $100,000 per year (an amount that will be adjusted annually for inflation). In addition, a noncompetition covenant is void and unenforceable against an independent contractor of a franchisee under RCW 49.62.030 unless the independent contractor's earnings from the party seeking enforcement, when annualized, exceed $250,000 per year (an amount that will be adjusted annually for inflation). As a result, any provisions contained in the Franchise Agreement or elsewhere that conflict with these limitations are void and unenforceable in Washington. RCW 49.62.060 prohibits a franchisor from restricting, restraining, or prohibiting a franchisee from (i) soliciting or hiring any employee of a franchisee of the same franchisor or (ii) soliciting or hiring any employee of the franchisor. As a result, any such provisions contained in the Franchise Agreement or elsewhere are void and unenforceable in Washington.
7. As it applies to Washington franchisees:
    a. Section 2.4 of the Franchise Agreement is hereby revised to remove the first sentence of the second paragraph, which reads: "With regard to any of the above sales, assignments and dispositions described in the above paragraph, Franchisee expressly and specifically waives any claims, demands or damages arising from or related to the loss of the Marks (or any variation

thereof) and System and/or the loss of association with or identification of 'Patrice & Associate' as a franchisee under this Agreement."

b. Section 11.4 of the Franchise Agreement is hereby removed in its entirety.
c. Section 14.1(j) of the Franchise Agreement is hereby removed in its entirety.
d. Section 15.2 of the Franchise Agreement is hereby revised to clarify that the franchisee's indemnification obligation does not extend to liabilities caused by the Franchisor's acts or omissions amounting to gross negligence, willful misconduct, strict liability, or fraud.
e. Section 16.5 of the Franchise Agreement is hereby revised to remove the last sentence, which reads: "Franchisor makes no warranties or guarantees upon which Franchisee may rely, and assumes no liability or obligation to Franchisee or any third party to which it would not otherwise be subject, by providing any waiver, approval, advice, consent or services to Franchisee in connection with this Agreement, or by reason of any neglect, delay or denial of any request for approval."
f. Section 16.6 of the Franchise Agreement is hereby revised to remove the fourth sentence, which reads: "Franchisee acknowledges that it is entering into this Agreement, and all ancillary agreements executed contemporaneously with this Agreement, as a result of its own independent investigation of the franchised business and not on reliance of or as a result of any representations made by Franchisor's owners, officers, directors, managers, employees, agents, representatives, attorneys, franchisees, area representatives, or brokers which are not contained in or are contrary to the terms set forth in this Agreement or of any representation in the Franchise Disclosure Document."
g. Section 16.12(D) of the Franchise Agreement is hereby removed in its entirety.
h. Section 17.1 of the Franchise Agreement is revised to clarify that the cost of the Mediation, including the mediator's fee and expenses, shall be paid by the non-prevailing party.
i. Section 17.2 of the Franchise Agreement is revised to clarify that either party may appeal the arbitration award in federal or state court.

8. All initial fees referenced in the Franchise Agreement are subject to deferral pursuant to order of the State of Washington. Accordingly, you will pay no fees to us until we have completed all of our material pre-opening responsibilities to you and you commence operating the franchised business.
9. The following additional risk factor is added to the Special Risks to Consider About *This* Franchise page:

> "**3. <u>Turnover Rate.</u>** During the last 3 years, a large number of franchised outlets (91) were terminated, not renewed, re-acquired, or ceased operations for other reasons. This franchise could be a higher risk investment than a franchise in a system with a lower turnover rate.

EXHIBIT G

RELEASE

GENERAL RELEASE

THIS GENERAL RELEASE (the "General Release") is made by the undersigned (hereinafter "Releasor(s)") for the benefit of Patrice Franchising, LLC, a a Delaware limited liability company (hereinafter, "Franchisor"), on this ____ day of _____, 20____.

RECITALS:

WHEREAS, Releasor is a Patrice & Associates, Inc. franchisee and operates a Patrice & Associate's Agency (the "Franchised Business") pursuant to that certain franchise agreement dated _____ (the "Franchise Agreement");

WHEREAS, Releasor desires to renew its franchise with Franchisor or desires Franchisor's consent to _____ in connection with the Franchise Agreement; and

WHEREAS, certain states require certain changes be made to this General Release specific to such state.

NOW, THEREFORE, for good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, and intending to be legally bound, Releasor hereby agrees, covenants and promises as follows:

1. Releasor, on behalf of itself and each of the persons and entities described in Section 2 hereof, hereby absolutely and forever releases, remises and discharges Franchisor and each of the persons and entities described in Section 3 hereof, from any and all claims, demands, damages, liabilities, costs (including, but not limited to reasonable attorneys' fees, accounting fees or experts' fees, and the costs of litigation, arbitration or other proceedings), expenses, liens, losses, charges, audits, investigations, injunctions, orders, rulings, subpoenas, controversies, obligations, debts, loans, interest, dues, accounts, awards, reckonings, bonds, bills, covenants, promises, undertakings, variances, trespasses, judgments, executions, sums of money owed, arbitrations, suits, decisions, proceedings, verdicts entered, issued, made or rendered and causes of action of every kind and nature whatsoever, whether now known or unknown, suspected or unsuspected, which Releasor now has, owns or holds, or at any time heretofore ever had, owned or held, or could, shall or may hereafter have, own or hold, pertaining to, arising out of or in connection with the Franchise Agreement, any related agreements or the franchisor/franchisee relationship between Releasor and Franchisor. If this General Release is entered into in conjunction with the renewal, assignment or transfer of the Franchise Agreement, the foregoing release shall not apply to any liability under any state franchise law which governs this Release.

2. Releasor hereby understands and agrees that this General Release shall extend to and be binding upon any and all of Releasor's past, present and future officers, directors, owners, employees, representatives, agents, trustees, successors, affiliates and assigns, and their respective insurers and underwriters. If more than one party shall execute this General Release, the term "Releasor" shall mean and refer to each of the parties executing this General Release, and all such parties shall be bound by its terms, jointly and severally.

3. Releasor hereby understands and agrees that this General Release shall extend to and inure to the benefit of Franchisor and any and all of Franchisor's past, present and future officers, directors, owners, employees, representatives, agents, trustees, successors, affiliates and assigns, and their respective insurers and underwriters.

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4. Releasor hereby understands and agrees that this General Release supersedes any prior agreement, oral or written, with respect to its subject matter. Releasor understands and agrees that no representations, warranties, agreements or covenants have been made by Franchisor with respect to this General Release, other than those expressly set forth herein, and that in executing this General Release, Releasor is not relying upon any representations, warranties, agreements or covenants not expressly set forth in this General Release.

5. This General Release may not be changed except in a writing signed by the person(s) against whose interest such change shall operate. This General Release and all acts and transaction under it shall in all respects be interpreted, enforced and governed by the internal laws of the state in which Franchisor's principal place of business is located without regard to principles of conflicts of law.

6. If any provision of this General Release is found or declared invalid or unenforceable by any arbitrator, court or other competent authority having jurisdiction, such finding or declaration shall not invalidate any other provision hereof and this General Release shall thereafter continue in full force and effect except that such invalid or unenforceable provision, and (if necessary) other provisions hereof, shall be reformed by such arbitrator, court or other competent authority so as to effect insofar as is practicable, the intention of the parties set forth in this General Release, provided that if such arbitrator, court or other competent authority is unable or unwilling to effect such reformation, the invalid or unenforceable provision shall be deemed deleted to the same extent as if it had never existed.

7. Releasor hereby certifies that Releasor has read all of this General Release and fully understands all of the same, and that Releasor has executed this General Release only after having received full legal advice and disclosure as to Releasor's rights from legal counsel of Releasor's choice.

IN WITNESS WHEREOF, each Releasor party hereto has executed this General Release effective as the day and year first above written.
RELEASOR:

By: _____
Name: _____
Title: _____

_____

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State Effective Dates

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

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

State	Effective Date
California	July 22, 2024 (amended _____)

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.

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EXHIBIT H
RECEIPT
(For your records)

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 Patrice 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 Michigan law, if applicable, Patrice Franchising, LLC must provide this disclosure document to you at least 10 business days before you sign a binding agreement with, or make a payment to, us or an affiliate in connection with the proposed franchise sale. Under New York law, if applicable, Patrice Franchising, LLC must provide this disclosure document to you at the earliest of your 1st personal meeting to discuss the franchise or 10 business days before you sign a binding agreement with, or make a payment to, us or an affiliate in connection with the proposed franchise sale.

If Patrice 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 and state law may have occurred and should be reported to the Federal Trade Commission, Washington, D.C. 20580 and the State Administrator listed in Exhibit A. Our Agent for Service of Process in states that are not franchise registration states is Corporation Service Company, 251 Little Falls Dr., Wilmington, Delaware, 19808 (tel: 302-636-5401).

The following are the names, principal business addresses, and telephone numbers of each franchise seller offering the franchise:

~~Brian K. Miller; 9112 East Verde Grove View, Suite 101-E, Scottsdale, AZ 85255; (301) 327-5059~~

Jason Miller; 9112 East Verde Grove View, Suite 101-E, Scottsdale, AZ 85255; 203-300-7945

_____; _____; _____

Date of Issuance: April 30, 2024 (amended January 9, 2025)

I received a Disclosure Document dated April 30, 2024~~,~~ (amended January 9, 2025), that included the following exhibits:

A. List of State Agencies and Agents for Services of Process
B. Franchise Agreement
C. Table of Contents of the Manual
D. Audited Financial Statements
~~**D.1** Guaranty of Performance~~
~~**E.** Audited Financial Statements~~
~~**F.**~~**E.** List of Franchisees
~~**G.**~~**F.** State Law Addenda
~~**H.**~~**G.** Release
~~**I.**~~**H.** Receipt

Date of Receipt:_____ Print Name:_____

Signature:_____

© 2024 Patrice & Associates Franchising, LLC

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Date of Receipt:_____ Print Name:_____

Signature:_____

Please sign and print your name above, date and return one copy of this receipt to Patrice Franchising, LLC, 9112 East Verde Grove View, Suite 101-E, Scottsdale, AZ 85255 and keep the other for your records.

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