FRANCHISE DISCLOSURE DOCUMENT

Red Shoe Rescue Franchise, LLC
a California Limited Liability Company
4100 Cameron Park Drive #109
Cameron Park, CA 95682
530-677-7733
doug@redshoerescue.com
www.redshoerescuefranchise.com

Red Shoe Rescue businesses provide mobile device repair and warranty services and sell mobile device accessories and other related products ("Red Shoe Rescue Business(es)"). We offer franchises for single Red Shoe Rescue Businesses and for area development franchises for the right to open multiple Red Shoe Rescue Businesses in a designated area ("Area Development Franchise(s)").

The total investment necessary to begin operation of a Red Shoe Rescue Business is between $63,900 and $178,000. This includes $30,000 that must be paid to the franchisor or its affiliate(s). The total investment necessary to begin operation of two Red Shoe Rescue Businesses under an Area Development Franchise is between $122,800 and $351,000. This includes $55,000 that must be paid to the franchisor or its affiliate(s). The total investment necessary to begin operation of ten Red Shoe Rescue Businesses under an Area Development Franchise is between $594,000 and $1,735,000. This includes $255,000 that must be paid to the franchisor or its affiliate(s).

This disclosure document summarizes certain provisions of your franchise agreement and other information in plain English. Read this disclosure document and all agreements carefully. You must receive this disclosure document at least 14 calendar days before you sign a binding agreement 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 Doug McKee at 4100 Cameron Park Drive #109, Cameron Park, CA 95682, 530-677-7733 or doug@redshoerescue.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, DC 20580. You can also visit the FTC's home page at www.ftc.gov for additional information. Call your state agency or visit your public library for other sources of information on franchising.

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

Issuance Date: April 17, 2024

How to Use This Franchise Disclosure Document

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

QUESTION	WHERE TO FIND INFORMATION
How much can I earn?	Item 19 may give you information about outlet sales, costs, profits or losses. You should also try to obtain this information from others, like current and former franchisees. You can find their names and contact information in Item 20 or Exhibit 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?	Item 21 or Exhibit B includes financial statements. Review these statements carefully.
Is the franchise system stable, growing, or shrinking?	Item 20 summarizes the recent history of the number of company-owned and franchised outlets.
Will my business be the only Red Shoe Rescue 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(n) Red Shoe Rescue franchisee?	Item 20 or 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 California. 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 California than in your own state.

2. **Spousal Guarantee**. 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.

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

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

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

NOTICE REQUIRED BY
STATE OF MICHIGAN

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Any questions regarding this notice should be directed to the Department of Attorney General, State of Michigan, 670 Williams Building, Lansing, Michigan 48913, telephone (517) 373-7117.

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

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ITEM 1
THE FRANCHISOR, AND ANY PARENT, PREDECESSORS, AND AFFILIATES

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

The Franchisor

RSR is a California limited liability company formed on December 8, 2020. We operate under our company name and Red Shoe Rescue. Our principal business address is 4100 Cameron Park Drive #109, Cameron Park, CA 95682. We offer franchises ("Red Shoe Rescue Franchise(s)" or "Franchise(s)") for Red Shoe Rescue Businesses and have done so since March 2021. We do not conduct business under any other name or in any other line of business and we do not offer franchises in any other line of business.

Our affiliate, RSR Affiliate, LLC ("RSA"), is a California limited liability company formed on December 8, 2020, that shares our principal business address. RSA operates a Red Shoe Rescue Business and has done so since December 8, 2020. This Red Shoe Rescue Business was previously operated as a sole proprietorship by our founder, Doug McKee, and has been open since June 2013. RSA does not provide products or services to franchisees, nor has it ever offered franchises for Red Shoe Rescue Businesses or franchises in any other line of business.

Our affiliate, Mobi Web Works, LLC ("MWW"), is the approved supplier of certain web services you must use in the operation of your Red Shoe Rescue Business (See Item 8). MWW shares our principal address. MWW does not conduct the type of business the franchisee will operate, nor has it ever offered franchises for Red Shoe Rescue Businesses or franchises in any other line of business.

We do not have any parents or predecessors.

Our agent for service of process in California is Doug McKee, 4100 Cameron Park Drive #109, Cameron Park, CA 95682. Our agents for service of process for other states are identified by state in Exhibit A. If a state is not listed, we have not appointed an agent for service of process in that state in connection with the requirements of franchise laws. There may be states in addition to those listed above in which we have appointed an agent for service of process. There may also be additional agents appointed in some of the states listed.

The Franchise

Red Shoe Rescue franchisees operate businesses providing mobile device repair and warranty services and sell mobile device accessories and other related products. Our operating system includes recognizable design, décor and color scheme; uniform standards, specifications, rules and procedures of operation; techniques; philosophies; quality and uniformity of products and services offered; and procedures for inventory and management control ("System"). We grant franchises to operate Red Shoe Rescue Businesses using the System and our trade names, trademarks, service marks, emblems, logos, slogans and copyrights ("Marks") as authorized by us from an approved retail location ("Store").

You must sign our standard franchise agreement attached to this Franchise Disclosure Document as Exhibit C ("Franchise Agreement"). You may operate one Red Shoe Rescue Business for each Franchise Agreement you sign.

Red Shoe Rescue area developers ("Area Developer(s)") obtain the right to open a mutually agreed upon number of Red Shoe Rescue Businesses in a specified development area but no less than two ("Development Territory") according to a specified development schedule ("Development Schedule"). We will establish the Development Territory based on the consumer demographics of the area, the geographical area, city, county and other boundaries. Area Developers must sign our area development agreement attached to this Franchise Disclosure Document as Exhibit D ("Area Development Agreement"). Area Developers must sign the Franchise Agreement for the first Red Shoe Rescue Franchise at the same time as the Area Development Agreement. Area Developers will sign a separate franchise agreement before developing each Red Shoe Rescue Business on the then-current form used by us at the time, which may differ from the current Franchise Agreement included with this Franchise Disclosure Document. Unless otherwise stated, any reference in this Franchise Disclosure Document to "you" or "franchisee" includes you both as an Area Developer under an Area Development Agreement and as a franchisee under a Franchise Agreement.

Market and Competition

The primary market for the products and services offered by the Red Shoe Rescue Business is the general public, schools, government offices and other businesses. The products and services offered by Red Shoe Rescue Businesses are not seasonal. The mobile device repair market, as a whole, is well-developed and highly competitive and includes device manufacturers, as well as retail units and kiosks selling various types of products and services. You may have to compete with numerous other independent and chain-affiliated businesses, some of which may be franchised. Many retail franchise systems, in particular, have already established national and international brand recognition.

Industry-Specific Laws

You must obtain all required licenses, permits, and approvals to operate your Red Shoe Rescue Business. Some states and local jurisdictions may have enacted or may in the future enact laws, rules, regulations, and ordinances that may apply to the sale of mobile device repair services, warranties, accessories and related products. These regulations may establish certain standards, specifications, and requirements that you must follow.

The Payment Card Industry Data Security Standard ("PCI") requires that all companies that process, store, or transmit credit or debit card information maintain a secure environment. PCI applies to all organizations or merchants, regardless of size or number of transactions, that accepts, transmits or stores any cardholder data. Franchisees must also be sure to comply with applicable federal and state laws regulating the privacy and security of sensitive consumer and employee information.

ITEM 2
BUSINESS EXPERIENCE

Founder, Managing Owner and CEO: Doug McKee

Mr. McKee has served as our Managing Owner and Chief Executive Officer since December 2020 in Cameron Park, CA and is our Founder. Mr. McKee has also been the Managing Owner and Chief Executive Officer of RSA since December 2020 in Cameron Park, CA. Mr. McKee operated a Red Shoe Rescue Business as a sole proprietor from June 2013 to December 2020 in Cameron Park, CA.

ITEM 3
LITIGATION

No litigation is required to be disclosed in this Item.

ITEM 4
BANKRUPTCY

In February 2011, our Managing Owner and CEO, Doug McKee, whose principal place of business is 4100 Cameron Park Drive #109, Cameron Park, CA 95682, and his spouse Terri McKee, filed for personal Chapter 13 bankruptcy in the Eastern District of California, case number 11-23525. Under the individual plan of reorganization, payments were made to creditors for five years. The McKees received a discharge under 11 U.S.C. §1328(a) on June 13, 2016.

Other than the above, no bankruptcy is required to be disclosed in this Item.

ITEM 5
INITIAL FEES

Franchise Agreement

Initial Franchise Fee

The "Initial Franchise Fee" for a single Red Shoe Rescue Business is $25,000. The Initial Franchise Fee is payment for the pre-opening assistance that we provide to you to allow you to open your Red Shoe Rescue Business and also offsets some of our franchise recruitment expenses. Each Franchise Agreement will grant you the right to operate one Red Shoe Rescue Business. The Initial Franchise Fee is uniform and, unless you are signing a Franchise Agreement under an Area Development Agreement, payable when you sign the Franchise Agreement (See Area Development Agreement section below for Initial Franchise Fee payment schedule for Red Shoe Rescue Businesses opened under an Area Development Agreement). The Initial Franchise Fee is fully earned by us once paid. In our discretion, we may terminate your Franchise Agreement and refund up to 50% of the Initial Franchise Fee if you do not open for business within six months. We did not collect any Initial Franchise Fees in our fiscal year ended December 31, 2023.

Initial Training

You must pay an initial training fee of $5,000 ("Initial Training Fee") to train up to three individuals during a single initial training program. The Initial Training Fee is due when you pay the Initial Franchise Fee and is not refundable. If you wish to train additional persons or hold additional initial training sessions, you must pay an additional training fee of $2,500 for each additional person who attends the initial training program ("Additional Training Fee"). You are responsible for all your expenses to attend any training program, including lodging, transportation, food and similar expenses.

Area Development Agreement

If qualified, Franchisees may also purchase the right to open multiple Red Shoe Rescue Businesses (at least two) by signing our Area Development Agreement and paying a development fee ("Development Fee"). The Development Fee is equal to the Initial Franchise Fee for your first Franchise Agreement (currently $25,000) plus $5,000 multiplied by the number of Red Shoe Rescue Businesses (excluding the first Red Shoe Rescue Business) to be developed under the Area Development Agreement. The

Development Fee is paid in lieu of the Initial Franchise Fee for the first Red Shoe Rescue Business to be opened. We will credit a portion of the Development Fee ($5,000 for the second and each subsequent franchise agreement) against the Initial Franchise Fee until the Development Fee is exhausted. The Initial Franchise Fee for each additional Red Shoe Rescue Franchise to be developed under an Area Development Agreement is discounted by $5,000 from then-current Initial Franchise Fee (currently $20,000 after the discount). You must pay the Initial Franchise Fee for the additional Red Shoe Rescue Businesses when you sign each Franchise Agreement. Area Developers must open a minimum of two Red Shoe Rescue Businesses.

For example, the Development Fee for two Red Shoe Rescue Businesses is $30,000, and the remaining Initial Franchise Fee ($15,000 using the current Initial Franchise Fee) is paid when you sign the franchise agreement for your second Red Shoe Rescue to be developed. The Development Fee for ten Red Shoe Rescue Businesses is $70,000, with each remaining Initial Franchisee Fee paid when each franchise agreement is signed under the Area Development Agreement.

Area Developers must sign the Franchise Agreement for the first Red Shoe Rescue Franchise at the same time as the Area Development Agreement. Area Developers will sign a separate franchise agreement before developing each Red Shoe Rescue Business on the then-current form used by us at the time, which may differ from the current Franchise Agreement included with this Franchise Disclosure Document. You must enter into each additional franchise agreement while we are still offering franchises.

The Development Fee is uniformly calculated and payable when you sign your Area Development Agreement. If you fail to open additional Red Shoe Rescue Businesses under your Area Development Agreement, we may, in our discretion, refund you up to 50% of the Development Fee you paid for each additional franchise you fail to open.

Financial Assurances

Some states have imposed a fee deferral. Please refer to the State Addendum in Exhibit F to the Franchise Disclosure Document.

ITEM 6
OTHER FEES

Type of Fee[(1)]	Amount	Due Date	Remarks
Royalty[(2)]	5% of Gross Sales	Due on the tenth day of the month	The "Royalty" is based on "Gross Sales" during the previous month. Your Royalty is an ongoing payment that allows you to use the Marks and the intellectual property of the System and pays for our ongoing support and assistance.
Brand Fund Contribution	3% of Gross Sales	Same as Royalty	We will use this contribution for a system-wide Brand Fund (defined in Item 11) for our use in promoting and building the Red Shoe Rescue brand.

Type of Fee[1]	Amount	Due Date	Remarks
Local and Regional Advertising Cooperatives[3]	Established by cooperative members, Up to 3% of Gross Sales	Established by cooperative members	We currently do not have a cooperative but reserve the right to require one to be established in the future. We anticipate that each Red Shoe Rescue franchisee and each Red Shoe Rescue Business that we own will have one vote for each Red Shoe Rescue operated in the designated market. Item 11 contains more information about advertising cooperatives.
Unauthorized Advertising Fee	$500 per occurrence	On demand	This fee is payable to the Brand Fund, if you use unauthorized advertising in violation of the terms of the Franchise Agreement.
Noncompliance Fee	Then-current fee (currently $500 per occurrence)	On demand	You will pay a noncompliance fee for any failure to comply with Red Shoe Rescue standards. This fee is payable to the Brand Fund.
Insurance	Reimbursement of our costs, plus a 20% administration charge	On demand	If you fail to obtain insurance, we may obtain insurance for you, and you must reimburse us for the cost of insurance obtained plus 20% of the premium for an administrative cost of obtaining the insurance.
Catastrophe Fee	5% of any insurance proceeds	As incurred	You will reimburse 5% of any insurance proceeds due to business interruption as a result of your Red Shoe Rescue Business being closed a result of a casualty event or any other reason.
Additional Training or Assistance Fees	The then-current fee (currently $2,500 per additional person)	Payable in advance of the training or assistance	We may charge you for training additional persons, newly-hired personnel, refresher training courses, advanced training courses, and additional or special assistance or training you need or request. You are responsible for any expenses incurred by you or your employees in connection with attending training, including transportation, lodging, meals, wages and other incidentals. If the training program is conducted at your Red Shoe Rescue Store, then you must reimburse us for the expenses we or our representatives incur in providing the training.
Web Services Fee[4]	The then-current fee (currently $10 per month). We may increase this fee to up to $350 per month.	Due the tenth day of the month for the current month's services	This fee is paid to MWW and covers certain web services, including website hosting/management and email services, used in the operation of your Red Shoe Rescue Business. This fee may be adjusted to reflect price increases made by third parties.

Type of Fee[1]	Amount	Due Date	Remarks
Technology Fee[5]	The then-current fee (currently $0, may increase up to $250 per month)	Due the tenth day of the month for the current month's services	This fee covers certain technologies used in the operation of your Red Shoe Rescue Business. This fee may include fees paid to third-party vendors and it may be adjusted to reflect their price increases. You will also be responsible for any increase in fees that result from any upgrades, modifications or additional software or from increases from third-party vendors.
Supplier and Product Evaluation Fee	Costs of inspection (estimated to be approximately $100 to $500)	On demand	Payable if we inspect a new product, service or proposed supplier nominated by you.
Replacement of Brand Standards Manual	$500	On demand	Payable if your copy of the Brand Standards Manual is lost, stolen, destroyed or significantly damaged.
Customer Issue Resolution	Varies; reasonable costs we incur for responding to a customer complaint, which will typically be between $20 and $100	After receipt of invoice	Payable if a customer of your Red Shoe Rescue Business contacts us with a complaint and we provide a gift card, refund or other value to the customer as part of our addressing the issue.
Payment Service Fee	Up to 4% of total charge	As incurred	If payment is made to us or our affiliate by credit card for any fee required, we may charge a service charge of up to 4% of the total charge.
Late Payment Fee	$100 per occurrence, plus the lesser of the daily equivalent of 18% per year simple interest or the highest rate allowed by law	As incurred	Payable if any payment due to us or our affiliate is not made by the due date. Interest accrues from the original due date until payment is received in full.
Non-Sufficient Funds Fee	$100 per occurrence, plus the lesser of the daily equivalent of 18% per year simple interest or the highest rate allowed by law	As incurred	Payable if any check or electronic payment is not successful due to insufficient funds, stop payment or any similar event.
Failure to Submit Required Report Fee	$100 per occurrence and $100 per week	We will debit your bank account for any failure to submit any requested report or financial statement when due	Payable if you fail to submit any required report or financial statement when due. Fines collected are paid to the Brand Fund. You will continue to incur this fee until you submit the required report.

Type of Fee[1]	Amount	Due Date	Remarks
Audit Expenses	Cost of audit and inspection, any understated amounts, and any related accounting, legal and travel expenses, which we estimate to be $10,000	On demand	You must pay this if an audit reveals that you understated Gross Sales by more than 2% or you fail to submit required reports.
Management Fee	Our then-current fee (currently $250 per day per Interim Manager), plus costs and expenses	As incurred	Payable if we or our affiliate manages your Red Shoe Rescue Business after: (1) you cease to perform your responsibilities (whether due to retirement, death, disability, or for any other reason) and you fail to find an adequate replacement Operating Principal (defined in Item 15) within 30 days; (2) you are in material breach of the Franchise Agreement; or (3) upon a crisis management event.
Professional Fees and Expenses	Will vary under circumstances	As incurred	You must reimburse us for any legal, accounting or other professional fees ("Professional Fees") that we incur as a result of any breach or termination of your Franchise Agreement or as a result of your indemnity obligations. You must reimburse us if we are required to incur any expenses in enforcing our rights against you under the Franchise Agreement or Area Development Agreement. You will also be required to pay any Professional Fees that we incur for certain transfers as discussed in this Item 6.
Indemnification	Will vary under circumstances	As incurred	You must indemnify and reimburse us for any expenses or losses, including Professional Fees, that we or our representatives incur related in any way to your Red Shoe Rescue Business or Franchise.
Renewal Fee	50% of the then-current initial franchise fee (currently $12,500)	At the time you sign the successor franchise agreement	Payable if you qualify to renew your Franchise Agreement and choose to enter into a successor franchise agreement. If we are not offering Franchises at the time of your renewal, the renewal fee will be 50% of the initial franchise fee listed in the most recent Franchise Disclosure Document.
Relocation Fee	Our costs (including attorneys' fees) up to $2,500	Upon relocation	You must reimburse us for our reasonable expenses if we permit you to relocate your Store.

Type of Fee[1]	Amount	Due Date	Remarks
De-Identification	All amounts incurred by us related to de-identification	Will vary under circumstances	Payable if we must de-identify your Store upon its termination, relocation or expiration.
Transfer Fee	$5,000	$1,000 non-refundable deposit at time of transfer application submittal and the remaining balance of fee at time of the approved transfer	Payable in connection with the transfer of your Red Shoe Rescue Business, a transfer of ownership of your legal entity, or the Franchise Agreement (this does not apply to the transfer of an entity you control—see below).
Transfer to Entity	Our actual costs	On demand	If you are transferring the Franchise Agreement to an entity that you control, you will not be required to pay a transfer fee, but you must pay our actual costs.
Liquidated Damages[6]	Will vary under the circumstances	Within 15 days after termination of the Franchise Agreement	Due only if we terminate the Franchise Agreement before the end of the term because of your material breach, or you terminate the Franchise Agreement without legal cause.
Broker Fees	Our actual cost of the brokerage commissions, finder's fees or similar charges	As incurred	If you transfer your Red Shoe Rescue Business to a third party or purchaser, you must reimburse all of our actual costs for commissions, finder's fees and similar charges.

Notes:

1. Fees. All fees paid to us or our affiliates are uniform and not refundable under any circumstances once paid. Fees paid to vendors or other suppliers may be refundable depending on the vendors and suppliers. We currently require you to pay fees and other amounts due to us or our affiliates via electronic funds transfer ("EFT") or other similar means. You must complete the ACH authorization (in the form attached to this Franchise Disclosure Document in Exhibit H). We can require an alternative payment method or payment frequency for any fees or amounts owed to us or our affiliates under the Franchise Agreement. If you enter into an Area Development Agreement to operate multiple Red Shoe Rescue Businesses, the fees indicated in the chart above are the fees charged and/or incurred for each Red Shoe Rescue Business. All fees are current as of the Issuance Date of this Franchise Disclosure Document. Certain fees that we have indicated may increase over the term of the Franchise Agreement. All fees are current as of the Issuance Date of this Franchise Disclosure Document. Certain fees that we have indicated may increase over the term of the Franchise Agreement. Also, any fee expressed as a fixed dollar amount is subject to adjustment based on changes to the Consumer Price Index ("CPI") in the United States. We may periodically review and increase these fees based on changes to the CPI (in addition to any other increase), but only if the increase to the CPI is more than 5% higher than the corresponding CPI in effect on: (a) the effective date of your Franchise Agreement (for the initial

fee adjustments); or (b) the date we implemented the last fee adjustment (for subsequent fee adjustments). We will notify you of any CPI adjustment at least 60 days before the fee adjustment becomes effective. We will implement no more than one CPI-related fee adjustment during any calendar year.

2. Royalty. "Gross Sales" means the total of all revenues, income and consideration from the sale of all Red Shoe Rescue services and products to your customers whether or not sold or performed at or from the Red Shoe Rescue Store, and whether received in cash, coupon, in services in kind, from barter or exchange, on credit (whether or not payment is received) or otherwise. You may deduct from Gross Sales for purposes of this computation (but only to the extent they have been included) the amount of all sales tax receipts or similar tax receipts which, by law, are chargeable to customers, if the taxes are separately stated when the customer is charged and if the taxes are paid to the appropriate taxing authority. You may also deduct from Gross Sales the amount of any documented refunds, chargebacks, credits, charged tips and allowances you give in good faith to your customers, as well as any revenue you receive from an LCD buyback program. All barter or exchange transactions in which you furnish products or services in exchange for products or services provided to you by a vendor, supplier or customer will, for the purpose of determining Gross Sales, be valued at the full retail value of the products or services so provided to you.

3. Advertising Cooperatives. If a local or regional advertising cooperative is established, contribution amounts will be established by the cooperative members, subject to our approval. We anticipate that each Red Shoe Rescue franchisee and each Red Shoe Rescue Business that we own will have one vote for each Red Shoe Rescue Business operated in the designated market. Each Red Shoe Rescue Franchise we own that exists within the cooperative's area will contribute to the cooperative on the same basis as franchisees. No local or regional advertising cooperatives have been established as of the Issuance Date of this Franchise Disclosure Document.

4. Web Services Fee. Our affiliate, MWW, will provide you with certain web services in exchange for your monthly web services fee, which may change from time to time based on changes to the web services MWW provides. The current web services fee is $10 per month beginning the month you begin operations.

5. Technology Fee. We may provide you with certain technology services in exchange for your monthly technology fee, which may change from time to time based on changes to the technology services we provide and/or our costs to provide these services. We do not currently charge this fee, but may do so in the future. We reserve the right to license, sublicense, and create software and technology that Red Shoe Rescue franchisees must pay for and use. We can change the software and technology that must be used by our franchisees at any time, which may result in changes to the technology fee.

6. Liquidated Damages. Liquidated damages are determined by multiplying the combined monthly average of Royalties and Brand Fund contributions (without regard to any fee waivers or other reductions) that are owed by you to us, beginning with the date you open your Red Shoe Rescue Business through the date of early termination, multiplied by the lesser of: (i) 36; or (ii) the number of months remaining in the term of the Franchise Agreement, except that liquidated damages will not, under any circumstances, be less than $30,000.

ITEM 7
ESTIMATED INITIAL INVESTMENT

YOUR ESTIMATED INITIAL INVESTMENT

Type of Expenditure	Amount		Method of Payment	When Due	To Whom Payment is to be Paid
	Low	High			
Initial Franchise Fee[1]	$25,000	$25,000	Lump Sum	When You Sign the Franchise Agreement	Us
Furniture, Fixtures and Décor[2]	$3,500	$7,000	As Incurred	As Incurred	Third Parties
Other Equipment[3]	$500	$5,000	As Supplier Requires	As Incurred	Third Parties
Computer/POS System[4]	$3,000	$5,000	As Incurred	As Incurred	Third Parties
3 Months' Lease Payments[5]	$500	$10,000	As Incurred	As Incurred	Landlord
Leasehold Improvements[6]	$500	$30,000	As Incurred	As Incurred	Landlord and Approved Contractors, Architects and Government
Utility and Security Deposits[7]	$600	$10,000	As Incurred	Before Opening	Third Parties, including Utility Companies
Signage[8]	$2,500	$10,000	As Incurred	As Incurred	Third Parties
Licenses and Permits[9]	$100	$3,500	As Incurred	As Incurred	Appropriate State/Local Authorities or Third Party
Insurance[10]	$100	$2,000	As Incurred	As Incurred	Insurance Company
Professional Fees[11]	$0	$10,500	As Incurred	As Incurred	Your Attorneys, Advisors, CPAs and Other Professionals
Office Equipment and Supplies	$100	$2,500	As Incurred	As Incurred	Approved Vendors
Opening Inventory[12]	$2,500	$15,000	As Incurred	Before Opening	Approved Vendors
Training[13]	$10,000	$12,500	As Incurred	As Incurred	Us and Providers of Travel, Lodging, and Food Services
Additional Funds – 3 Months[14]	$15,000	$30,000	As Incurred	As Incurred	Third Parties
TOTAL ESTIMATED INITIAL INVESTMENT[15]	$63,900	$178,000			

Notes:

These estimated initial expenses are our best estimate of the costs you may incur in establishing and operating your Red Shoe Rescue Business. We do not offer direct or indirect financing for these items. All expenditures paid to us or our affiliates are uniform and non-refundable under any circumstances once paid. All expenses payable to third parties are non-refundable, except as you may arrange for utility deposits and other payments.

1. Initial Franchise Fee. See Item 5 for additional information about your Initial Franchise Fee.

2. Furniture, Fixtures and Décor. This estimate involves the furniture, fixtures and themed decorations you will need to open a Red Shoe Rescue Business. Some of these expenses will depend on Store size, shipping distances, supplier chosen and your credit history.

3. Other Equipment. Other equipment includes items such as device repair equipment and tools.

4. Computer/POS System. You must purchase a computer and POS system. See Item 11 for additional information about the required hardware and software.

5. 3 Months' Lease Payments. This estimate covers three months of pre-opening rent. Your actual rent payments may vary depending upon your location and your market's retail lease rates. Stores will typically be 700 to 1,000 square feet in size. Red Shoe Rescue Stores are typically located in free standing outlets, shopping malls and strip malls. If you purchase instead of lease the premises for your Store, then the purchase price, down payment, interest rates and other financing terms will determine your monthly mortgage payments.

6. Leasehold Improvements. This estimate does not include any construction allowances that may be offered by your landlord. This estimate includes setup expenses you will incur in building out your Store, including all costs required to set up the equipment. It also includes architecture fees and permits that could cost as much as $10,000, if applicable. Building and construction costs will vary depending upon the condition and size of the premises for your Store and local construction costs.

7. Utility and Security Deposits. This estimate includes security deposits required by the landlord, cable and utility companies.

8. Signage. This estimate is for a single exterior sign. The type and size of the signage you install will be based upon the zoning and property use requirements and restrictions. There could be an occasion where certain signage is not permitted because of zoning or use restrictions.

9. Licenses and Permits. You may be required to obtain business licenses from the local government agencies to operate your Red Shoe Rescue Business.

10. Insurance. You must obtain and maintain, at your own expense, the insurance coverage we require, and satisfy other insurance-related obligations. If you have had prior issues or claims from previous operations unrelated to the operation of a Red Shoe Rescue Business, your rates may be significantly higher than those estimated above.

11. Professional Fees. We recommend that you hire a lawyer, accountant or other professional to advise you on this Franchise offering and to assist you in setting up your Red Shoe Rescue Business. Rates for professionals can vary significantly based on area and experience.

12. Opening Inventory. See Item 5 for additional information regarding opening inventory.

13. Training. We provide training at our training center in Cameron Park, California or at another location designated by us. You must pay for airfare, meals, transportation costs, lodging and incidental expenses for all initial training program attendees. Initial training is provided for an Initial Training Fee of $5,000 for up to three people, one of which must be an operating principal (See Item 15 for more information on the operating principal), so long as all individuals attend the same initial training program. If additional initial training is required, or more people must be trained, an Additional Training Fee will be assessed.

14. Additional Funds. These amounts represent our estimate of the amount needed to cover your expenses for the initial three-month start-up phase of your Red Shoe Rescue Business. They include payroll, administrative, maintenance, utilities, rent, software license fees, working capital, web services fees, and other items. These figures do not include standard pre-opening expenses, Royalties, or advertising fees payable under the Franchise Agreement or debt service and assume that none of your expenses are offset by any sales generated during the start-up phase. For purposes of this disclosure, we estimated the start-up phase to be three months from the date your Red Shoe Rescue Business opens for business. These figures are estimates, and we cannot guarantee that you will not have additional expenses starting your Red Shoe Rescue Business. Our estimates are based on our experience and our current requirements for Red Shoe Rescue Franchises. Your costs will depend on factors such as: how well you follow our methods and procedures; your management skills, experience, and business acumen; local economic conditions; the local market for your products and services; the prevailing wage rate; competition; the sales level reached during the start-up period; and the size of your Store.

15. This is an estimate of your initial start-up expenses for one Red Shoe Rescue Business. You should review these figures carefully with a business advisor before making any decision to purchase the Franchise.

Area Development Franchise

Type of Expenditure	Amount		Method of Payment	When Due	To Whom Payment is to be Paid
	Low	High			
Development Fee[(1)]	$30,000	$70,000	Lump Sum	When You Sign the Area Development Agreement	Us
Initial Investment for the First Red Shoe Rescue Business[(2)]	$38,900	$153,000	Per Table Above	Per Table Above	Per Table Above
TOTAL ESTIMATED INITIAL INVESTMENT FOR TWO RED SHOE RESCUE BUSINESSES[(3)]	$122,800	$351,000			

Type of Expenditure	Amount		Method of Payment	When Due	To Whom Payment is to be Paid
	Low	High			
TOTAL ESTIMATED INITIAL INVESTMENT FOR TEN RED SHOE RESCUE BUSINESSES[3]	$594,000	$1,735,000			

All expenditures paid to us or our affiliates are uniform and not refundable under any circumstances once paid, except for the Initial Franchise Fee and Development Fee as described in Item 5. All expenses payable to third parties are non-refundable, except as you may arrange for utility deposits and other payments. We do not finance any portion of your initial investment.

1. Development Fee. The Development Fee is paid in lieu of the Initial Franchise Fee for the first Red Shoe Rescue Business to be opened. The Development Fee is equal to the Initial Franchisee Fee for the first Red Shoe Rescue Franchise (currently $25,000) plus $5,000 for each additional Red Shoe Rescue Business to be developed. We will credit a portion of the Development Fee against the Initial Franchise Fee ($5,000 for the second and each subsequent franchise agreement) until the Development Fee is exhausted. You must pay the Initial Franchise Fees for the additional Red Shoe Rescue Businesses when you sign each Franchise Agreement. The Development Fee varies depending on the number of Red Shoe Rescue Businesses to be developed (at least two). A discounted Initial Franchise Fee is offered to Area Developers (currently $5,000 off the then-current Initial Franchise Fee). See Item 5 for details on how the Development Fee is calculated. The low estimated amount equals the Development Fee for the right to open two Red Shoe Rescue Businesses and the high estimated amount equals the Development Fee for the right to open a total of ten Red Shoe Rescue Businesses.

2. Initial Investment for First Red Shoe Rescue Business. These are the estimates to build out your first Red Shoe Rescue Business as described in the Red Shoe Rescue Business chart above (except for the Initial Franchise Fee which is replaced by the Development Fee).

3. Figures May Vary. This is an estimate of your initial start-up expenses for an Area Developer Franchise opening up to two or up to ten Red Shoe Rescue Businesses. These estimates include the total Initial Franchise Fees you must pay for each Red Shoe Rescue Business developed under the Area Development Agreement, which is currently $20,000 per additional Red Shoe Rescue Business with a $5,000 credit applied from the Development Fee.

ITEM 8
RESTRICTIONS ON SOURCES OF PRODUCTS AND SERVICES

You must operate your Red Shoe Rescue Business according to our System and specifications. This includes purchasing or leasing all products, services, supplies, fixtures, equipment, inventory, computer hardware and software, and real estate related to establishing and operating the Red Shoe Rescue Franchise under our specifications, which may include purchasing these items from: (i) our designees; (ii) approved suppliers; and/or (iii) us or our affiliates. You must not deviate from these methods, standards and specifications without our prior written consent, or otherwise operate in any manner that reflects adversely on our Marks or the System.

Our confidential operations manual ("Brand Standards Manual") states our standards, specifications and guidelines for all products and services we require you to obtain in establishing and operating your Red Shoe Rescue Franchise and approved vendors for these products and services. We will notify you of new or modified standards, specifications and guidelines through periodic amendments or supplements to the Brand Standards Manual or through other written communication (including electronic communication such as email or through a system-wide intranet).

You must purchase, install, maintain in sufficient supply and use fixtures, furnishings, equipment, signs and supplies that conform to the standards and specifications described in the Brand Standards Manual or otherwise in writing and we or our affiliates may be the only approved supplier of these certain items. We and our affiliates may derive revenue from these sales and may sell these items at prices exceeding our or their costs.

Our affiliate, MWW, is currently the only approved supplier of web services that you are required to purchase and use. These services currently include website hosting, website management and email services. Currently, you must pay MWW a monthly fee of $10 for these services depending on the level and nature of services. We may increase this fee up to $99.99 per month. During our last fiscal year ended December 31, 2023, MWW received no revenue from the sale or lease of products or services to franchisees. Our managing owner, Doug McKee, is the sole owner of MWW.

We are not currently an approved supplier of any products or services provided to franchisees. We derived no revenue from the sale or lease of products or services to franchisees during our last fiscal year ended December 31, 2023.

You must use the computer hardware and software, including the point-of-sale system that we periodically designate to operate your Red Shoe Rescue Business. You must obtain the computer hardware, software licenses, maintenance and support services and other related services that meet our specifications from the suppliers we specify. You may be required to use approved suppliers for certain technology business solutions at your expense that will support your business efficiencies, which may include phone systems, security systems, scheduling software, employee shift/task management software, music subscription, inventory solutions and any other solutions we periodically require in the Brand Standards Manual.

You must obtain the insurance coverage required under the Franchise Agreement, as follows: (a) comprehensive commercial general liability insurance, providing coverage on an occurrence form basis, with limits of not less than $1,000,000 each occurrence for bodily injury and property damage combined, $2,000,000 annual general aggregate, and $2,000,000 products and completed operations annual aggregate; (b) "all risk" insurance covering fire and extended coverage, vandalism and malicious mischief, sprinkler leakage and all other perils of direct physical loss or damage under the ISO "Special Causes of Loss" form, for the full replacement value of all the Franchisee's property or equipment of any nature located at, on, in, or about the Store, or in any way used in the operation of the Store, including all contents, awnings, signs, and glass with deductibles acceptable to the Franchisor; (c) "umbrella" policy providing per occurrence coverage limits of not less than $5,000,000; (d) workers' compensation insurance, if required by applicable law, in amounts specified by applicable law; (e) employee practices liability insurance with minimum per occurrence coverage of at least $1,000,000; and (f) business interruption insurance to cover the Franchisee's loss of revenue and ongoing expenses and to cover any amounts owing to the Franchisor under this Agreement (including, in the case of a casualty loss, the Royalty, Brand Fund Contributions and other fees and payments the Franchisor would have received had the casualty loss not occurred) or any other agreement between the Franchisee and the Franchisor or its affiliates, in the amount specified by the Franchisor in the Brand Standards Manual or otherwise in writing for a minimum period of time as designated by the Franchisor. The insurance company must be authorized to do business in the state where

your Red Shoe Rescue Business is located, and must be approved by us. It must also be rated "A" or better by A.M. Best & Company, Inc. We may periodically increase the amounts of coverage required under these insurance policies and/or require different or additional insurance coverage at any time. All insurance policies must name us and any affiliates we designate as additional named insured parties. Your policy must provide that the insurer will not cancel or materially alter the policies without giving us at least 30 days' prior written notice.

We will provide you with a list of our designated and approved suppliers in our Brand Standards Manual. If you want to use or sell a product or service that we have not yet evaluated, or if you want to purchase or lease a product or service from a supplier or provider that we have not yet approved (for products and services that require supplier approval), you must notify us and submit to us the information, specifications and samples we request. We will use commercially reasonable efforts to notify you within 30 days after receiving all requested information and materials whether you are authorized to purchase or lease the product or service from that supplier or provider. We reserve the right to charge a fee to evaluate the proposed product, service or supplier. We apply the following general criteria in approving a proposed supplier: (1) ability to purchase the product in bulk; (2) quality of services; (3) production and delivery capability; (4) proximity to Red Shoe Rescue Franchises to ensure timely deliveries of the products or services; (5) the dependability of the supplier; and (6) other factors. The supplier may also be required to sign a supplier agreement with us. We may periodically re-inspect approved suppliers' facilities and products, and we reserve the right to revoke our approval of any supplier, product or service that does not continue to meet our specifications. We will send written notice of any revocation of an approved supplier, product or service. We do not provide material benefits to you based solely on your use of designated or approved sources.

We estimate that approximately 95% of purchases required to open your Red Shoe Rescue Business and 95% of purchases required to operate your Red Shoe Rescue Business will be from us or from other approved suppliers or under our specifications. We and our affiliates may receive rebates from some suppliers based on your purchase of products and services and we have no obligation to pass them on to our franchisees or use them in any particular manner. During our last fiscal year ended December 31, 2023, neither we nor our affiliates derived revenue or other material consideration as a result of franchisees' required purchases or leases.

We may negotiate purchase arrangements with suppliers and distributors for the benefit of our franchisees, and we may receive rebates or volume discounts from our purchase of equipment and supplies that we resell to you. We currently do not have any purchasing or distribution cooperatives.

ITEM 9
FRANCHISEE'S OBLIGATIONS

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

Obligation	Section in Franchise Agreement and Area Development Agreement	Disclosure Document Item
a. Site selection and acquisition/lease	Section 7	Items 7 and 11
b. Pre-opening purchases/leases	Sections 7 and 15	Items 7, 8 and 11
c. Site development and other pre-opening requirements	Sections 7 and 15	Items 7 and 11
d. Initial and ongoing training	Section 5; Section 1.4 of the Area Development Agreement	Items 6, 7 and 11

Obligation	Section in Franchise Agreement and Area Development Agreement	Disclosure Document Item
e. Opening	Sections 5, 7 and 11	Items 6, 7, 9 and 11
f. Fees	Sections 5, 6, 7, 8, 11, 12, 13, 15, 16 and 19; Sections 7.4, 11.2 of the Area Development Agreement	Items 5, 6 and 7
g. Compliance with standards and policies/Brand Standards Manual	Sections 6, 11 and 12	Items 8, 11, 12, 14 and Exhibit G
h. Trademarks and proprietary information	Sections 12 and 17; Section 1.2 of the Area Development Agreement	Items 13 and 14
i. Restrictions on products/services offered	Section 12	Items 8 and 16
j. Warranty and customer service requirements	Section 12	Items 1 and 11
k. Territorial development and sales quotas	Section 3	Items 1, 11 and 12
l. Ongoing product/service purchases	Section 12	Items 8 and 16
m. Maintenance, appearance and remodeling requirements	Section 12	Items 7, 8 and 11
n. Insurance	Section 15	Items 6, 7 and 8
o. Advertising	Section 11	Items 11, 13 and 14
p. Indemnification	Section 18; Section 11 of the Area Development Agreement	Not Applicable
q. Owner's participation/management and staffing	Section 8; Section 1.3 and 16.4 of the Area Development Agreement	Items 11, 15 and 17
r. Records and reports	Section 15	Item 11
s. Inspections and audits	Section 16	Items 6 and 11
t. Transfer	Section 19; Sections 7.2 and 8 of the Area Development Agreement	Item 17
u. Renewal	Section 4; Sections 2, 7 and Attachment B of the Area Development Agreement	Item 17
v. Post-termination obligations	Sections 14 and 21	Item 17
w. Non-competition covenants	Section 14	Item 17 and Exhibit H
x. Dispute resolution	Section 22; Section 15 of the Area Development Agreement	Item 17

ITEM 10
FINANCING

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

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

Except as listed below, RSR is not obligated to provide you with any assistance.

Pre-opening Obligations

Before you open your Red Shoe Rescue Business, we (or our designee) will provide the following assistance and services to you:

1. Provide an initial training program (See Franchise Agreement - Section 5.1). We will not provide general business or operations training to your employees or independent contractors; however, we may provide limited training on the System and brand standards to your key employees. You will be responsible for training your employees and independent contractors, including any training on the day-to-day operations of the Red Shoe Rescue Business. You will be responsible for hiring, training, directing, scheduling and supervising your employees and independent contractors in the day-to-day operations of the Red Shoe Rescue Business.

2. Loan you one copy of the Brand Standards Manual. The Brand Standards Manual contains approximately 109 pages. The table of contents for the Brand Standards Manual is attached to this Franchise Disclosure Document as Exhibit G (See Franchise Agreement - Section 6.1).

3. Provide you with advice in identifying a suitable location for your Store if you request assistance (See Franchise Agreement - Section 7). You have the ultimate responsibility in choosing, obtaining and developing the site for your Store. We do not guarantee the suitability or success of the accepted site. We must approve the site before you sign the Lease.

4. In evaluating a proposed site, we consider such factors as general location and neighborhood, traffic patterns, parking, size, lease terms, income per capita, existence of competitors, and other physical characteristics. Before leasing or purchasing the site for your Store, you must submit to us, in the form we specify, a description of the site, with other information and materials we may reasonably require. We will have 30 days after we receive the information and materials to evaluate the proposed site. If we disapprove of the proposed site, you must select another site, subject to our consent. You must purchase or lease the site for your Store within 180 days after signing the Franchise Agreement (See Franchise Agreement - Section 7.2). We generally do not own the premises for the Store and lease it to you.

5. Once you have an approved site for your Store, we will designate a territory (See Franchise Agreement - Section 3).

6. Review your lease for your Store to ensure that its terms contain our required provisions and otherwise meet our minimum standards (See Franchise Agreement - Section 7.2).

7. We will provide recommended contractors and architects if you are constructing your Store. You are responsible for the costs of preparing architectural, engineering and construction drawings and site plans, which you must submit to us for our review and approval before you begin construction of your Store. You are responsible for the costs of construction and remodeling (See Franchise Agreement - Section 7.3.)

8. If you sign an Area Development Agreement, we will designate your Development Territory and Development Schedule within which you may develop a specified number of Red Shoe Rescue Franchises (See Area Development Agreement - Section 4.2 and Attachment B).

We do not provide the above services to renewal franchisees and may not provide all of the above services to franchisees that purchase existing Red Shoe Rescue Businesses.

Site Selection

You must select the site for your Store subject to our approval. We do not locate sites for you. For Red Shoe Rescue Business openings other than your first Red Shoe Rescue Business under an Area Development Agreement, you must sign the Franchise Agreement upon the earlier of the acceptance of the site of the Store or 90 days before your development obligation date. Before leasing or purchasing the site

for your Red Shoe Rescue Business, you must submit to us, in the form we specify, a description of the site, with other information and materials we may reasonably require. We will have two weeks after we receive the information and materials to evaluate the proposed site and notify you of our decision. We will not unreasonably withhold our approval, provided the site meets our minimum requirements. Our criterion for reviewing a proposed site includes its location, visibility, ease of access, proximity to a major road, parking, lighting and the physical characteristics of the building. If we disapprove of the proposed site, you must select another site, subject to our consent.

You must purchase or lease, at your expense, the Store within 90 days after signing this Agreement, and such Store must be a commercial space and not a residence. If you do not locate a site that is acceptable to us within 90 days of signing the Franchise Agreement, or find acceptable sites and open the Store by the deadlines in your Area Development Agreement, we may terminate the agreements. You may not relocate your Store without our prior written consent. We will consult with you on our current site selection guidelines and provide other site selection counseling, as we deem advisable. We do not provide site selection assistance to renewal franchisees, franchisees that purchase an existing Red Shoe Rescue Business.

Schedule for Opening

The typical length of time between signing the Franchise Agreement or the payment of any fees and the opening of your Red Shoe Rescue Business can vary from one month to three months. You must begin operation of your Red Shoe Rescue Business within six months after signing the Franchise Agreement. Some factors that may affect this timing are your ability to acquire a location through lease or purchase negotiations; your ability to secure any necessary financing; your ability to comply with local zoning and other ordinances; your ability to obtain any necessary permits and certifications; the timing of the delivery of equipment, tools and inventory; and the time to convert, renovate or build out your Store. If your Red Shoe Rescue Business is not operating within six months after signing the Franchise Agreement, we may, in our sole discretion, terminate the Franchise Agreement and refund up to 50% of your Initial Franchise Fee.

You may not open your Red Shoe Rescue Business until: (1) we notify you in writing that you have fulfilled all of your pre-opening obligations; (2) you have completed the Initial Training Program to our satisfaction; (3) you have paid all amounts due to us; (4) you have furnished us with copies of all insurance policies and certificates required by the Franchise Agreement, or other documentation of insurance coverage and payment of premiums we request; (5) you notify us that all approvals and conditions stated in the Franchise Agreement have been met; (6) you have received all required permits and licenses; and (7) you have ordered and received supplies, inventory and related materials. We do not assist you in conforming the premises to local ordinance and building codes nor do we assist you in obtaining any required permits. We do not assist you in remodeling or decorating your Red Shoe Rescue Business. We do not deliver or install equipment, signs, fixtures, opening inventory and supplies. You must be prepared to open and operate your Red Shoe Rescue Business immediately after we state your Red Shoe Rescue Business is ready for operation.

If you are an Area Developer, you must sign your first Franchise Agreement at the same time as you sign the Area Development Agreement. The typical length of time between the signing of the Franchise Agreement and the opening of your first Red Shoe Rescue Business under an Area Development Agreement is the same as for a single Red Shoe Rescue Business. Each additional Red Shoe Rescue Business you develop must be opened according to the terms of your Development Schedule. The site selection and approval process for each Red Shoe Rescue Business under an Area Development Agreement is the same as that for a single Red Shoe Rescue Business, and will be governed by the Franchise Agreement signed for that location.

Continuing Obligations

During the operation of your Red Shoe Rescue Business, we (or our designee) will provide the following assistance and services to you:

1. Inform you of mandatory standards, specifications and procedures for the operation of your Red Shoe Rescue Business (See Franchise Agreement - Sections 4.2, 7.3, 12.2, 12.6, 12.7, 12.8 and 17.1).

2. Upon reasonable request, provide advice regarding your Red Shoe Rescue Business's operation based on reports or inspections. Advice will be given during our regular business hours and via written materials, electronic media, telephone or other methods in our discretion (See Franchise Agreement - Section 6.3).

3. Provide you with advice and guidance on advertising and marketing (See Franchise Agreement - Sections 6.4 and 11.5).

4. Provide additional training to you for newly-hired personnel on the Red Shoe Rescue brand and System guidelines, refresher training courses and additional training or assistance that, in our discretion, you need or request. You may be required to pay additional fees for this training or assistance (See Franchise Agreement - Section 5).

5. Allow you to continue to use confidential materials, including the Brand Standards Manual and the Marks (See Franchise Agreement - Sections 6.1, 12.1, 12.2, 14.2 and 17).

Optional Assistance

During the term of the Franchise Agreement, we (or our designee) may, but are not required to, provide the following assistance and services to you:

1. Modify, update or change the System, including the adoption and use of new or modified trade names, trademarks, service marks or copyrighted materials, new products, new equipment or new techniques.

2. Make periodic visits to the Store for the purpose of assisting in all aspects of the operation and management of the Red Shoe Rescue Business, prepare written reports concerning these visits outlining any suggested changes or improvements in the operation of the Red Shoe Rescue Business, and detailing any problems in the operations that become evident as a result of any visit. If provided at your request, you must reimburse our expenses and pay our then-current training charges.

3. Maintain and administer a Brand Fund. We may dissolve the Brand Fund upon written notice (See Franchise Agreement - Section 11.1).

4. Hold periodic national or regional conferences to discuss business and operational issues affecting Red Shoe Rescue franchisees. We do not charge a fee in connection with your attendance at these conferences, but you must cover your own costs and expenses of travel, food, lodging and related expenses.

5. Reserve the right to establish minimum and maximum resale prices for use with multi-area marketing programs and special price promotions as allowed by law.

Advertising

Brand Fund

We have established a fund for marketing, developing, and promoting the System, the Marks and Red Shoe Rescue Franchises ("Brand Fund"). You must pay 3% of your monthly Gross Sales for the Brand Fund ("Brand Fund Contribution"). Your contribution to the Brand Fund will be in addition to all other advertising requirements set out in this Item 11. Each franchisee must contribute to the Brand Fund, but certain franchisees may contribute on a different basis depending on when they signed their Franchise Agreement. Red Shoe Rescue Businesses owned by us may not contribute to the Brand Fund on the same basis as franchisees.

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

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

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

The Brand Fund will be audited annually. Upon your written request, we will provide to you an annual accounting for the Brand Fund that shows how we spent the Brand Fund proceeds for the previous year. We did not collect or spend any Brand Fund Contributions during our last fiscal year, ended on December 31, 2023.

Local Advertising

We do not impose a minimum amount that must be spent on advertising within your Territory (as defined in Item 12). If you choose to advertise locally, all advertising, promotional, and marketing content must be clear, factual, not misleading, and must conform to both the highest standards of ethical advertising and marketing and the advertising and marketing policies that we periodically require. Before you conduct any advertising or marketing you must send us or our designee samples of your proposed materials for review. You may not use any advertising, promotional, or marketing materials that we have not approved or have disapproved. At our request, all local advertising materials must include certain language, such as "Franchises Available" and our website address and telephone number. You are prohibited from making press releases or contributions or donations associated with the Marks or the Red Shoe Rescue Business

without our consent. The POS system may send automatically generated follow-up emails which you must utilize.

You must, at your sole cost and expense, issue and offer such rebates, giveaways and other promotions consistent with advertising programs established by us, and further agree to honor the rebates, giveaways and other promotions issued by other Red Shoe Rescue franchisees under any such program, so long as such compliance does not contravene any applicable law, rule or regulation. You will not create or issue any gift cards/certificates and will only sell gift cards/certificates we have issued or sponsored and which are accepted at all Red Shoe Rescue Businesses, and you will not issue coupons or discounts of any type except as approved by us.

It is a material breach of the Franchise Agreement to use other marketing material without obtaining our prior written approval. If you desire to use your own advertising materials, including your own website, you must obtain our prior approval, which may be granted or denied in our sole discretion. We will review your request and we will respond in writing within 30 days from the date we receive all requested information. Our failure to notify you in the specified time frame will be deemed a disapproval of your request. Use of logos, Marks and other name identification materials must follow our approved standards. You may not use our logos, Marks and other name identification materials on items to be sold or services to be provided without our prior written approval. If you use unauthorized advertising materials, you must pay a fee of $500 per occurrence to the Brand Fund.

Local and Regional Advertising Cooperatives

You are not currently, but may in the future be required to participate in any local or regional advertising cooperatives for Red Shoe Rescue Franchises that are established. The area of each local and regional advertising cooperative will be defined by us, based on our assessment of the area. Franchisees in each cooperative will contribute an amount to the cooperative for each Red Shoe Rescue Business that the franchisee owns that exists within the cooperative's area. Each Red Shoe Rescue Business we own that exists within the cooperative's area will contribute to the cooperative on the same basis as franchisees. Members of the cooperative will be responsible for administering the cooperative, including determining the amount of contributions from each member. We may require that each cooperative operate with governing documents and prepare annual unaudited financial statements. We reserve the right to form, change, dissolve or merge any advertising cooperative formed in the future. If we elect to form such cooperatives, or if such cooperatives already exist near your territory, you must participate in compliance with the provisions of the Brand Standards Manual, which we may periodically modify at our discretion.

System Website

We have established a website for Red Shoe Rescue Businesses ("System Website"). We intend that any franchisee website will be accessed only through our System Website.

If you wish to advertise online, you must follow our online policy, which is contained in our Brand Standards Manual. Our online policy may change as technology and the Internet changes. We may restrict your use of social media. We may not allow you to independently market on the Internet, or use any domain name, address, locator, link, metatag or search technique with words or symbols similar to the Marks.

We have the right to use the Brand Fund's assets to develop, maintain and update the System Website. We may update and modify the System Website from time to time. You must promptly notify us whenever any information on your listing changes or is not accurate. We have final approval rights of all information on the System Website. We may implement and periodically modify System Standards relating to the System Website.

We are only required to reference your Red Shoe Rescue Business on the System Website while you are in full compliance with your Franchise Agreement and all System standards.

Advisory Council

We currently do not have, but may form, an advisory council ("Council") to advise us on advertising policies. The Council would be governed by bylaws. Members of the Council would consist of both franchisees and corporate representatives. Members of the Council would be selected by way of a voting method specified in the Council's bylaws. The Council would serve in an advisory capacity only. We will have the power to form, change or dissolve the Council, in our sole discretion.

Computer System

You must purchase a computer system that consists of the following hardware and software: (a) Dell desktop computer, two Apple iPads, printer/scanner and cash register; and (b) QuickBooks and our required POS system RepairShopr ("Computer System"). We estimate the cost of purchasing the Computer System will be between $3,000 to $5,000. The Computer System will manage the daily workflow of the Red Shoe Rescue Business, coordinate business transactions and track inventory. You must record all Gross Sales on the Computer System. You must store all data and information in the Computer System that we designate, and report data and information in the manner we specify. The Computer System will generate reports on the Gross Sales of your Red Shoe Rescue Business. You must also maintain a high-speed Internet connection at the Store. You must pay a POS fee ("POS Fee") of $80 per month for the RepairShopr software. You must also pay our affiliate, MWW, a monthly fee of $10 for web services including website hosting, website management and email services. We may increase this fee to $350 per month. In addition to offering and accepting Red Shoe Rescue gift cards and loyalty cards, you must accept all payment methods that we determine. You must use our designated payment vendors. We are not required to provide you with any ongoing maintenance, repairs, upgrades, updates or support for the Computer System (See Franchise Agreement - Section 12.6). You must arrange for installation, maintenance and support of the Computer System at your cost. There are no limitations in the Franchise Agreement regarding the costs of such required support, maintenance, repairs or upgrades relating to the Computer System. The cost of maintaining, updating, or upgrading the Computer System or its components will depend on your repair history, costs of computer maintenance services in your area, and technological advances. We estimate the annual cost will range between $1,560 and $15,000, but this could vary (as discussed above). We may revise our specifications for the Computer System periodically. You must upgrade or replace your Computer System at such time as specifications are revised. There is no limitation on the frequency and cost of this obligation.

You must pay the then-current technology business solutions fees to approved suppliers for certain business solutions that will support your business efficiencies, which may include phone systems, security systems, scheduling software, employee shift/task management software, music subscription, inventory solutions and any other solutions we may periodically require in the Brand Standards Manual for your Red Shoe Rescue Business. We reserve the right to upgrade, modify and add new systems and software, which may result in additional initial and ongoing expenses that you will be responsible for. You will be responsible for any increase in fees that result from any upgrades, modifications or additional systems or software and for any increase in fees from third-party providers.

We (or our designee) have the right to independently access the electronic information and data relating to your Red Shoe Rescue Business and to collect and use your electronic information and data in any manner, including to promote the System and the sale of Franchises. This may include posting financial information of each franchisee on an intranet website. There is no contractual limitation on our right to

receive or use information through our proprietary data management and intranet system. We may access the electronic information and data from your Computer System remotely, in your Store or from other locations.

Training

Initial Training

You (or your operating principal, if you are an entity), your designated manager (if applicable), and your head repair technician must complete the initial training to our reasonable satisfaction, as determined by the specific program instructors, before you open your Red Shoe Rescue Business. The Initial Training Fee for up to three individuals is $5,000, provided they attend the same program. Additional people may attend the initial training program for an Additional Training Fee of $2,500 for each additional person who attends the initial training program. Initial training classes are held whenever necessary to train new franchisees. You will not receive any compensation or reimbursement for services or expenses for participation in the initial training program. You are responsible for all your expenses to attend any training program, including lodging, transportation, food and similar expenses. We plan to provide the training listed in the table below.

TRAINING PROGRAM

Subject	Hours of Classroom Training	Hours of On-The-Job Training	Location
Introduction to Red Shoe Rescue, Manuals and POS System	24	16	Cameron Park, California
Marketing, POS II, Product Knowledge, Vendor Supplies and Hiring Practices	20	20	Cameron Park, California
Repair Training	15	25	Cameron Park, California
Continued Repair Training	0	40	Cameron Park, California
TOTAL	59	101	

Notes:

1. We reserve the right to vary the length and content of the initial training program based upon the experience and skill level of the individual attending the initial training program. We will use the Brand Standards Manual as the primary instruction materials during the initial training program.

2. Doug McKee, our Managing Owner and CEO, currently oversees our training program to which he brings more than eight years of industry experience and experience operating a Red Shoe Rescue Business.

3. Other instructors may include experienced Red Shoe Rescue managers and/or assistant managers with at least two years' experience as a Red Shoe Rescue manager.

Ongoing Training

We may periodically require that you or your principal owner, designated managers and other employees attend system-wide refresher or additional training courses. Some of these courses may be optional, while others may be required. If you appoint a new principal owner or transfer ownership, or if you hire a new designated manager, that person must attend and successfully complete our initial training

program before assuming responsibility for the management of your Red Shoe Rescue Business. If we conduct an inspection of your Store and determine you are not operating in compliance with the Franchise Agreement, we may require that you or your operating principal, designated manager and other employees attend remedial training that addresses your operational deficiencies. You may also request that we provide additional training (either at corporate headquarters or at your Store), which we may provide in our sole discretion. You must pay us $2,500 per attendee per day for additional training, and you must pay for airfare, meals, transportation costs, lodging and incidental expenses for all of your training program attendees. If we determine that you are not operating your Red Shoe Rescue Business in compliance with the Franchise Agreement or the Brand Standards Manual, we may require that you or your principal owner, designated managers and other employees attend remedial training. If the training program is conducted at your Store, you must reimburse us for the expenses we or our representatives incur in providing the training.

ITEM 12
TERRITORY

Franchise Agreement

Store

You may operate your Red Shoe Rescue Business only at the approved location. The approved location for your Red Shoe Rescue Business will be listed in the Franchise Agreement. If you have not identified an approved location for your Red Shoe Rescue Business when you sign the Franchise Agreement, as is typically the case, you and we will agree on the approved location in writing and amend the Franchise Agreement after you select and we approve the approved location. You are not guaranteed any specific approved location, and you may not be able to obtain your top choice as your approved location. You may not conduct your Red Shoe Rescue Business from any other location. You may not relocate your Red Shoe Rescue Business without our prior written approval. We may approve a request to relocate your Red Shoe Rescue Business consistent with our then-current site selection policies and procedures.

Territory

You will receive a protected territory ("Territory"). Except as described below, we will not establish or franchise others to establish another Red Shoe Rescue Business within your designated Territory during the term of the Franchise Agreement. 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. The Territory does not depend on your achievement of a minimum sales volume or other contingency. You do not receive the right to acquire additional Franchises unless you purchase the right in your Area Development Agreement. Except as noted above, we do not grant you any options or rights of first refusal under the Franchise Agreement. The Territory is determined based on the geographic area and populations properties within that area and other relevant demographic characteristics and will typically contain a population of approximately 60,000 people. The population statistics used in determining your Territory will be based on numbers derived from the current U.S. Census report and supplemented with other information available and other population statistical sources of our choosing to determine populations. We may not grant you this right if your Red Shoe Rescue Business will be located in a non-traditional location such as an airport, hotel, convention center, college campus, within the premises of another business or a similar venue. You may not directly market to or solicit customers whose principal residence is outside of your Territory. You may not sell products through other channels of distribution such as wholesale, Internet or mail order sales. If you renew your Franchise, your Territory may be modified depending on the then-current demographics of the Territory, and on our then-current standards for territories.

We and our affiliates have the right to operate, and to license others to operate, Red Shoe Rescue Businesses at any location outside the Territory, even if doing so will or might affect your operation of your Red Shoe Rescue Business. We retain the right for ourselves and our affiliates, on any terms we deem advisable, and without granting you any rights:

1. to own, franchise or operate Red Shoe Rescue Businesses at any location outside of the Territory, regardless of the proximity to your Store;

2. to use the Marks and the System to sell any products or services similar to those which you will sell through any alternate channels of distribution within or outside of the Territory. This includes, but is not limited to, other channels of distribution such as television, catalog sales, wholesale to unrelated retail outlets or over the Internet. We exclusively reserve the Internet as a channel of distribution for us, and you may not independently market on the Internet or conduct e-commerce;

3. to purchase or be purchased by, or merge or combine with, any business, including a business that competes directly with your Red Shoe Rescue Business, wherever located;

4. to acquire and convert to the System operated by us, any businesses offering products and services similar to what is offered by Red Shoe Rescue Businesses, including such businesses operated by competitors or otherwise operated independently or as part of, or in association with, any other system or chain, whether franchised or corporately-owned and whether located inside or outside of the Territory; provided that in such situations, the newly-acquired businesses may not operate under the Marks in the Territory;

5. to use and license the use of technology to non-franchisee locations inside and outside the Territory;

6. to implement multi-area marketing programs which may allow us or others to solicit or sell to customers anywhere. We also reserve the right to issue mandatory policies to coordinate such multi-area marketing programs; and

7. to service national accounts within the Territory, or allow other Red Shoe Rescue Franchises or third parties to service national accounts if you are in default, unable, or unwilling to provide necessary products or services.

You do not receive the right to acquire additional Red Shoe Rescue Franchises unless you purchase the right in your Area Development Agreement. You are not given a right of first refusal on the sale of new or existing Red Shoe Rescue Businesses. You may not engage in any promotional activities or market our proprietary products or similar products or services, whether directly or indirectly, through or on the Internet, or any other similar proprietary or common carrier electronic delivery system; through catalogs or other mail order devices sent or directed to customers or prospective customers located anywhere; or by telecopy or other telephonic or electronic communications, including toll-free numbers, directed to or received from customers or prospective customers located anywhere.

We are not required to pay you if we exercise any of the rights specified above within your Territory. The continuation of the Territory is not dependent upon your achievement of a certain sales volume, market penetration or other contingency. We do not pay compensation for soliciting or accepting orders inside your Territory.

If you wish to purchase an additional Red Shoe Rescue Franchise, you must apply to us, and we may, at our discretion, offer an additional Red Shoe Rescue Franchise to you. We consider a variety of factors when determining whether to grant additional Red Shoe Rescue Franchises. Among the factors we consider, in addition to the then-current requirements for new Red Shoe Rescue franchisees, are whether or not the franchisee is in compliance with the requirements under their current Franchise Agreement.

Area Development Agreement

Under the Area Development Agreement, you are assigned a Development Territory in which you must develop a designated number of Red Shoe Rescue Franchises. The size of the Development Territory will depend on the number of Red Shoe Rescue Businesses to be developed, the demographics of the territory, the population, and other factors. In certain densely-populated metropolitan areas, a Development Territory may be small if it has a high population density, while Development Territories in less densely-populated urban areas may have significantly larger areas. The Development Territory will be an exclusive territory for the development of Red Shoe Rescue Businesses during the term of the Area Development Agreement so long as you are in compliance with the Area Development Agreement. This exclusivity grants you the exclusive right to open Red Shoe Rescue Businesses in the Development Territory; provided that you follow the terms of the Area Development Agreement.

The rights granted under the Area Development Agreement relate only to the development of the Red Shoe Rescue Businesses identified in the Area Development Agreement. Except as provided in the Area Development Agreement, and subject to your full compliance with the Area Development Agreement and any other agreement among you or any of your affiliates and us or any of our affiliates, neither we nor our affiliates will establish or authorize any other person or entity, other than you, to establish a Red Shoe Rescue Business in your Development Territory during the term of the Area Development Agreement. However, we, our affiliates, and any other authorized person or entity (including any other Red Shoe Rescue Business) may, at any time, conduct any other type of activities within your Development Territory that we are permitted to conduct under the Franchise Agreement.

The size of the Development Territory may be a single or multi-city area, single county area, or some other area, and will be described in Attachment A to your Area Development Agreement. We will determine the Development Territory before you sign the Area Development Agreement based on various market and economic factors.

The Development Territory will terminate upon the completion of the Development Schedule or the termination of the Area Development Agreement, whichever occurs first, and the only territorial protections that you will receive upon termination will be those under each individual franchise agreement.

Upon your first failure to adhere to the Development Schedule, you will lose the exclusivity granted for the Development Territory. Any second or additional failures to adhere to the Development Schedule will constitute a material event of default under the Area Development Agreement, for which we may, among other things: (i) terminate the Area Development Agreement; (ii) reduce the area of the Development Territory; (iii) permit you to extend the Development Schedule; or (iv) pursue any other remedy we may have at law or in equity, including a suit for non-performance.

National Customer Accounts

We retain all rights to service or designate ourselves or other franchisees to service national accounts in your Territory. You are not entitled to any national customer account work in your Territory, but we may refer national customer account work to you if you qualify and if you choose to participate in our national accounts program. "National Account" means any customer: (i) that conducts its business for

its own account or through agents, affiliates, independent contractors, or franchisees in two or more of our territories; (ii) a regional or national chain with three or more locations, which customer or chain has contracted with us to obtain products and services for two or more of its locations from us, our affiliates and/or franchisees; or (iii) which owns, manages, controls, or otherwise has responsibility for businesses or residences in more than one location and whose presence is not confined within any one particular franchisee's territory. If we permit you to service National Accounts, you must follow all rules and regulations that we put into place via our program standards, including those described in the Brand Standards Manual and Franchise Agreement. If we or another party are providing services or products to a National Account customer in your Territory, you will not receive any compensation related to these services or products.

We reserve the exclusive right to negotiate and enter into agreements with National Account customers to provide services wherever such businesses are located, including within your Territory. If you qualify to participate in the National Accounts program, you must sign the "Addendum to Franchise Agreement for National Account Participation" attached to this Franchise Disclosure Document in Exhibit H. We may discontinue the National Accounts program at any time upon written notice to you. In the event that we refer National Account services to you, and if you are unable or unwilling to provide services to the National Account within your Territory, then we or another franchisee will be given the work, and we or such franchisee will be providing services within your Territory. You won't provide services to any National Accounts without our prior written consent, which may be granted or denied in our sole discretion.

ITEM 13
TRADEMARKS

The Marks and the System are owned by our Managing Owner and CEO, Doug McKee, and are licensed to us. The Franchise Agreement and your payment of Royalties grant you the nonexclusive right and license to use the System, which includes the use of the Marks. Mr. McKee has granted us a license ("Trademark License") to use the Marks to franchise the System around the world. The Trademark License is for ten years and began on January 1, 2021. It will automatically renew for subsequent ten-year periods; provided we are not in default or do not materially breach the Trademark License by engaging in any activity that damages the Marks or the goodwill of the System. If the Trademark License is terminated, Mr. McKee has agreed to license the Marks directly to our franchisees until each franchise agreement expires or is otherwise terminated. Mr. McKee has registrations with the United States Patent and Trademark Office ("USPTO") for the following Marks:

Trademark	Registration Number	Date of Registration	Status
	5,391,361	January 30, 2018	Registered on the Principal Register
Red Shoe Rescue	5,391,357	January 30, 2018	Registered on the Principal Register

Trademark	Registration Number	Date of Registration	Status
A Repair You Can Trust	5,391,359	January 30, 2018	Registered on the Principal Register

We claim common law rights in the following trademark:

Mark	Registration Number	Date of Registration	Status
	N/A	N/A	Common Law

We do not have a federal registration for our common law trademark listed above. Therefore, our common law trademark does not have as many legal benefits and rights as a federally-registered trademark. If our right to use the trademark in your area is challenged, you may have to identify your business and its products/services by a different name. This change can be expensive and may reduce brand recognition of the products and services you offer.

There are no effective adverse material determinations of the USPTO, the Trademark Trial and Appeal Board or the trademark administrator of any state, or any court, and no pending infringement, opposition or cancellation proceedings or material litigation involving the Marks. All required affidavits and renewals have been filed.

Except for the Trademark License, no agreement significantly limits our right to use or license the Marks in any manner material to the Red Shoe Rescue Franchise. We do not know of any superior prior rights or infringing uses that could materially affect your use of the trademarks. You must follow our rules when using the Marks. You cannot use our name or Mark as part of a corporate name or with modifying words, designs or symbols unless you receive our prior written consent. You must indicate to the public in any contract, advertisement and with a conspicuous sign in your Store that you are an independently-owned and operated licensed franchisee of Red Shoe Rescue Franchise, LLC. You may not use the Marks in the sale of unauthorized products or services or in any manner we do not authorize. You may not use the Marks in any advertising for the transfer, sale or other disposition of the Red Shoe Rescue Franchise, or any interest in the Red Shoe Rescue Franchise. All rights and goodwill from the use of the Marks accrue to us.

We will defend you against any claim brought against you by a third party that your use of the Marks, consistent with the Franchise Agreement, infringes upon that party's intellectual property rights. We may require your assistance, but we will exclusively control any proceeding or litigation relating to our Marks. We have no obligation to pursue any infringing users of our Marks. If we learn of an infringing user, we will take the action appropriate, but we are not required to take any action if we do not feel it is warranted. You must notify us within three business days if you learn that any party is using the Marks or a trademark that is confusingly similar to the Marks. We have the sole discretion to take such action as we deem appropriate to exclusively control any litigation or administrative proceeding involving a trademark licensed by us to you.

If it becomes advisable at any time, in our sole discretion, for us and/or you to modify or discontinue using any Mark and/or use one or more additional or substitute trademarks or service marks, you must comply with our directions within 30 days after receiving notice. We will not reimburse you for your direct expenses of changing signage, for any loss of revenue or other indirect expenses due to any modified or discontinued Mark, or for your expenses of promoting a modified or substituted trademark or service mark.

You must not directly or indirectly contest our right to the Marks. We may acquire, develop and use additional marks not listed here, and may make those marks available for your use and for use by other franchisees.

ITEM 14
PATENTS, COPYRIGHTS AND PROPRIETARY INFORMATION

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

There are no effective determinations of the United States Copyright Office or any court regarding any Copyrighted Works of ours, nor are there any proceedings pending, nor are there any effective agreements between us and third parties pertaining to the Copyrighted Works that will or may significantly limit using our Copyrighted Works.

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

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

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

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

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

We require that you either directly operate your Red Shoe Rescue Business or designate a manager ("Designated Manager"). If you are not an individual, you must designate an "Operating Principal" acceptable to us who will be principally responsible for communicating with us about the Red Shoe Rescue Business. The Operating Principal must have the authority and responsibility for the day-to-day operations of your Red Shoe Rescue Business and must have at least 10% equity interest. You or your Operating Principal and your Designated Manager, if any, must successfully complete our training program (See Item 11). We may, in our discretion, require that the Designated Manager have an ownership interest in the legal entity of the Franchise owner. If you replace your Operating Principal or Designated Manager, the new Operating Principal or Designated Manager must satisfactorily complete our training program at your own expense.

Any Designated Manager and, if you are an entity, an officer that does not own equity in the franchisee entity must sign the "System Protection Agreement" which is attached to this Franchise Disclosure Document in Exhibit H. All of your employees, independent contractors, agents or representatives that may have access to our confidential information must sign a confidentiality agreement (unless they already signed a System Protection Agreement), the current form of which is attached to this Franchise Disclosure Document in Exhibit H. If you are an entity, each direct and indirect owner (i.e., each person holding a direct or indirect ownership interest in you) must sign a "Franchise Owner Agreement," the form of which is attached to the Franchise Agreement as Attachment D. We also require that the spouses of the Franchise owners sign the Franchise Owner Agreement.

ITEM 16
RESTRICTIONS ON WHAT THE FRANCHISEE MAY SELL

You must sell or offer for sale only those products and services authorized by us, and that meet our standards and specifications. Authorized products may differ among our franchisees, and may vary

depending on the operating season and geographic location of your Store or other factors. You must follow our policies, procedures, methods and techniques. In our discretion, we may require that you sell or offer for sale certain types of products and services specified by us. We may change or add to our required products and services, at our discretion, with prior notice to you. If we change or add to our required products and services, the changes or additions will remain in permanent effect, unless we specify otherwise. The amount you must pay for the changes or additions will depend upon the nature and type of changes or additions. There are no limitations on our rights to make changes to the required products and services offered by you. You must discontinue selling and offering for sale any products and services that we disapprove. We reserve the right to establish minimum and maximum resale prices for use with multi-area marketing programs and special price promotions.

You may not establish an account or participate in any social networking sites, crowdfunding campaigns or blogs or mention or discuss the Red Shoe Rescue Franchise, us or any of our affiliates without our prior written consent and as subject to our online policy. Our online policy may completely prohibit you from any use of the Marks in social networking sites or other online use. You may not sell products through other channels of distribution such as wholesale, Internet or mail order sales.

ITEM 17
RENEWAL, TERMINATION, TRANSFER AND DISPUTE RESOLUTION

THE FRANCHISE RELATIONSHIP

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

Provision	Section in Franchise Agreement	Summary
a. Length of the franchise term	Section 4.1	Ten years.
b. Renewal or extension of the term	Section 4.1	If you are in good standing and you meet other requirements, you may add a successor term of seven years. There is no limit on the number of successor terms you may add.
c. Requirements for franchisee to renew or extend	Section 4.2	The term "renewal" refers to extending our franchise relationship at the end of your initial term and any other renewal or extension of the initial term. Your successor franchise rights permit you to remain as a Franchise after the initial term of your Franchise Agreement expires if you are in good standing and you meet other requirements. You must sign our then-current Franchise Agreement and ancillary documents for the successor term, and this new franchise agreement may have materially different terms and conditions (including, e.g., higher royalty and advertising contributions) from the Franchise Agreement that covered your original term.

Provision	Section in Franchise Agreement	Summary
d. Termination by franchisee	Section 20	You may terminate the Franchise Agreement if you are in compliance with it, and we are in material breach, and we fail to cure that breach within 30 days of receiving written notice, subject to applicable state law.
e. Termination by franchisor without "cause"	Not Applicable	Not Applicable.
f. Termination by franchisor with "cause"	Section 20.2	We can terminate upon certain violations of the Franchise Agreement by you.
g. Curable defaults	Section 20.3	You have 30 days to cure defaults listed in Section 20.3.
h. Non-curable defaults	Section 20.2	Non-curable defaults: the defaults listed in Section 20.2 of the Franchise Agreement.
i. Franchisee's obligations on termination/non-renewal	Sections 4.3, 20.5 and 21.1	Obligations include complete de-identification, payment of amounts due and return of confidential Brand Standards Manual, all Confidential Information, Trade Secrets and records.
j. Assignment of contract by franchisor	Section 19.1	No restriction on our right to assign.
k. "Transfer" by franchisee – defined	Attachment A	Includes any voluntary, involuntary, direct or indirect assignment, sale, gift, exchange, grant of a security interest or change of ownership in the Franchise Agreement, the Franchise or interest in the Franchise.
l. Franchisor approval of transfer by franchisee	Section 19.2	We have the right to approve all transfers.
m. Conditions for franchisor approval of transfer	Section 19.2	If you are in good standing and meet other requirements listed in Section 19.2, we may approve your transfer to a new owner.
n. Franchisor's right of first refusal to acquire franchisee's business	Section 19.5	We have 30 days to match any offer for your business.
o. Franchisor's option to purchase franchisee's business	Section 21.2	We may, but are not required to, purchase your Franchise, inventory or equipment at fair market value if your Franchise is terminated for any reason.
p. Death or disability of franchisee	Section 19.4	The agreement must be transferred or assigned to a qualified party within 180 days of death or disability or the Franchise Agreement may be terminated. Your estate or legal representative must apply to us for the right to transfer to the next of kin within 120 calendar days of your death or disability.

Provision	Section in Franchise Agreement	Summary
q. Non-competition covenants during the term of the Franchise	Section 14.3	You may not participate in a diverting business, have owning interest of more than 5%, inducing any customer to transfer their business to you or perform services for a competitive business anywhere. You may not interfere with our or our other franchisees' Red Shoe Rescue Franchises, subject to applicable state law.
r. Non-competition covenants after the Franchise is terminated or expires	Section 14.4	Owners may not have an interest in, own, manage, operate, finance, control or participate in any competitive business within: (i) a 25-mile radius from your Red Shoe Rescue Business: and (ii) a 25-mile radius from all other Red Shoe Rescue Businesses that are operating or under construction, for one year. If you or your Operating Principal engages in any activities prohibited by the Franchise Agreement during the restricted period (other than having an interest in a competitive business that is permitted under Section 14.4), then the restricted period applicable to you or the non-compliant Operating Principal shall be extended by the period of time during which you or the non-compliant Operating Principal, as applicable, engaged in the prohibited activities. These provisions are subject to applicable state law.
s. Modification of agreement	Sections 4, 12.2 and 25.9	No modifications of the Franchise Agreement during the term unless agreed to in writing, but the Brand Standards Manual is subject to change at any time in our discretion. Modifications are permitted on renewal.
t. Integration/merger clause	Section 25.9	Only the terms of the Franchise Agreement and other related written agreements are binding (subject to applicable state law). Any representations or promises outside of this Franchise Disclosure Document and Franchise Agreement may not be enforceable.
u. Dispute resolution by arbitration or mediation	Section 22	Except for certain claims, all disputes must be mediated and arbitrated in the principal city closest to our principal place of business (currently Cameron Park, California), subject to applicable state law.
v. Choice of forum	Section 22	All disputes must be mediated, arbitrated, and if applicable, litigated in the principal city closest to our principal place of business (currently Cameron Park, California), subject to applicable state law.
w. Choice of law	Sections 22 and 25	The laws of the state where your Red Shoe Rescue Business is located applies, subject to applicable state law.

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

THE AREA DEVELOPER RELATIONSHIP

Provision	Section in Area Development Agreement	Summary
a. Length of the term	Section 2	Term continues until the earlier of: a) the number of years from the effective date listed in your Area Development Agreement, which varies depending on the number of Red Shoe Rescue Businesses you wish to open; or b) you have completed your development obligations consistent with the Development Schedule.
b. Renewal or extension of the term	Sections 2 and 4.2	We may extend the term of the Area Development Agreement to allow you to develop a replacement or additional Red Shoe Rescue Business.
c. Requirements for Area Developer to renew or extend	Sections 2 and 4.2	To obtain the rights to develop additional Red Shoe Rescue Businesses, you must have complied with the terms of the Area Development Agreement and agree in writing to a new development schedule. We may require you to sign a new area development agreement and any ancillary documents, and this new agreement may be materially different and may have different terms and conditions from your original Area Development Agreement. For a replacement Red Shoe Rescue Business, the extension will not be more than one year after the applicable Development Schedule.
d. Termination by Area Developer	Not Applicable	You may terminate under any grounds permitted by law.
e. Termination by franchisor without cause	Not Applicable	Not Applicable.
f. Termination by franchisor with "cause"	Section 7	We can terminate if you or any of your affiliates materially default under the Area Development Agreement, any individual Franchise Agreement, or any other agreement with us, if you commit any one of several listed violations.
g. "Cause" defined - curable defaults	Section 7	Each of your obligations under the Area Development Agreement is a material and essential obligation, the breach of which may result in termination.
h. "Cause" defined – defaults which cannot be cured	Section 7	Each of your obligations under the Area Development Agreement is a material and essential obligation, the breach of which may result in termination.

Provision	Section in Area Development Agreement	Summary
i. Area Developer's obligations on termination/non-renewal	Section 7	You must cease developing Red Show Rescue Businesses under the Area Development Agreement and comply with all franchise agreements.
j. Assignment of contract by franchisor	Section 8.1	No restriction on our right to assign.
k. "Transfer" by Area Developer – defined	Section 8.2	You may not transfer the Area Development Agreement.
l. Franchisor approval of transfer by Area Developer	Not applicable	Not applicable.
m. Conditions for franchisor approval of transfer	Not applicable	Not applicable.
n. Franchisor's right of first refusal to acquire Area Developer's business	Not applicable	Not applicable.
o. Franchisor's option to purchase Area Developer's business	Not applicable	Not applicable.
p. Death or disability of Area Developer	Section 7.2	The Area Development Agreement may be transferred or assigned to a qualified party after death or disability.
q. Non-competition covenants during the term of the Area Development Agreement	Not applicable	Not applicable.
r. Non-competition covenants after the Area Development Agreement is terminated or expires	Not applicable	Not applicable.
s. Modification of the Area Development Agreement	Section 10	No modifications of the Area Development Agreement unless agreed to in writing, but the Brand Standards Manual is subject to change at any time in our discretion.
t. Integration/merger clause	Section 10	Only the terms of the Area Development Agreement and other related written agreements are binding (subject to applicable state law). Any representations or promises made outside the Franchise Disclosure Document and Area Development Agreement may not be enforceable.
u. Dispute resolution by arbitration	Section 15	Except for certain claims, all disputes must be mediated and arbitrated in the city closest to our principal place of business (currently) Cameron Park, California), subject to applicable state law.
v. Choice of forum	Sections 13 and 15	Except for certain claims, all disputes must be mediated, arbitrated, and if applicable, litigated in the city closest to our principal place of business (currently) Cameron Park, California), subject to applicable state law.
w. Choice of law	Section 13	The laws of the state where Red Shoe Rescue Business is located applies, subject to applicable state law.

ITEM 18
PUBLIC FIGURES

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

ITEM 19
FINANCIAL PERFORMANCE REPRESENTATIONS

The FTC's Franchise Rule permits a franchisor to disclose information about the actual or potential financial performance of its franchised and/or franchisor-owned outlets, and/or affiliate-owned outlets, if there is a reasonable basis for the information, and if the information is included in the Franchise 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 performance at a particular location or under particular circumstances.

We do not make any representations about a franchisee's future financial performance or the past financial performance of company-owned or franchised outlets. We also do not authorize our employees or representatives to make any such representations either orally or in writing. If you are purchasing an existing outlet, however, we may provide you with the actual records of that outlet. If you receive any other financial performance information or projections of your future income, you should report it to the franchisor's management by contacting Doug McKee at 4100 Cameron Park Drive #109, Cameron Park, CA 95682, 530-677-7733 or doug@redshoerescue.com, the Federal Trade Commission and the appropriate state regulatory agencies.

ITEM 20
OUTLETS AND FRANCHISEE INFORMATION

Table No. 1

System-wide Outlet Summary
For Years 2021 - 2023

Outlet Type	Year	Outlets at the Start of the Year	Outlets at the End of the Year	Net Change
Franchised Outlets	2021	0	0	0
	2022	0	0	0
	2023	0	0	0
Company-Owned*	2021	1	1	0
	2022	1	1	0
	2023	1	1	0
Total Outlets	2021	1	1	0
	2022	1	1	0
	2023	1	1	0

*This location is operated by our affiliate

Table No. 2

Transfers from Franchisees to New Owners (other than the Franchisor)
For Years 2021 - 2023

State	Year	Number of Transfers
Totals	2021	0
	2022	0
	2023	0

Table No. 3

Status of Franchised Outlets
For Years 2021 - 2023

State	Year	Outlets at Start of the Year	Outlets Opened	Termina-tions	Non-Renewals	Reacquired by Franchisor	Ceased Opera-tions-Other Reasons	Outlets at End of the Year
Total	2021	0	0	0	0	0	0	0
	2022	0	0	0	0	0	0	0
	2023	0	0	0	0	0	0	0

Table No. 4

Status of Company-Owned Outlets
For Years 2021 - 2023

State	Year	Outlets at Start of Year	Outlets Opened	Outlets Reacquired From Franchisee	Outlets Closed	Outlets Sold to Franchisee	Outlets at End of Year
California	2021	1	0	0	0	0	1
	2022	1	0	0	0	0	1
	2023	1	0	0	0	0	1
Total Outlets	2021	1	0	0	0	0	1
	2022	1	0	0	0	0	1
	2023	1	0	0	0	0	1

Table No. 5

Projected Openings as of
December 31, 2023

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

The names, addresses and telephone numbers of our current franchisees are attached to this Franchise Disclosure Document as Exhibit E. The name and last known address and telephone number of every current franchisee and Area Developer and every franchisee or Area Developer who has had a Red Shoe Rescue Franchise terminated, canceled, not renewed or otherwise voluntarily or involuntarily ceased to do business under our franchise agreement or area development agreement during the one-year period ending December 31, 2023, or who has not communicated with us within ten weeks of the Issuance Date of this Franchise Disclosure Document, is listed in Exhibit E. In some instances, current and former franchisees may sign provisions restricting their ability to speak openly about their experiences with the Red Shoe Rescue System. During the last three years, we have not had any franchisees sign confidentiality provisions that would restrict their ability to speak openly about their experience with the Red Shoe Rescue Franchise System. You may wish to speak with current and former franchisees, but know that not all such franchisees can communicate with you. If you buy a Red Shoe Rescue Franchise, your contact information may be disclosed to other buyers when you leave the Franchise System.

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

ITEM 21
FINANCIAL STATEMENTS

Exhibit B contains the financial statements required to be included with this Franchise Disclosure Document: audited financial statements ending on December 31, 2023, December 31, 2022 and December 31, 2021.

ITEM 22
CONTRACTS

Exhibit C	Franchise Agreement
Exhibit D	Area Development Agreement
Exhibit F	State Addenda and Agreement Riders
Exhibit H	Contracts for use with the Red Shoe Rescue Franchise
Exhibit I	Franchise Disclosure Questionnaire

ITEM 23
RECEIPT

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

EXHIBIT A

STATE ADMINISTRATORS AND AGENTS FOR SERVICE OF PROCESS

STATE ADMINISTRATORS AND AGENTS FOR SERVICE OF PROCESS

CALIFORNIA

State Administrator and Agent for Service of Process:

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

HAWAII

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

Agent for Service of Process:

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

ILLINOIS

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

INDIANA

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

MARYLAND

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

MARYLAND CONTINUED

Agent for Service of Process:

Maryland Securities Commissioner
200 St. Paul Place
Baltimore, MD 21202-2020

MICHIGAN

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

MINNESOTA

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

NEW YORK

Administrator:

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

Agent for Service of Process:

Secretary of State
99 Washington Avenue
Albany, NY 12231

NORTH DAKOTA

Administrator:

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

Agent for Service of Process:

Securities Commissioner
600 East Boulevard Avenue
State Capitol, Fourteenth Floor, Dept. 414
Bismarck, ND 58505-0510

RHODE ISLAND

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

SOUTH DAKOTA

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

VIRGINIA

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

Agent for Service of Process:

Clerk of the State Corporation Commission
1300 E. Main Street, 1st Floor
Richmond, VA 23219

WASHINGTON

State Administrator:

Washington Department of Financial Institutions
Securities Division
P.O. Box 41200
Olympia, WA 98504-1200
(360) 902-8760

Agent for Service for Process:

Director of Department of Financial Institutions
Securities Division
150 Israel Road SW
Tumwater, WA 98501

WISCONSIN

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

Rev. 090723

EXHIBIT B

FINANCIAL STATEMENTS

RED SHOE RESCUE FRANCHISE LLC

FINANCIAL STATEMENTS
WITH INDEPENDENT AUDITOR'S REPORT

DECEMBER 31, 2023, 2022, AND 2021

KEZOS & DUNLAVY
Certified Public Accountants
& Business Advisors

RED SHOE RESCUE FRANCHISE LLC

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KEZOS & DUNLAVY
Certified Public Accountants
& Business Advisors

Independent Auditor's Report

To the Members
Red Shoe Rescue Franchise LLC
Cameron Park, California

Opinion

We have audited the accompanying financial statements of Red Shoe Rescue Franchise LLC, which comprise the balance sheets as of December 31, 2023, 2022, and 2021, and the related statements of operations, members' equity, and cash flows for the years then ended, and the related notes to the financial statements.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Red Shoe Rescue Franchise LLC as of December 31, 2023, 2022, and 2021, and the results of its operations and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

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

Emphasis of Matter

As discussed in Note 2 to the financial statements the Company has not incurred rent or other typical operating expenses. An affiliate through common ownership incurs expenses such as office space, utilities, telephone services, and labor. As the affiliate has determined that there are no incremental costs of these services attributable to the Company, the affiliate does not charge the Company for these services. Our opinion is not modified with respect to this matter.

Responsibilities of Management for the Financial Statements

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that

an audit conducted in accordance with generally accepted auditing standards will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements, including omissions, are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

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

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

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

Kezas & Dunlavy

St. George, Utah
April 15, 2024

RED SHOE RESCUE FRANCHISE LLC

BALANCE SHEETS

As of December 31, 2023, 2022, and 2021

	2023	2022	2021
Assets			
Current assets			
Cash and cash equivalents	$ 92	$ 10,094	$ 35
Total current assets	92	10,094	35
Total assets	$ 92	$ 10,094	$ 35
Liabilities and Members' equity			
Members' equity	$ 92	$ 10,094	$ 35
Total liabilities and members' equity	$ 92	$ 10,094	$ 35

The accompanying notes to the financial statements are integral part of these financial statements

RED SHOE RESCUE FRANCHISE LLC

STATEMENTS OF OPERATIONS

For the years ended December 31, 2023, 2022, and 2021

	2023	2022	2021
Operating revenues	$ -	$ -	$ -
Operating expenses			
Professional fees	7,787	8,343	23,144
Advertising and marketing	-	3,880	9,550
General and administrative	2,610	2,865	3,159
Total operating expenses	10,397	15,088	35,853
Net loss	$ (10,397)	$ (15,088)	$ (35,853)

The accompanying notes to the financial statements are integral part of these financial statements

RED SHOE RESCUE FRANCHISE LLC

STATEMENTS OF MEMBERS' EQUITY

For the years ended December 31, 2023, 2022, and 2021

Balance as of January 1, 2021	$ -
Member contributions	35,888
Net loss	(35,853)
Balance as of December 31, 2021	35
Member contributions	25,147
Net loss	(15,088)
Balance as of December 31, 2022	10,094
Member contributions	395
Net loss	(10,397)
Balance as of December 31, 2023	$ 92

The accompanying notes to the financial statements are integral part of these financial statements

RED SHOE RESCUE FRANCHISE LLC

STATEMENTS OF CASH FLOWS

For the years ended December 31, 2023, 2022, and 2021

	2023	2022	2021
Cash flows from operating activities:			
Net loss	$ (10,397)	$ (15,088)	$ (35,853)
Net cash used by operating activities	(10,397)	(15,088)	(35,853)
Cash flows from financing activities			
Member contributions	395	25,147	35,888
Net cash provided by financing activities	395	25,147	35,888
Net change in cash and cash equivalents	(10,002)	10,059	35
Cash and cash equivalents at beginning of period	10,094	35	-
Cash and cash equivalents at end of period	$ 92	$ 10,094	$ 35
Supplemental disclosures of cash flow			
Cash paid for interest and taxes	$ -	$ -	$ -

The accompanying notes to the financial statements are integral part of these financial statements

RED SHOE RESCUE FRANCHISE LLC
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2023, 2022, AND 2021

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

(a) Nature of Business

Red Shoe Rescue Franchise LLC (the "Company") was formed on December 8, 2020 as a California limited liability company and began operations in January 2021. The Company offers a unique mobile device repair service headquartered in Cameron Park, California.

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

(b) Accounting Standards Codification

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

(c) Use of Estimates

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

(d) Cash and Cash Equivalents

Cash equivalents include all highly liquid investments with maturities of three months or less at the date of purchase. Also included within cash equivalents are deposits in-transit and outstanding checks. As of December 31, 2023, 2022, and 2021, the Company had cash and cash equivalents of $92, $10,094, and $35, respectively.

(e) Income Taxes

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

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

The Company's income tax returns are subject to examination by taxing authorities for a period of three years from the date they are filed. As of December 31, 2023, the 2022 and 2021 tax years are subject to examination.

(f) Financial Instruments

For certain of the Company's financial instruments, including cash and cash equivalents, the carrying amounts approximate fair value due to their short maturities.

(g) Concentration of Risk

The Company maintains its cash in bank deposit accounts which at times may exceed federally insured limits. The Company has not experienced any losses in such accounts. The Company believes it is not exposed to any significant credit risks on cash or cash equivalents.

(2) Equity

The Company has two members who made contributions of $395, $25,147, and $35,888 during the years ended December 31, 2023, 2022, and 2021, respectively.

During the years ended December 31, 2022 and 2021, the Company has not incurred rent or other typical operating expenses. An affiliate through common ownership incurs expenses such as office space, utilities, telephone services, and labor. As the affiliate has determined that there are no incremental costs of these services attributable to the Company, the affiliate does not charge the Company for these services.

(3) Commitments and Contingencies

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

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

(4) Subsequent Events

Management has reviewed and evaluated subsequent events through April 15, 2024, the date on which the financial statements were issued.

EXHIBIT C

FRANCHISE AGREEMENT

EXHIBIT C

RED SHOE RESCUE

FRANCHISE AGREEMENT

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RED SHOE RESCUE

FRANCHISE AGREEMENT

THIS FRANCHISE AGREEMENT ("Franchise Agreement") is made, entered into and effective as of the "Effective Date" set forth in Attachment B to this Franchise Agreement, by and between Red Shoe Rescue Franchise, LLC a California limited liability company ("we," "us," or "our"), and the franchisee set forth in Attachment B to this Franchise Agreement ("you" or "your"). If more than one person or entity is listed as franchisee, each such person or entity shall be jointly and severally liable for all rights, duties, restrictions and obligations under this Franchise Agreement.

This Franchise Agreement includes several attachments, each of which are legally binding and are a part of the complete Franchise Agreement, including a "Franchise Owner Agreement" which is attached to this Franchise Agreement as Attachment D. Certain provisions in this Franchise Agreement will also apply to all Owners and their spouses. Each Owner and each Owner's spouse is required to sign the Franchise Owner Agreement.

It is your responsibility to read through the entire Franchise Agreement. This Franchise Agreement creates legal obligations that you must follow. We recommend that you consult with a legal professional to ensure that you understand these obligations. If you have any questions, or if you do not understand a certain provision or section, please review it with us or your legal, business and financial advisors.

1. DEFINITIONS. This Franchise Agreement has defined terms. A defined term is a shorthand reference within a document that refers to another name or idea in the document. Defined terms are underlined and surrounded by double quotes, typically with capitalized first letters, and may be contained in parentheses. Some defined terms are in Attachment A of this Franchise Agreement.

2. GRANT OF FRANCHISE. We hereby grant you a license to own and operate a Red Shoe Rescue franchised business ("Red Shoe Rescue Business") using our System and Marks from a single location that we approve ("Store"). As a Red Shoe Rescue franchisee, you will operate a Store that provides mobile device repair and warranty services, and sells mobile device accessories and other related products. These approved items are subject to change and we do not represent that your Red Shoe Rescue Business will always be permitted or required to offer all of the approved items currently offered. The license to operate a Red Shoe Rescue Franchise contained in this Franchise Agreement does not permit you, at or through any location, to: (i) sell any items offered by your Red Shoe Rescue Business outside of the Store; or (ii) offer products for sale online, through the Internet, or at any Non-Traditional Location, without our express written consent or except as expressly permitted by the Brand Standards Manual. We reserve all rights not expressly granted to you.

3. TERRITORIAL RIGHTS AND LIMITATIONS. We may grant you an exclusive territory consisting of the geographic area identified in Attachment B ("Territory"). If we do grant you a Territory, then during the term of this Franchise Agreement, we will not operate, or grant a franchise or license to a third party to operate, a Red Shoe Rescue Business that is physically located within your Territory, except as otherwise provided in this Section. You shall not receive a territory if your Red Shoe Rescue Business will be located in a non-traditional location such as an airport, hotel, convention center, sports arena, big-box retailer, or stadium, college or university campus, outlet mall, hospital, military or government facility, shopping mall food court, grocery store, supermarket, warehouse club, amusement park, theater, gas station, convenience store, any site located within the premises of another primary business or similar venue, or in conjunction with other businesses or at institutional settings where the owner or operator has indicated a preference or limits services to a master concessionaire or contract food

provider (a "Non-Traditional Location"). In addition, we reserve the right to operate or to sell or grant franchises or licenses to operate Red Shoe Rescue Businesses to be located in any Non-Traditional Location within your Territory. We retain all territorial rights not expressly granted to you. This includes, but is not limited to, the right to:

(i) to own, franchise or operate Red Shoe Rescue Businesses at any location outside of the Territory, if applicable, and on terms and conditions we deem appropriate, regardless of the proximity to your Store and even if doing so will or may affect the operation of your Red Shoe Business;

(ii) to use the Marks and the System to sell any products or services similar to those which you will sell through any alternate channels of distribution within or outside of the Territory. This includes, but is not limited to, other channels of distribution such as television, catalog sales, wholesale to unrelated retail outlets or over the Internet. We exclusively reserve the Internet as a channel of distribution for us, and you may not independently market on the Internet or conduct e-commerce;

(iii) to use and license the use of other proprietary and non-proprietary marks or methods which are not the same as or confusingly similar to the Marks, whether in alternative channels of distribution or in the operation of a business that provides mobile device repair and warranty services, and sells mobile device accessories and related products and services, at any location, including within the Territory, which may be similar to or different from the Red Shoe Rescue Business operated by you;

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

(v) to use and license the use of technology to non-franchisee locations inside and outside the Territory;

(vi) to implement multi-area marketing programs which may allow us or others to solicit or sell to customers anywhere. We also reserve the right to issue mandatory policies to coordinate such multi-area marketing programs; and

(vii) to engage in any other business activities not expressly prohibited by the Franchise Agreement.

We have no express obligation or implied duty to insulate or protect you from or against erosion in your revenues or market share as the result of your Red Shoe Rescue Business competing with other retail businesses or in the ways and to the extent this Section provides or contemplates. You waive any right to assert any Claim against us based on the existence, actual or arguable, of any such obligation or duty. We are not required to pay you if we exercise any of the rights specified above within your Territory. The continuation of the Territory is not dependent upon your achievement of a certain sales volume, market penetration or other contingency. We do not pay compensation for soliciting or accepting orders inside your Territory, including orders accepted or solicited by other Red Shoe Rescue franchisees, or for exercising any of our rights within or outside of your Territory. You agree that you may face competition

from us, from other franchisees and from other channels of distribution or competitive brands that we control within the Territory.

4. TERM AND RENEWAL

4.1. Generally. The term of this Franchise Agreement will begin on the Effective Date and continue for ten years ("Term"). If this Franchise Agreement is the initial franchise agreement for your Red Shoe Rescue Business, you may enter into a successor franchise agreement (a "Successor Agreement"), as long as you are in good standing and meet the conditions for renewal specified below. There is no limit to the number of Successor Agreements you may enter with us. The Successor Agreement shall be the current form of franchise agreement that we use in granting Red Shoe Rescue Franchises as of the expiration of the Term. The terms and conditions of the Successor Agreement may vary materially and substantially from the terms and conditions of this Franchise Agreement, including higher Royalty or other fees. Each successor term will be seven years. If you are signing this Franchise Agreement as a Successor Agreement, the references to "Term" shall mean the applicable renewal term of the Successor Agreement. Except as provided in Section 4.3 below, you will have no further right to operate your Red Shoe Rescue Business following the expiration of the successor term unless we grant you another Franchise, in our sole discretion. If you are renewing a prior franchise agreement with us under this Franchise Agreement, the renewal provisions in your original franchise agreement will dictate the length of the Term of this Franchise Agreement, as well as your remaining renewal rights, if any.

4.2. Renewal Requirements. In order to enter into a Successor Agreement, you must: (i) notify us in writing of your desire to enter into a Successor Agreement not less than 60 days and no more than 180 days before the expiration of the Term; (ii) not be in default under this Franchise Agreement or any other agreement with us or any affiliate of ours at the time you send the renewal notice or the time you sign the Successor Agreement; (iii) sign the Successor Agreement and all ancillary documents that we require franchisees to sign; (iv) sign and have each of your Owners sign a General Release; (v) pay us a non-refundable renewal fee of equal to 50% of the then-current initial franchise fee (if we are not offering Franchises at the time of your renewal, the renewal fee will be 50% of the initial franchise fee listed in the most recent Franchise Disclosure Document) at the time you sign the new franchise agreement; (vi) at least 60 days but not more than 180 days before the expiration of the Term, you must upgrade and remodel your Store in accordance with Section 12.8 to comply with our then-current standards and specifications; (vii) have the right under your lease to maintain possession of the premises where your Store is located for the duration of the successor term; and (viii) take any additional actions that we reasonably require.

4.3. Interim Term. If you do not sign a Successor Agreement after the expiration of the Term and you continue to accept the benefits of this Franchise Agreement, then, at our option, this Franchise Agreement may be treated either as: (i) expired as of the date of the expiration with you then operating without a Franchise to do so and in violation of our rights; or (ii) continued on a month-to-month basis ("Interim Term") until either party provides the other party with 30 days' prior written notice of the party's intention to terminate the Interim Term. In the latter case, all of your obligations will remain in full force and effect during the Interim Term as if this Franchise Agreement had not expired, and all obligations and restrictions imposed on you upon the expiration or termination of this Franchise Agreement will be deemed to take effect upon the termination of the Interim Term. Except as otherwise permitted by this Section 4.3, you have no right to continue to operate your Red Shoe Rescue Business following the expiration of the Term.

5. TRAINING AND CONFERENCES

5.1. Initial Training Fees. You must pay us a non-refundable initial training fee of $5,000 ("Initial Training Fee") upon signing this Franchise Agreement. In exchange for the Initial Training

Fee, we will provide our initial training program for up to three people, one of whom must be you, or, if you are an entity, your Operating Principal (as defined in Section 8.1), and your Designated Manager (if applicable); provided that all persons attend the initial training program simultaneously. You must pay us our then-current additional training fee ("Additional Training Fee") as specified in our Brand Standards Manual (as of the Effective Date, we charge $2,500 per person in most cases) for: (i) each additional person that attends our initial training program before you open and each additional person that attends after you open your Red Shoe Rescue Business (such as a new Operating Principal or Designated Manager); (ii) any person who must retake training after failing to successfully complete training on a prior attempt; (iii) any remedial training that we require under Section 5.5; (iv) each person to whom we provide additional training that you request; and (v) each person who attends any system-wide or additional training that we conduct. You or your Operating Principal and your Designated Manager, if any, must attend and successfully complete our initial training program before you open your Red Shoe Rescue Business. We reserve the right to vary the length and content of the initial training program as we deem appropriate in our sole discretion based on the experience of the attendee. We shall determine the scheduling, exact duration, contents and manner of the initial training program in our discretion and may delay your attendance until a suitable time near the grand opening date for your Red Shoe Rescue Business in our discretion.

5.2. Initial Training for New Owners/Designated Managers. If you hire a new Designated Manager or appoint a new Operating Principal, the new Designated Manager or Operating Principal, as applicable, must attend and successfully complete our then-current initial training program. You must pay our then-current Additional Training Fee.

5.3. Periodic Training. We may offer periodic refresher or additional training courses for you or your Operating Principal, Designated Manager and other employees. Attendance at these training programs may be optional or mandatory. You may be required to pay a fee for this training as specified in our Brand Standards Manual.

5.4. Additional Training upon Request. Upon your written request, we may provide additional assistance or training to you at a mutually convenient time. We may charge you our then-current Additional Training Fee for such assistance or training.

5.5. Remedial Training. If we conduct an inspection of your Store and determine that you are not operating your Red Shoe Rescue Business in compliance with this Franchise Agreement and/or the Brand Standards Manual, we may, at our option, require that you or your Operating Principal and Designated Manager and management personnel attend remedial training that is relevant to your operational deficiencies. You must pay us the then-current per-day or per-person on-site training fee and reimburse us for the expenses we or our representatives incur in providing any remedial training. In addition, you shall be responsible for payment to us of our then-current non-compliance fee (currently $500 per occurrence).

5.6. Conferences. We may hold periodic national or regional conferences to discuss various business issues and operational and general business concerns affecting Red Shoe Rescue franchisees. Attendance at these conferences may be mandatory or optional. You are responsible for paying all expenses and costs in connection with your or your Operating Principal, Designated Manager and management personnel's attendance, including transportation, food, lodging and travel expenses.

5.7. Conference and Training Costs. You are solely responsible for all expenses and costs that you or your Operating Principal, Designated Manager (if any) and each of your trainees incur for all trainings and conferences under this Section 5, including wages, travel, lodging and living expenses. You also agree to reimburse us for all expenses and costs that we incur to travel to your Store under this Section 5, including transportation, food, lodging and travel expenses. All training fees and expense reimbursements must be paid to us within ten days after invoicing.

6. OTHER ASSISTANCE

6.1. Brand Standards Manual. We will provide you with access to a copy of our current Brand Standards Manual for the Term of this Franchise Agreement, and we will later provide you with all periodic modifications thereto and any other manual we may develop specifying the System standards (collectively, the "Brand Standards Manual"). If the copy of the Brand Standards Manual loaned to you is lost, stolen, destroyed or significantly damaged before you return it to us, you must pay us our then-current replacement fee. We reserve the right to provide the Brand Standards Manual electronically, such as by an intranet or password-protected website. You acknowledge that your compliance with the Brand Standards Manual is vitally important to us and other System franchisees and is necessary to protect our reputation and the goodwill of the Marks and to maintain the uniform quality of operation throughout the System. It is not designed to control the day-to-day operation of the Red Shoe Rescue Business. To encourage franchisees to adopt the modified Brand Standards Manual on a timely basis and, in addition to any other rights we may have under this Franchise Agreement, you shall pay, upon demand, our then-current fee for non-compliance (currently $500 per occurrence) for any failure to comply with existing and/or modified System Standards. The collected fine amounts shall become our property.

6.2. Site Selection. We will consult with you on our current site selection guidelines and provide other site selection counseling, as we deem advisable.

6.3. General Guidance. Based upon our periodic inspections of your Store or reports that you submit to us, we may provide our guidance and recommendations on ways to improve the marketing and/or operation of your Red Shoe Rescue Business.

6.4. Marketing Assistance. As further described in Section 11, we will provide you with other marketing assistance during the Term.

6.5. Website. We will maintain a website for Red Shoe Rescue franchisees that will include the information about your Red Shoe Rescue Business that we deem appropriate. We may modify the content of and/or discontinue the website at any time in our sole discretion. We are only required to reference your Red Shoe Rescue Business on our website while you are in full compliance with this Franchise Agreement and all System Standards. If you wish to advertise online, you must follow our online policy, which is contained in our Brand Standards Manual. We must approve all content on your webpage. We will own the website (including any webpage for your Red Shoe Rescue Business) and domain name at all times.

6.6. Supplier Agreements. We may, but need not, negotiate agreements with suppliers to obtain discounted prices for us and our franchisees. If we succeed in negotiating an agreement, we may arrange for you to be able to purchase the products directly from the supplier at the discounted prices that we negotiate (subject to any rebates the supplier pays to us). We may also purchase certain items from suppliers in bulk and resell them to you at our cost, plus shipping fees and a reasonable markup, in our sole discretion.

6.7. Proprietary Products. We may, but need not, create Red Shoe Rescue proprietary products for sale at your Store. If we develop any of these products, you agree to maintain a reasonable inventory of these items at your Store at all times.

6.8. Notice. If you believe that we or our affiliates have failed to adequately provide any assistance or services to you as provided in this Franchise Agreement, you will notify us in writing within 30 days following ours or our affiliates' provision of such services. Without the timely provision of such notice to us, you will be deemed to conclusively acknowledge that all such assistance or services required to be provided by us or our affiliates were sufficient and satisfactory in your judgment.

7. ESTABLISHING YOUR RED SHOE RESCUE BUSINESS

7.1. Site Selection. The Red Shoe Business must conform to our minimum selection criteria. We must accept the site selected by you in writing before you can proceed. We recommend that you retain: (a) an experienced commercial real estate broker or salesperson to advise and counsel you on price, economics, viability, location and acquisition or lease of the site for the Store; and (b) an experienced attorney to provide advice and counsel you on your Red Shoe Rescue Business and the terms, conditions and economics of the legal and other documents required to lease or purchase the site. You agree to locate and obtain our approval of the premises from which you will operate your Red Shoe Rescue Business within 90 after the Effective Date. You must send us a complete site report (containing the demographic, commercial and other information, photographs and video tapes that we may reasonably require) for your proposed site. We may require that you obtain a feasibility study for the proposed site at your sole cost. We have the right to accept or reject all proposed sites in our commercially reasonable judgment. We will use our best efforts to accept or reject a proposed site within 14 days after we receive all of the requisite materials. Your site is deemed disapproved if we fail to issue our written approval within the 14-day period. If we disapprove of the proposed site, you must select another site, subject to our consent. Our approval shall be evidenced by the execution of Attachment B-1 by you and us. You may only operate the Red Shoe Rescue Business at the location specified in Attachment B-1. You understand that our approval of a site does not constitute a representation or warranty of any kind, express or implied, of the suitability of the site for a Store. Our approval of the site indicates only that we believe the site meets our minimum criteria. If you do not locate a site that is acceptable to us within 90 days of signing the Franchise Agreement, we may terminate the Franchise Agreement.

7.2. Lease. If you lease the premises for your Store, before doing so, you must submit to us, in the form we specify, a description of the site, a proposed copy of the lease and such other information and materials we may reasonably require. We will only review the lease to determine that it is in compliance with the terms of this Franchise Agreement and will not review the lease for or provide you with any business, economic, legal or real estate analysis or advice. You are solely responsible for the terms of the lease and any no-objection letter we provide for the lease does not provide any representation or warranty of any kind, express or implied, concerning the terms of the lease or the viability or suitability of the site for the Store. You will ensure your landlord signs the Lease Addendum that is attached to the Franchise Disclosure Document in Exhibit H or incorporates the terms of the Lease Addendum into the lease for the Store. If your landlord refuses, we have the right to disapprove of your lease, in which case you must find a new site for your Store. You and the landlord must sign the lease and Lease Addendum within 90 days of the Effective Date. You must promptly send us a copy of your fully executed lease and Lease Addendum for our records. Your landlord may require you and, if you are an entity, the owners and spouses to sign a personal guaranty.

7.3. Construction. If you are constructing your Store, we will provide you with specifications for the design and layout for a Store, including our list of approved contractors and architects. You must hire an architect approved by us in order to modify these plans to comply with all local ordinances, building codes, permits requirements, and lease requirements and restrictions applicable to the premises. You must first review and accept the architect's drafted floor plan and submit your floor plan to us for our review and acceptance before you begin construction of your Store. Once we accept your floor plan, the architect must develop your full construction drawings for the Store. Upon your review and acceptance, you must submit your construction drawings to us for our final review and approval. Once we accept your floor plan and approve your construction drawings, drawings and specifications may not be changed or modified without our prior written approval. Once accepted by us, you must, at your sole expense, construct and equip the Store to the specifications contained in the Brand Standards Manual and purchase (or lease) and install the equipment, fixtures, furnishings, signs and other items that we require. All exterior and interior signs of the Store must comply with the specifications that we provide to you. We

must approve the architects, contractors and other suppliers you use to construct your Store. You agree to provide us with weekly status updates as to construction of the Store. You acknowledge these requirements are necessary and reasonable to preserve the identity, reputation and goodwill we developed and the value of the Red Shoe Rescue Franchise. Before you open your Red Shoe Rescue Business, we must approve the layout of your Store.

7.4. Opening. You must open your Red Shoe Rescue Business to the public within six months of the Effective Date. You may not open your Red Shoe Rescue Business before: (i) successful completion of the initial training program by you or your Operating Principal and your Designated Manager, if you have one; (ii) you purchase all required insurance; (iii) you obtain all required licenses, permits and other governmental approvals; and (iv) we provide our written approval of the construction, buildout and layout of your Store. We may conduct a pre-opening inspection of your Store and you agree to make any changes we require before opening. By virtue of opening your Red Shoe Rescue Business, you acknowledge that we have fulfilled all of our pre-opening obligations to you. If your Red Shoe Rescue Business is not operating within six months after signing the Franchise Agreement, we may, in our sole discretion, terminate the Franchise Agreement and refund up to 50% of your Initial Franchise Fee.

7.5. Relocation. You may not relocate your Store without our prior written approval, which we may withhold in our sole discretion. If we allow you to relocate within your Territory, you must: (i) comply with Sections 7.1 through Section 7.3 of this Franchise Agreement with respect to your new Store (excluding the six month opening period); (ii) open your new Store and resume operations within 30 days after closing your prior Store; and (iii) reimburse us for our reasonable expenses (including attorney fees and costs) up to $2,500. Upon our approval of the relocation of your Store, Attachment B shall be updated with the new location, and the remainder of this Franchise Agreement shall remain in full force and effect. You agree to fully de-identify any Store you relocate from and no longer utilize.

7.6. Catastrophes. If your Store is destroyed or damaged by fire or other casualty and the Term of this Franchise Agreement and the lease for your Store has at least two years remaining, you will: (a) within 30 days after the date of such destruction or damage of your Store, commence all repairs and reconstruction necessary to restore the Store to its condition prior to such casualty; or (b) relocate the Store pursuant to Section 7.5, and the Term shall be extended for the period from the date the Store closed due to the destruction or damage until it reopens. You will reimburse us five percent (5%) of any insurance proceeds due to business interruption as a result of your Store being closed as a result of a casualty event or any other reason.

8. MANAGEMENT AND STAFFING

8.1. Owner Participation. You acknowledge that a major requirement for the success of your Red Shoe Rescue Business is the active, continuing and substantial personal involvement and hands-on supervision by you or your Operating Principal, who must at all times be actively involved in the operation of the Red Shoe Rescue Business on a full-time basis and provide on-site management and supervision, unless we you hire a Designated Manager. If you are not an individual, you must designate an Operating Principal ("Operating Principal") acceptable to us who will be principally responsible for communicating with us about the Red Shoe Rescue Business. The Operating Principal must have the authority and responsibility for the day-to-day operations of your Red Shoe Rescue Business and must have at least ten percent (10%) equity in you.

8.2. Designated Manager. You may hire a manager to assume responsibility for the daily on-site management and supervision of your Red Shoe Rescue Business ("Designated Manager"), but only if: (i) we approve the Designated Manager in our commercially reasonable discretion; (ii) the Designated Manager successfully completes the initial training program; and (iii) you or your Operating

Principal agree to assume responsibility for the on-site management and supervision of your Red Shoe Rescue Business if the Designated Manager is unable to perform his or her duties due to death, disability, termination of employment, or for any other reason, until such time that you obtain a suitable replacement Designated Manager.

8.3. Staff. You must determine appropriate staffing levels for your Red Shoe Rescue Business to ensure full compliance with this Franchise Agreement and our System standards. You are solely responsible to hire, train and supervise employees or independent contractors to assist you with the proper operation of the Red Shoe Rescue Business. You must pay all wages, commissions, fringe benefits, worker's compensation premiums and payroll taxes (and other withholdings levied or fixed by any city, state or federal governmental agency, or otherwise required by law) due for your employees. These employees and independent contractors will be employees of yours and not of ours. We do not control the day-to-day activities of your employees or independent contractors or the manner in which they perform their assigned tasks. You must inform your employees and independent contractors that you are exclusively responsible for supervising their activities and dictating the manner in which they perform their assigned tasks. In this regard, you must use your legal business entity name (not our Marks or a fictitious name) on all employee applications, paystubs, pay checks, employment agreements, consulting agreements, time cards and similar items. We also do not control the hiring or firing of your employees or independent contractors. You have sole responsibility and authority for all employment-related decisions, including employee selection and promotion, firing, hours worked, rates of pay and other benefits, work assignments, training and working conditions, compliance with wage and hour requirements, personnel policies, recordkeeping, supervision and discipline. We will not provide you with any advice or guidance on these matters. You must require your employees and independent contractors to review and sign the acknowledgment form we prescribe that explains the nature of the franchise relationship and notifies the employee or independent contractor that you are his or her sole employer. You must also post a conspicuous notice for employees and independent contractors in the break room explaining your franchise relationship with us and that you (and not we) are the sole employer. We may prescribe the form and content of this notice. You agree that any direction you receive from us regarding employment policies should be considered as examples, that you alone are responsible for establishing and implementing your own policies, and that you understand that you should do so in consultation with local legal counsel well-versed in employment law.

8.4. Assumption of Management; Step-In Rights. In order to prevent any interruption of operations which would cause harm to the Red Shoe Rescue Business, thereby depreciating the value thereof, we have the right, but not the obligation, to step-in and designate an individual or individuals of our choosing ("Interim Manager") for so long as we deem necessary and practical to temporarily manage your Red Shoe Rescue Business: (i) if you fail to comply with any System standard or provision of this Franchise Agreement and do not cure the failure within the time period specified by the Franchise Agreement or us; (ii) if we determine in our sole judgment that the operation of your Red Shoe Rescue Business is in jeopardy; (iii) if we determine in our sole discretion that operational problems require that we operate your Red Shoe Rescue Business; (iv) if you abandon or fail to actively operate your Red Shoe Rescue Business; (v) upon your (or your Operating Principal, if an entity) or your Designated Manager's absence, termination, illness, death, incapacity or disability; (vi) if we deem you (or your Operating Principal, if any entity) or your Designated Manager incapable of operating your Red Shoe Rescue Business; or (vii) upon a Crisis Management Event ("Step-in Rights"). If we exercise the Step-In Rights:

(a) you agree to pay us, in addition to all other amounts due under this Franchise Agreement, our then-current management fee (currently equal to $250 per day per Interim Manager that manages your Red Shoe Rescue Business), plus the Interim Manager's direct out-of-pocket costs and expenses;

(b) all monies from the operation of your Red Shoe Rescue Business during such period of operation by us shall be kept in a separate account, and the expenses of the Red Shoe Rescue Business, including compensation and direct out-of-pocket costs and expenses for the Interim Manager, shall be charged to said account;

(c) you acknowledge that the Interim Manager will have a duty to utilize only reasonable efforts and will not be liable to you or your owners for any debts, losses, or obligations your Red Shoe Rescue Business incurs, or to any of your creditors for any supplies, products, or other assets or services your Red Shoe Rescue Business purchases, while Interim Manager manages it;

(d) the Interim Manager will have no liability to you except to the extent directly caused by its gross negligence or willful misconduct. We will have no liability to you for the activities of an Interim Manager unless we are grossly negligent in appointing the Interim Manager, and you will indemnify and hold us harmless for and against any of the Interim Manager's acts or omissions, as regards to the interests of you or third parties; and

(e) you agree to pay all of our reasonable attorney's fees, accountant's fees, and other professional fees and costs incurred as a consequence of our exercise of the Step-In Rights.

Nothing contained herein shall prevent us from exercising any other right which we may have under this Franchise Agreement, including, without limitation, termination.

9. FRANCHISEE AS ENTITY. If you are an Entity, you agree to undertake each obligation under this Section 9. You must provide us with a list of all of the Owners. You must, upon our request, provide us with a resolution of the Entity authorizing the execution of this Franchise Agreement, a copy of the Entity's organizational documents, and a current Certificate of Good Standing (or the functional equivalent thereof). You represent as of the Effective Date, and covenant during the Term (and any extensions thereof) to ensure that the Entity is duly formed and validly existing under the laws of the state of its formation or incorporation. You are, and will continue to be during the Term (and any extensions thereof), qualified and authorized to do business in the jurisdiction where the Store is to be located and in each jurisdiction where it conducts business, maintains offices, owns real estate or where qualification is required. You agree to ensure that your organizational documents will at all times provide your business activities will be confined exclusively to the ownership and operation of the Red Shoe Rescue Business, unless otherwise consented to in writing by us. You agree that Attachment C to this Franchise Agreement completely and accurately describes all of the Owners and their interests in you as of the Effective Date. You and the Owners agree to sign and deliver to us revised versions of Attachment C periodically to reflect any permitted changes in the information that Attachment C now contains. You agree to, at all times, maintain a current schedule of the Owners of you and their ownership interests and to immediately provide us with a copy of the updated ownership schedule whenever there is any change of ownership to you. You acknowledge that you and the Owners have no material liabilities, adverse claims, commitments or obligations of any nature as of the Effective Date, whether accrued, unliquidated, absolute, contingent or otherwise, except as disclosed to us in writing or set forth in your financial statements that have been provided to us. You will, at all times, maintain sufficient working capital to operate the Red Shoe Rescue Business and to fulfill its obligations under this Franchise Agreement, and will take steps to ensure availability of capital to fulfill your obligations to maintain and remodel the Store premises in accordance with this Franchise Agreement. You agree not to use the name "Red Shoe Rescue" or any derivative thereof in the name of your Entity. You further acknowledge that the acknowledgements, representations, covenants and warranties contained in this Section are continuing obligations of you and the Owners and that any failure to comply with such representations, warranties and covenants will constitute a breach of this Franchise Agreement.

10. FRANCHISE OWNER AGREEMENT All Owners (whether direct or indirect) and their spouses must sign the Franchise Owner Agreement, attached as Attachment D to this Franchise Agreement, agreeing to be personally bound by all of this Franchise Agreement's terms. You agree that, if any person or Entity ceases to be one of your Owners, or if any individual or Entity becomes an Owner of you (such ownership change must comply with the Transfer requirements discussed in Section 19.2 below), you will require the new Owner (and the new Owner's spouse) to execute all documents required by us, including the Franchise Owner Agreement.

11. ADVERTISING & MARKETING

11.1. Brand Fund

11.1.1. Administration. We have established and maintain a brand promotion fund ("Brand Fund") to promote public awareness of our brand and to improve our System. The Brand Fund may be administered by us or our affiliate or designees, at our discretion. We may use the Brand Fund for any expenditure that we, in our sole discretion, deem necessary or appropriate to promote or improve the System or the Red Shoe Rescue brand. To illustrate, these may include, but are not limited to, the following: (i) developing, maintaining, administering, directing, preparing or reviewing advertising and marketing materials, promotions and programs, including social media management; (ii) public awareness of any of the Marks; (iii) public and consumer relations and publicity; (iv) brand development; (v) research and development of technology, products and services; (vi) website development and search engine optimization; (vii) development and implementation of quality control programs; (viii) conducting market research; (ix) changes and improvements to the System; (x) the fees and expenses of any advertising agency we engage to assist in producing or conducting advertising or marketing efforts; (xi) collecting and accounting for Brand Fund Contributions; (xii) preparing and distributing financial accountings of the Brand Fund; (xiii) conducting audit programs and other reputation management functions; (xiv) any other programs or activities that we deem necessary or appropriate to promote or improve the System; and (xv) our and our affiliates' expenses associated with direct or indirect labor, administrative, overhead, or other expenses incurred in relation to any of these activities.

We have sole discretion in determining the content, concepts, materials, media, endorsements, frequency, placement, location, and all other matters pertaining to any of the foregoing activities. Any surplus of monies in the Brand Fund may be invested, and we may lend money to the Brand Fund if there is a deficit. Any unused funds that were collected in any calendar year will be applied to the following year's funds, and we reserve the right to contribute or loan additional funds to the Brand Fund on any terms we deem reasonable. The Brand Fund is not a trust, and we have no fiduciary obligations to you with respect to our administration of the Brand Fund. A financial accounting of the operations of the Brand Fund, including deposits into and disbursements from the Brand Fund, will be prepared annually and made available to you upon written request. We do not ensure that our expenditures from the Brand Fund in or affecting any geographic area are proportionate or equivalent to the Brand Fund Contribution by our franchisees operating in that geographic area or that any of our franchisees benefit directly or in proportion to their Brand Fund Contribution. We reserve the right to change, merge, re-form or dissolve the Brand Fund in our discretion. We will not use the Brand Fund for advertising that is principally a solicitation for the sale of Franchises, but we reserve the right to include a notation in any advertisement or website indicating "Franchises Available" or similar phrasing.

11.1.2. Brand Fund Contribution. On the same day your Royalty (defined below in Section 13.3) payment is due, you must contribute to the Brand Fund the amount that we

specify in our Brand Standards Manual (the "Brand Fund Contribution"), which is currently 3% of your monthly Gross Sales.

11.1.3 Brand Fund Termination. We may, upon 30 days' prior written notice to you, reduce or suspend Brand Fund Contribution and operations for one or more periods of any length and terminate and/or reinstate the Brand Fund. If we terminate the Brand Fund, we will distribute all unused contributions to contributing franchisees, and to us or our affiliates, in proportion to respective contributions during the preceding 24-month period.

11.2. Your Marketing Activities

11.2.1. Local Advertising Requirement. We must approve all local advertising in accordance with Section 11.2.4. You agree to participate at your own expense in all rebates, giveaways, advertising, promotional and marketing programs that we require, including any advertising cooperative that we establish pursuant to Section 11.3.

11.2.2. Standards for Advertising. You must order sales and marketing material from us or our designated suppliers. All advertisements and promotions that you create or use must be completely factual and conform to the highest standards of ethical advertising and comply with all federal, state and local laws, rules and regulations. You must ensure that your advertisements and promotional materials do not infringe upon the intellectual property rights of others.

11.2.3. Approval of Advertising. Before you use them, we must approve all advertising and promotional materials that we did not prepare or previously approve (including materials that we prepared or approved, and you modify). We will be deemed to have disapproved the materials if we fail to issue our written approval within 30 days after receipt. You may not use any advertising or promotional materials that we have disapproved (including materials that we previously approved and later disapprove). If you use unauthorized advertising materials, you must pay a fee of $500 per occurrence to us, or, if established, to the Brand Fund.

11.2.4. Internet and Websites. We may require that you utilize our designated supplier for social media marketing services. If you wish to utilize social media or advertise online, you must follow our online policy which is contained in our Brand Standards Manual. Our online policy may change as technology and the Internet changes. We may restrict your use of social media. We restrict your ability to independently market on the Internet, and we may not allow you to use any domain name, address, locator, link, metatag or search technique with words or symbols similar to the Marks. We intend that any franchisee website will be accessed only through our home page. At this time, we do not allow our franchisees to maintain their own websites or market their Red Shoe Rescue Business on the Internet (other than through approved social media outlets). Accordingly, you may not maintain a separate website, conduct e-commerce, or otherwise maintain a presence or advertise on the Internet or any other public computer network in connection with your Red Shoe Rescue Business without our express written permission, which we may revoke at any time, in our sole discretion.

11.3. Advertising Cooperative. We have the right, but not the obligation, to create one or more local or regional advertising cooperatives ("Cooperatives") for the purpose of creating and/or purchasing advertising programs for the benefit of all franchisees operating within a particular region in which you may be required to participate. Any advertising Cooperative contributions will count toward your Local Advertising Requirement. Members of the Cooperative will be responsible for administering the Cooperative, including determining the amount of contributions from each member. We may require that each Cooperative operate with governing documents and prepare annual unaudited financial statements. We reserve the right to form, change, dissolve or merge any Cooperative formed in the future.

Upon our request, you will be required to participate in compliance with the provisions of the Brand Standards Manual, which we may periodically modify at our discretion. We have the right to determine the composition of all geographic territories and market areas for each Cooperative. Franchisees in each Cooperative will contribute an amount to the cooperative for each Red Shoe Rescue Franchise that the franchisee owns that exists within any Cooperative's geographic area. Each Red Shoe Rescue Franchise we own that exists within the Cooperative's area will contribute to the Cooperative on the same basis as franchisees. We will not require that your contributions to a Cooperative exceed three percent (3%) of your monthly Gross Sales.

11.4. Advisory Council. We also have the right to establish an advisory council ("Council") to advise us on advertising policies and to promote communications between us and all franchisees. If the Council is formed, it will be governed by bylaws that will specify that members of the Council would consist of both franchisees and corporate representatives and will specify the manner in which members are selected, subject to any changes to such bylaws or structure that we deem necessary in our sole discretion. The Council would serve in an advisory capacity only. We reserve the right to grant to the Council any operation or decision-making powers that we deem appropriate. We reserve the right to form, change, merge or dissolve the Council, in our sole discretion.

11.5. Marketing Assistance from Us. We may create and make available to you, advertising and other marketing materials for your purchase. We may use the Brand Fund to pay for the creation and distribution of these materials, in which case there will be no additional charge. We may make these materials available over the Internet (in which case you must arrange for printing the materials and paying all printing costs). Alternatively, we may enter into relationships with third-party suppliers who will create the advertising or marketing materials for your purchase.

12. BRAND STANDARDS

12.1. Generally. You agree to operate your Red Shoe Rescue Business: (i) in a manner that will promote the goodwill of the Marks; and (ii) in full compliance with our standards and all other terms of this Franchise Agreement and the Brand Standards Manual. Any required standards exist to protect our interests in the System and the Marks, and not for the purpose of establishing any control or duty to take control over those matters that are reserved to you. The required standards generally will be set forth in the Brand Standards Manual or other written materials. The Brand Standards Manual will also include guidelines or recommendations in addition to required standards. In some instances, the required standards will include recommendations or guidelines to meet the required standards. You may follow the recommendations or guidelines or some other suitable alternative; provided you meet and comply with the required standards. In other instances, no suitable alternative may exist. In order to protect our interests in the System and Marks, we reserve the right to determine if you are meeting a required standard and whether an alternative is suitable to any recommendations or guidelines.

12.2. Brand Standards Manual. You agree to establish and operate your Red Shoe Rescue Business in accordance with the Brand Standards Manual. The Brand Standards Manual may contain, among other things: (i) a description of the authorized products and services that you may offer at your Red Shoe Rescue Business; (ii) mandatory and suggested specifications, operating procedures, and quality standards for products and services that you use or offer at your Red Shoe Rescue Business; (iii) policies and procedures that we periodically prescribe for our franchisees; (iv) mandatory reporting and insurance requirements; (v) mandatory and suggested specifications for your Red Shoe Rescue Business; (vi) policies and procedures pertaining to any gift card program that we establish; and (vii) a written list of furniture, fixtures, equipment, products and services (or specifications for such items) you must purchase for the development and operation of your Red Shoe Rescue Business and a list of any designated or approved suppliers for such items. The Brand Standards Manual is designed to establish and protect our

brand standards and the uniformity and quality of the products and services offered by our franchisees. We can modify the Brand Standards Manual at any time, but such modifications will not alter your rights under this Franchise Agreement. The modifications will become binding immediately when we send you notice of the modification. All mandatory provisions contained in the Brand Standards Manual (whether they are included now or in the future) are binding on you. If your copy of the Brand Standards Manual is lost, stolen, destroyed or significantly damaged, you must pay us $500.

12.3. Authorized Products and Services. You agree to offer all products and services that we require. You may not offer any other products or services at your Red Shoe Rescue Business without our prior written permission. You may not use your Store or permit your Store to be used for any purpose other than offering the products and services that we authorize. We may, without obligation to do so, add, modify or delete authorized products and services, and you must do the same upon notice from us. Our addition, modification or deletion of one or more products or services shall not constitute a termination of the Franchise or this Franchise Agreement. You will not enter into any agreements with any third parties that can process orders for you on your behalf.

12.4. Suppliers and Purchasing. You agree to purchase or lease all products, supplies, equipment, services, and other items specified in the Brand Standards Manual. If required by the Brand Standards Manual, you agree to purchase certain products and services only from suppliers designated or approved by us (which may include, or be limited exclusively to, us or our affiliates). You agree to use the ordering system or service provider designated by us and to pay all ordering or service fees associated with such orders assessed by our approved or designated suppliers. You acknowledge that our right to specify the suppliers that you may use is necessary and desirable so that we can control the uniformity and quality of products and services used, sold or distributed in connection with the development and ongoing operation of your Red Shoe Rescue Business, maintain the confidentiality of our trade secrets, obtain discounted prices for our franchisees if we choose to do so, and protect the reputation and goodwill associated with the System and the Marks. If we receive rebates or other financial consideration from these suppliers based upon your purchases or any other of our franchisee's purchases, we have no obligation to pass these amounts on to you or to use them for your benefit. If you want us to approve a supplier, product or service that you propose, you must send us a written notice specifying the supplier's name and qualifications or product information and provide any additional information that we request. We will approve or reject your request within 30 days after we receive your notice and all additional information (and samples) that we require. We shall be deemed to have rejected your request if we fail to issue our approval within the 30-day period. You must reimburse us for all costs and expenses that we incur in reviewing a proposed supplier within ten days after invoicing. You agree to maintain an adequate inventory of all items in accordance with the Brand Standards Manual.

12.5. Equipment Maintenance and Changes. You agree to maintain all of your equipment in good condition and promptly replace or repair any equipment that is damaged, worn out or obsolete. We may require that you add new equipment or change, upgrade or replace your equipment, which may require you to make additional investments. You acknowledge that our ability to require franchisees to make significant changes to their equipment is critical to our ability to administer and change the System, and you agree to comply with any such required change within the time period that we reasonably prescribe.

12.6. Software and Technology. You will, at your expense, purchase and maintain any point-of-sale system, cash register, computer hardware and software, communication equipment, communication services, Internet services (including the requirement to maintain a high-speed Internet connection), dedicated telephone and power lines, modems, printers, and other related accessories or peripheral equipment that we may specify for use in the Red Shoe Rescue Business. You will provide any assistance we require to connect your point-of-sale system or computer system with our computer system.

We will have the right at any time to retrieve data and other information from your point-of-sale system or computer system as we, in our sole discretion, deem necessary or desirable. You shall ensure that we have access at all times to your point-of-sale system, at your cost. You must provide us with any and all codes, passwords and information necessary to access your computer network. You must receive our prior approval before changing such codes, passwords and other necessary information. You will strictly comply with the policies and procedures specified in the Brand Standards Manual for all items associated with your point-of-sale system, computer system and communication equipment and services. You will keep the point-of-sale system, computer system and communication equipment in good maintenance and repair, and you will promptly install, at your expense, any additions, changes, modifications or substitutions to your point-of-sale system, computer hardware, software, communication equipment, telephone and power lines, and other related accessories or peripheral equipment, as we may specify periodically. We may require that you license from us proprietary software for use in the Red Shoe Rescue Business, and, if so, you will sign the software license agreement we specify, and you will comply with all of its terms and conditions. You will utilize the point-of-sale system, computer system and communication equipment and services in connection with the Red Shoe Rescue Business pursuant to our policies and procedures as contained in the Brand Standards Manual.

You are required to pay our then-current technology fee ("Technology Fee") for the use of certain technologies used in the operation of your Red Shoe Rescue Business, such as email address, location website and intranet/extranet costs. You must pay our then-current fee for web services (the "Web Services Fee") to us or our affiliate. You must also pay all technology business solutions fees to approved suppliers for certain business solutions that will support your business efficiencies, including point-of sale system, web services, hosting, phone systems, security systems, employee shift/task management software, music subscription, inventory solution and any other solutions we periodically require in the Brand Standards Manual for your Red Shoe Rescue Business. We reserve the right to upgrade, modify and add new systems and software.

You will be responsible for any increase in fees that result from any upgrades, modifications or additional systems or software or from increases from third-party vendors. You are required to purchase or license and use our then-current point-of-sale system and pay any applicable support fee for the point-of-sale license and support to our designated vendor. We reserve the right to: (i) require you to license or purchase certain business solutions and software that will support your business efficiencies, including security systems, phone systems, employee shift/task management software, financial software, music subscription, inventory solutions and other solutions; (ii) upgrade, modify and add new solutions, software and technologies; (iii) change or add approved suppliers of these services at any time, in our sole discretion; and (iv) increase or decrease the Technology Fee and other technology and licensing and expenses that you are required to pay under this Franchise Agreement upon 30 days' written notice to you. You acknowledge and agree that changes to technology are dynamic and not predictable within the Term of this Franchise Agreement. In order to provide for inevitable but unpredictable changes to technological needs and opportunities, you agree that we will have the right to establish, in writing, reasonable new standards for the implementation of technology in the System and you agree to comply with those reasonable new standards that we establish as if we periodically revised this Section for that purpose. There is no limitation on the frequency and cost of your obligation to maintain, update or upgrade your computer system or its components. It is your responsibility to make sure that you are in compliance with all laws that are applicable to the computer system, your point-of-sale system, or other technology used in the operation of your Red Shoe Rescue Business, including all data protection or security laws, as well as Payment Card Industry compliance.

12.7. Maintenance. You agree to maintain your Store in good order and condition, reasonable wear and tear excepted, and make all necessary repairs, including replacements, renewals and alterations at your sole expense, to comply with our standards and specifications. Without limiting the

generality of the foregoing, you agree to take the following actions at your sole expense: (i) thorough cleaning, repainting and redecorating of the interior and exterior of the Store at the intervals we may prescribe (or at such earlier times that such actions are required or advisable); and (ii) interior and exterior repair of the Store as needed. You agree to comply with any maintenance, cleaning or facility upkeep schedule that we periodically prescribe.

12.8. Remodeling. You agree to remodel and make all improvements and alterations to your Store that we reasonably require from time to time to reflect our then-current image, appearance and facility specifications. There is no limitation on the cost of any remodeling that we may require. You will not install or permit to be installed on or about the Store premises any furnishings, fixtures, equipment, signs, décor, ATM machines, vending machines, public telephone or other type of vending machine, whether or not coin-operated, or the like that we have not previously approved. The revenues you receive from any approved machines shall be included in your Gross Sales. You may not remodel or significantly alter your Store without our prior written approval, which will not be unreasonably withheld. However, we will not be required to approve any proposed remodeling or alteration if the same would not conform to our then-current standards, specifications or image requirements. You agree to complete any remodel of the Store within nine months after receiving our written request specifying the requirements.

12.9. Hours of Operation. You must keep your Red Shoe Rescue Business open for the minimum hours of operation as specified in the Brand Standards Manual, which may change over the Term. Your Red Shoe Rescue Business must be open every day of the year, other than federal holidays, unless otherwise agreed to by us. You must establish specific hours of operation and submit those hours to us for approval.

12.10. Customer Complaints. If you receive a customer complaint, you must follow the complaint resolution process that we specify to protect the goodwill associated with the Marks. You must reimburse us for the reasonable costs we incur for responding to a customer complaint, including the value of any gift card, refund or other value we provide to the customer as part of addressing the issue.

12.11. Audit. At any time, we reserve the right to engage the services of one or more mystery shoppers or quality assurance inspection firms who will inspect your Store for quality control purposes. These inspections may address a variety of issues, including, but not limited to, customer service, safety, sanitation, and inventory rotation. You agree to fully cooperate with any such inspection. If we implement such a program, you may be invoiced directly by the mystery shopper or quality assurance firm for the services rendered. Alternatively, we may be invoiced by the mystery shopper or quality assurance firm, in which case you must pay your proportional share of the total fee based on number of inspections performed. You agree to pay us this fee within ten days after invoicing.

12.12. Failure to Comply with Standards. You acknowledge the importance of every one of our standards and operating procedures to the reputation and integrity of the System and the goodwill associated with the Marks.

12.13. Methods of Payment and Data Security. You agree to maintain, at all times, credit card relationships with the credit and debit card issuers or sponsors, check or credit verification services, financial center services, merchant service providers, loyalty and gift cards, and electronic fund transfer systems (together, "Credit Card Vendors") that we may periodically designate as mandatory. The term Credit Card Vendors includes, among other things, companies that provide services for electronic payment, such as near field communication vendors (for example, Apple Pay and Google Wallet). You agree not to use any Credit Card Vendor for which we have not given you our prior written approval or as to which we have revoked our earlier approval. We have the right to modify our requirements and designate additional approved or required methods of payment and vendors for processing such payments, and to

revoke our approval of any service provider. You agree to comply with the then-current Payment Card Industry Data Security Standards as those standards may be revised and modified by the PCI Security Standards Council, LLC (see www.pcisecuritystandards.org), or any successor organization or standards that we may reasonably specify. Among other things, you agree to implement the enhancements, security requirements and other standards that the PCI Security Standards Council (or its successor) requires of a merchant that accepts payment by credit and/or debit cards.

12.14. Crisis Management Event. You agree to notify us immediately by telephone and email upon the occurrence of a Crisis Management Event. We may establish emergency procedures which may require you to temporarily close the Red Shoe Rescue Business to the public, in which case you agree that we will not be held liable to you for any losses or costs.

12.15. Gift and Loyalty Cards. You agree to participate in our gift and loyalty card programs, if any, and agree to make gift and loyalty cards available for purchase and redemption at your Store.

12.16. Privacy. You agree to comply with all applicable federal, state and local laws pertaining to the privacy of customer, employee and transactional information ("Privacy Laws"). You agree to research and proactively ensure that your Red Shoe Rescue Business is in compliance with Privacy Laws, which may vary depending on the location of your Red Shoe Rescue Business. You also agree to comply with our standards and policies pertaining to Privacy Laws. You agree to inform us of any conflict between our standards and policies and any local or state Privacy Laws that govern your Red Shoe Rescue Business to ensure that your conduct complies with all those local or state Privacy Laws.

12.17. Music & Vending. You agree to only play the music selections and purchase the music equipment that has been approved by us in writing and in accordance with the Brand Standards Manual. Without our prior approval, you agree not to install any vending machines, ATM machines or newspaper racks at the Store and agree to not sell any tickets, subscriptions, chances, raffles or lottery tickets.

12.18. Conferences. You, and such other persons employed or contracted by you as we may require, must attend any periodic conferences, franchisee meetings, seminars and other gatherings or group sessions (collectively, "Conferences") we hold. We have the right to determine the topics covered, duration, date and location of all Conferences. You will pay the then-current conference fee we establish for each person attending a Conference ("Conference Fee") and will also pay the travel expenses and all other expenses incurred by the persons attending the Conference on your behalf. The Conference Fee helps defray the cost of the Conference and is payable regardless of whether or not you attend any given Conference.

13. FEES

13.1. Initial Franchise Fee. You agree to pay us an initial franchise fee ("Initial Franchise Fee") in the amount set forth in Attachment B in one lump sum at the time you sign this Franchise Agreement. The Initial Franchise Fee is fully earned by us and is non-refundable once this Franchise Agreement has been signed; provided that if you do not open for business within six months after signing the Franchise Agreement, we may, in our sole discretion, terminate this Franchise Agreement and refund up to fifty percent (50%) of the Initial Franchise Fee. The Initial Franchise Fee is in consideration of all of our pre-opening assistance that we provide to allow you to open your Red Shoe Rescue Business and our lost or deferred opportunity to enter into this Franchise Agreement with others, and it offsets some of our expenses for franchisee recruitment. If this Franchise Agreement is the first franchise agreement being signed under an area development agreement between you and us, or if this Franchise Agreement is the

renewal of a prior franchise agreement with us for an existing Red Shoe Rescue Business, then no Initial Franchise Fee is due.

13.2. Technology Fee. In addition to the Initial Franchise Fee, you agree to pay our then-current Technology Fee on the tenth day of each month or such other date as we designate.

13.3. Royalty. On the tenth day of each month (or such other date as we designate), you agree to pay us a royalty fee ("Royalty") equal to five percent (5%) of Gross Sales during the previous month. This Royalty is an ongoing payment that allows you to use the Marks and Intellectual Property of the System.

13.4. Other Fees and Payments. You agree to pay all other fees, expense reimbursements, and all other amounts specified in this Franchise Agreement in a timely manner as if fully set forth in this Section 13. You also agree to promptly pay us an amount equal to all taxes levied or assessed against us based upon products or services that you sell or based upon products or services that we furnish to you (other than income taxes that we pay based on amounts that you pay us under this Franchise Agreement).

13.5. Late Fee. If any sums due under this Franchise Agreement have not been received by us when due then, in addition to those sums, you must pay us $100 per occurrence, plus the lesser of the daily equivalent of eighteen percent (18%) per year simple interest or the highest rate allowed by law. If no due date has been specified by us, then interest accrues from the original due date until payment is received in full.

13.6. Method of Payment. You must complete and send us an ACH Authorization Form allowing us to electronically debit a banking account that you designate ("Account") for: (i) all fees payable to us pursuant to this Franchise Agreement (other than the Initial Franchise Fee); and (ii) any amounts that you owe to us or any of our affiliates for the purchase of products or services. We will debit your Account for these payments on or after the due date. Our current form of ACH Authorization Form is attached to the Franchise Disclosure Document in Exhibit H. You must sign and deliver to us any other documents that we or your bank may require authorizing us to debit your Account for these amounts. You must deposit into the Account all revenues that you generate from the operation of your Red Shoe Rescue Business. You must make sufficient funds available for withdrawal by electronic transfer before each due date. If any check or electronic payment is not successful due to insufficient funds, stop payment or any similar event, any excess amounts that you owe will be payable upon demand, together with a non-sufficient funds fee of $100 per occurrence, plus the lesser of the daily equivalent of eighteen percent (18%) per year simple interest or the highest rate allowed by law, and any late charge imposed pursuant to Section 13.5. If you make any payment to us or our affiliate(s) by credit card for any fee required, we may charge a service charge of up to four percent (4%) of the total charge.

13.7. Payment Frequency. We reserve the right to periodically specify (in the Brand Standards Manual or otherwise in writing) different payment frequencies (for example, weekly/biweekly/monthly payments) for any payment due to us or our affiliates.

13.8. Application of Payments. We have sole discretion to apply any payments from you to any past due indebtedness of yours or in any other manner we feel appropriate. We will not be bound by any instructions for allocation you specify.

13.9. Payment Obligations. Your obligations to pay us the fees under this Franchise Agreement are absolute and unconditional, and will remain in full force and effect throughout the entire duration of this Franchise Agreement, and shall continue for such period of time thereafter as you owe us fees under this Franchise Agreement. You will have no right to offset any fees paid to us and must pay us

all fees regardless of any claims you may have against us. We will have the right, at any time before or after termination of this Franchise Agreement, without notice to you, to offset any amounts or liabilities that you may owe to us against any amounts or liabilities that we may owe you under this Franchise Agreement or any other agreement, loan, transaction or relationship between the parties.

13.10. CPI Adjustments to Fixed Fees. All fees expressed as a fixed dollar amount in this Franchise Agreement are subject to adjustment based on changes to the Consumer Price Index in the United States ("CPI"). We may periodically review and increase these fees based on changes to the CPI, but only if the increase to the CPI is more than 5% higher than the corresponding CPI in effect on: (a) the Effective Date of the Franchise Agreement (for the initial fee adjustments); or (b) the date we implemented the last CPI fee adjustment (for subsequent CPI fee adjustments). We will notify you of any CPI fee adjustment at least 60 days before the fee adjustment becomes effective. We will implement no more than one CPI fee adjustment during any calendar year. Notwithstanding the foregoing, the CPI fee adjustments in this Section shall not impact fees which we reserve the right to increase in higher amounts or to adjust more frequently, including but not limited to the Technology Fee.

14. BRAND PROTECTION COVENANTS

14.1. Reason for Covenants. You acknowledge that the Intellectual Property and the training and assistance that we provide would not be acquired except through implementation of this Franchise Agreement. You also acknowledge that competition by you, the Owners, or persons associated with you or the Owners (including family members) could seriously jeopardize the entire System because you and the Owners have received an advantage through knowledge of our day-to-day operations and Confidential Information related to the System. Accordingly, you and agree to comply with the covenants described in this Section to protect the Intellectual Property and our System.

14.2. Our Confidential Information. You will use the Confidential Information only in the operation of the Red Shoe Rescue Business, and you will not disclose Confidential Information to others, except as expressly authorized by this Franchise Agreement. You will take all appropriate actions to preserve the confidentiality of all Confidential Information, including keeping the Brand Standards Manual in a secure location. Access to Confidential Information must be limited to only your employees or independent contractors who need the Confidential Information to perform their jobs and who are subject to your general policy on maintaining confidentiality as a condition of employment or who have first signed our System Protection Agreement or Confidentiality Agreement (the forms of which are attached to the Franchise Disclosure Document in Exhibit H). You will not copy or permit copying of Confidential Information. Your obligations under this section begin when you sign this Franchise Agreement and continue for trade secrets as long as they remain secret, and, for other Confidential Information, for as long as we continue to use the information in confidence (even if edited or revised) plus three years. We will respond promptly and in good faith to any inquiry by you about continued protection of any Confidential Information.

All data that you collect, create, provide or otherwise develop (including, but not limited to, customer information) is (and will be) owned exclusively by us, and we will have the right to use such data in any manner that we deem appropriate without compensation to you. Copies and/or originals of such data must be provided to us upon our request. We hereby license use of such data back to you, at no additional cost, solely for the term of this Franchise Agreement and solely for your use in connection with the Red Shoe Rescue Business. You agree to provide us with the information that we reasonably require with respect to data and cybersecurity requirements. You agree to indemnify us for any loss of data, including, but not limited to, customer information resulting from a breach of such data caused, in whole or in part, by you.

The restrictions on the disclosure and use of the Confidential Information will not apply to disclosure of Confidential Information: (i) made in confidence to a government official, either directly or indirectly, or to an attorney, solely for the purpose of reporting or investigating a suspected violation of law; (ii) made in a complaint or other document filed in a lawsuit or other proceeding, if such filing is made under seal; or (iii) made in cases of suit for retaliation based on the reporting of a suspected violation of law, disclosure of Confidential Information to an attorney, and for use of the Confidential Information in such court proceeding, so long as any document containing the Confidential Information is filed under seal and Confidential Information is not otherwise disclosed except pursuant to court order.

14.3. Competition during Term. You agree not to compete with us during the Term by engaging in any of the following activities ("Prohibited Activities"): (i) owning, operating, or having any other interest (as an owner, partner, director, officer, employee, manager, consultant, shareholder, creditor, representative, agent, or in any similar capacity) in any Competitive Business, other than owning an interest of five percent (5%) or less in a publicly traded company that is a Competitive Business; (ii) diverting or attempting to divert any business from us (or one of our affiliates or franchisees); or (iii) inducing any customer of ours (or of one of our affiliates' or franchisees') to transfer their business to you or to any other person that is not then a franchisee of ours.

14.4. Competition after Term. During the Post-Term Restricted Period, you agree not to engage in any Prohibited Activities. Notwithstanding the foregoing, you and the Owners may have an interest in a Competitive Business during the Post-Term Restricted Period as long as the Competitive Business is not located within, and does not provide competitive products or services to, customers who are located within the Restricted Territory. If you or an Owner engages in a Prohibited Activity during the Post-Term Restricted Period (other than having an interest in a Competitive Business that is permitted under this Section), then the Post-Term Restricted Period applicable to you or the non-compliant Owner shall be extended by the period of time during which you or the non-compliant Owner, as applicable, engaged in the Prohibited Activity.

14.5. Employees and Others Associated with You. Any Designated Manager and, if you are an Entity, any officer that does not own equity in you must sign our System Protection Agreement, the form of which is attached to the Franchise Disclosure Document in Exhibit H. You must ensure that all of your employees, officers, directors, partners, members, independent contractors, and other persons associated with you or your Red Shoe Rescue Business who may have access to our Confidential Information, and who are not required to sign a System Protection Agreement, sign and send us a Confidentiality Agreement, the form of which is attached to the Franchise Disclosure Document in Exhibit H, before having access to our Confidential Information. You must use your best efforts to ensure that these individuals comply with the terms of the Confidentiality Agreements and System Protection Agreements, and you must immediately notify us of any breach that comes to your attention. You agree to reimburse us for all reasonable expenses that we incur in enforcing a Confidentiality Agreement or System Protection Agreement, including reasonable attorney fees and court costs.

14.6. Covenants Reasonable. You acknowledge and agree that: (i) the terms of this Franchise Agreement are reasonable both in time and in scope of geographic area; (ii) our use and enforcement of covenants similar to those described above with respect to other Red Shoe Rescue franchisees benefits you and the Owners in that it prevents others from unfairly competing with your Red Shoe Rescue Business; and (iii) you and the Owners have sufficient resources and business experience and opportunities to earn an adequate living while complying with the terms of this Franchise Agreement. You and the Owners hereby waive any right to challenge the terms of this Section 14 as being overly broad, unreasonable or otherwise unenforceable.

14.7. **Breach of Covenants**. You agree that failure to comply with the terms of this Section 14 will cause substantial and irreparable damage to us and/or other Red Shoe Rescue franchisees for which there is no adequate remedy at law. Therefore, you agree that any violation of the terms of this Section 14 will entitle us to injunctive relief. We may apply for such injunctive relief without bond, but upon due notice, in addition to such further and other relief as may be available at equity or law, and the sole remedy of yours, in the event of the entry of such injunction will be the dissolution of such injunction, if warranted, upon hearing duly held (all claims for damages by reason of the wrongful issuance of any such injunction being expressly waived hereby). If a court requires the filing of a bond notwithstanding the preceding sentence, the parties agree that the amount of the bond shall not exceed $1,000. None of the remedies available to us under this Franchise Agreement are exclusive of any other, but may be combined with others under this Franchise Agreement, or at law or in equity, including injunctive relief, specific performance and recovery of monetary damages. Any claim, defense or cause of action that you or an Owner may have against us, regardless of cause or origin, cannot be used as a defense against our enforcement of this Section 14.

14.8. **Ownership of Public Companies**. Notwithstanding the provisions of this Section 14, you and the Owners will have the right to own up to five percent (5%) of any publicly-held company or mutual fund that owns, operates, has an interest in, or controls any Competitive Business; provided that such company has a class of securities that is publicly traded on a national exchange or quotation system and is subject to the reporting requirements of the Securities Exchange Act of 1934, as amended.

15. YOUR OTHER RESPONSIBILITIES

15.1. **Insurance**. Before your Red Shoe Rescue Business first opens for business, you will obtain insurance in the types and amounts specified herein. You will maintain all required insurance in force during the term of this Franchise Agreement, and you will obtain and maintain any additional or substituted insurance coverage, limits and amounts as we may periodically require. Your compliance with these insurance provisions does not relieve you of any liability under any indemnity provisions of this Franchise Agreement.

We currently require you to maintain the following insurance coverages: (1) commercial general liability insurance with limits of at least $1,000,000 per occurrence, at least $2,000,000 aggregate, and at least $2,000,000 products and completed operations annual aggregate; (2) all risks coverage insurance on all furniture, fixtures, equipment, inventory, supplies and other property used in the operation of the Red Shoe Rescue Business (including flood and/or earthquake coverage where there are known risks) for full replacement value; (3) workers compensation insurance consistent with applicable law; (4) employment practices liability insurance with a limit of at least $1,000,000; (5) business interruption insurance in the amount and for the minimum period of time specified in the Brand Standards Manual; and (6) umbrella coverage with a limit of at least $5,000,000 per occurrence. Our insurance requirements are subject to change during the term of this Franchise Agreement, and you agree to comply with each such change. You agree to provide us a copy of your Certificate of Insurance or other proof of coverage prior to opening, within ten days of any renewal of a policy, and at any other time on demand. You agree to obtain these insurance policies from insurance carriers that are rated "A" or better by A.M. Best & Company, Inc. and that are licensed and admitted in the state in which you operate your Red Shoe Rescue Business. All insurance policies (except for employment liability insurance policies) must be endorsed to: (i) name us (and our members, officers, directors and employees) as additional insureds; (ii) contain a waiver by the insurance carrier of all subrogation rights against us; and (iii) provide that we receive 30-days' prior written notice of the termination, expiration, cancellation or modification of the policy. If any of your policies fail to meet these criteria, then we may disapprove the policy and you must immediately find additional coverage with an alternative carrier satisfactory to us. Upon ten days' notice to you, we may increase the minimum protection requirement as of the renewal date of any policy and require different or additional

types of insurance at any time, including excess liability (umbrella) insurance, to reflect inflation, identification of special risks, changes in law or standards or liability, higher damage awards, or other relevant changes in circumstances. If you fail to maintain any required insurance coverage, we have the right to obtain the coverage on your behalf (which right shall be at our option and in addition to our other rights and remedies in this Franchise Agreement), and you must promptly sign all applications and other forms and instruments required to obtain the insurance and pay to us, within ten days after invoicing, all costs and premiums that we incur, plus a twenty percent (20%) administrative surcharge.

15.2. Books and Records. You agree to prepare and maintain at your Red Shoe Rescue Business for at least seven years after their preparation, complete and accurate books, records, accounts and tax returns pertaining to your Red Shoe Rescue Business. You must send us copies of your books and records within five days of our request.

15.3. Reports. You will prepare written periodic reports, including but not limited to reports on the Gross Sales of your Red Shoe Rescue Business, in the forms that we require, containing the information we require about your operations during each reporting period. If you do not submit any required report or financial statement to us when due, we will debit your Account a late fee of $100 per occurrence and $100 per week until you submit the required report. These fees will be payable to us. You will prepare and submit other reports and information about your operations as we may reasonably request in writing or as required by the Brand Standards Manual. We may require, at our option, that certain reports you are required to submit be certified as accurate and complete by you, your owners or your chief financial officer, and that certain reports be submitted using the formats and communication media that we specify. If requested by us, your profit and loss statements and balance sheets must be certified by a certified public accountant at your expense, and you will cause your certified public accountant, if any, to consult with us concerning such statements and balance sheets at your cost.

15.4. Financial and Tax Statements. You will deliver monthly Financial Statements to us within 20 days of the end of each calendar month, which must be certified by you as complete and accurate. You must also prepare annual Financial Statements within 45 days of the end of your fiscal year. All Financial Statements must be in the form specified by us and must conform to our standard chart of accounts as prescribed by us. During the first year of operation, you must use an accepted accounting service to ensure your compliant preparation of required reports and financial statements. You must also provide us with complete signed copies of all state sales tax returns and state and federal income tax returns covering the operation of the Red Shoe Rescue Business within 30 days of filing. If you do not submit the Financial Statements or tax returns to us by the deadline, you must pay a late fee of $100 per occurrence and $100 per week until you submit required Financial Statements or tax returns.

15.5. Legal Compliance. You are solely responsible for complying with all federal, state and local tax laws, agree to timely pay all applicable federal, state and local taxes, and timely file all returns, notices and other forms required to comply with all federal, state and local tax laws in connection with the operation of the Red Shoe Rescue Business. You will indemnify us for any taxes that arise out of or result from your operation of the Red Shoe Rescue Business. If any franchise, sales or other tax which is based upon the revenues, receipts, sales, business activities or operation of the Red Shoe Rescue Business is imposed on us by any taxing authority, you will reimburse us for all such taxes paid by us within 15 days of receiving an invoice from us for such taxes. You must secure and maintain in force all required licenses, permits and regulatory approvals for the operation of your Red Shoe Rescue Business, and operate and manage your Red Shoe Rescue Business in full compliance with all applicable laws, ordinances, rules and regulations. You must notify us in writing within three business days of the beginning of any action, suit, investigation or proceeding, or of the issuance of any order, writ, injunction, disciplinary action, award or decree of any court, agency or other governmental instrumentality, which may adversely affect the operation of your Red Shoe Rescue Business or your financial condition. You must immediately deliver

to us a copy of any inspection report, warning, certificate or rating by any governmental agency involving any health or safety law, rule or regulation that reflects your failure to fully comply with the law, rule or regulation.

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

15.6. Photo/Video Release. You acknowledge and authorize us to use your likeness in a photograph in any and all of our publications, including printed and digital publications and on websites. You agree and understand that any photograph using your likeness will become our property and will not be returned. You agree and irrevocably authorize us to edit, alter, copy, exhibit, publish or distribute any photograph of you for any lawful purpose. You agree and waive any rights to royalties or any other compensation related to our use of any photograph of you. You agree to hold harmless and forever discharge us from all claims, demands and causes of action which you may have in connection with this authorization.

16. INSPECTION AND AUDIT

16.1. Inspections. To ensure compliance with this Franchise Agreement, we or our representatives will have the right to enter your Store, evaluate your operations, and inspect or examine your books, records, accounts and tax returns. Our evaluation may include observing or participating during business hours. We may conduct our evaluation at any time and without prior notice. During the course of our inspections, we and our representatives will use reasonable efforts to minimize our interference with the operation of your Red Shoe Rescue Business, and you, your employees and independent contractors will cooperate and not interfere with our inspection. You consent to us accessing your computer system and retrieving any information that we deem appropriate in conducting the inspection. You agree to pay to us the reasonable costs we incur for conducting on-site inspections of your Store if we determine that your operations have deviated from the System Standards or determine that you are in violation of this Franchise Agreement as a result of such inspection.

16.2. Audit. We have the right, at any time, to have an independent audit made of your books and financial records. You agree to fully cooperate with us and any third parties that we hire to conduct the audit. Any audit will be performed at our cost and expense unless the audit: (i) is necessitated by your failure to provide the information requested or to preserve records or file reports as required by this Franchise Agreement; or (ii) reveals an understatement of any amount due to us by at least two percent (2%) in any month, in which case you agree to reimburse us for the cost of the audit and inspection, including, without limitation, any amount that you owe us, together with any related expenses and late fees payable pursuant to Section 13.5, and reasonable accounting and legal expenses and travel and lodging expenses that we or our representatives incur. The audit cost reimbursements will be due ten days after invoicing. We shall not be deemed to have waived our right to terminate this Franchise Agreement by accepting reimbursements of our audit costs.

17. INTELLECTUAL PROPERTY

17.1. Ownership and Use of Intellectual Property. You acknowledge that: (i) we and our affiliates own and/or hold the legal rights to the Intellectual Property and the goodwill associated with the Marks; (ii) your right to use the Intellectual Property is derived solely from this Franchise Agreement; and (iii) your non-exclusive right to use the Intellectual Property is limited to a license granted by us to operate your Red Shoe Rescue Franchise during the Term pursuant to, and only in compliance with, this Franchise Agreement, the Brand Standards Manual, and all applicable standards, specifications and operating procedures that we periodically prescribe. You may not use any of the Intellectual Property in connection with the sale of any unauthorized product or service, or in any other manner not expressly authorized by us. Any unauthorized use of the Intellectual Property constitutes an infringement of our rights. You agree to comply with all provisions of the Brand Standards Manual governing your use of the Intellectual Property. This Franchise Agreement does not confer to you any goodwill, title or interest in any of the Intellectual Property.

17.2. Changes to Intellectual Property. We have the right to modify the Intellectual Property at any time in our sole and absolute discretion, including by changing the Marks, the System, the Copyrights or the Confidential Information. If we modify or discontinue use of any of the Intellectual Property, then you must comply with any such instructions from us within 30 days at your expense. We will not be liable to you for any expenses, losses or damages that you incur (including the loss of any goodwill associated with a Mark) because of any addition, modification, substitution or discontinuation of the Intellectual Property.

17.3. Use of Marks. You agree to use the Marks as the sole identification of your Red Shoe Rescue Business; provided, however, you must identify yourself as the independent owner of your Red Shoe Rescue Business in the manner that we prescribe. You may not use any Marks in any modified form or as part of any corporate or trade name or with any prefix, suffix or other modifying words, terms, designs or symbols (other than logos licensed to you by this Franchise Agreement). You agree to: (i) prominently display the Marks on or in connection with any media advertising, promotional materials, posters and displays, receipts, stationery and forms that we designate, and in the manner that we prescribe to give notice of trade and service mark registrations and copyrights; and (ii) obtain any fictitious or assumed name registrations required under applicable law. You may not use the Marks in signing any contract, lease, mortgage, check, purchase agreement, negotiable instrument, or other legal obligation or in any manner that is likely to confuse or result in liability to us for any indebtedness or obligation of yours.

17.4. Use of Confidential Information. We will disclose the Confidential Information to you in the initial training program, the Brand Standards Manual, and in other guidance furnished to you during the Term. You agree that you will not acquire any interest in the Confidential Information other than the right to utilize it in strict accordance with the terms of this Franchise Agreement in the development and operation of your Red Shoe Rescue Business. You acknowledge that the Confidential Information is proprietary and is disclosed to you solely for use in the development and operation of your Red Shoe Rescue Business during the Term.

17.5. Improvements. If you conceive of or develop any improvements or additions to the marketing, method of operation, or the products or services offered by a Red Shoe Rescue Business (collectively, "Improvements"), you agree to promptly and fully disclose the Improvements to us without disclosing the Improvements to others. You must obtain our approval prior to using any such Improvements. Any Improvement that we approve may be used by us and any third parties that we authorize to operate a Red Shoe Rescue Franchise, without any obligation to pay you royalties or other fees. You must assign to us or our designee, without charge, all rights to any such Improvement, including the right to grant sublicenses. In return, we will authorize you to use any Improvements that we or other

franchisees develop that we authorize for general use in connection with the operation of a Red Shoe Rescue Business.

17.6. Notification of Infringements and Claims. You must notify us within three business days of any: (i) apparent infringement of any of the Intellectual Property; (ii) challenge to your use of any of the Intellectual Property; or (iii) claim by any person of any rights in any of the Intellectual Property. You may not communicate with any person other than us and our counsel in connection with any such infringement, challenge or claim. We will have sole discretion to take such action as we deem appropriate. We have the right to exclusively control any litigation, Patent and Trademark Office proceeding, or other proceeding arising out of any such infringement, challenge or claim. You agree to execute any and all instruments and documents, render such assistance, and do such acts and things as may, in the opinion of our counsel, be necessary or advisable to protect and maintain our interest in any such litigation, Patent and Trademark Office proceeding, or other proceeding, or to otherwise protect and maintain our interest in the Intellectual Property.

18. INDEMNITY. You agree to indemnify the Indemnified Parties and hold them harmless for, from and against any and all Losses and Expenses incurred by any of them as a result of or in connection with any of the following: (i) the marketing, use or operation of your Red Shoe Rescue Business or any other use of the Red Shoe Rescue Business, including the sale of any product from the Store, or your performance and/or breach of any of your obligations under this Franchise Agreement; (ii) any Claim relating to taxes or penalties assessed by any governmental entity against us that are directly related to your failure to pay or perform functions required of you under this Franchise Agreement; (iii) any labor, employment or similar type of Claim pertaining to your employees, including claims alleging that we are a joint employer of your employees; (iv) any actions, investigations, rulings or proceedings conducted by any state or federal agency relating to your employees, including, without limitation, the United States Department of Labor, the Equal Employment Opportunity Commission, and the National Labor Relations Board; (v) your failure to pay the monies payable to any Indemnified Party pursuant to this Franchise Agreement, or to do and perform any other act, matter or thing required by this Franchise Agreement; or (vi) any action by an Indemnified Party to obtain performance by you of any act, matter or thing required by this Franchise Agreement. You agree to give us notice of any action, suit, proceeding, claim, demand, inquiry or investigation described above. The Indemnified Parties shall have the right, in their sole discretion to: (A) retain counsel of their own choosing to represent them with respect to any Claim; and (B) control the response thereto and the defense thereof, including the right to enter into an agreement to settle such Claim. You may participate in such defense at your own expense. You agree to give your full cooperation to the Indemnified Parties in assisting the Indemnified Parties with the defense of any such Claim, and to reimburse the Indemnified Parties for all of their costs and expenses in defending any such Claim, including court costs and reasonable attorney fees, within ten days of the date of each invoice delivered by such Indemnified Party to you enumerating such costs, expenses and attorney fees. You agree that your indemnification obligations under this Section shall expressly survive the termination, expiration, non-renewal or Transfer of this Franchise Agreement.

19. TRANSFERS

19.1. By Us. This Franchise Agreement and the Franchise is fully assignable by us (without prior notice to you) and shall inure to the benefit of any assignee(s) or other legal successor(s) to our interest in this Franchise Agreement; provided that we shall, subsequent to any such assignment, remain liable for the performance of our obligations under this Franchise Agreement up to the effective date of the assignment. We may also delegate some or all of our obligations under this Franchise Agreement to one or more persons without assigning this Franchise Agreement.

19.2. **By You**. You understand that the rights and duties created by this Franchise Agreement are personal to you and the Owners and that we have granted the Red Shoe Rescue Franchise in reliance upon the individual or collective character, skill, aptitude, attitude, business ability and financial capacity of you and the Owners. Because this Franchise Agreement is a personal services contract, neither you nor any Owner may engage in any Transfer without our prior written approval. Any Transfer without our approval shall be void and constitute a breach of this Franchise Agreement. We will not unreasonably withhold our approval of any proposed Transfer; provided that the following conditions are all satisfied:

(i) you have provided us with written notice of the proposed Transfer at least 45 days prior to the transaction;

(ii) the proposed transferee is, in our opinion, an individual of good moral character who has sufficient business experience, aptitude and financial resources to own and operate a Red Shoe Rescue Business and otherwise meets all of our then-applicable standards for franchisees;

(iii) all of your monetary obligations to us have been paid in full and you and the Owners are in full compliance with the terms of this Franchise Agreement and all other agreements with us or our affiliate(s);

(iv) all of the owners of the transferee have successfully completed, or made arrangements to attend, the initial training program (and the transferee has paid us the training fee for each new person who must attend training);

(v) your landlord consents to your assignment of the lease to the transferee, or the transferee is diligently pursuing an approved substitute location within the Territory;

(vi) the transferee and its owners, to the extent necessary, have obtained all licenses and permits required by applicable law in order to own and operate the Red Shoe Rescue Business;

(vii) the transferee and its owners sign our then-current form of franchise agreement and related documents, including, but limited to, our then-current form of Franchise Owner Agreement or other guaranty (unless we, in our sole discretion, instruct you to assign this Franchise Agreement to the transferee), except that: (a) the Term and successor term(s) shall be the Term and successor term(s) remaining under this Franchise Agreement; and (b) the transferee need not pay a separate initial franchise fee;

(viii) you must remodel your Store in accordance with Section 12.8 to comply with our then-current standards and specifications, or you obtain a written commitment from the transferee to do so;

(ix) you or the transferee pays us a transfer fee equal to $5,000, payable in connection with any approved Transfer of your Red Shoe Rescue Business, Franchise Agreement or ownership in your Entity (except for approved Transfers subject to Section 19.3 below). You will pay the transfer fee to us as follows: (1) $1,000 non-refundable deposit at the time of your transfer application request; and (2) the remaining balance shall be due at or before the time that you consummate the approved Transfer;

(x) you and the Owners sign a General Release for all known and unknown claims against us, our affiliates and subsidiaries, and our and their respective members, officers, directors, agents and employees, arising before or contemporaneously with the Transfer;

(xi) you enter into an agreement with us to subordinate the transferee's obligations to you to the transferee's financial obligations owed to us pursuant to the Franchise Agreement;

(xii) we do not elect to exercise our right of first refusal described in Section 19.5;

(xiii) you or the transferring Owner, as applicable, and the transferee have satisfied any other conditions we reasonably require as a condition to our approval of the Transfer; and

(xiv) you must reimburse us for our costs that we incur as a result of the Transfer, including, but not limited to, attorney fees, broker fees, commissions or other placement fees.

Our consent to a Transfer shall not constitute a waiver of any claims we may have against you or the Owners, nor shall it be deemed a waiver of our right to demand exact compliance with any of the terms or conditions of the Franchise Agreement by the transferee.

19.3. Transfer to an Entity. If you are an individual or general partnership, you may transfer your ownership interests to an Entity provided that the Owner or Owners of the Entity are the same persons who signed this Franchise Agreement and comply with all conditions set forth in Section 19.2. Our right of first refusal in Section 19.5 will not apply for a Transfer conducted under this Section 19.3, and you must reimburse us for all of our fees and costs, including attorney fees, associated with your Transfer to the Entity.

19.4. Death or Disability of an Owner. Upon the death or Permanent Disability (as defined below) of an Owner, the Owner's ownership interest in you or the Red Shoe Rescue Franchise, as applicable, must be assigned to another Owner or to a third party approved by us within 180 days of such Owner's death or disability, as the case may be. For purposes of this Section, "Permanent Disability" shall mean any physical, emotional or mental illness or incapacity that would prevent the person from substantially complying with his or her obligations under this Franchise Agreement or otherwise operating the Red Shoe Rescue Business in the manner required by this Franchise Agreement and the Brand Standards Manual for a continuous period of at least 90 consecutive calendar days, and from which condition recovery within 90 days from the date of determination of disability is unlikely. If the parties disagree as to whether a person is disabled, the existence of disability will be determined by a licensed practicing physician selected by us, upon examination of the person; or if the person refuses to submit to an examination, then (for the purpose of this Section) the person automatically will be considered disabled as of the date of refusal. You must promptly notify us of any death or Permanent Disability of an Owner within 15 days of its occurrence. Your estate or legal representative must apply to us for the right to Transfer to another Owner or third party within 120 calendar days after your or your Owner's death or disability. We may appoint an Interim Manager and charge you the applicable fee under Section 8.4 if the death or disability of any Owner or ownership interest in you or the Franchise has any impact on the Red Shoe Rescue Business.

19.5. Our Right of First Refusal. If you or an Owner desires to engage in a Transfer, you or the Owner, as applicable, must obtain a bona fide, signed written offer from the fully disclosed purchaser and submit an exact copy of the offer to us. We will have 30 days after receipt of the offer to decide whether we will purchase the Red Shoe Rescue Business. If we notify you that we intend to purchase the Red Shoe Rescue Business within such 30-day period, you or the Owner, as applicable, must sell the Red Shoe Rescue Business to us on the same terms as are contained in the offer that you received; provided that we may substitute cash for any non-cash form of payment proposed in the offer. We will have at least

an additional 30 days to conduct a due diligence review and to prepare for closing. You agree to provide us with all information and records that we request concerning the Red Shoe Rescue Business, and we will have the absolute right to terminate the obligation to purchase the Red Shoe Rescue Business for any reason during the due diligence period. You and we will act in good faith to agree on the terms and conditions of the written offer, and closing will take place on the 61st day following receipt of your offer. We will be entitled to receive from you or the Owner, as applicable, all customary representations and warranties given by you as the seller of the assets or the Owner as the seller of the ownership interest or, at our election, the representations and warranties contained in the offer. If we do not exercise our right of first refusal, you or the Owner, as applicable, may complete the Transfer to the purchaser pursuant to and on the terms of the offer, subject to the requirements of Section 19.2 (including our approval of the transferee). However, if the sale to the purchaser is not completed within 120 days after delivery of the offer to us, or there is a change in the terms of the sale, we will again have the right of first refusal specified in this Section.

20. TERMINATION

20.1. By You. You may terminate this Franchise Agreement if you are in full compliance and we breach this Franchise Agreement and fail to cure the breach within 30 days after you send us a written notice specifying the nature of the breach. If you terminate this Franchise Agreement, you must still comply with your post-termination obligations described in Section 21 and all other obligations that survive the expiration or termination of this Franchise Agreement.

20.2. Termination by Us without Cure Period. We may, in our sole discretion, terminate this Franchise Agreement immediately upon written notice to you, without opportunity to cure, for any of the following reasons, each of which constitute an event of default under this Franchise Agreement:

(i) if you or your Operating Principal fails to satisfactorily complete the initial training program;

(ii) if you fail to obtain our approval of your site within the time period required;

(iii) if you fail to secure a fully executed lease and Lease Addendum within the time period required;

(iv) if you fail to open your Red Shoe Rescue Business within the time period required;

(v) if you become insolvent by reason of your inability to pay your debts as they become due or you file a voluntary petition in bankruptcy or any pleading seeking any reorganization, liquidation, dissolution, or composition or other settlement with creditors under any law, or are the subject of an involuntary bankruptcy (which may or may not be enforceable under the Bankruptcy Reform Act of 1978);

(vi) if your Red Shoe Rescue Business, or a substantial portion of the assets associated with your Red Shoe Rescue Business, are: (a) seized, taken over or foreclosed by a government official in the exercise of his or her duties; or (b) seized, taken over or foreclosed by a creditor, lienholder or lessor; or (c) a final judgment against you remains unsatisfied for 30 days (unless a supersedes or other appeal bond has been filed); or (d) a levy of execution has been made upon the license granted by this Franchise Agreement or upon any property used in your Store, and it is not discharged within five days of the levy;

(vii) if you abandon or fail to operate your Red Shoe Rescue Business for three consecutive business days, unless the failure is due to an event of Force Majeure (as defined in Section 25.6 below) or another reason that we approve;

(viii) if a regulatory authority suspends or revokes a license or permit held by you or an Owner that is required to operate the Red Shoe Rescue Business, even if you or the Owner still maintain appeal rights;

(ix) if you or an Owner: (a) is convicted of or pleads no contest to a felony, a crime involving moral turpitude, or any crime which impairs the reputation of the System or the goodwill associated with the Marks; (b) is subject to any administrative disciplinary action; or (c) fails to comply with any federal, state or local law, rule or regulation applicable to your Red Shoe Rescue Business;

(x) if you or an Owner commits an act that can reasonably be expected to adversely affect the reputation of the System or the goodwill associated with the Marks;

(xi) if you manage or operate your Red Shoe Rescue Business in a manner that presents a health or safety hazard to your customers, employees or the public;

(xii) if you or an Owner make any material misrepresentation to us, whether occurring before or after being granted the Red Shoe Rescue Franchise;

(xiii) if you fail to pay any amount owed to us or an affiliate of ours within ten days after receipt of a demand for payment;

(xiv) if you understate or underreport any amount owed to us by at least two percent (2%), after having already committed a similar breach that had been cured;

(xv) if you make an unauthorized Transfer;

(xvi) if you make an unauthorized use of the Intellectual Property;

(xvii) if you breach any of the brand protection covenants;

(xviii) if any Owner, or the spouse of any Owner, breaches a Franchise Owner Agreement;

(xix) if you commit a default of any obligation under this Franchise Agreement and have previously received two or more written notices of default from us within the preceding 12 months, regardless of whether any default is cured;

(xx) if the lease for your Store is terminated due to your default;

(xxi) if you are an Entity and you are dissolved;

(xxii) if a final judgment against you in any amount exceeding $25,000 remains unsatisfied or of record for 30 days or longer (unless a supersedeas bond is filed); or

(xxiii) if we terminate any other agreement between you and us or if any affiliate of ours terminates any agreement between you and the affiliate because of your default (except for termination due to a default of the development schedule under any area development agreement between you and us).

20.3. Additional Conditions of Termination. In addition to our termination rights in Section 20.2, we may, in our sole discretion, terminate this Franchise Agreement upon 30 days' written notice if you or an Owner fails to comply with any other provision of this Franchise Agreement (including any mandatory provision in the Brand Standards Manual) or any other agreement with us, unless such default is cured, as determined by us in our sole discretion, within such 30-day notice period, each of which shall constitute an event of default under this Franchise Agreement. If we deliver a notice of default to you pursuant to this Section, we may suspend performance of any of our obligations under this Franchise Agreement until you fully cure the breach.

20.4. Mutual Agreement to Terminate. If you and we mutually agree in writing to terminate this Franchise Agreement, you and we will be deemed to have waived any required notice period.

20.5. Liquidated Damages. Upon termination of this Franchise Agreement: (i) by us due to your default of this Franchise Agreement; or (ii) following your purported termination without cause, you agree to pay to us, within 15 days after the effective date of this Franchise Agreement's termination, in addition to the amounts owed hereunder, liquidated damages equal to the average monthly Royalties and Brand Fund Contributions you paid during the total months of operation preceding the effective date of termination multiplied by: (a) 36; or (b) the number of months remaining in this Franchise Agreement had it not been terminated, whichever is less, but in no case will such damages be less than $30,000.

You and we acknowledge and agree that it would be impracticable to determine precisely the damages we would incur from this Franchise Agreement's termination and the loss of cash flow from Royalties due to, among other things, the complications of determining what costs, if any, we might have saved and how much the Royalties would have grown over what would have been this Franchise Agreement's remaining Term. You and we consider this liquidated damages provision to be a reasonable, good faith pre-estimate of those damages.

The liquidated damages provision only covers our damages from the loss of cash flow from the Royalties. It does not cover any other damages, including damages to our reputation with the public and landlords and damages arising from a violation of any provision of this Franchise Agreement other than the Royalty section. You and each of the Owners agree that the liquidated damages provision does not give us an adequate remedy at law for any default under, or for the enforcement of, any provision of this Franchise Agreement other than the Royalty section.

21. POST-TERM OBLIGATIONS

21.1. Obligations of You and the Owners. After the termination, expiration or Transfer of this Franchise Agreement, you agree to:

(i) immediately cease to use the Intellectual Property;

(ii) pay us all amounts that you owe us;

(iii) comply with all covenants described in Section 14 that apply after the expiration, termination or Transfer of this Franchise Agreement or the disposal of an ownership interest by an Owner;

(iv) return all copies of the Brand Standards Manual, or any portions thereof, as well as all signs, sign faces, brochures, advertising and promotional materials, forms and any other materials bearing or containing any of the Marks, Copyrights or other identification relating to a Red Shoe Rescue Business, unless we allow you to Transfer such items to an approved transferee;

(v) return all copies of any software we license to you (and delete all such software from your computer memory and storage);

(vi) take such action as may be required to cancel all fictitious or assumed names or equivalent registrations relating to your use of any of the Marks;

(vii) make such modifications and alterations to the premises that are necessary or that we require to prevent any association between us or the System and any business subsequently operated by you or any third party at the premises; provided, however, that this subsection shall not apply if your Red Shoe Rescue Franchise is transferred to an approved transferee or if we exercise our right to purchase your entire Red Shoe Rescue Business. If you fail to do so, you must pay us any expenses we incur to de-identify your Store;

(viii) notify all telephone companies, listing agencies and domain name registration companies (collectively, the "Agencies") of the termination or expiration of your right to use: (a) the telephone numbers and/or domain names, if applicable, related to the operation of your Red Shoe Rescue Business; and (b) any regular, classified or other telephone directory listings associated with the Marks (you hereby authorize the Agencies to transfer such telephone numbers, domain names and listings to us and you authorize us, and appoint us and any officer we designate as your attorney-in-fact to direct the Agencies to transfer the telephone numbers, domain names and listings to us if you fail or refuse to do so); and

(ix) provide us with satisfactory evidence of your compliance with the above obligations within 30 days after the effective date of the termination, expiration or Transfer of this Franchise Agreement.

21.2. Right to Purchase Facility and Assets.

21.2.1. Generally. Upon the termination or expiration of this Franchise Agreement, we shall have the right, but not the obligation, to purchase your Red Shoe Rescue Business and/or its assets at fair market value as ascertained by an independent business appraiser. If we elect to exercise this option, the date of determination of the fair market value shall be the effective date of the termination or expiration of this Franchise Agreement ("Appraisal Date") and, if we elect to make such purchase, we shall give you notice of our intent within 30 days following termination or expiration. We will notify you of the specific items that we wish to purchase ("Acquired Assets"). We may also require that you assign your lease to us at no additional charge.

21.2.2. Selecting Qualified Appraisers. You and we each shall appoint an appraiser with experience appraising businesses comparable to your Red Shoe Rescue Business in the United States ("Qualified Appraiser"). This appointment of the appraisers shall be made within 30 days after the Appraisal Date by giving written notice to the other party of the name and address of the Qualified Appraiser. If either of us fails to appoint a Qualified Appraiser within the 30-day period, the appraisal shall be made by the sole Qualified Appraiser appointed within that period. If each of us shall have appointed a Qualified Appraiser within the 30-day period, then within 30 days after that, the two Qualified Appraisers shall appoint a third Qualified Appraiser. If the two Qualified Appraisers fail to agree on the appointment of a third Qualified Appraiser within the 30-day period, then a third Qualified Appraiser shall be appointed by the American Arbitration Association (acting through its office located closest to our corporate headquarters) as promptly as possible after that, upon application by either us or you. Nothing in this provision shall prohibit us and you from jointly approving a single appraiser, nor shall it obligate us or you to do so.

21.2.3. Information for Appraisal. You must furnish to the Qualified Appraisers a copy of your current Financial Statements, as well as your Financial Statements for the prior three years (or the period of time that you have operated your Red Shoe Rescue Business, if less than three years), together with the work papers and other financial information or other documents or information that the Qualified Appraisers may request. The Qualified Appraisers shall take into account the other information and factors that they deem relevant, but the Qualified Appraisers shall be instructed that there shall be no consideration of goodwill in the determination of fair market value.

21.2.4. Appraisal Process. Within 60 days after the appointment of the third Qualified Appraiser, the three Qualified Appraisers shall appraise the Acquired Assets at fair market value without taking into account any value for goodwill ("Appraised Value"). If the three Qualified Appraisers agree on a single value, then they shall issue a joint report and the Appraised Value shall be the value determined by the agreement of the three Qualified Appraisers. If two of the three Qualified Appraisers agree on a single value, these two Qualified Appraisers shall issue a joint report, and the dissenting Qualified Appraiser may (but need not) issue a separate report, and the value determined by agreement of the two Qualified Appraisers who shall agree shall be the Appraised Value. If none of the Qualified Appraisers are able to agree on a single value, each Qualified Appraiser shall issue a report setting forth the value determined by him or her, and the average of the two values that are closest to each other shall be the Appraised Value. Before the issuance of a report by any Qualified Appraiser, each Qualified Appraiser shall advise the others of the value that will appear in his or her report to ensure that the determination of value made by any Qualified Appraiser is made with knowledge of the values determined by the other Qualified Appraisers. If there shall be only a single Qualified Appraiser (because you or we failed to appoint a Qualified Appraiser within the time provided or because you and we jointly approved a single appraiser), then the Appraised Value shall be the value determined by the single Qualified Appraiser. You and we shall equally bear the cost of the appraisal.

21.2.5. Closing. Once the Appraised Value has been determined, we will have at least 60 days to prepare for the closing. We will be entitled to receive from you all customary representations and warranties given by you as the seller of the Acquired Assets and you must transfer good and clean title to the Acquired Assets, subject to any exceptions agreed to by us. We may deduct from the Appraised Value all amounts owed to us and our affiliates under this Franchise Agreement, any promissory note, and any other agreement between you and us or between you and our affiliates.

22. DISPUTE RESOLUTION

22.1. Mediation. Without limiting our rights and remedies under Section 20 and except as set forth in Section 22.3 below, all claims or disputes between you and us or our affiliates arising out of, or in any way relating to, this Franchise Agreement, or any of the parties' respective rights and obligations arising out of this Franchise Agreement, shall be submitted first to non-binding mediation prior to a hearing in binding arbitration. Such mediation shall take place in the city closest to our principal place of business (currently Cameron Park, California) under the auspices of the American Arbitration Association ("AAA"), or other mediation service acceptable to us in our sole discretion, in accordance with AAA's Commercial Mediation Procedures then in effect. You may not commence any action against us or our affiliates with respect to any such claim unless mediation proceedings have been terminated either: (i) as the result of a written declaration of the mediator(s) that further mediation efforts are not worthwhile; or (ii) as a result of a written declaration by us. The parties shall each bear their own costs of mediation and shall share equally the filing fee imposed by AAA and the mediator's fees. We reserve the right to specifically enforce our right to mediation. Prior to mediation, and before commencing any legal action against us or our affiliates

with respect to any such claim or dispute, you must submit a notice to us, which specifies in detail, the precise nature and grounds of such claim or dispute.

22.2. Arbitration. If the parties cannot fully resolve and settle a dispute through mediation as set forth in Section 22.1, all unresolved issues involved in the dispute shall be, at the request of either party, submitted to final and binding arbitration to be conducted in the city closest to our principal place of business (currently Cameron Park, California) by AAA (if AAA or any successor thereto is no longer in existence at the time arbitration is commenced or is no longer available for arbitration in such city, you and we will agree on another arbitration organization to conduct the arbitration proceeding), in accordance with AAA's Commercial Arbitration Rules and otherwise as set forth below on an individual basis (not a class action). In any arbitration proceeding, each party will submit or file any claim that would constitute a compulsory counterclaim as defined by the Federal Rules of Civil Procedure within the same proceeding as the claim it relates to. Any claim that is not submitted or filed as required is forever barred. Except for claims excluded from mediation and arbitration herein, 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, enforceability or formation of this Franchise Agreement including, but not limited to any claim that all or any part of this Franchise Agreement is void or voidable:

(a) Notice of Arbitration. Either party may initiate the arbitration proceeding by making a written demand to the other party, and both parties will then be obligated to engage in arbitration. The demand for arbitration must be served on the other party within the period provided by the applicable statute of limitations, and must contain a statement setting forth the nature of the dispute, the amount involved, if any, and the remedies sought. A demand for arbitration will not operate to stay, postpone or rescind the effectiveness of any termination of this Franchise Agreement. Arbitration will not proceed until any protest of arbitrability is resolved by the arbitrator or by an appropriate court, if necessary.

(b) Selection of Arbitrator. Arbitration will be conducted before a single, neutral arbitrator who is familiar with legal disputes of the type at issue and who has franchise business or contract experience. The parties will mutually agree on the selection of the arbitrator; however, if the parties have not agreed on the selection of an arbitrator within 30 days after the arbitration demand, either party may request AAA or successor organization, to appoint a qualified arbitrator.

(c) Discovery. All discovery must be completed within 60 days following appointment of an arbitrator, unless otherwise agreed by the parties. Depositions will be limited to a maximum of five per party and will be held within 30 days after making a request. Additional depositions may be scheduled only with the permission of the arbitrator and for good cause shown. Each deposition will be limited to a maximum of six hours duration. Should a dispute arise over the extent of or propriety of any discovery request, the arbitrator will make a final determination after hearing each party's position.

(d) Statement of Case. At least five days before the scheduled hearing, each party must deliver to the arbitrator and to the other party a written summary of its position on the issues in dispute.

(e) Arbitrator's Decision. The arbitrator will issue a written decision within ten days after conclusion of the hearing, explaining the basis for the decision. Judgment upon the decision rendered by the arbitrator may be entered in any court having jurisdiction. This decision will be binding upon both parties. The arbitrator will have authority to assess actual damages sustained by reason of any breach or wrongful termination of this Franchise Agreement, including

monetary damages and interest on unpaid amounts from date due, specific performance, injunctive and declaratory relief, and legal fees and costs, but will not have any authority to amend or modify the terms of this Franchise Agreement or to assess exemplary or punitive damages. Except for claims excluded from mediation and arbitration herein, 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, enforceability or formation of this Franchise Agreement including, but not limited to any claim that all or any part of this Franchise Agreement is void or voidable.

(f) Time Schedule. Any award will be made within nine months of the filing of the notice of intention to arbitrate and the arbitrator will agree to comply with this schedule before accepting appointment. The parties will use due diligence to meet the foregoing time schedule, and the arbitrator will have the right to impose appropriate sanctions against any party who fails to comply with the agreed-upon time schedule. The arbitrator will use his best efforts to comply with the foregoing time schedule, but may unilaterally modify it if, in his opinion, modification is necessary for a proper and just resolution of the dispute. The parties may jointly modify the agreed-upon time schedule, subject to the arbitrator's approval.

(g) Arbitration Expenses. The fees of, and authorized costs incurred by, the arbitrator will be shared equally by the parties, and each party will bear all of its own costs of arbitration; provided, however, that the arbitration decision will provide that the substantially prevailing party will recover from the other party its actual costs and expenses (including arbitrator's fees and expenses, and attorney fees and expenses) incurred in connection with the dispute.

(i) Confidentiality. Except as required by applicable law, including the required disclosure in our franchise disclosure document, the entire arbitration proceedings and related documents are confidential. Except as necessary to enforce the decision of the arbitrator hereunder, all conduct, statements, promises, offers, views and opinions, whether oral or written, made in the course of the arbitration by any of the parties, their agents, employees or representatives and by the arbitrator, are confidential. These matters will not be discoverable or admissible for any purposes, including impeachment, in any litigation or other proceeding involving the parties, and will not be disclosed to anyone who is not an agent, employee, expert witness, or representative for any of the parties; however, evidence otherwise discoverable or admissible is not excluded from discovery or admission as a result of its use in the arbitration.

(j) Acknowledgement. The parties acknowledge that nothing herein shall delay or otherwise limit our rights and remedies under Section 20 of this Franchise Agreement. A notice or request for arbitration or mediation will not operate to stay, postpone, or rescind the effectiveness of any demand for performance or notice of termination under this Franchise Agreement.

22.3. Disputes Not Subject to Mediation or Arbitration. Notwithstanding the foregoing, the following claims or disputes will not be subject to mediation or arbitration under Sections 22.1 or 22.2, and you or we may immediately file a lawsuit in accordance with this Section 22.3 with respect to any of the following:

(i) any action that involves an alleged breach of any restrictive covenant under Section 14;

(ii) any action petitioning specific performance to enforce your use of the Marks or the System or to prevent unauthorized duplication of the Marks or the System;

(iii) any action for equitable relief, including, without limitation, seeking preliminary or permanent injunctive relief, specific performance, or other relief in the nature of equity , including an action to enjoin an alleged violation or harm (or imminent risk of violation or harm) to any of our rights in the Intellectual, Copyrights, Marks, the System, or in any of our specialized training, trade secrets, or other Confidential Information, brought at any time, including prior to or during the pendency of any mediation or arbitration proceedings under Sections 22.1 or 22.2; or

(iv) any action seeking compliance with post-termination obligations set forth in Section 21; or

(v) any action in ejectment or for possession of any interest in real or personal property.

22.4. Venue. All claims or disputes must be mediated, arbitrated and, if applicable, litigated in the principal city closest to our principal place of business (currently Cameron Park, California), subject to applicable state law; provided that we have the option to bring suit against you in any state or federal court within the jurisdiction where your Red Shoe Rescue Business is or was located or where any of your owners resides for those claims brought in accordance with Section 22.3. The parties consent to the exercise of personal jurisdiction over them by these courts, and to the propriety of venue in these courts for the purpose of this Franchise Agreement, and the parties waive any objections to such venue that they would otherwise have in this regard. Each of the parties specifically waives any defense of inconvenient forum to the maintenance of any action or proceeding so brought and waives any bond, surety, or other security that might be required of any other party with respect thereto.

22.5. Fees and Costs. If we or you must enforce this Franchise Agreement in an arbitration or judicial proceeding, the substantially prevailing party will be entitled to reimbursement of its costs and expenses, including reasonable fees for accountants, attorneys, and expert witnesses, costs of investigations and proof of facts, court costs, travel and living expenses, and other dispute-related expenses. In addition, if you breach any term of this Franchise Agreement or any other agreement with us or an affiliate of ours, you agree to reimburse us for all reasonable attorneys' fees and other expenses we incur relating to such breach, regardless of whether the breach is cured prior to the commencement of any dispute resolution proceedings. If there is a mixed decision involving an award of money or money equivalent and equitable relief, the arbitrator will award the above fees to the party that it deems substantially prevailed over the other party using reasonable business and arbitrator's judgment. We reserve the right, but have no obligation, to advance your share of the costs of any arbitration proceeding for such arbitration proceeding to take place, and by doing so will not be deemed to have waived or relinquished our right to seek recovery of those costs in accordance with this Section. If either party commences any legal action or proceeding in any court in contravention of the terms of this Section, that party shall pay all costs and expense that the other party incurs in the action or proceeding, including, without limitation, costs and attorneys' fees as described in this Section.

22.6. JURY TRIAL & CLASS ACTION WAIVER. WE AND YOU IRREVOCABLY WAIVE: (i) TRIAL BY JURY; AND (ii) THE RIGHT TO ARBITRATE OR LITIGATE ON A CLASS ACTION BASIS IN ANY ACTION, PROCEEDING OR COUNTERCLAIM, WHETHER AT LAW OR IN EQUITY, BROUGHT BY EITHER OF THE PARTIES.

22.7. Limitation of Actions and Waiver of Punitive Damages. We and you agree that any legal action of any kind by a party arising out of or relating to this Franchise Agreement or a default of this Franchise Agreement must be commenced within one (1) year from the occurrence of the facts giving rise to any such claim or action or such claim or action will be barred provided, however, that the forgoing

limitation shall not apply where required by applicable law, to the parties indemnification obligations under this Franchise Agreement or to the claims or disputes listed in Section 22.3 above. You and we, for yourselves, ourselves and on behalf of the Owners respectively, hereby waive to the fullest extent permitted by applicable law, any right to, or claim for, punitive or exemplary damages against the other, and agree that except to the extent provided to the contrary in this Franchise Agreement, in the event of a dispute you and we shall each be limited to recovering only the actual damages proven to be sustained any legal action of any kind.

22.8. Survival. We and you agree that the provisions of this Section 22 shall apply during the term of this Franchise Agreement and following the termination, expiration or non-renewal of this Franchise Agreement. We and you agree to fully perform all obligations under this Franchise Agreement during the entire mediation, arbitration or litigation process.

23. SECURITY INTEREST

23.1. Collateral. You grant to us a security interest ("Security Interest") in all of the furniture, fixtures, equipment, signage and realty (including your interests under all real property and personal property leases) of the Red Shoe Rescue Business, together with all similar property now owned or hereafter acquired, additions, substitutions, replacements, proceeds and products thereof, wherever located, used in connection with the Red Shoe Rescue Business. All items in which a security interest is granted are referred to as the collateral ("Collateral").

23.2. Indebtedness Secured. The Security Interest is to secure payment of the following (the "Indebtedness"):

(i) All amounts due under this Franchise Agreement or otherwise by you;

(ii) All sums which we may, at our option, expend or advance for the maintenance, preservation and protection of the Collateral, including, without limitation, payment of rent, taxes, levies, assessments, insurance premiums, and discharge of liens, together with interest, or any other property given as security for payment of the Indebtedness;

(iii) All expenses, including reasonable attorney fees, which we incur in connection with collecting any or all Indebtedness secured hereby or in enforcing or protecting our rights under the Security Interest and this Franchise Agreement; and

(iv) All other present or future, direct or indirect, absolute or contingent, liabilities, obligations and indebtedness of you to us or third parties under this Franchise Agreement, however created, and specifically including all or part of any renewal or extension of this Franchise Agreement, whether or not you execute any extension agreement or Successor Agreement.

Our security interest, as described herein, shall be subordinated to any financing related to your operation of the Red Shoe Rescue Business, including, but not limited to, a real property mortgage and equipment leases.

23.3. Additional Documents. You will, from time to time as required by us, join with us in executing any additional documents and one or more financing statements pursuant to the Uniform Commercial Code (and any assignments, extensions or modifications thereof) in form satisfactory to us.

23.4. Possession of Collateral. Upon default and termination of your rights under this Franchise Agreement, we shall have the immediate right to possession and use of the Collateral.

23.5. Our Remedies in Event of Default. You agree that, upon the occurrence of any default set forth above, the full amount remaining unpaid on the Indebtedness secured shall, at our option and without notice, become due and payable immediately, and we shall then have the rights, options, duties and remedies of a secured party under, and you shall have the rights and duties of a debtor under, the Uniform Commercial Code of California (or other applicable law), including, without limitation, our right to take possession of the Collateral and without legal process to enter any premises where the Collateral may be found. Any sale of the Collateral may be conducted by us in a commercially reasonable manner. Reasonable notification of the time and place of any sale shall be satisfied by mailing to you pursuant to the notice provisions set forth above.

23.6. Special Filing as Financing Statement. This Franchise Agreement shall be deemed a Security Agreement and a Financing Statement. This Franchise Agreement may be filed for record in the real estate records of each county in which the Collateral, or any part thereof, is situated and may also be filed as a Financing Statement in the counties or in the office of the Secretary of State, as appropriate, in respect of those items of Collateral of a kind or character defined in or subject to the applicable provisions of the Uniform Commercial Code as in effect in the appropriate jurisdiction.

24. YOUR REPRESENTATIONS. YOU HEREBY REPRESENT THAT: (i) 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 (ii) YOU ARE AWARE OF THE FACT THAT WE MAY HAVE NEGOTIATED TERMS OR OFFERED CONCESSIONS TO OTHER FRANCHISEES AND WE HAVE NO OBLIGATION TO OFFER YOU THE SAME OR SIMILAR NEGOTIATED TERMS OR CONCESSIONS.

25. GENERAL PROVISIONS

25.1. Governing Law. Except as governed by the United States Trademark Act of 1946 (Lanham Act, 15 U.S.C. §§ 1051, et seq.), this Franchise Agreement and the franchise relationship shall be governed by the laws of the State where your Red Shoe Rescue Business is located (without reference to its principles of conflicts of law). Any issue regarding arbitration will be governed by the Federal Arbitration Act and the federal common law of arbitration.

25.2. Relationship of the Parties. You are an independent contractor. You will exercise full and complete control over, and have full responsibility for, all of your contracts, daily operations, labor relations, employment practices and policies, including the recruitment, selection, hiring, disciplining, firing, training, compensation, work rules and schedules of your employees and independent contractors. You will direct when, where or how the work is done in the operation of your Red Shoe Rescue Business. We do not insist on particular individuals performing certain work in the Red Shoe Rescue Business; you are free to assign work and roles to anyone you identify as competent and capable of performing such work. We will not assist you in hiring, supervising or paying any of your workers or such worker's assistants. You are responsible for determining the hours or days your employees and independent contractors work for your Red Shoe Rescue Business, including whether your employees and independent contractors work in full-time or part-time capacities. All employees or independent contractors hired by or working for you will be your employees or independent contractors alone and will not, for any purpose, be deemed our employees or subject to our control, most particularly with respect to any mandated or other insurance coverage, tax or contributions, or requirements pertaining to withholdings levied or fixed by any city, state or federal governmental agency. You and we will file our own tax, regulatory and payroll reports, and be responsible for all employee benefits and workers' compensation payments with respect to our

respective employees and operations, and we will save and indemnify one another of and from any liability of any nature whatsoever by virtue thereof. At all times, including in connection with all uses of any of the Marks, in connection with the operation of the Red Shoe Rescue Business, and in connection with all dealings with customers, suppliers, public officials, the general public and others, you will conspicuously indicate your status as an independent contractor, including in all contracts, advertising, publicity, promotional and other marketing materials, and on any signage and uniforms, and in the manner specified in the Brand Standards Manual or as we otherwise may require. You will not make any express or implied agreements, guarantees or representations, or incur any debt in our name or on our behalf. You will not represent that the relationship between you and us is anything other than a franchise relationship. We will not be obligated by or have any liability under any agreements or representations made by you, and we will not be obligated for any damages to any person or property directly or indirectly arising out of your operation of the Red Shoe Rescue Business. You agree that fulfillment of any and all of our obligations written in the Franchise Agreement, or based on any oral communications which may be ruled to be binding in a court of law, shall be our sole responsibility and none of our owners, officers, agents, representatives, nor any individuals associated with us shall be personally liable to you for any reason.

25.3. **Severability and Substitution**. Each section, subsection, term and provision of this Franchise Agreement, and any portion thereof, shall be considered severable. If any applicable and binding law imposes mandatory, non-waivable terms or conditions that conflict with a provision of this Franchise Agreement, the terms or conditions required by such law shall govern to the extent of the inconsistency and supersede the conflicting provision of this Franchise Agreement. If a court concludes that any promise or covenant in this Franchise Agreement is unreasonable and unenforceable: (i) the court may modify such promise or covenant to the minimum extent necessary to make such promise or covenant enforceable; or (ii) we may unilaterally modify such promise or covenant to the minimum extent necessary to make such promise or covenant enforceable and consistent with the original intent of the parties (i.e., to provide maximum protection for us and to effectuate your obligations under the Franchise Agreement to the fullest extent permitted by law), and you agree to be bound by the modified provisions.

25.4. **Waivers**. We and you may, by written instrument, unilaterally waive or reduce any obligation of or restriction upon the other. Any waiver granted by us shall be without prejudice to any other rights we may have. We and you shall not be deemed to have waived or impaired any right, power or option reserved by this Franchise Agreement (including the right to demand exact compliance with every term, condition and covenant in this Franchise Agreement, or to declare any breach of this Franchise Agreement to be a default, and to terminate the Franchise before the expiration of its Term) by virtue of: (i) any custom or practice of the parties at variance with the terms of this Franchise Agreement; (ii) any failure, refusal or neglect of us or you to exercise any right under this Franchise Agreement or to insist upon exact compliance by the other with its obligations under this Franchise Agreement, including any mandatory specification, standard or operating procedure; (iii) any waiver, forbearance, delay, failure or omission by us to exercise any right, power or option, whether of the same, similar or different nature, relating to other Red Shoe Rescue franchisees; or (iv) the acceptance by us of any payments due from you after breach of this Franchise Agreement.

25.5. **Approvals**. Whenever this Franchise Agreement requires our approval, you must make a timely written request for approval, and the approval must be in writing in order to bind us. Except as otherwise expressly provided in this Franchise Agreement, if we fail to approve any request for approval within the required period of time, we shall be deemed to have disapproved your request. If we deny approval and you seek legal redress for the denial, the only relief to which you may be entitled is to acquire our approval. Except where this Franchise Agreement states that we may not unreasonably withhold our approval or consent, we may withhold such approval or consent, in our sole discretion. You are not entitled to any other relief or damages for our denial of approval.

25.6. Force Majeure. No party shall be liable for any loss or damage that arises directly or indirectly through or as a result of any delay in the fulfillment of or failure to fulfil its obligations in whole or in part (other than the payment of money as may be owed by a party) under this Franchise Agreement where the delay or failure is due to Force Majeure. In the event of Force Majeure, the parties shall be relieved of their respective obligations only to the extent the parties are respectively necessarily prevented or delayed in such performance during the period of such Force Majeure. As used in this Franchise Agreement, the term "Force Majeure" shall mean any act of God, strike, lock-out or other industrial disturbance, war (declared or undeclared), riot, epidemic, fire or other catastrophe, act of any government and any other similar cause which is beyond the party's control and cannot be overcome by use of normal commercial measures. The party whose performance is affected by an event of Force Majeure shall give prompt notice of such Force Majeure event to the other party, which in no case shall be more than 48 hours after the event, setting forth the nature thereof and an estimate as to its duration, and the affected party shall furnish the other party with periodic reports regarding the progress of the Force Majeure event. Each party must use its best efforts to mitigate the effect of the event of Force Majeure upon its performance of the Franchise Agreement and to fulfill its obligations under the Franchise Agreement. Upon completion of the event of Force Majeure, the party affected must as soon as reasonably practicable recommence the performance of its obligations under this Franchise Agreement. Any delay resulting from an event of Force Majeure will extend performance accordingly or excuse performance (other than payment of money), in whole or in part, only as may be reasonable under the circumstances. However, in the event the Force Majeure continues for a period of six months or more, then the unaffected party may, at its option, terminate this Franchise Agreement by thirty (30) days' prior written notice to the party asserting such Force Majeure. An event of Force Majeure does not relieve a party from liability for an obligation which arose before the occurrence of the event, nor does that event affect any obligation to pay money owed under the Franchise Agreement or to indemnify us, whether such obligation arose before or after the Force Majeure event. An event of Force Majeure shall not affect your obligations to comply with any restrictive covenants in this Franchise Agreement during or after the Force Majeure event.

25.7. You May Not Withhold Payments. You agree that you will not, on grounds of the alleged nonperformance by us of any of our obligations hereunder, withhold payment of any Royalty, Brand Fund Contribution, amounts due to us for purchases by you or any other amounts due to us.

25.8. Binding Effect. This Franchise Agreement is binding upon the parties to this Franchise Agreement and their respective executors, administrators, heirs, assigns and successors in interest. Nothing in this Franchise Agreement is intended, nor shall be deemed, to confer any rights or remedies upon any person or legal entity not a party to this Franchise Agreement; provided, however, that the additional insureds listed in Section 15.1 and the Indemnified Parties are intended third-party beneficiaries under this Franchise Agreement with respect to Section 18.

25.9. Integration. This Franchise Agreement constitutes the entire agreement between the parties and may not be changed except by a written document signed by both parties. Any email correspondence or other form of informal electronic communication shall not be deemed to modify this Franchise Agreement unless such communication is signed by both parties and specifically states that it is intended to modify this Franchise Agreement. The attachment(s) are part of this Franchise Agreement, which, together with any amendments or addenda executed on or after the Effective Date, constitutes the entire understanding and agreement of the parties, and there are no other oral or written understandings or agreements between us and you about the subject matter of this Franchise Agreement. No provision herein expressly identifying any term or breach of this Franchise Agreement as material shall be construed to imply that any other term or breach which is not so identified is not material. As referenced above, all mandatory provisions of the Brand Standards Manual are part of this Franchise Agreement; however, notwithstanding the foregoing, we may modify the Brand Standards Manual at any time. Any representations not specifically contained in this Franchise Agreement made before entering into this

Franchise Agreement do not survive after the signing of this Franchise Agreement. This provision is intended to define the nature and extent of the parties' mutual contractual intent, there being no mutual intent to enter into contract relations, whether by agreement or by implication, other than as set forth above. The parties acknowledge that these limitations are intended to achieve the highest possible degree of certainty in the definition of the contract being formed, in recognition of the fact that uncertainty creates economic risks for both parties which, if not addressed as provided in this Franchise Agreement, would affect the economic terms of this bargain. Nothing in this Franchise Agreement is intended to disclaim any of the representations we made in the Franchise Disclosure Document.

25.10. Covenant of Good Faith. If applicable law implies a covenant of good faith and fair dealing in this Franchise Agreement, the parties agree that the covenant shall not imply any rights or obligations that are inconsistent with a fair construction of the terms of this Franchise Agreement. Additionally, if applicable law shall imply the covenant, you agree that: (i) this Franchise Agreement (and the relationship of the parties that is inherent in this Franchise Agreement) grants us the discretion to make decisions, take actions and/or refrain from taking actions not inconsistent with our explicit rights and obligations under this Franchise Agreement that may affect favorably or adversely your interests; (ii) we will use our judgment in exercising the discretion based on our assessment of our own interests and balancing those interests against the interests of our franchisees generally (including ourselves and our affiliates, if applicable), and specifically without considering your individual interests or the individual interests of any other particular franchisee; (iii) we will have no liability to you for the exercise of our discretion in this manner, so long as the discretion is not exercised in bad faith; and (iv) in the absence of bad faith, no trier of fact in any arbitration or litigation shall substitute its judgment for our judgment so exercised.

25.11. Rights of Parties are Cumulative. The rights of the parties under this Franchise Agreement are cumulative and no exercise or enforcement by either party of any right or remedy under this Franchise Agreement will preclude any other right or remedy available under this Franchise Agreement or by law.

25.12. Survival. All provisions that expressly or by their nature survive the termination, expiration or Transfer of this Franchise Agreement (or the Transfer of an ownership interest in the Red Shoe Rescue Franchise) shall continue in full force and effect, subsequent to and notwithstanding its termination, expiration or Transfer, and until they are satisfied in full or by their nature expire, including, without limitation, Section 7, Section 13, Section 14, Section 18, Section 21, Section 22, Section 23 and Section 25.

25.13. Construction. The headings in this Franchise Agreement are for convenience only and do not define, limit or construe the contents of the sections or subsections. All references to Sections refer to the Sections contained in this Franchise Agreement unless otherwise specified. All references to days in this Franchise Agreement refer to calendar days unless otherwise specified. The term "you" as used in this Franchise Agreement is applicable to one or more persons or an Entity, and the singular usage includes the plural and the masculine and neuter usages include the other and the feminine and the possessive.

25.14. Time of Essence. Time is of the essence in this Franchise Agreement and every term thereof.

25.15. Counterparts. This Franchise Agreement may be signed in multiple counterparts, each of which shall be deemed an original and all of which together shall constitute but one and the same document.

25.16. **Notices**. All notices given under this Franchise Agreement must be in writing, delivered by hand, email (to the last email address provided by the recipient), or priority mail, to the following addresses (which may be changed upon ten business days' prior written notice):

You: As set forth on Attachment B

Us: Red Shoe Rescue Franchise, LLC
4100 Cameron Park Drive, #109
Cameron Park, CA 95682

Notice shall be considered given at the time delivered by hand, or one business day after sending by email or comparable electronic system, or three business days after placed in the mail by priority mail with a delivery confirmation.

(Signature Page Follows)

The parties to this Franchise Agreement have executed this Franchise Agreement effective as of the Effective Date set forth in Attachment B.

FRANCHISOR:

RED SHOE RESCUE FRANCHISE, LLC
a California limited liability company

Sign: _____

Printed Name: _____

Title: _____

FRANCHISEE:

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

Sign: _____

Printed Name: _____

Title: _____

Or if Franchisee is an individual(s)

Sign: _____
individually

Printed Name:_____

Sign: _____
individually

Printed Name:_____

ATTACHMENT A

TO THE FRANCHISE AGREEMENT

DEFINITIONS

"Account" is defined in Section 13.4.

"Acquired Assets" is defined in Section 21.2.1.

"Agencies" is defined in Section 21.1(viii).

"Appraisal Date" is defined in Section 21.2.1.

"Appraised Value" is defined in Section 21.2.4.

"Brand Fund" is defined in Section 11.1.1.

"**Brand Fund Contribution**" is defined in Section 11.1.2.

"Brand Standards Manual" is defined in Section 6.1.

"Claim" or **"Claims"** means any and all claims, actions, demands, assessments, litigation or other form of regulatory or adjudicatory procedures, claims, demands, assessments, investigations or formal or informal inquiries.

"Collateral" is defined in Section 23.1.

"Competitive Business" means any business that provides mobile device repair and warranty services, and sells mobile device accessories and other related products (but excludes a Red Shoe Rescue Business operating under a franchise agreement with us).

"Confidential Information" means all of our trade secrets and other proprietary information relating to the development, construction, marketing and/or operation of a Red Shoe Rescue Business, including, but not limited to, methods, techniques, specifications, procedures, policies, marketing strategies and information comprising the System, the Brand Standards Manual, written directives and all drawings, equipment, computer and point-of-sale programs (and output from such programs), and any other information, know-how, techniques, material and data imparted or made available by us to you.

"Confidentiality Agreement" means our form of Confidentiality Agreement, the most current form of which is attached to the Franchise Disclosure Document in Exhibit H.

"Copyrights" means all works and materials for which we or our affiliate has secured common law or registered copyright protection and that we allow Red Shoe Rescue franchisees to use, sell or display in connection with the marketing and/or operation of a Red Shoe Rescue Business, whether now in existence or created in the future.

"Council" is defined in Section 11.4.

"Credit Card Vendors" is defined in Section 12.13.

"Crisis Management Event" means any event that occurs at the Store that has or may cause harm or injury to customers or employees, such as contagious diseases, natural disasters, terrorist acts, shootings or any other circumstance which may damage the System, Marks or image or reputation of the Red Shoe Rescue Business or us or our affiliates.

"Designated Manager" is defined in Section 8.2

"Effective Date" is listed in Attachment B.

"Entity" means a corporation, partnership, limited liability company or other form of association.

"Financial Statements" means a balance sheet, profit and loss statement, statement of cash flows and explanatory footnotes prepared in accordance with generally accepted accounting principles applied on a consistent basis.

"Franchise" means the right granted to you by us to use the System and the Marks.

"Franchise Agreement" is defined in the Introductory Paragraph.

"General Release" means our current form of general release of all known and unknown claims against us and our affiliates and subsidiaries, and our and their respective members, officers, directors, agents and employees, in both their corporate and individual capacities. A current copy of our General Release is attached to the Franchise Disclosure Document in Exhibit H.

"Gross Sales" means the total of all revenues, income and consideration from the sale of all Red Shoe Rescue Business merchandise, products and services to your customers, whether or not sold or performed at or from the Red Shoe Rescue Business, and whether received in cash, coupon, in services in kind, from barter or exchange, on credit (whether or not payment is received) or otherwise. Gross Sales includes all proceeds from any business interruption insurance. If you offer any services, all receipts from these services are included in Gross Sales. You may deduct from Gross Sales for purposes of this computation (but only to the extent they have been included) the amount of all sales tax receipts or similar tax receipts which, by law, are chargeable to customers, if the taxes are separately stated when the customer is charged and if the taxes are paid to the appropriate taxing authority. You may also deduct from Gross Sales the amount of any documented refunds, chargebacks, credits, charged tips and allowances you give in good faith to your customers, as well as any revenue you receive from an LCD buyback program. All barter or exchange transactions in which you furnish products or services in exchange for goods or services provided to you by a vendor, supplier or customer will, for the purpose of determining Gross Sales, be valued at the full retail value of the goods or services so provided to you.

"Improvements" is defined in Section 17.5.

"Indebtedness" is defined in Section 23.2

"Indemnified Party" or **"Indemnified Parties"** means us and each of our past, present and future owners, members, officers, directors, employees and agents, as well as our parent companies, subsidiaries and affiliates, and each of their past, present and future owners, members, officers, directors, employees and agents.

"Initial Franchise Fee" is defined in Section 13.1.

"Intellectual Property" means, collectively or individually, our Marks, Copyrights, Confidential Information, System and Improvements.

"Interim Manager" is defined in Section 8.4.

"Interim Term" is defined in Section 4.3.

"Local Advertising Requirement" is defined in Section 11.2.1.

"Losses and Expenses" means all compensatory, exemplary and punitive damages; fines and penalties; attorney fees; experts fees; court costs; costs associated with investigating and defending against Claims; settlement amounts; judgments; compensation for damages to our reputation and goodwill; and all other costs, damages, liabilities, fees and expenses associated with any of the foregoing losses and expenses or incurred by an Indemnified Party as a result of a Claim.

"Marks" means the logotypes, service marks and trademarks now or hereafter involved in the operation of a Red Shoe Rescue Business, including Red Shoe Rescue and any other trademarks, service marks or trade names that we designate for use in a Red Shoe Rescue Business.

"Operating Principal" is defined in Section 8.1

"Owner" or **"Owners"** means any individual who owns a direct or indirect ownership interest in the Franchise or the Entity that is the franchisee under this Franchise Agreement. Owner includes both passive and active owners.

"Franchise Owner Agreement" is defined in the third Introductory Paragraph.

"Post-Term Restricted Period" means, with respect to you, a period of one year after the termination, expiration or Transfer of this Franchise Agreement. Post-Term Restricted Period means, with respect to an Owner, a period of one year after the earlier to occur of: (i) the termination, expiration or Transfer of this Franchise Agreement; or (ii) the Owner's Transfer of his or her entire ownership interest in the Red Shoe Rescue Franchise or the Entity that is the franchisee, as applicable.

"Prohibited Activities" is defined in Section 14.3.

"Qualified Appraiser" is defined in Section 21.2.2.

"Red Shoe Rescue Business" is defined in Section 2.

"Restricted Territory" means the geographic area within: (i) a 25-mile radius from your Store; and (ii) a 25-mile radius from all other Stores that are operating or under construction as of the Effective Date and remain in operation or under construction during all or any part of the Post-Term Restricted Period; provided, however, that if a court of competent jurisdiction determines that the foregoing Restricted Territory is too broad to be enforceable, then the Restricted Territory means the geographic area within a 12.5-mile radius from your Store and all other Stores that are operating or under construction as of the Effective Date.

"Security Interest" is defined in Section 23.1.

"Store" is defined in Section 2.

"Successor Agreement" is defined in Section 4.1.

"System" means our proprietary System for the operation of a business that provides mobile device repair and warranty services, and sells mobile device accessories and other related products, the distinctive

characteristics of which include logo, trade secrets, concept, style, proprietary programs and products, confidential Brand Standards Manual and operating System.

"Term" is defined in Section 4.1.

"Territory" is defined in Section 3.

"Transfer" means any direct or indirect, voluntary or involuntary (including by judicial award, order or decree) assignment, sale, conveyance, subdivision, sublicense or other transfer or disposition of the Franchise (or any interest therein), the Red Shoe Rescue Business (or any portion thereof), or a direct or indirect ownership interest in an Entity that is the franchisee, including by merger or consolidation, by issuance of additional securities representing an ownership interest in the Entity that is the franchisee, or by operation of law, will or a trust upon the death of an Owner (including the laws of intestate succession).

"We," **"us**," or **"our"** is defined in the Introductory Paragraph.

"You" or **"your"** is defined in the Introductory Paragraph.

ATTACHMENT B

TO THE FRANCHISE AGREEMENT

FRANCHISE DATA SHEET

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

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

3. **Notice Address**. Franchisee's address for notices as set forth in Section 25.16 of the Franchise Agreement shall be as follows:

   Attn: _____
   _____
   _____
   _____

4. **Initial Franchise Fee** (check one):

   ____ $25,000 for a single Franchise

   ____ Not applicable; this Franchise Agreement is being signed as a Successor Agreement or as a result of a Transfer

   ____ Not applicable; this Franchise Agreement is for the first* Franchise under an area development agreement being executed contemporaneously herewith

   ____ $_____; this Franchise Agreement is for the second or subsequent* Franchise to be developed under a previously executed area development agreement and the initial franchise fee reflects that there was a credit under the area development agreement

   * this Franchise Agreement is the _____ (e.g., *first*) of _____ (*total number*) under an area development agreement between you and us dated _____, 20___.

5. **Territory** (check one):

   ____ the Red Shoe Rescue Business will be operated from a Non-Traditional Location and will not have a Territory.

   ____ Subject to final approval of the location of the Red Shoe Rescue Business, the parties intend that the Red Shoe Rescue Business will have a Territory, which shall be set forth in Attachment B-1. We will present you with the Territory upon the identification of the site for the Red Shoe Rescue Business. If you do not wish to accept the Territory, you may choose another site location and we will present you with another Territory based on the site selected.

6. **Store Location**. If a particular site for the Store has been selected and approved at the time of the signing of this Franchise Agreement, it shall be entered in Attachment B-1 as the Store location, along with the Territory, if applicable. If a particular site has not been selected and approved at the time of the signing of this Franchise Agreement, Section 7 of this Attachment B will describe the location in general terms below in the "General Description." The General Description does not confer any territory rights to you and is only used for a reference. We may sell other franchised locations in the area in the General Description. After we have approved a location for your Store, you and we will execute Attachment B-1.

7. **General Description of Area For Store Location** (If your Store's location is not specified in Attachment B-1 upon the signing of the Franchise Agreement):

_____.

(Signature Page Follows)

FRANCHISOR:

RED SHOE RESCUE FRANCHISE, LLC
a California limited liability company

Sign: _____

Printed Name: _____

Title: _____

FRANCHISEE:

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

Sign: _____

Printed Name: _____

Title: _____

Or if Franchisee is an individual(s)

Sign: _____
individually

Printed Name:_____

Sign: _____
individually

Printed Name:_____

ATTACHMENT B-1

TO THE FRANCHISE AGREEMENT

You have received approval for site location for the Store that satisfies the demographics and location requirements minimally necessary for a Store and that meets our minimum current standards and specifications for the buildout, interior design, layout, floor plan, signs, designs, color and décor of a Store. You acknowledge that our acceptance of the site location for the Store is in no way a representation by us that your site will be successful. We and you have mutually agreed upon a Territory based on the site for the Store which is indicated below. You acknowledge that the Territory is in conformance with the territory guidelines stated in Item 12 of the Franchise Disclosure Document.

Location for Store:

The location for your Store as provided in Section 7.1 of the Franchise Agreement is:

_____

Territory:

_____ Not applicable. You do not receive a Territory.

_____ The Territory is:

_____
_____
_____
_____

FRANCHISOR:	**FRANCHISEE:**
RED SHOE RESCUE FRANCHISE, LLC a California limited liability company	[FRANCHISEE ENTITY] [a(n) Franchisee Entity State of Formation/Incorporation] [franchisee entity type]
Sign: _____	Sign: _____
Printed Name: _____	Printed Name: _____
Title: _____	Title: _____

Or if Franchisee is an individual(s)

Sign: _____
individually

Printed Name:_____

Sign: _____
individually

Printed Name:_____

ATTACHMENT C

TO THE FRANCHISE AGREEMENT

STATEMENT OF OWNERSHIP

Franchisee: _____

Form of Ownership
(Check One)

____ Individual ____ Partnership ____ Corporation ____ Limited Liability Company

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

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

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

State and Date of Formation/Incorporation: _____

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

Name	Title

Members, Stockholders, Partners*:

Name	Address	Percentage Owned

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

Identification of Operating Principal. Your Operating Principal is _____ _____. You may not change the Operating Principal without prior written approval.

Identification of Designated Manager. Your Designated Manager, if applicable, is _____ _____. You may not change the Designated Manager without prior written approval.

Franchisee acknowledges that this Statement of Ownership applies to the Franchise authorized under the Franchise Agreement and is current and complete as of the Effective Date.

FRANCHISEE:

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

Date: _____

Sign: _____

Printed Name: _____

Title: _____

Or if Franchisee is an individual(s)

Sign: _____
individually

Printed Name:_____

Sign: _____
individually

Printed Name:_____

ATTACHMENT D

TO THE FRANCHISE AGREEMENT

FRANCHISE OWNER AGREEMENT

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

1. Acknowledgments.

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

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

2. Non-Disclosure and Protection of Confidential Information.

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

2.2 Immediate Family Members. Owners acknowledge that they could circumvent the purpose of Section 2.1 by disclosing Confidential Information to an immediate family member (i.e., spouse, parent, sibling, child, or grandchild). Owners also acknowledge that it would be difficult for us to prove whether Owners disclosed the Confidential Information to family members. Therefore, each Owner agrees that he or she will be presumed to have violated the terms of Section 2.1 if any member of his or her immediate family uses or discloses the Confidential Information or engages in any activities that would constitute a violation of the covenants listed in Section 3, below, if performed by Owners. However, Owners may rebut

this presumption by furnishing evidence conclusively showing that Owners did not disclose the Confidential Information to the family member.

3. Covenant Not To Compete.

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

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

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

4. Continuing Guarantee.

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

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

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

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

can take place before, after, or contemporaneously with, enforcement of any of Franchisee's debts or obligations under the Franchise Agreement.

4.5 Waiver of Notice. Without affecting Owners' obligations under this Section 4, we can extend, modify, or release any of Franchisee's indebtedness or obligation, or settle, adjust, or compromise any claims against Franchisee, all without notice to the Owners. Owners waive notice of amendment of the Franchise Agreement and notice of demand for payment or performance by Franchisee.

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

4.7 Waiver of Acceptance, Default and Defenses. Owners waive: (i) acceptance and notice of acceptance by us of the forgoing undertakings; (b) protest and notice of default to any party with respect to the indebtedness or non-performance of any obligations hereby guaranteed; and (c) any and all other notices and legal or equitable defenses, right of setoff, claim or counterclaim whatsoever to which they may be entitled at any time hereunder.

4.8 Continuing Nature. Owners agree that each of the obligations in this Section 4 shall be continuing and shall not be discharged by: (i) the insolvency of Franchisee or the payment in full of all of the obligations at any time; (ii) the power or authority or lack thereof of Franchisee to incur the obligations; (iii) the validity or invalidity of any of the obligations; (iv) the existence or non-existence of Franchisee as a legal entity; (v) the transfer or assignment of all or a portion of the ownership in Franchisee and/or the assets of Franchisee; (vi) the execution of an owners agreement or any other form of guaranty by any direct, indirect or beneficial owner of Franchisee in favor of us or our successors or assigns; (vii) any statute of limitations affecting the liability of Owners or the ability of us to enforce this Franchise Owner Agreement or the obligations; (viii) any right of offset, counterclaim or defense of any Owner, including, without limitation, those which have been waived by Owners pursuant to this Franchise Owners Agreement; or (ix) the expiration, termination or assignment of the Franchise Agreement or any other agreement between you or Franchisee and us or our affiliates.

5. Transfers.

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

6. Notices.

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

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

Red Shoe Rescue Franchise, LLC
4100 Cameron Park Drive, #109
Cameron Park, CA 95682

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

7. Enforcement of This Franchise Owner Agreement.

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

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

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

8. Miscellaneous.

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

8.2 Severability. Each provision of this Franchise Owner Agreement, and any portions thereof, will be considered severable. If any provision of this Franchise Owner Agreement or the application of any provision to any person, property or circumstances is determined by a court of competent jurisdiction to be

invalid or unenforceable, the remainder of this Franchise Owner Agreement will be unaffected and will still remain in full force and effect. The parties agree that the provision found to be invalid or unenforceable will be modified to the extent necessary to make it valid and enforceable, consistent as much as possible with the original intent of the parties (i.e. to provide maximum protection for us and to effectuate the Owners' obligations under the Franchise Agreement), and the parties agree to be bound by the modified provisions.

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

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

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

8.6 Continuing Nature of this Owners Agreement. This Franchise Owner Agreement shall be continuing and shall not be discharged, impaired or affected by: (1) the insolvency of Franchisee or the payment in full of all of the obligations under the Franchise Agreement at any time; (2) the validity or invalidity of any of the terms of the Franchise Owner Agreement; (3) the existence or non-existence of Franchisee as a legal entity; (4) any statute of limitations affecting the liability of Owners or the ability of us or our successors or assigns to enforce this Franchise Owner Agreement; (5) the transfer or assignment of all or a portion of the ownership in Franchisee and/or the assets of Franchisee; (6) the execution of an owners agreement or any other form of guaranty by any additional direct, indirect or beneficial owner of Franchisee in favor of us or our successors or assigns; (7) any right of offset, counterclaim or defense of any Owner; or (8) the expiration, termination or assignment of the Franchise Agreement or any other agreement between you and us.

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

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

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

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

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

OWNER(S):

Sign: _____
Printed Name: [Insert Name of Owner]
Address: [Insert Address of Owner]

Sign: _____
Printed Name: [Insert Name of Owner]
Address: [Insert Address of Owner]

Sign: _____
Printed Name: [Insert Name of Owner]
Address: [Insert Address of Owner]

Sign: _____
Printed Name: [Insert Name of Owner]
Address: [Insert Address of Owner]

SPOUSE(S):

Sign: _____
Printed Name: [Insert Name of Spouse]
Address: [Insert Address of Spouse]

Sign: _____
Printed Name: [Insert Name of Spouse]
Address: [Insert Address of Spouse]

Sign: _____
Printed Name: [Insert Name of Spouse]
Address: [Insert Address of Spouse]

Sign: _____
Printed Name: [Insert Name of Spouse]
Address: [Insert Address of Spouse]

Red Shoe Rescue Franchise, LLC hereby accepts the agreements of the Owner(s) hereunder.

RED SHOE RESCUE FRANCHISE, LLC

Sign: _____

Printed Name: _____

Title: _____

(Rev. 030824)

EXHIBIT D

AREA DEVELOPMENT AGREEMENT

EXHIBIT D

RED SHOE RESCUE FRANCHISE, LLC

AREA DEVELOPMENT AGREEMENT

Area Developer: _____

Date: _____

Development Territory:_____

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ATTACHMENTS:

Attachment A	Data Sheet
Attachment B	Development Schedule
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RED SHOE RESCUE FRANCHISE, LLC
AREA DEVELOPMENT AGREEMENT

THIS AREA DEVELOPMENT AGREEMENT ("Agreement") is made and entered into on the effective date set forth in Attachment A to this Agreement ("Effective Date") by and between RED SHOE RESCUE FRANCHISE, LLC, a California limited liability company ("we", "us", and "our""), and the area developer listed in Attachment A to this Agreement ("you" and "your"). If more than one person or entity is listed as the area developer, each such person or entity shall be jointly and severally liable for all rights, duties, restrictions and obligations under this Agreement.

WITNESSETH:

WHEREAS, we hold the exclusive franchise rights relating to the establishment, development and operation of businesses ("Red Shoe Rescue Franchises") that offer mobile device repair and warranty services, and sell mobile device accessories and other related products (each, a "Red Shoe Rescue Business");

WHEREAS, in addition to this Agreement, we and you are contemporaneously entering into a franchise agreement ("Initial Franchise Agreement") for the right to establish and operate a single Red Shoe Rescue Business ("Initial Business"); and

WHEREAS, you desire to purchase an option to establish and operate Red Shoe Rescue Franchises within the territory described in Attachment A ("Development Territory"), under the development schedule described in Attachment B ("Development Schedule") and pursuant to the terms and conditions of this Agreement.

NOW, THEREFORE, the parties, in consideration of the promises, undertakings and commitments of each party to the other party set forth herein, hereby mutually agree as follows:

1. GRANT

1.1 We hereby grant to you the right to establish and operate the number of Red Shoe Rescue Franchises indicated in Section 1 of Attachment B within the Development Territory described in Attachment A. Each Red Shoe Rescue Franchise shall be operated according to the terms of our then-current form of individual franchise agreement; which may contain materially different terms from the Initial Franchise Agreement including, by way of example only, different royalty rates.

1.2 If you are developing Red Shoe Rescue Franchises, and comply with the terms of this Agreement, the Development Schedule, and the individual franchise agreement for each Red Shoe Rescue Franchise, then we will not franchise or license others, nor will we directly or indirectly develop, own, lease, construct or operate in any manner, any Red Shoe Rescue Franchises in the Development Territory during the term of this Agreement. Upon your first failure to adhere to the Development Schedule, you will lose the exclusivity granted for the Development Territory. Any second or additional failure to adhere to the Development Schedule will constitute an event of default under this Agreement, for which we may, among other things: (i) terminate this Agreement; (ii) reduce the area of the Development Territory; (iii) permit you to extend the Development Schedule; or (iv) pursue any other remedy we may have at law or in equity, including but not limited to, a suit for non-performance.

We reserve all other rights, for us and our affiliates, on any terms we deem advisable, and without granting you any rights:

(i) to own, franchise or operate Red Shoe Rescue Franchises at any location outside of the Development Territory, regardless of the proximity to any Red Shoe Rescue Franchise developed or in development by you;

(ii) to produce, offer and sell, and to grant others the right to produce, offer and sell the products offered at Red Shoe Rescue Franchises and any other products displaying the marks ("Marks") or other trademarks through alternative distribution channels and/or Non-Traditional Locations at any location and under any terms and conditions we deem appropriate, no matter the proximity to any Red Shoe Rescue Franchise developed under this Agreement;

(iii) to sell or distribute, at retail or wholesale or otherwise, directly or indirectly, or license others to sell or distribute, any proprietary items which bear any proprietary marks, including the Marks at any location whatsoever;

(iv) to develop and license the use of, at any location, proprietary marks other than the Marks in connection with the operation of a program or system which offers or distributes products or services which are the same or similar to those offered under the system on any terms and conditions we deem appropriate;

(v) to engage in any transaction, including to purchase or be purchased by, to merge or combine with, to convert to our franchise system ("System") or be converted into a new system with any business, whether franchised or corporately owned, including a business that competes directly with your development rights under this Area Development Agreement, wherever located; provided that in such situations the newly acquired businesses may not operate under the Marks in the Development Territory;

(vi) to implement multi-area marketing programs which may allow us or others to solicit or sell to customers anywhere. We also reserve the right to issue mandatory policies to coordinate such multi-area marketing programs; and

(vii) to engage in any other business activities not expressly prohibited by this Agreement.

A "Non-Traditional Location" means a facility operated under the Red Shoe Rescue trademarks located within another primary business or in conjunction with other business or at institutional settings, airports, including toll roads, train stations, amusement parks and all properties controlled by the amusement park, travel stations, hotels and motels, ships, ports, piers, casinos, stadiums, airports, theatres, big box retailers, building supply stores, warehouse club stores, colleges and universities, schools, hospitals, military and other governmental facilities, supermarkets and convenience stores, and any site for which the lessor, owner or operator thereof shall have indicated its intent to prefer or limit the operation of the business.

This Agreement is not a franchise agreement and you shall have no right to use in any manner the Red Shoe Rescue trademarks or area developer system by virtue hereof. Each Red Shoe Rescue Franchise will be governed by the individual franchise agreement signed by us and you, or your affiliate, for each Red Shoe Rescue Franchise.

1.3 You must own at least a ten percent (51%) equity interest in the franchisee for each Red Shoe Rescue Franchise developed hereunder. In addition, you shall ensure that the day-to-day operations

of each Red Shoe Rescue Franchise is operated and managed by either the franchisee (or if the franchisee is an entity, an Operating Principal, as described below) or a manager who has been approved by us ("Designated Manager"). If any franchisee is not an individual, it must designate an "Operating Principal" acceptable to us who will be principally responsible for communicating with us about the Red Shoe Rescue Franchise, and who owns at least ten percent (10%) of the equity in the franchisee. We may require that the Designated Manager have an ownership interest in the franchisee. You shall identify all equity owners of you by completing the Statement of Ownership attached to this Agreement as Attachment C. You shall provide us with an updated form of Attachment C within ten business days of any change in the equity ownership of you. The failure of you to provide us with an updated Attachment C within the time frame specified in this Section 1.3 shall constitute a default of this Agreement.

2. TERM

Unless sooner terminated pursuant to the provisions of Section 7, the term of this Agreement shall expire upon the earlier of: (a) the Termination Date listed on Section 2 of Attachment B; or (b) completion of the obligations of the Development Schedule. The only territorial protections that you will receive upon expiration or termination of this Agreement will be those under each individual franchise agreement, if any. Upon such termination or expiration of this Agreement, you shall have no further right to construct, equip, own, open or operate additional Red Shoe Rescue Franchises which are not, at the time of such termination or expiration, the subject of a then-existing franchise agreement between you (or an affiliate of you) and us which is then in full force and effect; and we or our affiliates may thereafter construct, equip, open, own or operate, and license others to (or grant development rights to) construct, equip, open, own or operate Red Shoe Rescue Franchises at any location(s) (within or outside of the Development Territory), without any restriction, subject only to the territorial rights granted, if any, for any then-existing Red Shoe Rescue Franchise pursuant to a validly existing franchise agreement executed for such Red Shoe Rescue Franchise.

3. DEVELOPMENT FEE

You must pay us the total "Development Fee" set forth in Attachment A upon execution of this Agreement. The Development Fee is equal to the sum of the initial franchise fee for your Initial Franchise Agreement ($25,000) plus $5,000 multiplied by the number of additional Red Shoe Rescue Businesses (excluding the Initial Business) to be developed under this Agreement. For the Initial Business, you shall pay the Development Fee in lieu of the initial franchise fee. For the second and each additional Red Shoe Rescue Business to be developed under this Agreement, you must pay us the then-current initial franchise fee at the time you sign our then-current franchise agreement; provided we will credit a portion of the Development Fee ($5,000) against the initial franchise fee for each franchise agreement (excluding the Initial Franchise Agreement) until the Development Fee is exhausted. All amounts collected shall be deemed fully earned by us immediately upon receipt regardless of whether you open any of the Red Shoe Rescue Businesses you are obligated to open in the Development Territory.

4. DEVELOPMENT SCHEDULE AND MANNER FOR EXERCISING DEVELOPMENT RIGHTS

4.1 You shall exercise the development rights granted under this Agreement only by entering into a separate franchise agreement with us for each Red Shoe Rescue Franchise for which a development right is granted. The Initial Franchise Agreement (for the Initial Business to be developed by you under this Agreement) shall be executed and delivered, concurrently with the execution and delivery of this Area Development Agreement. All subsequent Red Shoe Rescue Franchises developed under this Area Development Agreement shall be established and operated pursuant to the form of franchise agreement then being used by us for a Red Shoe Rescue Franchise. You acknowledge that the then-current form of

franchise agreement may differ from the Initial Franchise Agreement. You may not exercise any development rights under this Agreement while you are in default of any other agreement with us, including any franchise agreement.

4.2 Development Schedule.

(a) You acknowledge and agree that: (i) time is of the essence, and therefore; (ii) you will exercise your development rights strictly in accordance with Section 4.1 and the Development Schedule set forth on Attachment B. The Development Schedule on Attachment B designates the number of Red Shoe Rescue Franchises that must be developed before the end of each of the designated development periods ("Development Periods").

(b) During any Development Period, you may, with our prior written consent, develop more than the number of Red Shoe Rescue Franchises that you are required to develop during that Development Period by executing multiple franchise agreements during a single Development Period. Any franchise agreements executed during a Development Period in excess of the minimum number to be executed upon expiration of that Development Period shall be applied to satisfy your development obligation during the next succeeding Development Period. Without our prior written consent, you shall not execute more than the cumulative total number of franchise agreements that you are obligated to execute under this Agreement, as set forth above in the Development Schedule.

(c) You shall open each Red Shoe Rescue Franchise in accordance with the terms of the franchise agreement and shall execute the franchise agreements in accordance with the Development Schedule set forth on Attachment B.

(d) Your failure to adhere to the Development Schedule (including any extensions approved by us, in our sole discretion) shall constitute an event of default under this Agreement for which we may exercise our rights under Section 7 of this Agreement.

(e) If we are not legally able to deliver a Franchise Disclosure Document to you by reason of any lapse or expiration of our Franchise Disclosure Document or franchise registration, or because we are in the process of amending any such registration, or for any reason beyond our reasonable control, we may delay acceptance of the site for your proposed Red Shoe Rescue Franchise, or delivery of a franchise agreement, until such time as we are legally able to deliver a Franchise Disclosure Document.

5. LOCATION OF RED SHOE RESCUE BUSINESSES

The location of each Red Shoe Rescue Business shall be selected by you in accordance with the terms set forth in each franchise agreement signed by you, within the Development Territory.

6. FRANCHISE AGREEMENT

You shall not commence construction on, or open any Red Shoe Rescue Business until, among other things; the individual franchise agreement for that Red Shoe Rescue Business has been signed by both you (or your affiliate) and us.

7. DEFAULT AND TERMINATION

7.1 You will be in default of this Area Development Agreement if you (or your affiliate(s)): (a) fail to comply with the Development Schedule; or (b) otherwise fail to perform any of your obligations under this Agreement or any individual franchise agreement, including failing to comply with any transfer provisions. Upon your default, we shall have the right, at our option, and in our sole discretion, to do any or all of the following:

(a) terminate this Area Development Agreement;

(b) terminate the territorial exclusivity granted to you (if such territorial exclusivity has not already been terminated by a first failure to adhere to the Development Schedule, as described in Section 4.2(d) above);

(c) reduce the size of your Development Territory;

(d) permit you to extend the Development Schedule; or

(e) pursue any other remedy we may have at law or in equity, including but not limited to, a suit for non-performance.

7.2 Upon the death or Permanent Disability (as defined below) of you or your Operating Principal or any owner of you, if you are an entity, the owner's ownership interest in you must be assigned to another owner or to a third party approved by us within 180 days of such owner's death or disability, as the case may be. For purposes of this Section, "Permanent Disability" shall mean any physical, emotional or mental injury, illness or incapacity that would prevent the person from substantially complying with his or her obligations under this Agreement for a continuous period of at least 90 consecutive calendar days, and from which condition recovery within 90 days from the date of determination of disability is unlikely. If the parties disagree as to whether a person is disabled, the existence of disability will be determined by a licensed practicing physician selected by us, upon examination of the person; or if the person refuses to submit to an examination, then (for the purpose of this Section 7.2) the person automatically will be considered disabled as of the date of refusal. You must promptly notify us of any death or Permanent Disability of an owner within 15 days of its occurrence. Your estate or legal representative must apply to us for the right to transfer to another owner or third party within 120 calendar days after your or your owner's death or disability or we may automatically terminate this Agreement. The "Operating Principal" means the individual that you designate, and we approve who is primarily responsible for communicating with us about any of your Red Shoe Rescue Business(es) and all matters related to this Agreement, and who must have at least ten percent (10%) equity in the area developer listed in Attachment A to this Agreement.

7.3 In addition, if any individual franchise agreement issued to you or an approved affiliate you, whether or not issued pursuant to this Agreement, is terminated for any reason, we shall have the right to terminate this Agreement on immediate written notice to you. Upon termination or expiration of the term of this Agreement, this Agreement shall be of no further effect, and we shall have the right to open, or license others to open, Red Shoe Rescue Businesses within the Development Territory (subject only to the territorial rights granted, if any, for any then-existing Red Shoe Rescue Business pursuant to a validly existing franchise agreement executed). For purposes of this Section 7.3, any franchise agreement issued by us to you or your approved affiliates, or any corporation, partnership or joint venture, or their affiliates, in which you or any stockholder, partner or joint venturer of yours, has any direct or indirect ownership or participation interest, shall be deemed a franchise agreement issued to you.

7.4 In the event of a default by you, all of our costs and expenses arising from such default, including reasonable accountant fees, attorney fees and reasonable hourly charges of administrative employees shall be paid to us by you within five days after cure or upon demand by us if such default is not cured.

8. ASSIGNMENT

8.1 We shall have the absolute right to transfer or assign all or any part of our rights or obligations hereunder to any person or legal entity which assumes our obligation under this Agreement, and we shall thereby be released from any and all further liability to you.

8.2 Except as set forth in Section 7.2, you may not assign this Agreement or any rights to the Development Territory. The provisions of this Section 8.2 shall not restrict you from transferring an open and operating Red Shoe Rescue Franchise in compliance with the assignment provisions contained in the applicable franchise agreement.

9. FORCE MAJEURE

In the event that you are unable to comply with the Development Schedule due to strike, riot, civil disorder, war, epidemic, fire, natural catastrophe or other similar events beyond your control and cannot be overcome by use of normal commercial measures ("Force Majeure"), then upon written notice to us, the Development Schedule and this Agreement shall be extended for a corresponding period, not to exceed 90 days. An event of Force Majeure does not relieve a party from liability for an obligation which arose before the occurrence of the event, nor does that event affect any obligation to pay money owed under this Agreement or any franchise agreement or to indemnify us, whether such obligation arose before or after the Force Majeure event. An event of Force Majeure shall not affect your obligations to comply with any restrictive covenants in this Agreement during or after the Force Majeure event. This provision should be construed narrowly and does not include general economic, market or societal conditions, or any changes thereto, even those that are the direct or indirect result of the Force Majeure event.

10. ENTIRE AGREEMENT

This Agreement constitutes the entire understanding of the parties with respect to the development of the Development Territory, and shall not be modified except by a written agreement signed by the parties hereto. However, nothing in this Agreement or any related agreement is intended to disclaim the representations made in the Franchise Disclosure Document. Where this Agreement and any franchise agreement between the parties conflict with respect to the payment terms of initial franchise fees or equity interests held by the you, the terms of this Agreement shall govern; otherwise, the terms of each franchise agreement shall govern with respect to that Red Shoe Rescue Franchise. Under no circumstances do the parties intend that this Agreement be interpreted in a way as to grant you any rights to grant sub-franchises in the Development Territory.

Any email correspondence or other form of informal electronic communication shall not be deemed to modify this Agreement unless such communication is signed by both parties and specifically states that it is intended to modify this Agreement. The attachments are part of this Agreement, which, together with any amendments or addenda executed on or after the Effective Date, constitutes the entire understanding and agreement of the parties, and there are no other oral or written understandings or agreements between us and you about the subject matter of this Agreement.

This Section is intended to define the nature and extent of the parties' mutual contractual intent, and serves to show that there is no intention to enter into contract relations other than the terms contained in this Agreement. The parties acknowledge that these limitations are intended to achieve the highest possible degree of certainty in the definition of the contract being formed, in recognition of the fact that uncertainty creates economic risks for both parties which, if not addressed as provided in this Agreement, would affect the economic terms of this bargain.

11. INDEPENDENT CONTRACTOR AND INDEMNIFICATION

11.1 It is acknowledged and agreed that we and you are independent contractors and nothing contained herein shall be construed as constituting you as the agent, partner or legal representative of us for any purpose whatsoever. You shall enter into contracts for the development of the Development Territory contemplated by this Agreement at your sole risk and expense and shall be solely responsible for the direction, control and management of your agents and employees. You acknowledge that you do not have authority to incur any obligations, responsibilities or liabilities on behalf of us, or to bind us by any representations or warranties, and agrees not to hold itself out as having this authority.

11.2 You agree to protect, defend, indemnify and hold us harmless from and against all claims, actions, proceedings, damages, costs, expenses and other losses and liabilities, directly or indirectly incurred as a result of, arising from, out of, or in connection with your carrying out your obligations hereunder. You agree to reimburse us within 30 days of submitting invoice to you for all costs of defending the matter, including all attorney fees incurred by us whether or not your insurer assumes defense of us promptly when requested. We have the right to approve any resolution or course of action, including but not limited to the selection of an attorney for the defense of a matter that could directly or indirectly have any adverse effect on us or our Marks or System, or could serve as a precedent for other matters. You also agree to indemnify us for any fees, costs, or liabilities incurred by us on your behalf, including fees and costs incurred by us to recover amounts due to you.

12. GENERAL PROVISIONS

12.1 This Agreement shall be binding upon and inure to the benefit of each of the parties hereto and their heirs, successors, permitted assigns and personal representatives.

12.2 We have the right in our sole and absolute discretion to delegate to third party designees, whether these designees are our agents or independent contractors with whom we have contracted the performance of any portion or all of our obligations under this Agreement, and any right that we have under this Agreement. If we do so, such third-party designees will be obligated to perform the delegated functions for you in compliance with this Agreement.

12.3 The headings in this Agreement are for convenience only and do not define, limit or construe the contents of the sections or subsections. All references to Sections refer to the Sections contained in this Agreement unless otherwise specified. All references to days in this Agreement refer to calendar days unless otherwise specified. The term "you" as used in this Agreement is applicable to one or more persons or an entity, and the singular usage includes the plural and the masculine and neuter usages include the other, the feminine and the possessive.

12.4 All provisions that expressly or by their nature survive the termination, expiration or transfer of this Agreement will continue in full force and effect, even after the termination, expiration or transfer of this Agreement, until they are fully satisfied or expire by their own terms.

12.5 This Agreement may be executed in counterparts, and each copy so executed and delivered will be deemed an original.

12.6 Nothing in this Agreement is intended, nor shall be deemed, to confer any rights or remedies upon any person or legal entity not a party to this Agreement; provided, however, that the indemnified parties are intended third party beneficiaries under this Agreement with respect to your indemnification obligations.

12.7 We and you may, by written instrument, unilaterally waive or reduce any obligation of or restriction upon the other. Any waiver granted by us shall apply only the to the specifically waived provisions and shall not affect any other rights we may have. We and you shall not be deemed to have waived or impaired any right, power or option reserved by this Agreement (including the right to demand exact compliance with every term, condition and covenant in this Agreement, or to declare any breach of this Agreement to be a default, and to terminate the Agreement before the expiration of its term) by virtue of: (i) any custom or practice of the parties that varies with the terms of this Agreement; (ii) any failure, refusal or neglect of us or you to exercise any right under this Agreement or to insist upon exact compliance by the other with its obligations under this Agreement, including any mandatory specification, standard or operating procedure; (iii) any waiver, forbearance, delay, failure or omission by us to exercise any right, power or option, whether of the same, similar or different nature, relating to other "Red Shoe Rescue" area developers; or (iv) the acceptance by us of any payments due from you after breach of this Agreement.

12.8 Each section, subsection, term and provision of this Agreement, and any portion thereof, shall be considered severable. If any applicable and binding law imposes mandatory, non-waivable terms or conditions that conflict with a provision of this Agreement, the terms or conditions required by such law shall govern to the extent of the inconsistency and supersede the conflicting provision of this Agreement. If a court concludes that any promise or covenant in this Agreement is unreasonable and unenforceable: (i) the court may modify such promise or covenant to the minimum extent necessary to make such promise or covenant enforceable; or (ii) we may unilaterally modify such promise or covenant to the minimum extent necessary to make such promise or covenant enforceable and consistent with the original intent of the parties (i.e., to provide maximum protection for us and to effectuate your obligations under the Agreement to the fullest extent permitted by law), and you agree to be bound by the modified provisions. No provision herein expressly identifying any term or breach of this Agreement as material shall be construed to imply that any other term or breach which is not so identified is not material. Nothing in this Agreement is intended to disclaim any of the representations we made in the franchise disclosure document.

12.9 You understand and agree that nothing in this Agreement creates a fiduciary relationship between you and us or is intended to make either party a general or special agent, legal representative, subsidiary, joint venture, partner, employee or servant of the other for any purpose. During the term, you must conspicuously identify yourself at your base of operations, and in all dealings with third parties, as an area developer of ours. Neither we nor you are permitted to make any express or implied agreement, warranty or representation, or incur any debt, in the name of or on behalf of the other, or represent that our relationship is other than franchisor and area developer. In addition, neither we nor you will be obligated by or have any liability under any agreements or representations made by the other that are not expressly authorized by this Agreement. You further agree that fulfillment of any and all of our obligations written in the Agreement, or based on any oral communications which may be ruled to be binding in a court of law, shall be our sole responsibility and none of our owners, officers, agents, representatives, nor any individuals associated with us shall be personally liable to you for any reason.

13. APPLICABLE LAW

This Agreement shall be governed by and construed in accordance with the laws of the State where your Development Territory is located, which laws shall govern in the event of any conflict of laws, except to the extent governed by the United States Trademark Act of 1946 (Lanham Act, 15 U.S.C. Sections 1051 et. seq.). The parties expressly consent to personal jurisdiction in the State of California and agree that, except as set forth in Section 15, the state and federal court(s) located in the jurisdiction where we have our principal place of business (currently Cameron Park, California) will have exclusive jurisdiction and be the mandatory venue for the purposes of carrying out this provision.

If applicable law implies a covenant of good faith and fair dealing in this Agreement, you and we agree that the covenant shall not imply any rights or obligations that are inconsistent with a fair construction of the terms of this Agreement. Additionally, if applicable law shall imply the covenant, you agree that: (i) this Agreement (and the relationship of the parties that is inherent in this Agreement) grants us the discretion to make decisions, take actions and/or refrain from taking actions not inconsistent with our explicit rights and obligations under this Agreement that may affect favorably or adversely your interests; (ii) we will use our judgment in exercising the discretion based on our assessment of our own interests and balancing those interests against the interests of our franchisees and area developers generally (including us and our affiliates if applicable), and specifically without considering your individual interests or the individual interests of any other particular area developer or franchisee; (iii) we will have no liability to you for the exercise of our discretion in this manner, so long as the discretion is not exercised in bad faith; and (iv) in the absence of bad faith, no trier of fact in any arbitration or litigation shall substitute its judgment for our judgment so exercised.

14. NOTICE

Whenever this Agreement requires notice, it shall be in writing and shall be sent by registered or priority mail, delivery confirmation, USPS Priority Mail Express, or by Federal Express or other recognized, reputable overnight courier, to the other party at the addresses set forth below, unless written notice is given of a change of address.

All notices to you shall be conclusively deemed to have been received by you upon the delivery or attempted delivery of this notice to your address listed herein, or the changed address.

Notices to us:	Red Shoe Rescue Franchise, LLC 4100 Cameron Park Drive #109 Cameron Park, CA 95682
Notice to you:	Notice Address set forth in Attachment A of this Agreement

15. DISPUTE RESOLUTION.

We and you agree that any dispute between the parties arising out of the terms of this Agreement shall be governed in accordance with the terms and conditions set forth in the Initial Franchise Agreement, including those provisions requiring mediation and/or arbitration (subject to limited exceptions for certain claims), which terms and conditions are by this reference incorporated herein. You and we each agree that your and our respective obligations to comply with the dispute resolution terms set forth in the Initial Franchise Agreement shall survive any termination, expiration or renewal of the Initial Franchise Agreement and shall survive any termination or expiration of this Agreement.

16. ACKNOWLEDGEMENTS

16.1 You acknowledge and recognize that different terms and conditions, including different fee structures, may pertain to different area development agreements and franchise agreements offered in the past, contemporaneously herewith, or in the future, and that we do not represent that all area development agreements or franchise agreements are or will be identical.

16.2 You acknowledge that you are not, nor are you intended to be, a third-party beneficiary of this Agreement or any other agreement to which we are a party.

16.3 You acknowledge and accept the following:

This offering is not a security as that term is defined under applicable Federal and State securities laws. The obligation to train, manage, pay, recruit and supervise employees of the Red Shoe Rescue Franchises rests solely with you.

(***Signature Page Follows***)

IN WITNESS WHEREOF, the parties hereto have duly signed and delivered this Agreement on the day and year first written above.

FRANCHISOR:

RED SHOE RESCUE FRANCHISE, LLC,
a California limited liability company

Sign: _____

Printed Name: _____

Title: _____

AREA DEVELOPER:

_____

a(n) _____

Sign: _____

Printed Name: _____

Title: _____

ATTACHMENT A

DATA SHEET

1. Effective Date. The Effective Date of this Agreement set forth in the introductory Paragraph of this Agreement is: _____, 20___.

2. Area Developer. The Area Developer set forth in the introductory Paragraph of this Agreement is: _____

3. Description of the Development Territory:

_____

_____

_____

4. Development Fee. The Development Fee, as set forth in Section 3 of this Agreement is:

$_____

5. Notice Address. The notice address for you, as set forth in Section 13 of this Agreement, is:

Attn: _____
_____
_____
_____

(Signatures on following page)

FRANCHISOR:

RED SHOE RESCUE FRANCHISE, LLC,
a California limited liability company

Sign: _____

Printed Name: _____

Title: _____

AREA DEVELOPER:

_____

a(n) _____

Sign: _____

Printed Name: _____

Title: _____

ATTACHMENT B

DEVELOPMENT SCHEDULE

1. The total number of Red Shoe Rescue Franchises to be developed under this Agreement (including the Initial Business): _____

2. The termination date of this Agreement shall be the earlier of the date the Development Schedule is complete or _____, 20___.

3. Development Schedule:

Red Shoe Rescue Franchise #	Development Period Ending Date	Franchise Agreement Execution Deadline
1		Date of execution of this Agreement
2		
3		
4		
5		

RED SHOE RESCUE FRANCHISE, LLC,
a California limited liability company

Sign: _____

Printed Name: _____

Title: _____

AREA DEVELOPER:

_____

a(n) _____

Sign: _____

Printed Name: _____

Title: _____

ATTACHMENT C

STATEMENT OF OWNERSHIP

Area Developer: _____

Form of Ownership
(Check One)

____ Individual ____ Partnership ____ Corporation ____ Limited Liability Company

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

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

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

State and Date of Formation/Incorporation: _____

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

Name	Title

Members, Stockholders, Partners*:

Name	Address	Percentage Owned

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

Identification of Operating Principal. Your Operating Principal is _____ _____. You may not change the Operating Principal without prior written approval.

Franchisee acknowledges that this Statement of Ownership is current and complete as of the Effective Date.

AREA DEVELOPER:

_____
Entity name (if any)
a(n) _____

Sign: _____

Printed Name: _____

Title: _____

(020620)

EXHIBIT E

LIST OF CURRENT AND FORMER FRANCHISEES AND AREA DEVELOPERS

Current Franchisees and Area Developers as of December 31, 2023:

None

Franchisees with Unopened Outlets as of December 31, 2023:

None

Former Franchisees and Area Developers:

The name and last known address of every franchisee who had a Red Shoe Rescue Franchise transferred, terminated, cancelled, not renewed, or otherwise voluntarily or involuntarily ceased to do business under our Franchise Agreement during the period January 1, 2023, to December 31, 2023, or who has not communicated with us within ten weeks of the Issuance Date of this Franchise Disclosure Document are listed below. If you buy this Franchise, your contact information may be disclosed to other buyers when you leave the Franchise System.

None

EXHIBIT F

STATE ADDENDA
AND AGREEMENT RIDERS

STATE ADDENDA AND AGREEMENT RIDERS

ADDENDUM TO FRANCHISE AGREEMENT, SUPPLEMENTAL AGREEMENTS, AND FRANCHISE DISCLOSURE DOCUMENT FOR CERTAIN STATES FOR RED SHOE RESCUE FRANCHISE LLC

The following modifications are made to the Red Shoe Rescue Franchise, LLC ("**Franchisor**," "**us**," "**we**," or "**our**") Franchise Disclosure Document ("**FDD**") given to franchisee ("**Franchisee**," "**you**," or "**your**") and may supersede, to the extent then required by valid applicable state law, certain portions of the Franchise Agreement between you and us dated _____, 20___ ("**Franchise Agreement**"). When the term "**Franchisor's Choice of Law State**" is used, it means the state where the franchisee's Red Shoe Rescue Business is located. When the term "**Supplemental Agreements**" is used, it means Area Development Agreement.

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

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

CALIFORNIA

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

THE CALIFORNIA FRANCHISE INVESTMENT LAW REQUIRES A COPY OF ALL PROPOSED AGREEMENTS RELATING TO THE SALE OF THE FRANCHISE BE DELIVERED TOGETHER WITH THE FDD 14 DAYS PRIOR TO EXECUTION OF THE AGREEMENT.

Before the franchisor can ask you to materially modify your existing franchise agreement, Section 31125 of the California Corporations Code requires the franchisor to file a material modification application with the Department that includes a disclosure document showing the existing terms and the proposed new terms of your franchise agreement. Once the application is registered, the franchisor must provide you with that disclosure document with an explanation that the changes are voluntary.

The Franchise Agreement and Area Development Agreement contain provisions requiring binding arbitration with the costs being awarded to the prevailing party. The arbitration will occur in California. Prospective franchisees are encouraged to consult private legal counsel to determine the applicability of California and federal laws (such as Business and Professions Code Section 20040.5, Code of Civil Procedure Section 1281, and the Federal Arbitration Act) to any provisions of the Franchise Agreement or Supplemental Agreements restricting venue to a forum outside the State of California. The Franchise Agreement may contain a mediation provision. If so, the parties shall each bear their own costs of mediation and shall share equally the filing fee and the mediator's fees.

The Franchise Agreement and Supplemental Agreements require the application of the laws of the state where the franchisee's Red Shoe Rescue Business is located. This provision may not be enforceable under California law.

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

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

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

The Franchise Agreement contains a covenant not to compete provision which extends beyond the termination of the Franchise. Such provisions may not be enforceable under California law.

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

You must sign a general release of claims if you renew or transfer your Franchise. California Corporations Code Section 31512 voids a waiver of your rights under the Franchise Investment Law (California Corporations Code Sections 31000 through 31516). Business and Professions Code Section 20010 voids a waiver of your rights under the Franchise Relations Act (Business and Professions Code Sections 20000 through 20043).

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

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

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

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

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

Fee Deferral

The Department of Financial Protection and Innovation requires that the franchisor defer the collection of all initial fees from California Franchisees until the Franchisor has completed all its pre-opening obligations and Franchisee is open for business. The payment of all initial fees, including Initial Franchise Fees and Development Fees, attributable to a specific unit in a Development Schedule, is deferred until that specific unit is open for business.

HAWAII

The following is added to the Cover Page:

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

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

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

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

Commissioner of Securities of the State of Hawaii
Department of Commerce and Consumer Affairs
Business Registration Division
335 Merchant Street, Room 203
Honolulu, Hawaii 96813

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

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

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

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

   None

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

   None

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

   None

ILLINOIS

Sections 4 and 41 and Rule 608 of the Illinois Franchise Disclosure Act states that court litigation must take place before Illinois federal or state courts and all dispute resolution arising from the terms of this Agreement or the relationship of the parties and conducted through arbitration or litigation shall be subject to Illinois law. The FDD, Franchise Agreement and Supplemental Agreements are amended accordingly.

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

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

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

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

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

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

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

See the last page of this Exhibit F-18 for your required signature.

INDIANA

Item 8 of the FDD is amended to add the following:

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

Item 17 of the FDD is amended to add the following:

> Indiana Code 23-2-2.7-1(7) makes it unlawful for us to unilaterally terminate your Franchise Agreement unless there is a material violation of the Franchise Agreement and termination is not in bad faith.
>
> Indiana Code 23-2-2.7-1(5) prohibits us to require you to agree to a prospective general release of claims subject to the Indiana Deceptive Franchise Practices Act.

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

> No competing business for two years within the Territory.

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

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

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

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

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

> Indiana law applies to disputes covered by Indiana franchise laws; otherwise Franchisor's Choice of Law State law applies.

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

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

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

3. Any provision in the Franchise Agreement that would require you to prospectively assent to a release, assignment, novation, waiver or estoppel which purports to relieve any person from liability imposed by the Indiana Deceptive Franchise Practices Law is void to the extent that such provision violates such law.

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

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

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

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

IOWA

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

The following language will be added to the Franchise Agreement:

NOTICE OF CANCELLATION

_____ (enter date of transaction)

You may cancel this transaction, without penalty or obligation, within three business days from the above date. If you cancel, any property traded in, any payments made by you under the contract or sale, and any negotiable instrument executed by you will be returned within ten business days following receipt by the seller of your cancellation notice, and any security interest arising out of the transaction will be canceled.

If you cancel, you must make available to the seller at your residence or business address, in substantially as good condition as when received, any goods delivered to you under this contract or sale; or you may, if you wish, comply with the instructions of the seller regarding the return shipment of the goods at the seller's expense and risk.

If you do not agree to return the goods to the seller or if the seller does not pick them up within 20 days of the date of your notice of cancellation, you may retain or dispose of the goods without any further obligation.

To cancel this transaction, mail or deliver a signed and dated copy of this cancellation notice or any other written notice to Red Shoe Rescue Franchise, LLC, 4100 Cameron Park Drive #109, Cameron Park, CA 95682 not later than midnight of the third business day after the Effective Date.

I hereby cancel this transaction.

Franchisee: _____

By: _____

Print Name: _____

Its: _____

Date: _____

MARYLAND

AMENDMENTS TO FRANCHISE DISCLOSURE DOCUMENT, FRANCHISE AGREEMENT AND AREA DEVELOPMENT AGREEMENT

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

Representations in the Franchise Agreement and Area Development Agreements are not intended to, nor shall they act as, a release, estoppel, or waiver of any liability incurred under the Maryland Franchise Registration and Disclosure Law.

Item 17 of the FDD and sections of the Franchise Agreement and Area Development Agreements are amended to state that you may bring a lawsuit in Maryland for claims arising under the Maryland Franchise Registration and Disclosure Law. Any claims arising under the Maryland Franchise Registration and Disclosure Law must be brought within three years after the grant of the Franchise.

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

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

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

MICHIGAN

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

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

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

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

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

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

other commercial symbol in the same area subsequent to the expiration of the Franchise or you do not receive at least six months' advance notice of our intent not to renew the Franchise.

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

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

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

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

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

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

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

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

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

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

Any questions regarding this notice should be directed to:

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

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

MINNESOTA

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

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

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

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

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

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

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

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

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

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

9. Item 6 of the FDD and Section 13.6 of the Franchise Agreement is hereby amended to limit the Non-Sufficient Funds Fee to $30 per occurrence pursuant to Minnesota Statute 604.113.

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

NEW YORK

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

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

2. The following is 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 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.

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

NORTH DAKOTA

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

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

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

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

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

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

Item 17(r) of the FDD and Section 14 of Franchise Agreement re: noncompetition covenants of the Franchise Agreement disclose the existence of certain covenants restricting competition to which Franchisee must agree. The Commissioner has held that covenants restricting competition contrary to Section 9-08-06 of the North Dakota Century Code, without further disclosing that such covenants may be subject to this statue, are unfair, unjust, or inequitable within the intent of Section 51-19-09 of the North Dakota Franchise Investment Law. The FDD and the Franchise Agreement are amended accordingly to the extent required by law.

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

OHIO

The following language will be added to the front page of the Franchise Agreement:

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

Initials_____ Date_____

NOTICE OF CANCELLATION

_____ (enter date of transaction)

You may cancel this transaction, without penalty or obligation, within five business days from the above date. If you cancel, any payments made by you under the agreement, and any negotiable instrument executed by you will be returned within ten business days following the seller's receipt of your cancellation notice, and any security interest arising out of the transaction will be cancelled. If you cancel, you must make available to the seller at your business address all goods delivered to you under this agreement; or you may, if you wish, comply with the instructions of the seller regarding the return shipment of the goods at the seller's expense and risk. If you do make the goods available to the seller and the seller does not pick them up within 20 days of the date of your notice of cancellation, you may retain or dispose of them without further obligation. If you fail to make the goods available to the seller, or if you agree to return them to the seller and fail to do so, then you remain liable for the performance of all obligations under this agreement. To cancel this transaction, mail or deliver a signed and dated copy of this cancellation notice or any other written notice to Red Shoe Rescue Franchise, LLC, 4100 Cameron Park Drive #109, Cameron Park, CA 95682 not later than midnight of the fifth business day after the Effective Date.

I hereby cancel this transaction.

Franchisee:

Date: _____ By: _____

Print Name: _____

Its: _____

RHODE ISLAND

§ 19-28.1-14 of the Rhode Island Franchise Investment Act provides that "A provision in a franchise agreement restricting jurisdiction or venue to a forum outside this state or requiring the application of the laws of another state is void with respect to a claim otherwise enforceable under this Act." The FDD, the Franchise Agreement, and the Supplemental Agreements are amended accordingly to the extent required by law.

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

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

SOUTH DAKOTA

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

VIRGINIA

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

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

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

> Additional Disclosure. The following statements are added to Item 8 and Item 17.h.
>
> Pursuant to Section 13.1-564 of the Virginia Retail Franchising Act, it is unlawful for a franchisor to cancel a franchise without reasonable cause. If any grounds for default or termination stated in the Franchise Agreement does not constitute "reasonable cause," as that term may be defined in the Virginia Retail Franchising Act or the laws of Virginia, that provision may not be enforceable.

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

WASHINGTON

ADDENDUM TO FRANCHISE AGREEMENT, AREA DEVELOPMENT AGREEMENT, AND FRANCHISE DISCLOSURE DOCUMENT

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

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

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

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

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

Pursuant to RCW 49.62.020, a 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.

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

WISCONSIN

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

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

(Signatures on following page)

APPLICABLE ADDENDA

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

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

Dated: _____, 20____

FRANCHISOR:

RED SHOE RESCUE FRANCHISE, LLC

By: _____

Title: _____

FRANCHISEE:

_____

_____

By: _____

Title: _____

Rev.071823

EXHIBIT G

BRAND STANDARDS MANUAL
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EXHIBIT H

CONTRACTS FOR USE WITH THE RED SHOE RESCUE FRANCHISE

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

EXHIBIT H-1

RED SHOE RESCUE FRANCHISE

SAMPLE GENERAL RELEASE AGREEMENT

WAIVER AND RELEASE OF CLAIMS

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

WHEREAS, Franchisor and Franchisee have entered into a Franchise Agreement ("Agreement") pursuant to which Franchisee was granted the right to own and operate a Red Shoe Rescue business;

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

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

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

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

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

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

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

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

5. Miscellaneous.

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

b. This Release shall be construed and governed by the laws of the state where the Red Shoe Rescue business is located.

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

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

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

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

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

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

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

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

FRANCHISEE:

_____, a

_____

By: _____

Printed Name: _____

Title: _____

FRANCHISEE'S OWNERS:

Date _____

_____
Signature

_____
Typed or Printed Name

_____
Signature

_____
Typed or Printed Name

Rev. 092122

EXHIBIT H-2

RED SHOE RESCUE FRANCHISE

SAMPLE SYSTEM PROTECTION AGREEMENT

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

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

"*Competitive Business*" means any business that provides mobile device repair and warranty services, and sells mobile device accessories and other related products (but excludes a Red Shoe Rescue Business operating under a franchise agreement with us).

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

"*Franchisee*" means the Red Shoe Rescue franchisee for which you are a manager or officer.

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

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

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

"*Manual*" means our confidential operations manual for the operation of a Red Shoe Rescue business, which may be periodically modified by us.

"*Marks*" means the logotypes, service marks, and trademarks now or hereafter involved in the operation of a Red Shoe Rescue business, including "RED SHOE RESCUE," and any other trademarks, service marks, or trade names that we designate for use by a Red Shoe Rescue business. The term "Marks" also includes any distinctive trade dress used to identify a Red Shoe Rescue business, whether now in existence or hereafter created.

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

"*Restricted Period*" means, with respect to you, a period of one year after the termination, expiration or Transfer of this Franchise Agreement. Post-Term Restricted Period means, with respect to an

Owner, a period of one year after the earlier to occur of: (i) the termination, expiration or Transfer of this Franchise Agreement; or (ii) the Owner's Transfer of his or her entire ownership interest in the Red Shoe Rescue Franchise or the Entity that is the franchisee, as applicable; provided, however, that if a court of competent jurisdiction determines that this period of time is too long to be enforceable, then the "Restricted Period" means the nine month period after you cease to be a manager or officer of Franchisee's Red Shoe Rescue business.

"Restricted Territory" means the geographic area within: (i) a 25-mile radius from your Store; and (ii) a 25-mile radius from all other Stores that are operating or under construction as of the Effective Date and remain in operation or under construction during all or any part of the Post-Term Restricted Period; provided, however, that if a court of competent jurisdiction determines that the foregoing Restricted Territory is too broad to be enforceable, then the Restricted Territory means the geographic area within a 12.5-mile radius from your Store and all other Stores that are operating or under construction as of the Effective Date.

"System" means our system for the establishment, development, operation, and management of a Red Shoe Rescue business, including Know-how, proprietary programs and products, Manual, and operating system.

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

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

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

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

6. Immediate Family Members. You acknowledge that you could circumvent the purpose of this Agreement by disclosing Know-how to an immediate family member (i.e., spouse, parent, sibling, child, grandparent or grandchild). You also acknowledge that it would be difficult for us to prove whether you disclosed the Know-how to family members. Therefore, you agree that you will be presumed to have violated the terms of this Agreement if any member of your immediate family: (i) engages in any Prohibited Activities during any period of time during which you are prohibited from engaging in the Prohibited Activities; or (ii) uses or discloses the Know-how. However, you may rebut this presumption by furnishing evidence conclusively showing that you did not disclose the Know-how to the family member.

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

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

9. Miscellaneous.

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

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

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

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

EXECUTED on the date stated below.

Date_____ _____

Signature

_____

Typed or Printed Name

Rev. 120619

EXHIBIT H-3

RED SHOE RESCUE FRANCHISE

SAMPLE CONFIDENTIALITY AGREEMENT

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

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

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

"Franchisee" means the Red Shoe Rescue franchisee for which you are an employee, independent contractor, agent, representative, or supplier.

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

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

"Manual" means our confidential operations manual for the operation of a Red Shoe Rescue Business.

"Marks" means the logotypes, service marks, and trademarks now or hereafter involved in the operation of a Red Shoe Rescue Business, including "RED SHOE RESCUE" and any other trademarks, service marks, or trade names that we designate for use by a Red Shoe Rescue Business. The term "Marks" also includes any distinctive trade dress used to identify a Red Shoe Rescue Business, whether now in existence or hereafter created.

"Red Shoe Rescue Business" means a business that provides mobile device repair and warranty services, and sell mobile device accessories and other related products and other related products and services using our Intellectual Property.

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

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

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

The Intellectual Property is and shall continue to be the sole property of Red Shoe Rescue Franchise, LLC. You hereby assign and agree to assign to us any rights you may have or may acquire in such Intellectual Property. Upon the termination of your employment or engagement with Franchisee, or at any time upon our or Franchisee's request, you will deliver to us or to Franchisee all documents and data of any nature pertaining to the Intellectual Property, and you will not take with you any documents or data or copies containing or pertaining to any Intellectual Property.

4. Immediate Family Members. You acknowledge you could circumvent the purpose of this Agreement by disclosing Intellectual Property to an immediate family member (i.e., spouse, parent, sibling, child, or grandchild). You also acknowledge that it would be difficult for us to prove whether you disclosed the Intellectual Property to family members. Therefore, you agree you will be presumed to have violated the terms of this Agreement if any member of your immediate family uses or discloses the Intellectual Property. However, you may rebut this presumption by furnishing evidence conclusively showing you did not disclose the Intellectual Property to the family member.

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

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

7. Miscellaneous.

a. Although this Agreement is entered into in favor of Red Shoe Rescue Franchise, LLC, you understand and acknowledge that your employer/employee, independent contractor, agent, representative, or supplier relationship is with Franchisee and not with us, and for all purposes in connection with such relationship, you will look to Franchisee and not to us.

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

c. This Agreement will be governed by, construed, and enforced under the laws of laws of the state where Red Shoe Rescue Business is located, and the courts in that state shall have jurisdiction over any legal proceedings arising out of this Agreement.

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

EXECUTED on the date stated below.

Date_____ _____

Signature

_____

Typed or Printed Name

Rev. 032916

EXHIBIT H-4

AUTOMATED CLEARING HOUSE PAYMENT AUTHORIZATION FORM

Franchisee Information:

Franchisee Name	Business No.
Franchisee Mailing Address (street)	Franchisee Phone No.
Franchisee Mailing Address (city, state, zip)	
Contact Name, Address and Phone number (if different from above)	
Franchisee Fax No.	Franchisee Email Address

Bank Account Information:

Bank Name		
Bank Mailing Address (street, city, state, zip)		
Bank Account No.	☐ Checking ☐ Savings (check one)	Bank Routing No. (9 digits)
Bank Mailing Address (city, state, zip)		Bank Phone No.

Authorization:

Franchisee hereby authorizes Red Shoe Rescue Franchise, LLC ("Franchisor") to initiate debit entries to Franchisee's account with the Bank listed above, and Franchisee authorizes the Bank to accept and to debit the amount of such entries to Franchisee's account. Each debit shall be made from time to time in an amount sufficient to cover any fees payable to Franchisor pursuant to any agreement between Franchisor and Franchisee as well as to cover any purchases of goods or services from Franchisor or any affiliate of Franchisor. Franchisee agrees to be bound by the National Automated Clearing House Association (NACHA) rules in the administration of these debit entries. Debit entries will be initiated only as authorized above. This authorization is to remain in full force and effect until Franchisor has received written notification from Franchisee of its termination in such time and in such manner as to afford Franchisor and the Bank a reasonable

opportunity to act on it. Franchisee shall notify Franchisor of any changes to any of the information contained in this authorization form at least 30 days before such change becomes effective.

Signature: _____ Date: _____
Printed Name: _____
Its: _____

Federal Tax ID Number: _____

Rev. 032916

NOTE: FRANCHISEE MUST ATTACH A VOIDED CHECK RELATING TO THE BANK ACCOUNT.

EXHIBIT H-5

RED SHOE RESCUE FRANCHISE

SAMPLE APPROVAL OF REQUESTED ASSIGNMENT

This Approval of Requested Assignment ("**Agreement**") is entered into this _____ day of _____, 20_____, between Red Shoe Rescue Franchise, LLC ("**Franchisor**"), a California limited liability company, _____ ("**Former Franchisee**"), the undersigned owners of Former Franchisee ("**Owners**") and _____, [a/an] [Formation State] [corporation/limited liability company] ("**New Franchisee**").

RECITALS

WHEREAS, Franchisor and Former Franchisee entered into that certain franchise agreement dated _____, 20_____ ("**Former Franchise Agreement**"), in which Franchisor granted Former Franchisee the right to operate a Red Shoe Rescue franchise located at _____ ("**Franchised Business**"); and

WHEREAS, Former Franchisee desires to assign ("**Requested Assignment**") the Franchised Business to New Franchisee, New Franchisee desires to accept the Requested Assignment of the Franchised Business from Former Franchisee, and Franchisor desires to approve the Requested Assignment of the Franchised Business from Former Franchisee to New Franchisee upon the terms and conditions contained in this Agreement, including that New Franchisee sign Franchisor's current form of franchise agreement together with all exhibits and attachments thereto ("**New Franchise Agreement**"), contemporaneously herewith.

NOW, THEREFORE, in consideration of the mutual covenants, promises, and agreements herein contained, the parties hereto hereby covenant, promise, and agree as follows:

1. Payment of Fees. In consideration for the Requested Assignment, Former Franchisee acknowledges and agrees to pay Franchisor the Transfer Fee, as required under the Franchise Agreement ("**Franchisor's Assignment Fee**").

2. Assignment and Assumption. Former Franchisee hereby consents to assign all of its rights and delegate its duties with regard to the Former Franchise Agreement and all exhibits and attachments thereto from Former Franchisee to New Franchisee, subject to the terms and conditions of this Agreement, and conditioned upon New Franchisee's signing the New Franchise Agreement pursuant to Section 5 of this Agreement.

3. Consent to Requested Assignment of Franchised Business. Franchisor hereby consents to the Requested Assignment of the Franchised Business from Former Franchisee to New Franchisee upon receipt of the Franchisor's Assignment Fee from Former Franchisee and the mutual execution of this Agreement by all parties. Franchisor waives its right of first refusal set forth in the Former Franchise Agreement.

4. Termination of Rights to the Franchised Business. The parties acknowledge and agree that effective upon the date of this Agreement, the Former Franchise Agreement shall terminate and all of Former Franchisee's rights to operate the Franchised Business are terminated and that from the date of this

Agreement only New Franchisee shall have the sole right to operate the Franchised Business under the New Franchise Agreement. Former Franchisee and the undersigned Owners agree to comply with all of the covenants in the Former Franchise Agreement that expressly or by implication survive the termination, expiration, or transfer of the Former Franchise Agreement. Unless otherwise precluded by state law, Former Franchisee shall execute Franchisor's current form of General Release Agreement.

5. New Franchise Agreement. New Franchisee shall execute the New Franchise Agreement for the Franchised Business (as amended by the form of Addendum prescribed by Franchisor, if applicable), and any other required contracts for the operation of a Red Shoe Rescue franchise as stated in Franchisor's Franchise Disclosure Document.

6. Former Franchisee's Contact Information. Former Franchisee agrees to keep Franchisor informed of its current address and telephone number at all times during the three-year period following the execution of this Agreement.

7. Acknowledgement by New Franchisee. New Franchisee acknowledges and agrees that the purchase of the rights to the Franchised Business ("**Transaction**") occurred solely between Former Franchisee and New Franchisee. New Franchisee also acknowledges and agrees that Franchisor played no role in the Transaction and that Franchisor's involvement was limited to the approval of Requested Assignment and any required actions regarding New Franchisee's signing of the New Franchise Agreement for the Franchised Business. New Franchisee agrees that any claims, disputes, or issues relating New Franchisee's acquisition of the Franchised Business from Franchisee are between New Franchisee and Former Franchisee, and shall not involve Franchisor.

8. Representation. Former Franchisee warrants and represents that it has not heretofore assigned, conveyed, or disposed of any interest in the Former Franchise Agreement or Franchised Business. New Franchisee hereby represents that it received Franchisor's Franchise Disclosure Document and did not sign the New Franchise Agreement or pay any money to Franchisor or its affiliate for a period of at least 14 calendar days after receipt of the Franchise Disclosure Document.

9. Notices. Any notices given under this Agreement shall be in writing, and if delivered by hand, or transmitted by U.S. certified mail, return receipt requested, postage prepaid, or via telegram or telefax, shall be deemed to have been given on the date so delivered or transmitted, if sent to the recipient at its address or telefax number appearing on the records of the sending party.

10. Further Actions. Former Franchisee and New Franchisee each agree to take such further actions as may be required to effectuate the terms and conditions of this Agreement, including any and all actions that may be required or contemplated by the Former Franchise Agreement.

11. Affiliates. When used in this Agreement, the term "**Affiliates**" has the meaning as given in Rule 144 under the Securities Act of 1933.

12. Miscellaneous. This Agreement may not be changed or modified except in a writing signed by all of the parties hereto. This Agreement may be executed in any number of counterparts, each of which shall be deemed to be an original, and all of which together shall constitute one and the same document. This Agreement shall be binding upon and inure to the benefit of the parties and their respective successors and assigns.

13. Governing Law. This Agreement shall be governed by, and construed and enforced in accordance with, the laws of the state where the Franchised Business is located.

IN WITNESS WHEREOF, the parties have executed this Agreement under seal, with the intent that this be a sealed instrument, as of the day and year first above written.

FRANCHISOR:

RED SHOE RESCUE FRANCHISE, LLC

By: _____

Printed Name: _____

Title: _____

FORMER FRANCHISEE:

_____

By: _____

Printed Name: _____

Title: _____

NEW FRANCHISEE:

_____

By: _____

Printed Name: _____

Title: _____

Rev. 031821

EXHIBIT H-6

RED SHOE RESCUE FRANCHISE

LEASE ADDENDUM

This Addendum to Lease ("**Addendum**"), dated _____, 20___, is entered into by and between _____ ("**Landlord**"), _____ ("**Tenant**") and _____ ("**Franchisor**"), collectively referred to herein as the "**Parties**."

A. Landlord and Tenant have entered into a certain Lease Agreement dated _____, 20___, and pertaining to the premises located at _____ ("**Lease**").

B. Landlord acknowledges that Tenant intends to operate a franchised business from the leased premises ("**Premises**") pursuant to a Franchise Agreement ("**Franchise Agreement**") with Franchisor under Franchisor's trademarks and other names designated by Franchisor (herein referred to as "**Franchised Business**" or "**Franchise Business**").

C. The parties now desire to supplement the terms of the Lease in accordance with the terms and conditions contained herein.

NOW, THEREFORE, it is hereby mutually covenanted and agreed among the Parties as follows:

1. Use of the Premises. During the term of the Franchise Agreement, the Premises shall be used only for the operation of the Franchised Business.

2. Franchise System. Landlord hereby consents to Tenant's use of such proprietary marks, signs, interior and exterior décor items, color schemes and related components of the Franchised Business required by Franchisor. Tenant's use of such items shall at all times be in compliance with all applicable laws, ordinances, rules and regulations of governmental authorities having jurisdiction over the Premises.

3. Assignment. Tenant shall have the right, without further consent from Landlord, to sublease or assign all of Tenant's right, title, and interest in the Lease to an assignee of the Tenant or the Franchised Business ("**Franchise Assignee**") at any time during the term of the Lease, including any extensions or renewals thereof. In addition, if Tenant fails to timely cure any default under either the Lease or the Franchise Agreement, Franchisor or a Franchise Assignee that Franchisor designates, will, at its option, have the right, but not the obligation, to take an assignment of Tenant's interest under the Collateral Assignment of Lease or other form of assignment and assumption document reasonably acceptable to Landlord, provided such Franchise Assignee cures a default of the Lease no later than ten days following the end of Tenant's cure period. No assignment shall be effective until: (i) a Franchise Assignee gives Landlord written notice of its acceptance of the assignment and assumption of the Lease; and (ii) Tenant or the Franchisee Assignee has cured all material defaults of the Lease for which it has received notice from Landlord. Nothing contained herein or in any other document shall create any obligation or liability of Franchisor, any Franchise Assignee, or guarantor thereof under the Lease unless and until the Lease is assigned to, and accepted in writing by a Franchise Assignee. In the event of any assignment or purported assignment under this Addendum, Tenant shall remain liable under the terms of the Lease and the assignee

or subtenant shall retain all of the Tenant's rights granted in the Lease including without limitation: (x) any grant of a protected territory or use exclusivity; and (y) the renewal or extension of the Lease term. With respect to any assignment proposed or consummated under this Addendum, Landlord hereby waives any rights it may have to: (A) recapture the Premises; (B) terminate the Lease; or (C) modify any terms or conditions of the Lease. If Franchisor accepts an assignment and assumes the Lease under this section, Franchisor shall have the right to further sublet or reassign the Lease to another Franchise Assignee without Landlord's consent in which event Franchisor shall be released from any obligation or liability under the Lease. As used in this Addendum, "**Franchise Assignee**" means: (i) Franchisor or Franchisor's parent, subsidiary, or affiliate; or (ii) any franchisee of Franchisor or of Franchisor's parent, subsidiary, or affiliate.

4. Default and Notice.

a. If Tenant defaults on or breaches the Lease and Landlord delivers a notice of default to Tenant, Landlord shall contemporaneously send a copy of such default notice to Franchisor. Franchisor shall have the right, but not the obligation, to cure the default during Tenant's cure period plus an additional ten (10) day period. Franchisor will notify Landlord whether it intends to cure the default prior to the end of Tenant's cure period.

b. All notices to Franchisor shall be sent by a reputable overnight delivery service to the following address:

Red Shoe Rescue Franchise, LLC
4100 Cameron Park Drive #109
Cameron Park, CA 95682

Franchisor may change its address for receiving notices by giving Landlord written notice of the new address. Landlord agrees that it will notify both Tenant and Franchisor of any change in Landlord's mailing address to which notices should be sent.

c. Tenant and Landlord agree not to terminate, or materially amend the Lease during the term of the Franchise Agreement or any renewal thereof without Franchisor's prior written consent. Any attempted termination, or material amendment shall be null and void and have no effect as to Franchisor's interests thereunder; and a clause to the effect shall be included in the Lease.

5. Termination or Expiration.

a. If Franchisor does not elect to take an assignment of the Tenant's interest, Landlord will allow Franchisor to enter the Premises, without being guilty of trespass and without incurring any liability to Landlord, to remove all signs, awnings, and all other items identifying the Premises as a Franchised Business and to make other modifications (such as repainting) as are reasonably necessary to protect the Franchisor's trademarks and franchise system and to distinguish the Premises from a Franchised Business provided that Franchisor repairs any damage caused to the Premises by exercise of its rights hereunder.

b. If any Franchise Assignee purchases any assets of Tenant, Landlord shall permit such Franchise Assignee to remove all the assets being purchased, and Landlord waives any lien rights that Landlord may have on such assets.

6. Consideration; No Liability.

a. Landlord acknowledges that the Franchise Agreement requires Tenant to receive Franchisor's approval of the Lease prior to Tenant executing the Lease and that this Addendum is a material requirement for Franchisor to approve the Lease. Landlord acknowledges Tenant would not lease the Premises without this Addendum. Landlord also hereby consents to the Collateral Assignment of Lease from Tenant to Franchisor as evidenced by Attachment 1.

b. Landlord further acknowledges that Tenant is not an agent or employee of Franchisor, and Tenant has no authority or power to act for, or to create any liability on behalf of, or to in any way bind Franchisor or any Franchise Assignee, and that Landlord has entered into this with full understanding that it creates no duties, obligations, or liabilities of or against any Franchise Assignee.

7. Amendments. No amendment or variation of this Addendum shall be valid unless made in writing and signed by the Parties hereto.

8. Reaffirmation of Lease. Except as amended or modified herein, all of the terms, conditions, and covenants of the Lease shall remain in full force and effect and are incorporated herein by reference and made a part of this Addendum as though copies herein in full.

IN TESTIMONY WHEREOF, witness the signatures of the Parties hereto as of the day, month, and year first written above.

LANDLORD:	**TENANT:**
_____	_____
By: _____	By: _____
Printed Name: _____	Printed Name: _____
Title: _____	Title: _____

FRANCHISOR:

_____

By: _____

Printed Name: _____

Title: _____

Rev. 022324

EXHIBIT H-6 Attachment 1

ATTACHMENT 1 TO LEASE ADDENDUM

COLLATERAL ASSIGNMENT OF LEASE

FOR VALUE RECEIVED, as of the ___ day of _____, 20___ ("**Effective Date**"), the undersigned, _____ ("**Assignor**") hereby assigns, transfers and sets over unto _____ ("**Assignee**") all of Assignor's right, title, and interest as tenant, in, to and under that certain lease, a copy of which is attached hereto as **Exhibit A** ("**Lease**") with respect to the premises located at _____. This Collateral Assignment of Lease ("**Assignment**") is for collateral purposes only and except as specified herein, Assignee shall have no liability or obligation of any kind whatsoever arising from or in connection with this Assignment unless Assignee expressly assume the obligations of Assignor thereunder.

Assignor represents and warrants to Assignee that it has full power and authority to so assign the Lease and its interest therein, and that Assignor has not previously, and is not obligated to, assign or transfer any of its interest in the Lease or the premises demised thereby.

Upon a default by Assignor under the Lease or under that certain franchise agreement for a franchise between Assignee and Assignor ("**Franchise Agreement**"), or in the event of a default by Assignor under any document or instrument securing the Franchise Agreement, Assignee shall have the right and is hereby empowered, in Assignor's sole discretion, to: (i) cure Assignor's default of the Lease; (ii) take possession of the premises demised by the Lease; (iii) expel Assignor from the premises, either temporarily or permanently; (iv) terminate Assignee's rights, title, and interest in the Lease; and/or (v) assume the Lease. If Assignee expends sums to cure a default of the Lease, Assignor shall promptly reimburse Assignee for the cost incurred by Assignee in connection with such performance, together with interest thereon at the rate of two percent per month, or the highest rate allowed by law.

Assignor agrees it will not suffer or permit any surrender, termination, amendment, or modification of the Lease without the prior written consent of Assignee. Through the term of the Franchise Agreement and any renewals thereto, Assignor agrees that it shall elect and exercise all options to extend the term of or renew the Lease not less than 30 days before the last day that said option must be exercised, unless Assignee otherwise agrees in writing. Upon failure of Assignee to otherwise agree in writing, and upon failure of Assignor to so elect to extend or renew the Lease as stated herein, Assignor hereby irrevocably appoints Assignee as its true and lawful attorney-in-fact, which appointment is coupled with an interest to exercise the extension or renewal options in the name, place, and stead of Assignor for the sole purpose of effecting the extension or renewal.

(Signatures on following page)

IN WITNESS WHEREOF, Assignor and Assignee have signed this Collateral Assignment of Lease as of the Effective Date first above written.

ASSIGNOR:

_____

By: _____

Printed Name _____

Its: _____

ASSIGNEE:

_____

By: _____

Printed Name _____

Its: _____

Rev 022324

EXHIBIT H-7

RED SHOE RESCUE FRANCHISE

SAMPLE ADDENDUM TO FRANCHISE AGREEMENT FOR NATIONAL ACCOUNT PARTICIPATION

This Addendum to Franchise Agreement ("Addendum") is made and entered into as of _____, 20___, by and between Red Shoe Rescue Franchise, LLC, ("Franchisor" or "RSR") and _____ ("Franchisee").

WHEREAS, Franchisor and Franchisee have entered into a franchise agreement ("Franchise Agreement") pursuant to which Franchisee was granted a license to use the Marks and Systems in the operation of a Franchise in a specific area ("Territory").

WHEREAS, Red Shoe Rescue Franchise, LLC (hereinafter referred to as "Administrator") have entered into a contract ("Contract") for a National Accounts Program ("NAP") to provide restoration services ("Services") in various locations to various National Accounts Program Customers ("NAP Customer").

WHEREAS, Administrator will utilize RSR's franchisees ("Red Shoe Rescue Franchisees") to provide the Services and Administrator desires to provide project management services related to the Contract for the Services.

NOW, for and in consideration of the mutual covenants, terms, and conditions herein and other good and valuable consideration, the receipt of which are hereby acknowledged, the parties hereto agree as follows:

1. Administrator represents that it is pursuing and attempting to negotiate national account contracts for products and services provided by Red Shoe Rescue Franchisees in the System. Franchisee acknowledges that Administrator is not required to pursue a national account contract with any particular customer or on any particular terms. Administrator, in its sole discretion, shall determine the best method of pursuing, negotiating with, and servicing national account customers, and shall establish the terms of each account, based on the customers' needs.

2. Franchisee is responsible for any and all expenses, including travel and lodging, associated with any NAP Customer work. Franchisee acknowledges that NAP Customer work is subject to all Franchisee's requirements under the Franchise Agreement, including, but not limited to, payment of Royalties and Brand Fund contributions, and indemnification, insurance, and warranty.

3. Franchisee understands and agrees that Franchisee has no right to any NAP Customer or jobs except as assigned by Franchisor to Franchisee in Franchisor's sole discretion. Franchisee shall automatically be disqualified from any NAP Customer work if any of the following occur:

a. If a NAP Customer has notified administrator in writing that the customer does not want to deal with Franchisee for any reason;

b. If Franchisee is not qualified or certified by Franchisor to perform a particular type of work;

c. If Franchisor has notified Administrator that Franchisee is in default or otherwise not in good standing under the Franchise Agreement;

d. If Franchisee does not meet minimum insurance requirements for a NAP contract;

e. If Administrator is unable to timely communicate with Franchisee about a customer work request despite making reasonable efforts to do so;

f. If Franchisee does not deliver or complete the work to the satisfaction of NAP Customer.

In any of the above instances, Franchisee will automatically be disqualified and Administrator may contract the work to another Franchisee.

4. Franchisee agrees to accept the NAP prices ("NAP Prices") as set by the Administrator. Franchisee understands and agrees that all income received by Franchisee under the NAP is considered "Gross Sales" within the definition in Attachment A to the Franchise Agreement and is subject to all reporting, audit and fee requirements under the Franchise Agreement including but not limited to Referral Fees. Franchisee is responsible for complying with all insurance and tax requirements, even if jobs are located outside Franchisee's Territory or state.

5. Franchisee's participation in the NAP is voluntary. Franchisee may terminate further participation in the NAP for any reason, by completing any assigned jobs or jobs in-process and giving at least ten business days' written notice to Administrator and Franchisor.

6. Franchisee acknowledges that Attachment A to the Franchise Agreement is amended to include Administrator as one of the "Indemnified Parties," and Franchisee acknowledges that any NAP work is subject to Franchisee's indemnification obligations under Section 18.

7. Franchisee understands and agrees that Franchisee must be and remain in good standing with Franchisor under the Franchise Agreement in order to participate in the NAP. Franchisee agrees to service national account customers when requested to do so in accordance with NAP standards and procedures, and any terms in the contract with the NAP Customer. Franchisee understands that at no time does the Franchisee have the ability to choose which NAP jobs they would like to participate in if they are part of the NAP. Franchisee specifically acknowledges that Administrator may represent to a NAP Customer that Franchisee will comply with terms and conditions negotiated between Administrator and the national account customer.

8. Franchisee acknowledges that NAP Customers may require the execution of additional documents or fulfillment of additional conditions prior to providing any Services. Franchisee acknowledges and agrees it is solely responsible for review and execution of any additional contracts, review and execution of any documents, and/or fulfillment of additional conditions required by NAP Customers for the Services.

9. Franchisee acknowledges that jobs with NAP Customers may not be assigned or subcontracted without written permission from Administrator, and that Franchisee's participation in the NAP is not assignable without the express written consent of Franchisor.

10. Administrator will pay Franchisee only upon receipt of funds from the NAP Customer and upon the receipt of all paperwork requested by Administrator. Such payment(s) will be provided to Franchisee promptly after receipt of funds by Administrator from NAP Customer. Typically, such payment

should occur within 45-60 days after the invoice for the NAP Customer work invoice has been properly submitted and approved.

11. This Addendum will terminate:

a. Automatically if the Franchise Agreement terminates, expires, or is not renewed;

b. On written notice to Administrator and Franchisee if Franchisor decided for any reason to terminate its participation in the NAP;

c. On written notice to Franchisor and Franchisee if Administrator decides for any reason that it will no longer pursue or service NAP Customers needing products and services provided by Red Shoe Rescue Franchisees;

d. On written notice to Franchisee if Administrator terminates Franchisee's participation in the NAP for Franchisee's failure to comply with the written standards and procedures of the NAP.

12. Each party agrees that it shall take any necessary steps, sign and execute any and all necessary documents, agreements, or instruments which are required to implement the terms of this Addendum, and each party agrees to refrain from taking any action which would have the effect of prohibiting or hindering the performance of any other party.

13. Franchisee agrees to defend, indemnify, pay, save, and hold harmless Franchisor and Administrator from any liabilities, damages (including, without limitation, direct, special, and consequential damages), costs, expenses, suits, losses, claims, actions, fines, and penalties (including, without limitation, court costs, reasonable legal fees, and any other reasonable costs of litigation) (hereinafter, collectively, the "Claims") that Franchisor or administrator may suffer, sustain, or incur arising out of or in connection with:

a. Franchisee's work, advice, or presence that gives rise to actual negligent acts, errors, or omissions; intentional misconduct or fraud of Franchisee, its employees, subcontractors, or agents, whether active or passive, whether in the provision of the services; failure to provide any or all of the Services or otherwise;

b. A material breach by Franchisee of this Addendum;

c. Proven assertions under workers' compensation or similar employee benefit acts by Franchisee or its employees or agents, and/or any failure by Franchisee to pay any employment benefits and any taxes required of it of any nature whatsoever;

d. Franchisee's failure to comply with any applicable Law.

The foregoing indemnification shall apply irrespective of whether Claims are asserted by a party, by its employees, agents, or subcontractors, or by unrelated third parties. Nothing contained herein shall relieve Franchisee of any responsibility for Claims regardless of whether Franchisee is required to provide insurance covering such Claims or whether the matter giving rise to the Claims is the responsibility of Franchisee's agents, employees, or subcontractors. The provisions of this section shall survive the termination of this Addendum.

14. Franchisee agrees that all insurance required by the Franchise Agreement will cover Franchisee's activities under the NAP, and will name Administrator as an additional insured.

15. Franchisee agrees to notify Administrator of any change in Franchisee's ownership or management, business address, fax number, telephone number, email address, or any change in the Territory in which Franchisee is authorized to provide services, not less than seven business days before such change is effective.

16. Except as specifically modified by this Addendum, all of the terms and conditions of the Franchise Agreement (including provisions for notice, construction, and dispute resolution) are reaffirmed in their entirety.

17. Except as specifically provided in this Addendum, all of the terms, conditions, and provisions of the Franchise Agreement will remain in full force and effect as originally written and signed. In the event of any inconsistency between the provisions of the Franchise Agreement and this Addendum, the terms of this Addendum shall control.

FRANCHISOR:	**FRANCHISEE:**
RED SHOE RESCUE FRANCHISE, LLC, a California limited liability company	_____
By: _____	By: _____
Printed Name: _____	Printed Name: _____
Title: _____	Title: _____

EXHIBIT I

FRANCHISE DISCLOSURE QUESTIONNAIRE

FRANCHISE DISCLOSURE QUESTIONNAIRE

(This questionnaire is not to be used for any franchise sale in or to residents of California, Hawaii, Illinois, Indiana, Maryland, Michigan, Minnesota, New York, North Dakota, Rhode Island, South Dakota, Virginia, Washington, or Wisconsin)

As you know, Red Shoe Rescue Franchise, LLC ("we" or "us"), and you are preparing to enter into a Franchise Agreement and Area Development Agreement, if applicable, for the operation of a Red Shoe Rescue franchise. **You cannot sign or date this questionnaire the same day as the Receipt for the Franchise Disclosure Document, but you must sign and date it the same day you sign the Franchise Agreement and Area Development Agreement, if applicable.** Please review each of the following questions carefully and provide honest responses to each question. If you answer "No" to any of the questions below, please explain your answer in the table provided below.

Do not sign this Questionnaire if you are a resident of Maryland or the franchise is to be operated in Maryland.

l.	Yes__	No__	Have you received and personally reviewed the Franchise Agreement and Area Development Agreement, if applicable, and each attachment or exhibit attached to it that we provided?
2.	Yes__	No__	Have you received and personally reviewed the Franchise Disclosure Document and each attachment or exhibit attached to it that we provided?
3.	Yes__	No__	Did you sign a receipt for the Franchise Disclosure Document indicating the date you received it?
4.	Yes__	No__	Do you understand all the information contained in the Franchise Disclosure Document, Franchise Agreement and Area Development Agreement, if applicable?
5.	Yes__	No__	Have you reviewed the Franchise Disclosure Document, Franchise Agreement and Area Development Agreement, if applicable, with a lawyer, accountant, or other professional advisor, or have you had the opportunity for such review and chosen not to engage such professionals?
6.	Yes__	No__	Have you had the opportunity to discuss the benefits and risks of developing and operating a Red Shoe Rescue Franchise with an existing Red Shoe Rescue franchisee?
7.	Yes__	No__	Do you understand the risks of developing and operating a Red Shoe Rescue Franchise?
8.	Yes__	No__	Do you understand the success or failure of your Red Shoe Rescue Franchise will depend in large part upon your skills, abilities, and efforts, and those of the persons you employ, as well as many factors beyond your control such as competition, interest rates, the economy, inflation, labor and supply costs, and other relevant factors?

9. Yes__ No__ Do you understand all disputes or claims you may have arising out of or relating to the Franchise Agreement and Area Development Agreement, if applicable, must be arbitrated in California, if not resolved informally or by mediation, (subject to state law)?

10. Yes__ No__ Do you understand that you must satisfactorily complete the initial training program before we will allow your Red Shoe Rescue Franchise to open or consent to a transfer of the Red Shoe Rescue Franchise to you?

11. Yes__ No__ Do you agree that no employee or other person speaking on our behalf made any statement or promise regarding the costs involved in operating a Red Shoe Rescue Franchise that is not contained in the Franchise Disclosure Document or that is contrary to, or different from, the information contained in the Franchise Disclosure Document?

12. Yes__ No__ Do you agree that no employee or other person speaking on our behalf made any statement or promise or agreement, other than those matters addressed in your Franchise Agreement and Area Development Agreement, if applicable, and any addendum, concerning advertising, marketing, media support, marketing penetration, training, support service, or assistance that is contrary to, or different from, the information contained in the Franchise Disclosure Document?

13. Yes__ No__ Do you agree that no employee or other person speaking on our behalf made any statement or promise regarding the actual, average or projected profits or earnings, the likelihood of success, the amount of money you may earn, or the total amount of revenue a Red Shoe Rescue Franchise will generate that is not contained in the Franchise Disclosure Document or that is contrary to, or different from, the information contained in the Franchise Disclosure Document?

14. Yes__ No__ Do you understand that the Franchise Agreement and Area Development Agreement, if applicable, including each attachment or exhibit to the Franchise Agreement and Area Development Agreement, if applicable, contains the entire agreement between us and you concerning the Red Shoe Rescue Franchise?

15. Yes__ No__ Do you understand that we are relying on your answers to this questionnaire to ensure that the franchise sale was made in compliance of state and federal laws?

YOU UNDERSTAND THAT YOUR ANSWERS ARE IMPORTANT TO US AND THAT WE WILL RELY ON THEM. BY SIGNING THIS QUESTIONNAIRE, YOU ARE REPRESENTING THAT YOU HAVE CONSIDERED EACH QUESTION CAREFULLY AND RESPONDED TRUTHFULLY TO THE ABOVE QUESTIONS.

Signature of Franchise Applicant	Signature of Franchise Applicant
Name (please print)	Name (please print)
Date	Date

EXPLANATION OF ANY NEGATIVE RESPONSES (REFER TO QUESTION NUMBER):

Question Number	Explanation of Negative Response

Rev. 071823

EXHIBIT J

STATE EFFECTIVE DATES

State Effective Dates

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

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

State	Effective Date
California	Pending

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

EXHIBIT K

RECEIPT

RECEIPT
(Retain This Copy)

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

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

Under Iowa law, if applicable, Red Shoe Rescue Franchise, LLC must provide this disclosure document to you at your first personal meeting to discuss the franchise. Michigan requires Red Shoe Rescue Franchise, LLC to give you this disclosure document at least ten business days before the execution of any binding franchise or other agreement or the payment of any consideration, whichever occurs first. New York requires you to receive this disclosure document at the earlier of the first personal meeting or ten business days before the execution of the franchise or other agreement or the payment of any consideration that relates to the franchise relationship.

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

The name, principal business address, and telephone number of each franchise seller offering the franchise is:
Doug McKee, 4100 Cameron Park Drive #109, Cameron Park, CA 95682, 530-677-7733

Issuance Date: April 17, 2024

I received a disclosure document issued April 17, 2024 which included the following exhibits:

Exhibit A	List of State Administrators and Agents for Service of Process
Exhibit B	Financial Statements
Exhibit C	Franchise Agreement
Exhibit D	Area Development Agreement
Exhibit E	List of Current and Former Franchisees/Area Developers
Exhibit F	State Addenda and Agreement Riders
Exhibit G	Brand Standards Manual Table of Contents
Exhibit H	Contracts for use with the Red Shoe Rescue Franchise
Exhibit I	Franchise Disclosure Questionnaire
Exhibit J	State Effective Dates
Exhibit K	Receipt

Date	Signature	Printed Name
Date	Signature	Printed Name

Rev. 012417

PLEASE RETAIN THIS COPY FOR YOUR RECORDS.

RECEIPT
(Our Copy)

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

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

Under Iowa law, if applicable, Red Shoe Rescue Franchise, LLC must provide this disclosure document to you at your first personal meeting to discuss the franchise. Michigan requires Red Shoe Rescue Franchise, LLC to give you this disclosure document at least ten business days before the execution of any binding franchise or other agreement or the payment of any consideration, whichever occurs first. New York requires you to receive this disclosure document at the earlier of the first personal meeting or ten business days before the execution of the franchise or other agreement or the payment of any consideration that relates to the franchise relationship.

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

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Exhibit I	Franchise Disclosure Questionnaire
Exhibit J	State Effective Dates
Exhibit K	Receipt

Date	Signature	Printed Name
Date	Signature	Printed Name

Rev. 012417

Please sign this copy of the receipt, date your signature, and return it to Red Shoe Rescue Franchise, LLC, 4100 Cameron Park Drive #109, Cameron Park, CA 95682.