FRANCHISE DISCLOSURE DOCUMENT

SmartBooks Partners, LLC
A South Dakota limited liability company
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SMARTBOOKS PARTNERS

We offer franchisees the opportunity to operate and manage a business providing outsourced bookkeeping, accounting, CFO, payroll, human resources, and tax services to small businesses using the SmartBooks® marks in your marketing, sales and service operations.

The total investment necessary to begin the operation of a SmartBooks franchise is $58,000 to $78,500. This includes $50,750 that must be paid to the Franchisor or affiliate.

This disclosure document summarizes certain provisions of your Franchise Agreement and other information in plain English. Read this disclosure document and all accompanying agreements carefully. You must receive this disclosure document at least 14 calendar days before you sign a binding agreement with, or make any payment to the franchisor or an affiliate in connection with the proposed franchise sale. **Note, however, that no government agency has verified the information contained in the document.**

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

Buying a franchise is a complex investment. The information in this disclosure document can help you make up your mind. More information on franchising such as "A Consumer 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: March 22, 2021, amended July 1, 2021

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.
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 C 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 SmartBooks 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 SmartBooks franchisee?	Item 20 list 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 in Exhibit B to this disclosure document.

Special Risks To Consider About *This* Franchise

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

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

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.

ADDENDUM TO FRANCHISE DISCLOSURE DOCUMENT
REQUIRED BY STATE OF MICHIGAN

Section 445.1508(1) of the Michigan Franchise Investment Law requires franchisor to give you a copy of this disclosure document the earlier of: (i) 10 business days prior to signing the Franchise Agreement; or (ii) 10 business days prior to franchisor's receipt of any consideration.

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

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

B. A requirement that a franchisee assent to a release, assignment, novation, waiver, or estoppel which deprives a franchisee of rights and protections provided by the Michigan Franchise Investment Law. This shall not preclude a franchisee, after entering into a franchise agreement, from settling any and all claims.

C. A provision that permits a franchisor to terminate a franchise prior to the expiration of its term except for good cause. Good cause shall include the failure of the franchisee to comply with any lawful provision of the franchise agreement and to cure such failure after being given written notice thereof and a reasonable opportunity, which in no event need be more than 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 6 months advance notice of franchisor's intent not to renew the franchise.

E. A provision that permits the franchisor to refuse to renew a franchise on terms generally available to other franchisees of the same class or type under similar circumstances. This subsection 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 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:
   a. The failure of the proposed transferee to meet the franchisor's then current reasonable qualifications or standards.
   b. The fact that the proposed transferee is a competitor of the franchisor or subfranchisor.
   c. The unwillingness of the proposed transferee to agree in writing to comply with all lawful obligations.
   d. 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 value 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) above.

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.

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

THE FACT 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 shall be directed to the Department of Attorney General, Consumer Protection Division, G. Mennen Williams Building, 1st Floor, 525 West Ottawa Street, Lansing, Michigan 48913, (517) 373-7117.

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

General

To simplify the language in this Disclosure Document “we” “us” or “our” means SmartBooks Partners, LLC, which is the franchisor. The word “you” means the person who buys the franchise, whether you are a person or entity. If you are a corporation, partnership or other entity, our Franchise Agreement also will apply to your owners. If you are married or have a domestic partner and your spouse or domestic partner is not a partner in the franchise business, certain provisions of our Franchise Agreement will also apply to that spouse or domestic partner.

We are a South Dakota limited liability company that was formed in October, 24, 2020. Our principal business address is 2352 Main Street, Suite 200, Concord, MA, 01742, and our telephone number is (978) 202-3064. Our agent for service of process is SmartBooks Corp. at 2352 Main Street, Suite 200, Concord, MA 01742.

We do business under our company name “SmartBooks Partners” and its associated design (the “Marks”). We do not own or operate any businesses of the type you will be operating. We have not offered franchises in any other line of business. We began offering SmartBooks franchises on March 22, 2021, the Issuance Date of this Disclosure Document.

Parents, Predecessors, Affiliates, and Prior Experience

We have no predecessors.

Our parent organizations are SmartBooks Corp. (“SBC”) and Provestments LLC (“PVM”). SBC is a South Dakota corporation that was originally incorporated in Massachusetts January 21, 2009, and re-domiciled in South Dakota, effective January 1, 2018. SBC’s principal place of business is 2352 Main Street, Suite 200, Concord, MA, 01742. SBC has not offered franchises in this or in any other lines of business previously.

PVM is a Massachusetts limited liability company formed on November 30, 2020. PVM’s principal place of business is 2352 Main Street, Suite 200, Concord, MA, 01742. PVM has not offered franchises in this or in any other lines of business previously.

We have another affiliate, Genie Services, LLC (“GS”), a South Dakota limited liability company with a principal place of business at 2352 Main Street, Suite 200, Concord, MA, 01742. GS was formed on October 24, 2020 and provides outsourced staffing and business process outsourcing services to us, our affiliates and our franchisees. GS has not offered franchises in this or any other lines of business previously.

We have another affiliate, Genie Technologies, LLC (“GT”), a South Dakota limited liability company with a principal place of business at 179 High Street, Acton, MA 01720. GT was formed on February 1, 2019 and provides practice management and accounting-related software technology. GS has not offered franchises in this or any other lines of business previously.

Our parent SBC first began operating under the SmartBooks brand in 2009, providing similar kinds of services that our System offers. SBC subsequently assigned most of its operations and assets to an affiliate that continues to operate a SmartBooks business in Massachusetts. We may, through affiliates, operate other SmartBooks businesses or develop other SmartBooks concepts, including tools, technologies and services that we make available to you or third parties.

The Franchised Business

We grant franchises for the right to operate a business that provides outsourced finance, bookkeeping, accounting, payroll, human resources and tax services (the "Services") in accordance with our System and that operate under the Marks. The distinguishing characteristics of our system (the "System") include, without limitation, methods, techniques, standards, specifications, procedures, and management frameworks; the Operations Manual ("Manual"); the SmartBooks Playbook ('Playbook"); training and assistance; the Marks; the collection of services offered; and marketing programs. We may change the System periodically. We enter into "Franchise Agreements" with qualified entities that wish to establish and operate a Franchise under the System using the Marks. The form of Franchise Agreement is attached to this Disclosure Document as Exhibit G.

Each franchisee (or its owner if any entity) must have experience working as CFO, Vice President of Finance, Director of Finance, or other similar role with financial planning and analysis and management responsibility for a business or non-profit organization. If you currently operate a business providing Services to clients, then you will be considered a "Conversion Franchise" and will be eligible for reduced fees on revenue received from your current clients (See Item 6).

The System

The System we provide is a comprehensive operating system for running your franchised business. It includes marketing, business development, sales, technical service delivery, client account management, technology, and general operations. We may change, improve, expand and develop the System periodically. You must operate in accordance with our methods, standards and our confidential online operating manual ("Operations Manual"). We will also provide a Playbook that contains recommended and suggested practices and examples and other resources that franchisees may find useful in operating their Franchise.

General Market and Competition

The general market for SmartBooks services consists of small businesses with annual revenue up to $10 million. The principal customers of a Smartbooks franchise will be small business owners, though other end-users may also be involved in the buying process and use the services. This is a highly developed and competitive market and your Franchise will compete with other national, regional and local businesses and individuals offering related services. Some of these competitors may be in close proximity to your Franchise, and may have greater financial resources, larger marketing budgets, and more national (or local) recognition than the SmartBooks brand.

Government Regulations

You must comply with all laws, ordinances, and government regulations that apply to all businesses in general, as well as with any local, state, and federal laws, licensing, and regulations concerning the provision of specific services you sell or provide.

We strongly recommend that before signing the Franchise Agreement, you engage an attorney and other professional advisors to advise you in determining the laws, ordinances and regulations affecting your establishment or operation of a franchise, to assist you in evaluating the ramifications of this business decision, and the risks of this business investment.

ITEM 2: BUSINESS EXPERIENCE

Calvin Wilder - Co-Founder and Chief Executive Officer

Mr. Wilder is our Chief Executive Officer, a position he has held since our inception. Mr. Wilder established the SmartBooks concept in Maynard, Massachusetts, in 2009 and since then has worked exclusively developing and growing the System and the brand.

Jeffrey Provost – Co-Founder and Chief Operating Officer

Mr. Provost is our Chief Operating Officer, a position he has held since our inception. He also has been Chief Operating Officer of SmartBooks Services, LLC, based in Concord, MA since September 2018. Prior to joining the SmartBooks businesses, Mr. Provost was a Vice President with DealerRater (a Cars.com company), located in Waltham, MA from November, 2014 to September, 2018.

ITEM 3: LITIGATION

No litigation is required to be disclosed in this Item.

ITEM 4: BANKRUPTCY

No bankruptcy is required to be disclosed in this Item.

ITEM 5: INITIAL FEES

<u>Initial Franchise Fee</u>

We will charge you an initial franchise fee ("Initial Franchise Fee") when you sign the Franchise Agreement. The Initial Franchise Fee is Fifty Thousand Dollars ($50,000.00). If we conclude that you are unable to complete any phase of our initial training program to our satisfaction within three months of executing a Franchise Agreement, we may terminate the Franchise Agreement, in which case we will refund the Initial Franchise Fee (subject to your execution of a general release of claims), less $5,000. Otherwise, the Initial Franchise Fee is deemed fully earned upon payment and is not refundable.

Discount for Veterans

We offer a veteran's discount to honorably discharged veterans of the United States armed forces and their spouses. We will discount the Initial Franchise Fee by 20% for those veterans and/or their spouses. A copy of your DD-214 is required to receive this discount.

ITEM 6: OTHER FEES

Type of Fee	Amount	Due Date	Remarks
Royalty	8% of monthly Gross Revenue on a Cash Basis during the first 6 months. Beginning in month 7, the greater of 8% of Gross Revenue on a Cash Basis or the Minimum Royalty. Conversion franchisees pay half of the Royalty (4%) for the first 2 years for all clients that are listed in Addendum B of the Franchise Agreement. Required Minimum Monthly Royalty Fee by Year: 1st year: $500/month 2nd year: $1,000/month 3rd year and thereafter: $1,500/month	Paid monthly on the 15th day of each month for Gross Revenue earned the prior month (1)	(Notes 1,2, and 3)
Brand Fund	When implemented by us, 3% of Gross Revenue on a Cash Basis during the first 6 months. Beginning in month 7, the greater of 3% of Gross Revenue on a Cash Basis or the Minimum Monthly Brand Fund Fee. Conversion franchisees pay half of the Brand Fund Fee (1.5%) for the first 2 years for all clients that are listed in Addendum B of the Franchise Agreement. Required Minimum Brand Fund Fee by Year: 1st year: $195/month 2nd year: $390/month 3rd year and beyond: $580/month	Paid monthly on the 15th day of each month for Gross Revenue earned the prior month	(Notes 1, 2, 3, and 4)

Technology	Our then-current technology fee, which is currently $175/month for a full Principal user technology suite and $45/month for limited-suite staff users.	Paid monthly on our then-current payment schedule	(Note 5)
Client Satisfaction	Varies; reasonable costs we or another SmartBooks franchisee incur resolving a client complaint	Payable within 5 days of invoice	Payable if your client contacts us with a complaint and we assist or compensate them, or if another franchisee corrects or redoes the work performed by you. In this circumstance, you must reimburse us or the provider of services.
Managed Website Services	Our then-current managed website services fees (currently $25 per month for required base services and more for optional additional services).	Paid monthly on our then-current payment schedule	We provide a dedicated web page for each Franchise as a base service. We may also offer additional online marketing services which are optional and incur additional fees.
BPO Service	Then-current BPO service fees of our affiliate.	Varies based on BPO Service Fee payment schedules	These are optional services that you may purchase from our affiliate. (Note 6)
Insurance Reimbursement	Cost of insurance purchased by you.	As required and as incurred	Payable to us only if you do not maintain required insurance (Note 7)
Annual Conference	Our then-current Annual Conference Fee. Currently we expect our conference registration fee to be between $500 and $1,500 per person.	As incurred	We may choose to hold an annual conference, in our sole discretion, require that you attend, and charge you an Annual Conference Fee regardless of whether you attend. You will be responsible for travel costs you incur in connection with attending any annual conference
Late Fee	$50 late fee for every month during which a fee is owed and not paid	As incurred	Payable if any payment due to us or another franchisee or our affiliate is not made by the due date. Late fees accrue from the original due date until payment is received in full.
Finance Charge	0.04% finance charge per day of delinquency, or the maximum amount permitted by law, whichever is lower.	As incurred	Payable if any payment due to us or another franchisee or our affiliate is not made by the due date. Finance charges accrue from the original due

			date until payment is received in full.
Transfer	25% of the average Initial Franchise Fee we receive in the one year preceding your transfer or $12,500, whichever is greater, plus any commissions, broker fees, or other out-of-pocket costs we incur related to the transfer of your Franchise.	Payable at the time of transfer as a condition to our approving the transfer	Your transferee must execute our then-current form of franchise agreement upon renewal.
Renewal	25% of the average Initial Franchise Fee we receive in the one year preceding your renewal or $12,500, whichever is greater.	Payable at the time of renewal as a condition of renewal	You must execute our then-current form of franchise agreement upon renewal.
Card Payment Fee	Up to 4% of any fees we receive from you via credit card payment	Included in invoices or subsequently invoiced; paid on invoice due dates	If payment is made to us or our affiliate by credit card for any required fee, we may charge this fee.
Non-Sufficient Funds Fee	The lesser of $100 per occurrence or the highest amount allowed by law	Upon notice	Payable if any check or electronic payment is not successful due to insufficient funds, stop payment, or any similar event.
Liquidated Damages	Up to 12 months of Royalty Fees	Upon termination of the Franchise Agreement due to your default or by you without cause	Calculated based on your average monthly Gross Revenue on a Cash Basis for the one year preceding the date termination notice is delivered, and shall be subject to a 1% per month discount rate applied to each month after the date of termination.
Legal Fees	Varies according to circumstances	Upon notice	You must reimburse us for attorney fees and other legal costs that we incur in connection with enforcing or protecting our rights under the Franchise Agreement.
Indemnity	Varies according to circumstances	Upon notice	You must reimburse us for our attorney fees and other costs that we incur in connection with any third-party claims brought against us that arise out of, or are related to, the operation of your Franchise.
Inspection and Audit Costs	None unless the inspection or audit reveals material underpayment of fees owed to us, in which case you	Upon notice	We will bear the cost of the inspection or audit, unless it reveals understatement of your

	pay the cost of the inspection or audit plus delinquent fees owed plus interest.		revenue by 5% or more compared to what was used to calculate the fees paid to us. In such an understatement, you will pay the cost of the inspection or audit plus the amount of delinquent fees owed plus interest at the rate of 0.04% per day on underpaid amounts.

All fees in this Item 6 are non-refundable. Fees are uniformly imposed except as otherwise indicated.

<u>Notes:</u>

1. All fees will be invoiced by us and automatically charged on their due date from your designated bank account via the inter-bank automated clearing house system ("ACH"). You will be required to maintain a dedicated operating bank account for your Franchise with sufficient funds to cover your monthly fees and other operating expenses. You must use the accounting system and technology platform specified in the Franchise Agreement or Operations Manual to conduct the accounting and financial reporting for your Franchise. We will have access to see transactions and financial reports which we will use to calculate the Royalty Fee and any Brand Fund Fee. There is no rollover credit for months in which the Royalty Fee or the Brand Fund Fee amount exceeds the respective minimum amounts.

2. The amount of all fees that are denominated in fixed dollar amounts (not as a percentage of your revenue) are subject to upward adjustment during the term of your Franchise Agreement based on changes to the Consumer Price Index published by the Wall Street Journal.

3. "Gross Revenue on a Cash Basis" means and includes all sales and revenue which You receive for Services from any source, and includes the fair market value of any bartered goods and services. You may exclude from Gross Revenue on a Cash Basis the amount of any sales tax that You charge to clients as separate line items on Your client invoices and remit to tax authorities. You may also exclude from Gross Revenue on a Cash Basis any reasonable reimbursable expenses that are itemized on Your client invoices and reimbursed to You. In order for sales tax and reimbursable expenses to be excluded, they must be separately stated on financial statements and booked to separate general ledger accounts.

4. The Brand Fund Fee is for our use in promoting and building the SmartBooks brand and potentially for sales lead generation for franchisees. We may choose to implement it upon execution of a Franchise Agreement or after 90 days written notice. We may increase the minimum brand fund contribution amount in a given calendar year by up to 5%. We reserve the right to allow franchisees to pay a reduced Brand Fund Fee if they are exceeding certain revenue levels.

5. We charge a Technology Fee for access to and use of various technology products or services in our System in connection with the operation of your Franchise. As of the Issuance Date,

the Technology Fee includes multiple components and varies between systems needed by you as Franchise owner and by your staff. The Technology fee is currently $175 per month for a full Franchise owner technology suite, and $45 per month for any employees who do not need the full suite of the Franchise owner. Currently the staff suite includes email, calendaring and online scheduling, file storage, spreadsheet, word processing, slide presentations, file and email backup, and online video conferencing with screen sharing. In addition, the Franchise owner technology suite currently adds social media and online marketing tools and digital contract signature. If we increase or otherwise modify the Technology Fee, we will provide you with 30 days' prior written notice. You must also use the Genie practice management software application for task management and time tracking and invoicing your clients. You will be charged a per-user fee for each of Your user accounts in Genie (currently $50) plus a per-client fee for each of Your clients (currently $20), and you will contract with, and pay these fees to, our affiliate Genie Technologies, LLC. In addition, you will maintain a QuickBooks Online account for your own internal Franchise accounting, which is currently made available for free by Intuit in its accountant program.

6. Certain of our affiliates provide services on a wholesale basis to other businesses. These services include a broad range of services that you might wish to utilize. Also, we reserve the right to provide additional services to our franchisees beyond the services otherwise obligated in the Franchise Agreement. Collectively, these services may be referred to as "BPO Services." Utilization of BPO Services is optional for franchisees. Fees and terms for BPO Services may vary widely and shall be determined by the entity providing the services.

7. You must obtain and maintain insurance, at your expense, as we require, in addition to any other insurance required by law or otherwise, described in greater detail in our Operations Manual. We may periodically change the types and amounts of coverage required under the insurance policies, based on changes in circumstances, if the changes apply to all SmartBooks franchises. If you fail to maintain the mandatory insurance, we may obtain insurance for you, and you must reimburse us for its cost, which might be higher than the cost of insurance you could obtain for yourself. Certain insurance policies must name us and any affiliates that we designate as additional insureds and give us at least 30 days' prior written notice of termination, amendment, or cancellation. You must provide us with certificates of insurance evidencing your insurance coverage no later than 10 days before your Franchise opens and annually as prescribed in our Operations Manual. We reserve the right to offer franchisees the option to purchase insurance through a master policy maintained by us.

8. We currently offer a credit to you to be applied to offset your royalty obligations, if you are a Franchisee in good standing and refer another person to us in writing with whom we were not previously engaged in discussion to become a franchisee and to whom we grant a franchise within one year of Your referral. The amount of the credit is 30% of the Initial Franchise Fee paid by the person you refer, payable after your referral pays us the Initial Franchise Fee and completes to our satisfaction its Initial Training. In addition, we require in Franchise Agreements that other franchisees pay you a referral fee in the amount of eight percent (8%) of Gross Revenue on a Cash Basis for any clients you refer to another franchisee.

ITEM 7: ESTIMATED INITIAL INVESTMENT

YOUR ESTIMATED INITIAL INVESTMENT

Type of Expenditure	**Amount**	**Method of Payment**	**When Due**	**To Whom Payment is Made**
Initial Franchise Fee (1)	$50,000	Lump Sum	At signing of Franchise Agreement	Franchisor
Travel Expenses during initial training (2)	$0 - $2,000	As arranged	As incurred	Airlines, hotels, restaurants, car rental
Computer Hardware; Software; Other Office Equipment (3)	$1,500 - $2,000	As arranged	Prior to beginning operations	Various Vendors
Supplies & Miscellaneous Expenses	$0 - $500	As incurred	As incurred	Various Vendors
Insurance - 3 months (4)	$500 - $1,000	As arranged	As arranged	Insurance Company
Legal Fees (5)	$1,000 - $3,000	As incurred	As arranged	Various Vendors
Additional Funds - first 3 months after you begin operations (6)	$5,000 - $20,000	As arranged	As incurred	Personnel, Other Third Parties, Us and our Affiliate.
Total (7)	$58,000 - $78,500			

Notes:

1. Please see Item 5 for discounts to the Initial Franchise Fee.

2. Travel Expenses during initial training. You will travel to our office in Massachusetts to receive this training, unless we make available remote training.

3. Computer Hardware; Software; Other Office Equipment. You are responsible for purchasing computers and other equipment to furnish your office. We may provide specifications for computer hardware and operating systems in our Operations Manual though we have no obligation to do so, and you must determine if the minimum specifications meet your needs.

4. This is an estimate of insurance premiums for the initial three (3) months of operation for your Franchise business. Your costs will vary depending on your market, the amount of coverage you select, your insurance carrier, and other factors. Your minimum insurance requirements are: $1,000,000 for commercial general liability, $1,000,000 automobile coverage for any vehicles used in the operation of your Franchise, $1,000,000 for errors and omissions, $1,000,000 for employee dishonesty and worker's compensation in the amount required in the Territory where your Franchise is located.

5. Includes legal review of franchise documents and incorporation of a new legal entity unless your existing legal entity enters into a Franchise Agreement. We assume that you operate out of your home office and therefore do not include any expenses to review office leases or other associated expenses. We assume that you do not incur professional fees to engage an accountant during the initial period.

6. We recommend that you have a minimum amount of money available to cover operating expenses for the first 3 months after your Franchise opens. This estimate includes such items as utilities, payroll (if applicable), Technology Fees and software fees payable to us or our affiliate, bank charges and other miscellaneous items. The higher end represents estimated expenses to maintain minimal operations without any sales for three months. The lower end assumes you have revenue during the first three months. We relied upon the experience of our affiliate-owned SmartBooks outlet to compile these estimates. You should review these figures carefully with a business advisor before making any decision to invest in the franchise. We cannot guarantee that our recommendation will be sufficient. Additional working capital may be required if sales are low or operating costs are high. No compensation to you as owner-employee is included in this estimate of your initial investment.

7. The figures in this table are estimates of your initial investment and the costs necessary to begin operation of your Franchise business. Unless otherwise noted above, all of the expenditures listed in the Item 7 Chart are non-refundable. We do not offer direct or indirect financing to franchisees for any items.

ITEM 8: RESTRICTIONS ON SOURCES OF PRODUCTS AND SERVICES

We maintain an Approved Vendor List for certain services and goods needed to operate your Franchise, including but not limited to the technology products specified in Note 5 of Item 6 of this Disclosure Document. We will provide you with support for the use of services and products on the Approved Vendor List.

You will generally be free to make your own decisions about which accounting-related software and technology products, used by your clients, that you will use and support in the course of providing services to clients.

If you choose to utilize BPO Services provided by an affiliate of ours, the provider of the BPO Services will maintain specifications including the types of software and services and vendors that BPO Services will support.

Although we do not currently maintain and require the use of a master reseller account for any purchases, we reserve the right to introduce that requirement in the future with terms and conditions described in the Operations Manual.

We or our affiliates may be the only Approved Vendor for certain products and services. We reserve the right to add new products and services for which we or our affiliate is the only Approved Vendor.

You are required to purchase the Genie practice management software from our affiliate, Genie Technologies, LLC. One of our owners also owns a controlling interest in Genie Technologies, LLC.

Other than revenue received by Genie Technologies, LLC, neither we nor any affiliate will currently receive revenue from required purchases or leases by franchisees. During our last fiscal year ending December 31, 2020, neither we nor our affiliates received any revenue from required purchases or leases by franchisees. We estimate that your purchase or lease of products, supplies and services from approved suppliers (or those which meet our specifications) will represent approximately one percent (1%) of your costs to establish your Franchised Business and approximately one percent (1%) of your costs for ongoing operation.

Currently, there are no purchasing or distribution cooperatives. However, we can require that you make your purchases through a cooperative if one is formed.

From time to time, we may negotiate purchase arrangements, including price terms, with designated and approved suppliers on behalf of all franchisees. As of the date of this Disclosure Document, we have not created any purchasing arrangements with suppliers.

We provide no material benefits (such as the grant of additional franchises) based on your use of designated sources; however, failure to use approved items or designated suppliers and contractors may be a default under the Franchise Agreement. Additionally, when there is any default under the Franchise Agreement, we reserve the right, in addition to other remedies available under the Franchise Agreement, to direct our affiliates to withhold furnishing operations assistance to you.

ITEM 9: FRANCHISEE'S OBLIGATIONS

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

	Obligation	**Section in Franchise Agreement**	**Disclosure Document Item**
a.	Site selection and acquisition/lease	Section 17	Items 11, 12
b.	Pre-opening purchases/leases	Not Applicable	Items 7, 8
c.	Site development and other pre-opening requirements	Section 8	Items 7, 11
d.	Initial and ongoing training	Sections 8, 10	Items 6, 7, 11
e.	Opening	Section 11	Item 11
f.	Fees	Sections 5, 6, 10, 16, 21	Items 5, 6, 7, 11, 12
g.	Compliance with standards and policies/ operating manual	Sections 11, 14	Items 6, 8, 11, 15

h.	Trademarks and proprietary information	Sections 2, 18, 19	Items 13, 14
i.	Restrictions on products/services offered	Sections 11, 12, 14	Items 8, 11, 16
j.	Warranty and customer service requirements	Section 11	Items 6, 11
k.	Territorial development and sales quotas	Sections 3, 6	Item 12
l.	Ongoing product/service purchases	Sections 11, 14	Items 8, 16
m.	Maintenance, appearance and remodeling requirements	Sections 12, 19	Item 11
n.	Insurance	Section 23	Items 6, 7, 8
o.	Advertising	Section 21	Items 6, 11
p.	Indemnification	Section 23	Items 6, 13
q.	Owner's participation/management/staffing	Sections 11, 15	Item 15
r.	Records and reports	Sections 6, 11, 12, 22, 31, 40	Items 6, 11
s.	Inspections and audits	Sections 6, 11, 22	Items 6, 11
t.	Transfer	Sections 5, 21, 24, 28, 29	Items 6, 17
u.	Renewal	Sections 5, 6, 9, 11, 12, 15, 22, 23	Items 6, 17
v.	Post-termination obligations	Section 34	Item 17
w.	Non-competition covenants	Sections 7, 9, 10, 27, 38	Item 17
x.	Dispute resolution	Sections 39, Addendum C	Item 17
y.	Guarantee	Section 41, Addendum E	Items 15, 17

ITEM 10: FINANCING

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

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

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

Opening Assistance

Promptly after we mutually enter into a Franchise Agreement, we will begin our initial franchisee training program and provide the following assistance as further described in Section 8 of the Franchise Agreement. As we are not a retail store concept with a clear opening date, this initial assistance may be provided in parallel with you starting to operate and service clients.

1. Provision your SmartBooks IT system accounts for your users
2. Help you set up your instance of Genie practice management software
3. Add your profile to the smartbooks.com website
4. Provide you with an initial set of business cards, printed presentations, and *The Financial Operating System* books.
5. General training on our System, including generating new business opportunities, closing new sales contracts, servicing clients, and our recommended small business technology stack.
6. Specific training on The Financial Operating System®, including conducting The Financial Operating System® Bootcamps and implementing and using The Financial Operating System® for clients.
7. Access to the SmartBooks Marks and marketing materials
8. Access to the Operations Manual and the Playbook

Time to Open

We estimate the typical length of time between the signing of the Franchise Agreement and the time you open your SmartBooks Franchise is forty-five (45) days. Factors that may affect this time period include your ability to acquire financing or permits and complete required training. If you have not opened your SmartBooks Franchise within sixty (60) days after you sign the Franchise Agreement, you will be in default of the Franchise Agreement.

Continuing Assistance

During the operation of your Franchise business, we will provide the following continuing assistance as further described in Section 8 of the Franchise Agreement:

1. As we deem necessary, general support services related to operating a SmartBooks franchise based on your individual challenges and needs as well as broader issues relevant to other franchisees. We will provide you with access to training programs and platforms that we offer to franchisees or may develop in the future. This support and training may be provided via online or in-person group-based or one-on-one training led by us, or via self-paced online resources that you utilize.
2. Provision new SmartBooks IT system accounts for your employees.
3. Support your use of SmartBooks IT systems and software that are on the Approved Vendor list.
4. Facilitate your procurement of subcontracted services from our affiliated service providers.
5. Evaluate new products and services at our discretion as they are identified or developed in the marketplace, which may be relevant or beneficial to the SmartBooks System

6. Periodically conduct System-wide meetings, either in-person or via videoconference or teleconference, to which all franchisees shall be invited and to which all franchisees sometimes may be required to attend.
7. Maintain and periodically update the Operations Manual and Playbook.

Advertising Assistance

In the absence of a Brand Fund Fee (the cost of which is described in Item 6), we are not obligated to conduct advertising or marketing for your benefit. We currently do not have an advertising council or cooperative.

If and when we begin a marketing program supported by a Brand Fund Fee (as described in Sections 6.3 and 19.2 of the Franchise Agreement), it will be administered by us. We will be responsible for (i) developing and placing advertising for the benefit of the entire System; (ii) deciding which media to use and under what terms; (iii) preparing and making available to all franchisees a statement of income and expenses upon written request; and (iv) securing the services of advertising agencies or other marketing professionals. You will have the right to review an annual accounting of Brand Fund Fee income and expenses upon request. Brand Fund Fee funds received and not spent in any given fiscal year will be carried forward to the next year. Up to fifteen percent (15%) of the total Brand Fund Fee annually may be used to reimburse us or our designees including affiliates of ours for marketing-related management and administrative costs.

We will maintain separate bookkeeping for Brand Fund Fees and associated expenses, but will not be required to cause Brand Fund Fees to be deposited into one or more separate bank accounts.

Activities and programs supported by the Brand Fund Fee may include, among other things, conducting and preparing advertising, marketing, public relations, client surveys, and/or promotional programs and materials, and any other activities that we believe will enhance the image of the SmartBooks System, such as preparing and conducting radio, television, print, and internet-based advertising campaigns; utilizing social and business networking media sites and other emerging media or promotional tactics; developing, maintaining, and updating our website on the internet; direct mail advertising; marketing surveys; employing advertising and/or public relations agencies; purchasing and distributing promotional items; and providing promotional and other marketing materials and services to franchisees.

Computer Systems

You will conduct all or most all of your Franchise business using user accounts in the smartbooks.com domain that we provide and that are further described in Note 5 in Item 6. As committed in Section 8 of the Franchise Agreement, we will support your use of these accounts and will also support your use of technology systems specified in the Approved Vendor List. In some situations we will have access to information contained in those systems, and you should assume that we have access to all such systems. As the SmartBooks System utilizes cloud-based software applications, we may provide specifications for computer hardware and operating systems in our Operations Manual though we have no obligation to do so.

Operations Manual & Playbook

We will provide you with access to our online Operations Manual and Playbook once you sign the Franchise Agreement and pay the Initial Franchise Fee. The Operations Manual is focused on requirements for operating your Franchise, and the Playbook contains recommended and suggested practices and examples and other resources that franchisees may find useful in operating their Franchise. The Table of Contents is listed as Exhibit G. The Operations Manual has a total of 28 pages.

Initial Training

Phase 1 of Initial Training must be completed prior to opening your franchise.

PHASE 1 OF INITIAL TRAINING PROGRAM

Subject	Hours of Classroom Training	Hours of On-The-Job Training	Location of Training
Intro to SmartBooks	1	0	Greater Boston or Remote
Intro to Operations Manual and Playbook	1	0	Greater Boston or Remote
Products & Services	2	0	Greater Boston or Remote
The Financial Operating System	5	0	Greater Boston or Remote
Internal Technology	1	0	Greater Boston or Remote
Client Technology	2	0	Greater Boston or Remote
Client Service Delivery	2	0	Greater Boston or Remote
BPO Services	2	0	Greater Boston or Remote
Developing New Business	2	0	Greater Boston or Remote
Marketing Your Franchise	2	0	Greater Boston or Remote
Sales Training	6	0	Greater Boston or Remote
Client Account Management	2	0	Greater Boston or Remote
Legal Contracts	1	0	Greater Boston or Remote
Human Resources	1	0	Greater Boston or Remote
Totals	**30**	**0**	

Phase 2 of Initial Training must promptly be completed after opening your franchise.

PHASE 2 OF INITIAL TRAINING PROGRAM

Subject	Hours of Classroom Training	Hours of On-The-Job Training	Location of Training
Intro to SmartBooks	0	0	Greater Boston or Remote
Intro to Operations Manual and Playbook	0	2	Greater Boston or Remote
Products & Services	0	0	Greater Boston or Remote
The Financial Operating System	0	4	Greater Boston or Remote
Internal Technology	0	4	Greater Boston or Remote
Client Technology	0	4	Greater Boston or Remote
Client Service Delivery	0	0	Greater Boston or Remote
BPO Services	0	0	Greater Boston or Remote
Developing New Business	0	3	Greater Boston or Remote
Marketing Your Franchise	0	2	Greater Boston or Remote
Sales Training	0	8	Greater Boston or Remote
Client Account Management	0	4	Greater Boston or Remote
Legal Contracts	0	0	Greater Boston or Remote
Human Resources	0	0	Greater Boston or Remote
Totals	**0**	**31**	

You or at least one Principal must attend and satisfactorily complete required training. There is no charge for training, though you must pay for travel costs and living expenses during training. We expect to require certain ongoing training.

Training is provided under the supervision of our Co-Founder and COO Jeffrey Provost. Mr. Provost also has been Chief Operating Officer of our affiliate SmartBooks Services, LLC since September 2018 where he manages that company's marketing, sales, and client service operations and oversees its training programs. Our Co-Founder and CEO Calvin Wilder will also participate in training. Mr. Wilder established the SmartBooks concept in Maynard, Massachusetts, in 2009 and since then has worked exclusively developing and growing the System and the brand.

Our initial training is outlined in the table above and is designed to provide you with the information and tools to grow and operate your Franchise. Our training introduces you to the core components of Business Development, Marketing, Sales, Client Service Delivery, utilization of BPO Services, Client Account Management, Legal, and Human Resources. Training will commence promptly after mutual execution of a Franchise Agreement, and Phase 1 should be completed within 45 days. Phase 2 should be completed within 90 days after mutual execution of a Franchise Agreement. While we don’t require you to have completed initial training before providing services to clients, you must promptly complete training.

It is your responsibility to ensure that your employees and managers are trained in the SmartBooks System. We may audit your operation at any time to ensure compliance with System standards.

ITEM 12: TERRITORY

You will operate from a primary location we approve, which we expect to be a home office. We will not grant you a minimum territory. You are free to relocate your office to any location within the State of your original office location, provided that you promptly notify us of any change to your office address. You may not relocate your office to a different State without our prior written consent. The Franchise Agreement grants you no options, rights of first refusal or similar rights to acquire additional franchises. We may, but have no obligation to, consider granting to you the right to establish additional SmartBooks franchises under other franchise agreements if you are in compliance with the Franchise Agreement and propose to open another SmartBooks franchise at a location we approve.

You may conduct business and sell to clients worldwide. 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. In each geographic area in which we grant a franchise to a franchisee having a principal place of business in that geographic area, we intend to grant a number of franchises that can be supported by a combination of the number of local businesses in the area and the volume of business franchisees may support outside their local area.

There are no restrictions on our ability to solicit or accept orders from clients in any geographic area, including the area where your office is located. We have the right to use other channels of distribution, such as the Internet, catalog sales, telemarketing or other direct marketing sales, to make sales in any geographic area, including the area where your office is located, using the Marks or other trademarks. You will not receive any compensation for our sales made within the geographic area where your office is located.

There are no restrictions on your right to solicit or accept clients located outside of the geographic area where your office is located. You may market and distribute services online, though marketing programs must be approved by us. You are encouraged to provide sales leads to other System franchisees and may be entitled to a referral fee.

We have no plans to introduce or operate a competing franchise system to SmartBooks nor to sell and deliver services directly to clients (though an affiliated business of ours does sell directly to clients).

ITEM 13: TRADEMARKS

Our parent SBC is the owner of the Marks and has granted us the right to use the Marks and license to others the right to use the Marks in the operation of a SmartBooks franchise in accordance with the system. The Franchise Agreement will license to you the right to operate your SmartBooks franchise under primary trademarks, as described below ("Principal Marks"):

Mark	Registration Number	Registration Date	Register
SmartBooks	3760190	March 16, 2010	Principal
The Financial Operating System by SmartBooks	6252349	January 19, 2021	Principal

SBC has filed all required affidavits. No registrations have been required to be renewed as of the date of this disclosure document; however, our affiliate has filed with the United States Patent and Trademark Office all required maintenance for the above Marks.

We also license to you the following Principal Marks:

Mark	Serial Number	Filing Date	Register
	90534080	February 18, 2021	Principal
Empowering Healthy Business	90533889	February 18, 2021	Principal

With regard to the Marks immediately above only, we do not have a federal registration for these trademark. Therefore, our trademarks do not have many legal benefits and rights as a federally registered trademark. If our right to use these trademarks is challenged, you may have to change to an alternative trademark, which may increase your expenses.

You must follow our rules when you use these marks, including those specified in the Franchise Agreement, the Operations Manual, or other System standards. You cannot use a mark or part of a mark as part of your corporate name or with modifying words, designs, or symbols.

You must notify us immediately when you learn about an infringement of, or challenge to, the Marks or to your use of our Marks. We will take the action (or decline to take an action) as we think appropriate. While we are not required to defend you against a claim against your use of our Marks, we have the right to control any associated litigation.

You must modify or discontinue the use of a Mark if we modify or discontinue using it. You must not directly or indirectly contest our right to our marks, trade secrets, or business techniques that are part of our business.

There are no currently effective material determinations of the United States Patent and Trademark Office, the Trademark Trial and Appeals Board, the Trademark Administration of any state, or any court relating to the Marks. There is no pending infringement, opposition or cancellation. There is no pending material federal or state court litigation involving the Principal Marks or other Marks.

As of the date of this Disclosure Document, we know of no superior prior rights or infringing uses that could materially affect your use of the Principal Marks.

ITEM 14: PATENTS, COPYRIGHTS, AND PROPRIETARY INFORMATION

You will not receive the right to use any item covered by (or that could be covered by) a patent or copyright, but during the term of your Franchise Agreement you can use the proprietary information in the Operations Manual, Playbook, and other documentation we make available to you. The Operations Manual and Playbook are described in Item 11.

We do not have any patents issued or pending.

You must also promptly tell us when you learn about the unauthorized use of this proprietary information. We are not obligated to take any action, but we will respond to your notification of unauthorized use as we think appropriate.

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

The personal engagement and commitment of you (or if you are an entity your individual owner(s) who are each referred to as a "Principal" in our System) will be critical to your success as a Franchisee. You or one Principal needs to be available and responsive to clients and prospective clients and to us and your vendors during standard weekday business hours. While you may build your Franchise to provide you with a certain level of passive income, the SmartBooks System and Franchise is not a passive income arrangement. During the term of this Agreement and during any renewal terms, either a Principal or a Senior Manager (as defined below whom you appoint and we approve) must devote full time 40-hour weekday working hours and best efforts to the management and operations of your Franchise.

If you want to appoint a "Senior Manager" who is not a Principal to run your Franchise in your absence, that individual shall first participate in and successfully complete our Initial Onboarding and Training and be approved by us based on our review of the Senior Manager's relevant experience and qualifications. The Senior Manager must execute a Senior Manager Agreement (Addendum F of the Franchise Agreement) contract with us containing provisions relating to confidentiality, non-solicitation of clients, non-hiring of employees, and not working for a competitive franchise system. We reserve the right to disapprove your Senior Manager for purposes of this Agreement at any time if we reasonably believe in our sole discretion that our criteria is not being met. If you appoint a Senior Manager, you or a Principal must remain engaged and oversee your Franchise and the quality of services being delivered to your clients.

If your Franchise is owned by an entity, all owners of the entity must personally sign the Franchise Agreement as a Principal. If you or your principals are a married individual or have a domestic partner, your spouse or domestic partner must sign our Spouse or Domestic Partner Non-Disclosure And Non-Solicitation Agreement, which is attached to our Franchise Agreement as Addendum E.

ITEM 16: RESTRICTIONS ON WHAT THE FRANCHISEE MAY SELL

You may only sell products and services that we approve. You may sell some or all approved products and services. You may not directly provide any "Restricted Services" without our prior written authorization. If you are not authorized by us to provide any Restricted Service directly, you may nonetheless offer such Restricted Service to your clients, and the Restricted Service must be performed by a third party that we approve. Restricted Services include:

1. Attestation of the accuracy or compliance with accounting standards of any financial statements or reports that you provide to your client or to any third party or that your client provides to a third party;
2. Legal representation or any formal legal advice that should be provided by an attorney;
3. Income tax preparation and filing services, unless you are a CPA or a CPA firm licensed by the state in which you operate (though you may receive a referral fee from our affiliate if you refer a client to our affiliate for such services;
4. Payroll processing services and payroll tax returns, though you may manage a third party payroll processing service and you may receive a referral fee from our affiliate if you refer clients to our affiliate for such services;
5. Business brokerage or investment banking services or any services in which you are paid a fee based on a percentage of a business sale price or capital raise amount, unless you are a registered and licensed broker;
6. Signing checks or initiating wire transfers or other electronic payments on behalf of a client, except You may participate in an accounts payable process using a bill payment system such as Bill.com that has a transaction approval audit trail with the client approving all bills prior to you releasing payment in the system;
7. Committing a client to any binding contract, financial commitment, or other agreement; and
8. Any other services that you are not qualified through knowledge, skill, and experience to provide in compliance with industry standards.

We may add to, delete from or modify the products and services that you can offer. You must abide by any additions, deletions and modifications. There are no limits on our rights to make these changes.

ITEM 17: RENEWAL, TERMINATION, TRANSFER AND DISPUTE RESOLUTION

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

Provision	Section in Franchise or Other Agreement	Summary
a. Length of the franchise term	Section 4	10 years plus renewal options
b. Renewal or extension	Section 5	If you are in good standing, upon expiration of your franchise agreement, you may renew your franchise for another 10-year term by signing the then-current franchise agreement and meeting the renewal conditions specified in your franchise agreement. This means that you may be asked to sign an agreement with terms and conditions that are materially different from those in your prior agreement.
c. Requirements for franchisee to renew or extent	Section 5	Provide us timely notice, be in good standing, execute a general release, sign then-current franchisee agreement, and pay renewal fee.
d. Termination by franchisee	Section 31	If you terminate without cause, you owe one year of Monthly Royalty fees.
e. Termination by franchisor without cause	None	We cannot terminate without cause
f. Termination by franchisor with cause	Section 31	We can terminate only if you breach the franchise agreement
g. “Cause” defined - curable defaults	Section 31	You generally have 30 days to cure or to make substantial progress toward curing breaches, unless you have three or more breaches within an 18-month period
h. “Cause” defined - non-curable defaults	Section 31	Abandonment, material mis-use of Marks, repeated failure to pay fees owed, intentional underreporting of revenue, continued violation of law, unauthorized disclosure of trade secrets, conviction of felony or crime of moral turpitude, unsatisfied judgment or attachment for the benefit of creditors, you make an assignment for the benefit of creditors or file bankruptcy, and any other material and irreparable breach.
i. Franchisee’s obligations on termination/non-renewal	Various	Payment of amounts due, de-branding your business, confidentiality, non-solicitation, non-hiring, not working for competing franchise system, and other terms

j. Assignment of contract by franchisor	Section 28.8	No restriction on SmartBooks's right to assign
k. "Transfer" by franchisee - defined	Section 28.1	Includes change of ownership or a transfer of contract or a substantial portion of assets
l. Franchisor approval of transfer by franchisee	Section 28	SmartBooks must approve all transfers but will not unreasonably withhold approval
m. Conditions for franchisor approval or transfer	Section 28.4	Transfer contracts are acceptable, you are in good standing, the transferee meets eligibility requirements for new franchisees and signs a franchise agreement and completes training, you sign a general release, and pay a transfer fee
n. Franchisor's right of first refusal to acquire franchisee's business	None	
o. Franchisor's option to purchase franchisee's business	None	
p. Death or disability of franchisee	Section 29	Franchise must be transferred to an approved buyer within 6 months with potential extension, and we may operate the Franchise in the interim
q. Non-competition covenants during the term of the franchise	Section 9.3	No competing business and only passive, non-controlling investments under 1% ownership in public companies and private investment funds
r. Non-competition covenants after the franchise is terminated or expires	Section 25	No pure non-competition provision but for 2 years no solicitation of clients, no hiring of employees, and no working with a competitive franchising or licensing system.
s. Modification of agreement	Sections 46 and 11.1	No modifications generally, but Operations Manual is subject to change.
t. Integration/merger clause	Section 46	Only the terms of the franchise agreement are binding (subject to state law). Any statements outside of the disclosure document and franchise agreement may not be enforceable.
u. Dispute resolution by arbitration or mediation	None	The parties may litigate disputes.
v. Choice of forum	Section 45	Litigation must be in Massachusetts, subject to applicable law.
w. Choice of law	Section 45	Massachusetts law applies, subject to applicable law.

See the state addenda to this Franchise Disclosure Document and the Franchise Agreement for special state disclosures.

ITEM 18: PUBLIC FIGURES

We do not use any public figures to promote our franchises.

ITEM 19: FINANCIAL PERFORMANCE REPRESENTATIONS

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

As a CFO by trade, you should build your own financial model as part of your evaluation of this franchise investment opportunity.

<u>Historical Performance of the First SmartBooks Businesses</u>

First we present actual revenue data of SmartBooks Corp. for the first six years from its founding in 2009. Next we present 2020 new client sales data for its successor SmartBooks Services, LLC, which was organized in 2018 to be assigned most assets and operations of SmartBooks Corp. As of the Issuance Date, we have not granted any franchises and have no franchisee data to share. However, SmartBooks Corp. and SmartBooks Services, LLC both offered similar services as franchisees will offer and were founded by an owner with experience working as a CFO.

SmartBooks Corp. reported the following accrual-basis revenue on its tax returns starting from its founding in January 2009 until its transfer of its operating assets to SmartBooks Services, LLC in 2018, and SmartBooks Services, LLC reported the following accrual-basis revenue on its tax returns and the tax returns of its subsidiaries from its formation in 2018. For the year 2018, revenue reported in the table below includes the combined revenue reported by SmartBooks Corp. and SmartBooks Services, LLC and subsidiaries of SmartBooks Services, LLC. There was no material difference between accrual-basis revenue and cash-basis revenue as revenue was generally collected via ACH payment from clients within a few business days of the invoice date.

Annual Revenue of SmartBooks Corp. and SmartBooks Services, LLC

2009	2010	2011	2012	2013*	2014
$86,081	$205,569	$419,783	$737,562	$1,729,010	$3,131,710

2015	2016	2017	2018	2019	2020
$3,824,695	$3,756,937	$4,420,943	$ 4,609,811	$ 4,324,391	$3,550,321

*Commencing in mid-2013 through 2020, revenue of this company-owned outlet includes two unrepresentatively large clients and revenue from Restricted Services. The services provided by our company-owned outlet, and its overall revenue volume, also required employment of middle managers. Our franchise model does not allow you to perform Restricted Services, unless you receive our prior authorization. If you do not receive our authorization, you may nonetheless offer Restricted Services; however, such Restricted Services must be performed by a third party that we approve. Our franchise model also does not require that you employ managers; however, you may choose, in your discretion, to employ managers based on the volume of your business. The following percentages represent the portion of our company-owned outlet's revenue realized from unrepresentatively large clients and Restricted Services:

Percentage of Revenue From
Unrepresentatively Large Clients and Restricted Services

2012	2013	2014	2015	2016	2017	2018	2019	2020
0%	21.8%	29.3%	11.9%	6.5%	8.2%	7.2%	11.3%	16.6%

SmartBooks Services, LLC reported the following sales volume to new clients during calendar year 2020. Note that this data is from 2020 when COVID-19 impacted sales. Annual Contract Value is an estimate based on the terms of each contract including scope of service, fixed price fees, expected hourly billings, and incremental year-end services. Monthly Recurring Revenue is an estimate based on scope of service for services to be delivered monthly or quarterly and the fixed price fees or expected hourly billings for those monthly or quarterly services, with quarterly charges amortized by one-third into monthly recurring revenue.

SmartBooks Services, LLC Sales to New Clients in 2020

	Annual Contract Value	Monthly Recurring Revenue
New Client Sales Volume	$592,949	$37,356

Written substantiation of historical performance is available to you upon reasonable request.

Our affiliate-owned outlet has earned this amount. Your individual results may differ. There is no assurance that you'll earn as much.

Other than the preceding financial performance representation, 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 Calvin Wilder, 2352 Main Street, Suite 200, Concord, MA, 01742, or 978-202-3064, the Federal Trade Commission, and the appropriate state regulatory agencies.

ITEM 20: OUTLETS AND FRANCHISEE INFORMATION

Table 1
Systemwide Outlet Summary
For years 2018 to 2020

Column 1 Outlet Type	Column 2 Year	Column 3 Outlets at the Start of the Year	Column 4 Outlets at the End of the Year	Column 5 Net Change
Franchised	2018	0	0	0
	2019	0	0	0
	2020	0	0	0
Company – Owned*	2018	1	1	0
	2019	1	1	0
	2020	1	1	0
Total Outlets	2018	1	1	0
	2019	1	1	0
	2020	1	1	0

Table 2
Summary of Transfers
For years 2018 to 2020

Column 1 State	Column 2 Year	Column 3 Number of Transfers
None	2018	0
	2019	0
	2020	0
Total	2018	0
	2019	0
	2020	0

Table 3
Status of Franchisee-Owned Outlets
For years 2018 to 2020

Column 1 State	Column 2 Year	Column 3 Outlets at Start of Year	Column 4 Outlets Opened	Column 5 Terminations	Column 6 Non-renewals	Column 7 Reacquired by Franchisor	Column 8 Ceased Operations - Other Reasons	Column 9 Outlets at End of the Year
None	2018	0	0	0	0	0	0	0
	2019	0	0	0	0	0	0	0
	2020	0	0	0	0	0	0	0
Total	2018	0	0	0	0	0	0	0
	2019	0	0	0	0	0	0	0
	2020	0	0	0	0	0	0	0

Table 4
Status of Company-Owned Outlets*
For years 2018 to 2020

Column 1 State	Column 2 Year	Column 3 Outlets at Start of Year	Column 4 Outlets Opened	Column 5 Outlets Reacquired from Franchisees	Column 6 Outlets Closed	Column 7 Outlets Sold to Franchisees	Column 8 Outlets at End of the Year
Massachusetts	2018	1	0	0	0	0	1
	2019	1	0	0	0	0	1
	2020	1	0	0	0	0	1
Total	2018	1	0	0	0	0	1
	2019	1	0	0	0	0	1
	2020	1	0	0	0	0	1

Table 5
Projected Openings

State	Franchise Agreements Signed But Outlet Not Open	Projected New Franchised Outlets in the Next Fiscal Year	Projected New Company-Owned Outlets in the Next Fiscal Year
Massachusetts	0	5	0

Total	0	5	0

* Company-owned outlet is operated by an affiliate.

Exhibit G lists the location of each franchised outlet in our System and each franchisee during our last fiscal year who has had an outlet terminated, canceled, not renewed, or has otherwise voluntarily or involuntarily ceased to do business under the franchise agreement or has not communicated with us within 10 weeks of the date of this Disclosure Document. If you buy this franchise, your contact information may be disclosed to other buyers when you leave the franchise system.

No franchisee has signed confidentiality clauses during the last three years.

There are no trademark-specific franchisee organizations associated with the franchise system being offered in this Franchise Disclosure Document.

ITEM 21: FINANCIAL STATEMENTS

SmartBooks Partners, LLC, was formed on October 24, 2020. Because we have not been in business for three years, we are not able to include the three prior years of audited financial statements normally required by this Item 21. Our audited financial statements for the period from inception through April 30, 2021, are included in Exhibit B.

Our fiscal year end is December 31.

ITEM 22: CONTRACTS

Copies of all proposed agreements regarding the franchise offering are included in Exhibit E. These include our Franchise Agreement and all addenda to it.

ITEM 23: RECEIPTS

A receipt in duplicate is attached to this Disclosure Document as Exhibit H. You should sign both copies of the receipt. Keep one copy for your own records and return the other signed copy to Calvin Wilder, SmartBooks Partners, LLC, 2352 Main Street, Suite 200, Concord, MA, 01742.

EXHIBIT A: AGENT FOR SERVICE OF PROCESS AND STATE FRANCHISE ADMINISTRATORS

Our registered agent in the Commonwealth of Massachusetts:
Calvin Wilder, SmartBooks Partners, LLC, 2352 Main Street, Suite 200, Concord, MA 01742.

Our registered agent in the State of South Dakota:
Paul Andrews, 14 St. Joseph Street, Suite 200D, Rapid City, SD 57701.

LIST OF STATE ADMINISTRATORS

California Department of Business Oversight 320 West 4th Street Suite 750 Los Angeles, California 90013 1-866-275-2677	Nebraska Nebraska Department of Banking and Finance Bureau of Securities 1526 K Street, Suite 300 PO Box 95006 Lincoln, NE 68508
Florida Florida Department of Agriculture & Consumer Services Division of Consumer Affairs PO Box 6700 Tallahassee, Florida 32314-6700	New York NYS Department of Law Investor Protection Bureau 28 Liberty Street, 21st Floor New York, NY 10005 (212) 416-8285
Hawaii Business Registration Division Securities Compliance Branch Department of Commerce & Consumer Affairs 335 Merchant Street Honolulu, Hawaii 96813	North Dakota North Dakota Securities Department 600 East Boulevard Avenue State Capitol – 5th Floor Dept. 414 Bismarck, North Dakota 58505-0510 (701) 328-4712
Illinois Office of Attorney General Franchise Division 500 South Second Street Springfield, Illinois 62706	Rhode Island Division of Securities Department of Business Regulation John O. Pastore Center, Building 69-1 1511 Pontiac Avenue Cranston, Rhode Island 02920
Indiana Secretary of State Franchise Section Indiana Securities Division 302 West Washington, Room E-111 Indianapolis, Indiana 46204	South Dakota Department of Labor and Regulation Division of Securities 124 S. Euclid Ave., Suite 104 Pierre, South Dakota 57501
Kentucky Commonwealth of Kentucky Office of the Attorney General Consumer Protection Division 1024 Capital Center Drive Frankfort, Kentucky 40601	Texas Statutory Document Section Secretary of State P.O. Box 13550 Austin, Texas 78711

Maryland Office of the Attorney General Division of Securities 200 St. Paul Place Baltimore, Maryland 21202-2020	Virginia State Corporation Commission Division of Securities and Retail Franchising 1300 East Main Street, Ninth Floor Richmond, Virginia 23219
Michigan Michigan Department of Attorney General Consumer Protection Division Franchise Section 525 W. Ottawa Street G. Mennen Williams Building, 1st Floor Lansing, Michigan 48913	Washington Department of Financial Institutions Securities Division 150 Israel Road SW Tumwater, Washington 98501
Minnesota Department of Commerce 85 7th Place East, Suite 280 St. Paul, Minnesota 55101-2198	Wisconsin Department of Financial Institutions Division of Securities 201 W. Washington Avenue, Suite 300 Madison, Wisconsin 53703

EXHIBIT B: FINANCIAL STATEMENTS OF SMARTBOOKS PARTNERS, LLC

SMARTBOOKS PARTNERS, LLC

FINANCIAL REPORT

AS OF APRIL 30, 2021

SMARTBOOKS PARTNERS

SMARTBOOKS PARTNERS, LLC

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REESE CPA LLC

Independent Auditor's Report

To the Member
SmartBooks Partners, LLC
Concord, Massachusetts

Report on the Financial Statements

We have audited the accompanying balance sheet of SmartBooks Partners, LLC as of April 30, 2021 and the related statements of operations, member's equity, and cash flows for the period from October 24, 2020 (Inception) through April 30, 2021, and the notes to financial statements.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes 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.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements 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 entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of SmartBooks Partners, LLC as of April 30, 2021 and the results of their operations and their cash flows for the period from October 24, 2020 (Inception) through April 30, 2021 in accordance with accounting principles generally accepted in the United States of America.

Reese CPA LLC

Thornton, Colorado
June 17, 2021

15953 Fillmore Street • Thornton, CO 80602
Office: (303) 999-6485 • Fax (303) 284-5041

SMARTBOOKS PARTNERS, LLC
BALANCE SHEET
AS OFAPRIL 30, 2021

ASSETS:		
CURRENT ASSETS		
Cash and equivalents	$	21,144
TOTAL CURRENT ASSETS		21,144
NON-CURRENT ASSETS		-
TOTAL ASSETS	$	21,144
LIABILITIES AND MEMBER'S EQUITY:		
CURRENT LIABILITIES		
Accounts payable	$	3,572
TOTAL CURRENT LIABILITIES		3,572
NON-CURRENT LIABILITIES		-
TOTAL LIABILITIES		3,572
MEMBER'S EQUITY		17,572
TOTAL LIABILITIES AND MEMBER'S EQUITY	$	21,144

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

SMARTBOOKS PARTNERS, LLC
STATEMENT OF OPERATIONS
PERIOD FROM OCTOBER 24, 2020 (INCEPTION) THROUGH APRIL 30, 2021

REVENUES	$	-
OPERATING EXPENSES		
Professional fees		6,163
General and administrative		1,787
Marketing		478
TOTAL OPERATING EXPENSES		8,428
OPERATING (LOSS)		(8,428)
OTHER INCOME (EXPENSE)		-
NET (LOSS)	$	(8,428)

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

SMARTBOOKS PARTNERS, LLC
STATEMENT OF CHANGES IN MEMBER'S EQUITY
PERIOD FROM OCTOBER 24, 2020 (INCEPTION) THROUGH APRIL 30, 2021

	Member Contributions	Accumulated (Deficit)	Total Member's Equity
BALANCE, OCTOBER 24, 2020 (INCEPTION)	**$ -**	**$ -**	**$ -**
Member contributions	26,000	-	26,000
Net (loss)	-	(8,428)	(8,428)
BALANCE, APRIL 30, 2021	$ 26,000	$ (8,428)	$ 17,572

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

SMARTBOOKS PARTNERS, LLC
STATEMENT OF CASH FLOWS
PERIOD FROM OCTOBER 24, 2020 (INCEPTION) THROUGH APRIL 30, 2021

CASH FLOWS FROM OPERATING ACTIVITIES		
Net (loss)	$	(8,428)
Changes in assets and liabilities:		
Accounts payable		3,572
Net cash used by operating activities		(4,856)
CASH FLOWS FROM INVESTING ACTIVITIES		
Net cash used for investing activities		-
CASH FLOWS FROM FINANCING ACTIVITIES		
Member contributions		26,000
Net cash provided by financing activities		26,000
NET INCREASE IN CASH		21,144
CASH, BEGINNING		-
CASH, ENDING	$	21,144
SUPPLEMENTAL DISCLOSURES		
Cash paid for interest	$	-
Cash paid for taxes	$	-

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

NOTE 1 - NATURE OF BUSINESS AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

SmartBooks Partners, LLC (“Company”) was formed on October 24, 2020, (Inception) in the State of South Dakota as a limited liability company. The Company grants franchises for the opportunity to operate and manage a business providing outsourced bookkeeping, accounting, CFO, payroll, human resources, and tax services to small businesses using the SmartBooks® marks in your marketing, sales, and service operations.

Parent and Affiliates

The Company’s parent organizations are SmartBooks Corp. (“SBC”) and Provestments LLC (“PVM”). SBC is a South Dakota corporation that was originally incorporated in Massachusetts January 21, 2009, and re-domiciled in South Dakota, effective January 1, 2018. PVM is a Massachusetts limited liability company formed on November 30, 2020.

The Company’s affiliate, Genie Services, LLC (“GS”), a South Dakota limited liability company was formed on October 24, 2020, and provides outsourced staffing and business process outsourcing services to the Company, the Company’s affiliates, and franchisees.

The Company’s affiliate, Genie Technologies, LLC (“GT”), a South Dakota limited liability company was formed on February 1, 2019 and provides practice management and accounting-related software technology.

SBC first began operating under the SmartBooks brand in 2009, providing similar kinds of services that the Company’s System offers. SBC subsequently assigned most of its operations and assets to an affiliate that continues to operate a SmartBooks business in Massachusetts. The Company, through affiliates, operate other SmartBooks businesses or develop other SmartBooks concepts, including tools, technologies, and services that we make available to you or third parties.

The Company’s parents and affiliates does not sell franchises in any other line of business and is not otherwise engaged in any other business activity.

The following table summarizes the number of locations open and operating for the period from October 24, 2020 (Inception) through April 30, 2021:

	2020
Locations in operation, beginning	1
Locations opened	-
Locations terminated or closed	-
Locations in operation, ending	1
Franchised locations	-
Affiliate owned locations	1

NOTE 1 – NATURE OF BUSINESS AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

COVID-19

In December 2019, a novel strain of coronavirus was reported in Wuhan, China. The World Health Organization has declared the outbreak to constitute a "Public Health Emergency of International Concern." The COVID-19 outbreak is disrupting supply chains and affecting production and sales across a range of industries. The extent of the impact of COVID-19 on our operational and financial performance will depend on certain developments, including the duration and spread of the outbreak, impact on our customers, employees, and vendors all of which are uncertain and cannot be predicted. At this point, the extent to which COVID-19 may impact our financial condition or results of operations is uncertain.

A summary of significant accounting policies follows:

Development Stage Operations

The Company's planned franchising activities, as previously described, have not yet commenced. Since its inception the Company has not sold any franchises or earned any revenue. The Company's activities are subject to significant risks and uncertainties, including failing to secure additional capital to fund operations until the Company achieves break-even operational status.

Use of Estimates

Preparation of the Company's financial statements in accordance with United States generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, disclosure of any contingent assets and liabilities at the date of the financial statements and reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Cash and Cash Equivalents

The Company considers all highly liquid investments with a maturity of three months or less at the time of purchase to be cash equivalents. The Company had no cash equivalents as of April 30, 2021.

Accounts Receivable

Timing of revenue recognition may be different from the timing of invoicing to customers. The Company records an accounts receivable when revenue is recognized prior to invoicing, or unearned revenue when revenue is recognized subsequent to invoicing. Management evaluates individual customer's receivables considering their financial condition, credit history and current economic conditions. Accounts receivable are written off if deemed uncollectible and recoveries of accounts receivable previously written off are recorded as income when received. The Company did not have any accounts receivable or allowance for doubtful accounts as of April 30, 2021 and did not charge-off any accounts receivable during the period from October 24, 2020 (Inception) through April 30, 2021.

NOTE 1 – NATURE OF BUSINESS AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Property, Plant & Equipment

The Company has adopted ASC 360 – Property, Plant and Equipment. Property and equipment are stated at historical cost. Depreciation is provided using straight-line method based on the estimated useful lives of the related assets (generally three to seven years). The Company had no property, plant & equipment at April 30, 2021.

Intangible Assets

The Company has adopted ASC 350, Intangibles – Goodwill and Other that requires that goodwill and intangible assets with indefinite lives no longer be amortized to earnings but be tested for impairment at least annually. Intangible assets with finite lives are amortized over their estimated useful lives. The useful life of an intangible asset is the period over which it is expected to contribute directly or indirectly to future cash flows. Intangible assets with infinite lives are reviewed for impairment if events or changes in circumstances indicate that the carrying value might not be recoverable.

Income Taxes

The member of the Company has elected to be taxed as a Disregarded Entity under the provisions of the Internal Revenue Code. Under those provisions, taxable income and losses of the Company are reported on the income tax return of its member and no provisions for federal or state taxes have been recorded on the accompanying balance sheet.

The Company adopted ASC 740-10-25-6 "Accounting for Uncertainty in Income Taxes", that requires the Company to disclose uncertain tax positions. Under the standard an entity may only recognize or continue to recognize tax positions that meet a "more likely than not" threshold upon examination by taxing authorities.

Based on its evaluation, the Company has concluded that there are no significant uncertain tax positions requiring recognition in its financial statements or that would affect the Company's member. The Company's evaluation was performed for the period from October 24, 2020 (Inception) through April 30, 2021 for U.S. Federal Income Tax and for the State of Massachusetts Income Tax.

Revenue Recognition

The Company's revenue mainly consists of franchise fees and royalties.

Each franchise agreement is comprised of several performance obligations. The Company identifies those performance obligations, determines the contract price for each obligation, allocates the transaction price to each performance obligation and recognizes revenue when the Company has satisfied the performance obligation by transferring control of the good or service to the franchisee. The remainder of performance obligations represent a single performance obligation and are recognized over the term of the respective franchise agreement from the date the agreement is executed. Unearned initial fee revenues from franchisee acquisition and acceptance will be recorded as deferred revenue and recognized as revenue over the term of the contract which is currently 10 years. The Company has no revenue from initial fees during the period from October 24, 2020 (Inception) through April 30, 2021.

NOTE 1 – NATURE OF BUSINESS AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Revenue Recognition (continued)

When a franchisee purchases a SmartBooks Partners, the Company grants the franchisee the right to use the proprietary methods, techniques, trade dress, trademarks, and logos ("the license"). The license is symbolic intellectual property. Revenues related to the license are continuing royalties that range from 4% to 8% with a required minimum monthly royalty. These revenues will be used to continue the development of the Company's brand, the franchise system and provide on-going support for the Company's franchisees. The royalties are billed monthly and are recognized as revenue when earned. The Company has no revenue from royalties during the period from October 24, 2020 (Inception) through April 30, 2021.

Brand Fund Fee

The Company has the right to collect a brand fund fee of up to 3% of gross revenues subject to a minimum monthly brand fund fee. The Company had no contributions to the fund for the period from October 24, 2020 (Inception) through April 30, 2021.

Advertising Costs

The Company expenses advertising costs as incurred. Advertising expense the period from October 24, 2020 (Inception) through April 30, 2021 was $478.

Fair Value of Financial Instruments

The Company's financial instruments consist of cash and cash equivalents and accounts payable, the carrying amounts approximate fair value due to their short maturities.

Recently Issued Accounting Pronouncements

The Company has adopted all recently issued Accounting Standards Updates ("ASU"). The adoption of the recently issued ASUs, including those not yet effective, is not anticipated to have a material effect on the financial position or results of operations of the Company.

NOTE 2 – COMMITMENTS AND CONTINGENCIES

Litigation

The Company may be party to various claims, legal actions and complaints arising in the ordinary course of business. 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.

NOTE 3 - SUBSEQUENT EVENTS

Date of Management's Evaluation

Management has evaluated subsequent events through June 17, 2021 the date on which the financial statements were available to be issued.

EXHIBIT C: GENERAL FORM OF RELEASE OF CLAIMS AGREEMENT

THIS IS A CURRENT FORM THAT IS SUBJECT TO CHANGE

For and in consideration of the Agreements and covenants described below, SmartBooks Partners, LLC ("Franchisor") and _______________ ("Franchisee") enter into this Release of Claims ("Agreement").

RECITALS

A. Franchisor and Franchisee entered into the SmartBooks Partners, LLC Franchise Agreement dated
____________.

B. [Describe the circumstances relating to the release.].

C. Subject to and as addressed with greater specificity in the terms and conditions set forth below, Franchisor and Franchisee now desire to [detail purpose of release] relating to the Franchise Agreement and their overall relationship.

AGREEMENT

1. **Consideration.** [Describe the consideration paid.]

2-3. [Detail other terms and conditions of the release.]

4. **Release of Claims by Franchisor**. In consideration of, and only upon full payment of $_________ to Franchisor, and the other terms and conditions of this Agreement, the receipt and sufficiency of which is hereby acknowledged, Franchisor, does hereby release and forever discharge Franchisee and each of its heirs, executors, successors, and assigns of and from any and all actions, suits, proceedings, claims (including, but not limited to, claims for attorneys' fees), complaints, judgments, executions, whether liquidated or unliquidated, known or unknown, asserted or unasserted, absolute or contingent, accrued or not accrued, disclosed or undisclosed, related to the Franchise Agreement. This release does not release Franchisee from any obligations it may have under this Agreement.

5. **Release of Claims by Franchisee**. In consideration of the other terms and conditions of this Agreement, the receipt and sufficiency of which is hereby acknowledged, Franchisee, for himself and for each of his heirs, executors, administrators, insurers, attorneys, agents, representatives, successors, and assigns, does hereby release and forever discharge Franchisor and each of its respective affiliated corporations, limited liability companies, subsidiaries, divisions, insurers, indemnitors, attorneys, successors, and assigns, together with all of their past and present directors, officers, members, employees, attorneys, agents, assigns and representatives in their capacities as such, of and from any and all actions, suits, proceedings, claims (including, but not limited to, claims for attorneys' fees),

complaints, charges, judgments, executions, whether liquidated or unliquidated, known or unknown, asserted or unasserted, absolute or contingent, accrued or not accrued, related to the Franchise Agreement.

6. **Reservation of Claims Against Non-Settling Parties**. Franchisor and Franchisee expressly reserve their right and claims against any non-settling persons, firms, corporations, or other entities for whatever portion or percentage their damages are found to be attributable to the wrongful conduct of said non-settling parties.

7. **Entire Agreement.** This Agreement constitutes the entire agreement between the parties relative to the subject matter contained herein, and supersedes all prior and contemporaneous understandings, representations and agreements made by and between the parties relative to the contents contained in this Agreement are merged into this Agreement.

8. **Voluntary Nature of Agreement**. The parties acknowledge and agree that they have entered into this Agreement voluntarily and without any coercion. The parties further represent that they have had the opportunity to consult with an attorney of their own choice, that they have read the terms of this Agreement, and that they fully understand and voluntarily accept the terms.

9. **Governing Law and Jurisdiction.** This Agreement will be construed and enforced in accordance with the laws of the Commonwealth of Massachusetts. If, however, any provision, or portion hereof in any way contravenes the laws of any state or jurisdiction where this Agreement is to be performed, such provision, or portion thereof, shall be deemed to be modified to the minimum extent necessary to conform to such laws, and still be consistent with the parties' intent as evidenced by this Agreement. All claims shall be brought within Massachusetts in the judicial district in which SmartBooks has its principal place of business; provided, however, with respect to any action which includes injunctive relief, SmartBooks may bring such action in any court in any state which has jurisdiction.

10. **Attorneys' Fees.** All rights and remedies under this Agreement shall be cumulative and none shall exclude any other right or remedy allowed by law. In the event of a breach of this Agreement that requires one of the parties to enforce the terms and conditions of this Agreement, the non-prevailing party shall pay the prevailing party's reasonable attorneys' fees and costs incurred by reason of the breach.

-Remainder of page intentionally left blank-

Dated:___________________________

SMARTBOOKS PARTNERS, LLC

By:______________________________

Its Chief Executive Officer

Dated:___________________________

FRANCHISEE: ___________________

By:______________________________

Its_______________________________

Dated:___________________________

EXHIBIT D: SMARTBOOKS OPERATIONS MANUAL TABLE OF CONTENTS

Operations Manual

EXHIBIT E: SMARTBOOKS FRANCHISE AGREEMENT

The SmartBooks Franchise Agreement including all its Addenda is separately attached.

SMARTBOOKS FRANCHISE AGREEMENT

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SMARTBOOK FRANCHISE AGREEMENT

This Franchise Agreement ("Agreement") is made to be effective as of this day of _________________, ("Effective Date"), by and between SmartBooks Partners, LLC, a South Dakota limited liability company with its principal address at 2352 Main Street, Suite 200, Concord, MA 01742 ("SmartBooks", "Franchisor", "We," "Us," or "Our") and ____, a ___________________________________ with its principal address at ________________ and ________________'s principal _________________, an individual residing at ________________________________ ("Franchisee", "You", or "Your"). Collectively Franchisor and Franchisee may be referred to as "Parties" to this Agreement.

In this Agreement "Principal" means a direct or indirect beneficial individual owner of You, who shall be deemed to exert control over You. If You are an individual, then You are a Principal. If You include an entity with one or more individual owners, each individual owner is a Principal. If You include an entity and any of Your owners is itself an entity, any individual owning all or part of that such an entity is a Principal. Every Principal signs this agreement to be personally bound by its terms.

RECITALS

1. SmartBooks and its Affiliates provide a range of finance-related services to small and midsized businesses, including fractional chief financial officer services, bookkeeping and accounting services, payroll administration and processing and certain human resources consulting services, and tax planning, preparation and filing services ("Services"). For purposes of this Agreement, "Affiliate" means an entity that is a parent or subsidiary of SmartBooks Partners, LLC or is under common control with SmartBooks Partners, LLC;

2. As a result of considerable investment since the founding of the original SmartBooks-branded Affiliate in 2009 of time, money, and effort, Franchisor and its Affiliates have developed and own a unique system for delivering and managing Services (the "System"). The System includes a variety of confidential standards, methods, specifications, procedures, and management frameworks ("System Standards"), which System Standards may be further developed by Franchisor;

3. The System is operated under certain unique and publicly recognized marks, logos, emblems, web domain names, and other commercial symbols including without limitation, the mark "SmartBooks®," the mark consisting of the SmartBooks owl logo, the mark "The Financial Operating System by SmartBooks®," the mark "Empowering Healthy Business," and the web domain "smartbooks.com" (all collectively the "Marks"), as Franchisor has adopted and designated, or may subsequently to the date of this Franchise Agreement acquire and/or develop and designate for use by Franchisee in connection with the System. To the extent Services are delivered under the Marks, they may be referred to as "SmartBooks Services";

4. To the extent that an Affiliate of Franchisor owns any of these Marks, Franchisor has obtained a perpetual license to use such Marks in the System and to sublicense these Marks to franchisees of the System;

5. Franchisor is engaged in the development and management of businesses which provide SmartBooks Services and is currently seeking to grant franchises to deliver or manage the delivery of such services;

6. Franchisee desires to establish and operate a SmartBooks franchised business upon the terms and conditions set forth in this Franchise Agreement;

7. Franchisee recognizes and appreciates the potential benefits to be derived from being associated with and licensed by Franchisor and from utilizing Franchisor's System and Marks; and

8. Franchisee understands and acknowledges the importance of SmartBooks maintaining a strong brand name, including delivering services under high and uniform standards of quality and client experience, and the necessity of operating its services in strict conformity with System Standards (as defined herein) and in accordance with the terms and conditions of this Agreement, which Franchisee agrees are reasonably necessary to maintain Franchisor's System Standards and to protect the goodwill of Franchisor's brand.

In consideration of the respective representations, warranties, covenants and agreements contained in this Agreement, the Parties agree as follows:

1. GRANT OF SMARTBOOKS FRANCHISE

1.1. Subject to the provisions of this Agreement, We hereby grant to You the right to establish and operate a SmartBooks franchise ("Franchise") and to use the Licensed Rights (as defined below) associated with the Franchise and developed by Us.

1.2. As a condition to executing this Agreement, We may conduct a background check on You. This background check may include verifications of employment and education as well as civil, criminal, and credit checks. You agree to authorize and assist Us in conducting such background check, and to provide truthful explanations if asked about anything We find in those checks. If We receive background check information that in Our sole discretion is unsatisfactory to Us, then Our offer to execute this Agreement will be null and void. If We receive an unsatisfactory background check result after You pay an Initial Franchise Fee, We may terminate this Agreement and refund Your Initial Franchise Fee.

1.3. Termination of this Agreement, unless it is renewed or replaced with a new franchise agreement, shall constitute termination of the Franchise.

2. GRANT OF LICENSED RIGHTS

2.1. "Licensed Rights" means the right of Franchisee to use System Standards, Marks, Operations Manual, Playbook, and other of Our intellectual property that We make available to You under this Agreement. Subject to the terms and conditions of this Agreement, We grant to You the non-exclusive right to use Our Licensed Rights in the establishment and operation of the Franchise. You represent, warrant and agree that during the term of this Agreement and after its expiration or other termination You shall not directly or indirectly contest, or aid in contesting, the validity or ownership of Our Licensed Rights, or take any action whatsoever in derogation of the rights claimed by Us in this Agreement.

2.2. Nothing contained in this Agreement shall be construed to vest in You any right, title or interest in or to the Licensed Rights, the goodwill now or hereafter associated with such rights, other than the rights and license expressly granted to You in this Agreement. Any and all goodwill associated with or identified by the Licensed Rights shall inure directly and exclusively to Our benefit and is Our property.

2.3. You shall adopt and use Licensed Rights only in a manner expressly approved by Us.

2.4. After this Agreement ends, You shall return to SmartBooks or delete or destroy all copies of content representing or containing Licensed Rights in Your possession and shall immediately stop using all Licenced Rights and Marks.

2.5. We retain the right, in Our sole discretion, to develop, use and franchise the rights to any trade names, trademarks, service marks, trade symbols, emblems, signs, slogans, insignias or copyrights not specifically designated by Us as Licensed Rights under this Agreement for use with similar or different franchise systems in any territory, on such terms and conditions as We may deem advisable, and without granting You any rights to those.

3. TERRITORY AND OFFICE LOCATION

3.1. You shall not be granted an exclusive territory in which to conduct Franchise business, nor shall you be limited in the geographic area in which You may support clients and generate revenue. You understand and accept that You may face competition from other Franchisees and from Affiliates of Ours.

3.2. In each geographic area in which we grant a Franchise to a Franchisee having a primary place of business in that geographic area, We reserve the right to grant a number of franchises that We believe in our sole discretion can be supported by a combination of the number of local businesses in the area and the volume of business that franchisees may support outside their local area. Although We may assist with coordinating marketing and sales efforts of multiple franchisees working in the same geographic area and mediate any conflicts, We make no representation or warranty regarding how such potential conflicts will impact Your Franchise nor Our ability to coordinate and mediate any conflicts.

3.3. You acknowledge that You have carefully considered factors related to the lack of an exclusive territory for Your Franchise in Your decision to enter into this Agreement.

3.4. Although We have no active plans to develop and use alternative channels of distribution, such as internet-based sales or other direct sales methods, We have the right to do so in the future, under the same and different licensed marks as You will use under this Agreement, and You would receive no compensation for our sales though alternative distribution channels.

3.5. An affiliated company under common control with Us, SmartBooks Services, LLC, is actively marketing and selling its services on a nationwide basis. SmartBooks Services, LLC is the successor to the original SmartBooks-branded service business founded in 2009. It is possible You may find Yourself in competition from time to time with SmartBooks Services, LLC.

3.6. Notwithstanding the above provisions, We specifically reserve the right to develop, grant, license, or sell other goods and services that We may develop, provided those goods and services are not included in SmartBooks Services.

3.7. You shall operate the Franchise with a mailing street address (not a P.O. Box). You may physically conduct business from Your home, subject to the need to perform in-person business development and client service activities. When executing this Agreement, You shall truthfully report the actual primary physical office location from which You will conduct most Franchise business. If We then execute this Agreement, We shall accept the location of Your primary physical office from which You will conduct most Franchise business. After executing this Agreement, You are free to relocate Your primary physical office to any location within the state of your original office provided You promptly notify Us of any change to Your office address. You may not relocate your primary physical office to a different state without Our prior written consent.

4. TERM

4.1. Unless terminated earlier in accordance with the terms set forth in this Agreement, this Agreement and the Franchise granted hereunder shall commence upon the Effective Date set forth above and terminate on the date that is ten (10) years following the Opening Date as it defined in Section 11.1 (the "Term").

4.2. Franchisee acknowledges that certain terms of this Agreement shall continue in effect beyond the Term by their express terms below and that no end of the Term shall impair or adversely affect: (a) Franchisor's right and ability to obtain remedy and redress after the end of the term for any breach of this Agreement by Franchisee during the Term; and/or (b) Franchisor's ability and right to enforce provisions of this Agreement that expressly continue after the end of Franchisee being a franchisee of Franchisor and to obtain remedy and redress for any breach thereof.

5. RENEWAL

You may renew the grant to operate the Franchise and the right to use the Licensed Rights for successive ten year renewal terms, provided that prior to the expiration of the applicable initial or renewal term:

1. You provide Us written notice of Your election to exercise the renewal option not less than six (6) months, nor more than twelve (12) months, prior to the end of the then-current term;

2. When such notice is given and thereafter up to and including the date of renewal, You are not in material default of any provision of this Agreement, or any other agreement between You and Us or with any of Our Affiliates and have substantially complied with the terms of this Agreement;

3. You have not received five (5) or more notices of default from Us during the then-current term of this Agreement;

4. You, except to the extent limited or prohibited by state law, execute a general release, in a form provided by Us, of any and all claims You may have against Us and Our Affiliates, and their respective officers, directors, shareholders, members, agents and employees, uner any federal, state, or local law, rule, regulation, or ordinance;

5. You execute Our then-current standard form of franchise agreement (with appropriate modifications to reflect that such agreement relates to renewal of the Franchise), which shall supersede in all respects this Agreement and which may contain terms and conditions substantially different from those set forth in this Agreement;

6. You pay to Us a Renewal Fee equal to the greater of twenty-five percent (25%) of the average Initial Franchise Fee paid by new franchisees in the one year preceding Your renewal or a Minimum Renewal Fee of twelve thousand five hundred dollars ($12,500);

7. You execute and return to Us all required documents related to the renewal within sixty (60) days after Your receipt of a copy of Our then-current Disclosure Document; and

8. We have not decided to withdraw from the geographic area in which is located Your primary physical office.

If You continue to operate after the end of the Term or any Renewal Term without validly exercising an option to renew and signing Our then-current franchise agreement and paying a Renewal Fee, You shall be deemed to be operating on a month-to-month basis under the terms and conditions of Our then-current form of franchise agreement (including any modifications reflecting that it is a renewal agreement) and shall be deemed to have executed a general release of any claims You may have against Us. In such circumstances, We may, after ten (10) days written notice, terminate Your Franchise Agreement.

If We are in the process of revising, amending or renewing Our form of franchise agreement or renewal franchise agreement or franchise disclosure document, or We are not lawfully able to offer You the then-current form of renewal franchise agreement at the time You advise Us pursuant to Section 5.1 that You desire to renew, We may, in Our sole discretion, (i) offer to renew this Agreement upon the same terms set forth herein for the appropriate renewal term or (ii) offer to extend the Term hereof on a month-to-month basis following the expiration of the Term for as long as We deem necessary or appropriate so that We may lawfully offer the then-current form of renewal franchise agreement.

6. FRANCHISEE FEES AND CREDITS

6.1. Initial Franchise Fee

Upon execution of this Agreement, You shall pay to SmartBooks a non-recurring Initial Franchise Fee of fifty thousand dollars ($50,000). Such Initial Franchise Fee shall be due and payable in full upon the execution of this Agreement and prior to having any right to use the System and Licensed Rights. If We conclude that You are unable to complete any phase of our initial training program to our satisfaction within two months of executing this Agreement, We may terminate this Agreement, in which case We will promptly refund the Initial Franchise Fee, subject to Your execution of a general release of claims in a form provided by Us, less five thousand dollars ($5,000). **You understand and acknowledge that the Initial Franchise Fee is otherwise non-refundable and is fully earned by SmartBooks at the time the Parties execute this Agreement.**

6.2 Monthly Royalty Fee

6.2.1 You shall pay to Us a “Royalty Fee” payable monthly within 15 days after the end of each calendar month. The Royalty Fee is the greater of eight percent (8%) of Your Franchise’s Gross Revenue (as defined below) each month, or the “Minimum Monthly Royalty.” The Minimum Monthly Royalty shall be zero ($0) in the first six (6) calendar months of this Agreement; five hundred dollars ($500) in the remainder of the first year of this Agreement (months 7 through 12); one thousand dollars ($1,000) in the second year; and one thousand five hundred dollars ($1,500) in the third year and in each year thereafter for the remaining term of this Agreement and each renewal term thereof. The amount of the Royalty Fee may be reduced under the terms of Section 6.2.3 below; however the Minimum Monthly Royalty shall remain unchanged.

6.2.2 "Gross Revenue" means and includes all sales and revenue that You or any Principal receives on a cash basis for Services from any source, whether paid to Your Franchise entity or whether paid to a Principal personally or to any entity controlled by a Principal, and including the fair market value of any bartered goods and services. For clarity, amounts invoiced and not received from clients do not count as Gross Revenue until such amounts are received by You. You may exclude from Gross Revenue the amount of any sales tax you charge and remit to tax authorities and any reimbursable expenses that You charge without markup to clients. In order for sales tax and reimbursable expenses to be excluded, they must be separate line items on invoices and separately stated on financial statements booked to separate general ledger accounts or otherwise accounted for and reported as We may specify in the Operations Manual.

6.2.3 If prior to executing this Agreement, You have been providing any services that fall under the definition of Services, You shall be deemed a "Conversion Franchise" for purposes of this Agreement and may be eligible for reduced fees. If You as a Conversion Franchise continue to provide Services to clients from whom You received payments during the twelve completed calendar months immediately preceding the Effective Date, and You wish to pay reduced revenue-based fees for revenue received from those clients, then You shall disclose the names of all such clients and the amount of Gross Revenue that You received from each of those clients for each month for the past 12 completed calendar months in Addendum B to this Agreement. If the preceding sentence applies to You, and you received more than twenty-five thousand dollars ($25,000) combined from all such clients during such time period, then during the first two (2) years of this Agreement Your revenue-based franchisee fees will be assessed at half the rate that would otherwise apply under this Agreement for revenue received from the clients listed in Addendum B. (For example, the Monthly Royalty Fee would be 4% instead of 8% of revenue from those clients.)

6.3. Brand Fund Fee

6.3.1 The purpose of the Brand Fund Fee is to fund System-wide marketing programs to generate goodwill and perceived value for the System and its franchisees and to generate new sales leads for franchisees. We may implement a Brand Fund Fee after ninety (90) days written notice to You or, if We give You written notice within ten (10) days of Our execution of this Agreement, as of the Effective Date of this Agreement. We may suspend or terminate the Brand Fund Fee at our sole discretion upon written notice to You.

6.3.2 The Brand Fund Fee is an amount equal to the greater of three percent (3%) of Franchisee's monthly Gross Revenue, or the Minimum Monthly Brand Fund Fee, payable by You on a monthly basis by the fifteenth (15th) day of each following month.

6.3.3 The Minimum Monthly Brand Fund Fee, if a Brand Fee is in effect, shall be zero ($0) in the first six (6) calendar months of this Agreement; one hundred ninety-five dollars ($195) in the remainder of the first year of this Agreement; three hundred ninety dollars ($390) in the second year of this Agreement; and five hundred eighty dollars ($580) in the third year and in each year thereafter for the remaining term of this Agreement and each renewal term thereof. We reserve the right to allow franchisees to opt out of funding such a System-wide marketing program, or to pay a reduced Brand Fund Fee, if they are exceeding certain revenue levels and/or do not wish to receive any sales leads from Us; however We make no representation or commitment to allow such an option.

6.3.4 If We establish a Brand Fund Fee, We will deliver an unaudited statement of income from the Brand Fund Fees paid by all franchisees along with associated marketing expenditures funded by the Brand Fund Fee on an annual basis to You.

6.4 Franchisee Marketing Requirement

The purpose of the Franchisee Marketing Requirement is for You to generate goodwill and sales leads for Your Franchise. You shall spend a minimum of two hundred and fifty dollars ($250) each month on Your own marketing and business development efforts. You do not pay this to Us. Rather, You pay costs directly to third-party vendors You utilize. You shall account for this spending on your financial statements as We specify in Franchisor's Operations Manual.

6.5 Required Technology and Associated Fees

6.5.1 We will provide for You, including each of Your Principals and employees, user accounts in the smartbooks.com domain. In addition to email, such "Domain Accounts" also currently include a suite of applications including calendaring, file storage, spreadsheet, word processing, slide presentations; file and email backup; and online videoconferencing with screen sharing. In addition, You shall have at least one manager user account that also currently includes social media and online marketing tools and digital contract signature. We will invoice You a monthly per-user technology fee, which is currently forty-five dollars ($45) per month per standard user account and one hundred seventy-five dollars ($175) per month per manager user account. At Your option we currently may add phone service including a dedicated phone number and voicemail to Your Domain Account for an additional fee. We reserve the right to change the technology We provide and its pricing at any time in the future. You do not need to utilize the full application suite in Your Domain Account, though You shall conduct all or most all Franchise business using Your smartbooks.com email account and not personal or other email accounts.

6.5.2 You will use the Genie practice management software application for task management and time tracking and for invoicing all Your clients. You are encouraged but not required to use other modules of Genie. You will license and pay for Genie through Genie Technologies, LLC, an Affiliate of SmartBooks. You will be charged a per-user fee for each of Your user accounts in Genie plus a per-client fee for each of Your clients, and You acknowledge having been provided a price list for Genie. Genie Technologies, LLC reserves the right to change its pricing in the future though Franchisee will not be charged a price materially higher than the then-current price being offered to other Genie customers using the software in a similar manner as Franchisee. We reserve the right in our sole discretion to substitute another practice management software in place of Genie in the future.

6.5.3 You will keep Your accounting books in the online edition of QuickBooks and maintain an active integration with Genie. You acknowledge and agree that information regarding Your firm's financial results and other information stored in QuickBooks will be available to Us via Genie to monitor Your performance and to calculate Your revenue-based fees. We reserve the right in our sole discretion to substitute another general ledger software in place of QuickBooks in the future.

6.5.4 You will maintain secure IT systems to safeguard Confidential Information in Your possession or under Your control or accessible by Your employees, independent contractors, and vendors. You will comply with all applicable state and federal information security laws and regulations. You will conduct security training for Yourself and Your staff at least once annually including training on state and federal laws and regulations applicable to Your business. If You subcontract with an entity rather than hiring employees or individual contractors, You will ensure that You have a binding written contract in place with each such entity for the reasonable protection of Confidential Information.

6.6 Marketing Service Fees

6.6.1 You shall pay us a Managed Website Hosting Fee, currently $25 per month and subject to change by Us, for hosting a web page featuring Your Franchise.

6.6.2 We may introduce additional marketing-related and sales-related services for additional fees, and such services shall generally be optional for franchisees to utilize unless we determine that Franchisee must utilize additional services at reasonable cost to achieve reasonable revenue objectives.

6.7 Optional Business Process Outsourcing (BPO) Services Fees

6.7.1 Certain of Our Affiliates provide services on a wholesale basis to other businesses including to franchisees. We also reserve the right to provide additional services to franchisees beyond the services otherwise obligated in this Agreement. Collectively, these services may be referred to as "BPO Services."

6.7.2 Utilization of BPO Services is optional for Franchisees.

6.7.3 Fees and terms for BPO Services may vary widely and shall be determined by and paid to the entity providing the BPO services.

6.8 Payment of Franchise Fees

6.8.1 We reserve the right in our sole discretion to change the timing of payment of fees and any associated reporting deadlines, with then-current timing specified in the Operations Manual.

6.8.2 All payments for the fees and any other amounts You owe to Us shall be charged by Electronic Funds Transfer (EFT) from your bank account, initiated by Us on the invoice due date and as further specified in the Operations Manual, or via another payment method that We may specify in the Operations Manual. If for any reason You make a payment to Us by credit card, we may assess a Card Payment Fee of four percent (4%) of the underlying payment amount. Failure to make payments to Us via EFT or another method that we may specify in the Operations Manual is a material breach of this Agreement.

6.8.3 In addition to any other remedies We may have, We may assess a Late Fee of $50 for each invoice that is not paid by its due date and a Finance Charge of four one-hundredths of one percent (0.04%) per day on the delinquent balance owed to Us, excluding any amounts for which You have submitted a written dispute as provided herein during the period from Our receipt of your dispute and the date We determine the outcome of the dispute, which fee is reasonably related to Our costs in such event and is not a penalty. We may assess a Non-Sufficient Funds Fee of $100 per occurrence if any payments from You to Us are returned or fail due to Your account having insufficient funds to make such payment, which fee is reasonably related to Our costs in such event and is not a penalty..

6.8.4 If You dispute any portion of an invoice, the Operations Manual specifies the dispute process you must follow, which includes submitting a timely written dispute. Failure by You to timely adhere to the specified dispute process shall be deemed Your final agreement with, and acceptance of, the invoice.

6.8.5 You shall not withhold payment of any fees or other amounts reasonably invoiced by Us, nor prevent their electronic payment initiated by us, for any reason including but not limited to alleged nonperformance of any obligation under this Agreement. If You believe We are in breach of this Agreement, You shall adhere to the terms of this Agreement pertaining to alleged breaches by Us of this Agreement. If you wish to dispute an invoiced amount, you shall adhere to the invoice dispute provisions of this Agreement.

6.8.6 You will be liable to Us for all reasonable fees and expenses, including but not limited to reasonable attorney's fees and litigation costs, that We incur to collect amounts owed by You.

6.8.7 Notwithstanding any designation by You, We shall have the sole discretion to apply any payments by You to any past due amount You owe Us for Royalty Fees, Advertising Fund Fees, and any other fees.

6.8.8 You are subject to inspection and audit to verify compliance with revenue-based fee obligations. We will bear the cost of the inspection or audit, unless it reveals understatement of Your Gross Revenue revenue by 5% or more. If such an understatement is found, You will pay the cost of the inspection or audit plus the amount of underpayment plus a Finance Charge of four one-hundredths of one percent (0.04%) per day on underpaid amounts.

6.8.9 You shall reimburse Us for any taxes that We pay to any state taxing authority on account of either Your operation of the Franchise or payments that You make to Us (however, You shall not be obligated to reimburse Us for Our income taxes).

6.9 Adjustment for Inflation

The amount of all fees payable by You under this Agreement that are denominated in fixed dollar amounts (not as a percentage of revenue) are subject to upward adjustment during the term of this Agreement and any renewal periods based on cumulative changes to the Consumer Price Index after the Effective Date of this Agreement, as such data is published by the Wall Street Journal or other third-party financial data source reasonably selected by Us, if such cumulative changes exceed ten percent (10%) of the amounts specified in this Agreement.

6.10 Referral Credits

6.10.1 We currently offer a credit to You to be applied to offset Your future Monthly Royalty obligations, if You as a Franchisee in good standing refer another person to Us in writing with whom We were not previously engaged in discussion to become a franchisee and to whom We grant a franchise within one year of Your referral. The amount of the credit is 30% of the Initial Franchise Fee paid by the person You refer, payable after Your referral pays Us the Initial Franchise Fee and opens its franchise. We reserve the right to change or terminate this referral credit offer at any time after written notice to You.

6.10.2 Your obligation under Section 11.13 to promote SmartBooks Services that sometimes may be delivered by other franchisees may be rewarded via a "System Referral Fee" when You refer a sales lead or client to another System franchisee, and that sales lead or client was not already in active discussion within the prior year with the other franchisee about receiving Services from the other franchisee but contracts with and receives services from the other System franchisee within one year of the date Your referral is received. In such a case, that other System franchisee will be obligated to pay you a System Referral Fee. For purposes of this Subsection 6.10.2, the "System Referral Fee" currently is eight percent (8%) of the Gross Revenue received by the franchisee from the referred client during the three (3) years following the date referred by You. You may waive Your right to receive the System Referral Fee in Your sole discretion for any or all referrals. You shall pay the System Referral Fee to other System franchisees should they refer a sales lead or client to You, unless the other franchisee in writing explicitly waives its right to receive the System Referral Fee from You. We reserve the right in our sole discretion to modify the amount or terms of the System Referral Fee or terminate it completely at any time after written notice to You. Payment of System Referral Fees is the sole obligation of franchisees and is not guaranteed in any way by Us.

6.10.3 Your obligation under Section 11.13 to promote SmartBooks Services that sometimes may be delivered by an Affiliate of Ours is currently rewarded via referral fees when You refer a sales lead or client an Affiliate of Ours, provided the sales lead or client was not in active discussion with the Affiliate within the prior year about receiving Services from Our Affiliate and signs a contract and pays for Services with the Affiliate within one year of the date Your referral is received. The amount of such referral fees and associated terms and conditions are governed by Affiliates, not by Us, and are subject to change or termination by Affiliates at any time. Currently the referral fee offered by Affiliates is eight percent (8%) of the Gross Revenue received by the Affiliate from the referred client during the three (3) years following the date referred by You. Payment of such referral fees is the sole obligation of Affiliates and is not guaranteed in any way by Us.

6.11 No Set-Off Right

You shall not set off amounts You owe to Us or Affiliates for Royalty Fees, Brand Fund Fees, other fees, or other amounts against any monies owed to You, which right of set off is hereby expressly waived by You.

7. INDEPENDENT CONTRACTOR RELATIONSHIP

7.1. We and You agree and acknowledge that each of us is an independent business entity or individual and Our only relationship is as franchisor and franchisee as specified in this Agreement. Neither of us is the employer, employee, agent, fiduciary or co-venturer of or with the other, as we are each independent contractors. During the term of this Agreement, and any renewals or extensions hereof, You shall hold Yourself out to the public only as an independent contractor operating Your Franchise pursuant to a franchise agreement with Us. You agree to take such affirmative actions as may be necessary to do so, including without limitation exhibiting a public notice of that fact, the content and display of which We shall have the right to specify from time to time.

7.2. Neither Party is responsible for the debts or obligations of the other Party.

7.3. We and You agree that neither of us will hold ourselves out to be the agent, employer, partner, or co-venturer of the other, and that neither of us has the authority to create or assume in the other's name or on their behalf, any obligation, express or implied, or to act or purport to act as agent or representative for any purpose whatsoever and cannot build or incur liability on behalf of the other, except in the limited cases We may do so as provided for under this Agreement.

7.4. For clarity, the Parties agree that Your use of the Chief Financial Officer ("CFO") title does not and shall not be represented to anyone to indicate that You or any of Your staff are the CFO of SmartBooks or of any SmartBooks Affiliate nor that You nor any of Your staff are the CFO of any of Your clients and that the term "CFO" is used only to describe the type of "Fractional CFO" consulting services (as defined in Section 9.1.3) that You may perform for Your clients. Furthermore, the Parties agree that should the term "partner" be used in either Our or Your marketing, that the term "partner" would only be used to describe a market development or client service arrangement and not a formal partnership agreement with any obligations beyond those explicitly contained in this Agreement. You shall not use the term "partner" to describe SmartBooks or any SmartBooks Affiliate without our prior written consent, which we shall not be obligated to provide or which we may agree to provide only upon Your satisfaction of conditions required by Us in our sole discretion.

7.5. You shall be solely responsible for the day-to-day affairs, management, operations and financial control of Your business. You are solely responsible for Your employees, independent contractors, and any vendors used to deliver services to Your clients (collectively Your "Staff"), Your treatment of Staff, and all acts of Your Staff. You shall have sole responsibility for Your employees and all acts of Your employees and all employment-related decisions affecting Your employees including but not limited to establishing wages, benefits, hours of work, scheduling, hiring, firing, discipline, supervision, record keeping, withholding income tax, social security contributions, Medicare contributions, unemployment fund contributions and all other terms and conditions of employment. You shall have a written employment contract with each of Your employees that includes certain provisions We require as specified in Section 11.12.3 of this Agreement. You shall disclose to each of Your employees in writing on or before their first day of employment, in a form approved by Us in advance which is currently included as part of the required Franchise Acknowledgement, Non-Disclosure and Non-Solicitation Agreement specified in Section 11.12.3, that We are not a "joint employer" of Your employees.

7.6. You shall refer any and all media inquiries concerning the the System or Us or Our Affiliates to Us, unless we explicitly authorize you to speak to the media regarding specific elements of the System or Us or Our Affiliates within a specific period of time. You shall ensure that neither Your Staff nor anyone on Your behalf comment to any broadcast or publication medium regarding the System or Us or Our Affiliates.

8. ITEMS TO BE PROVIDED BY SMARTBOOKS TO FRANCHISEE

8.1. Initial Onboarding and Training

8.1.1. We will provision Your SmartBooks IT Domain Account(s) including email within the smartbooks.com domain and any additional applications included in the Domain Account and any options you elect.

8.1.2. We will assist with Your setup of practice management software (currently Genie).

8.1.3. We will add Your profile to the smartbooks.com website.

8.1.4. We will provide You at Our cost with an initial set of business cards, printed presentations, and 10 copies of The Financial Operating System® book.

8.1.5. We will provide You with training on a variety of aspects of Our System, including generating new business opportunities, closing new sales contracts, servicing clients, and Our recommended small business accounting technology stack.

8.1.6. We will train You on The Financial Operating System®, including conducting The Financial Operating System® Bootcamps and implementing and using The Financial Operating System® for clients.

8.1.7. You will travel to our office in Massachusetts to receive this training, unless We make available remote training.

8.1.8. We may provide You with a Confirmation of Initial Onboarding and Training Form to document items that were completed or delivered, and any items still to be performed or delivered. If You do not believe that We have performed or delivered the items specified as being performed or delivered on the Form, then You shall provide Us written notice within five (5) days after receiving the Form of the specific items that You believe have not yet been performed or delivered, and You shall make Yourself promptly available for completing any missing items. If We do not receive written notice from You listing specific items that You do not believe were performed or delivered, then it shall be deemed that You agree and accept that the items on the Form were adequately completed or delivered.

8.2. Licensed Content

8.2.1. We will make available the Marks for use in Your marketing, sales, and service operations.

8.2.2. We will provide You access to digital copies of marketing materials for Your use. You may develop and use Your own advertising and marketing materials, but copies of all such materials bearing any Marks or including any Licensed Content that We have not prepared and provided to You as marketing materials shall be submitted and approved in writing by Us before You use them.

8.2.3. We will provide You access to the Operations Manual and to the Playbook (as both are defined below).

8.3. Ongoing Support and Training

8.3.1. As We deem it necessary We will provide general support services related to operating a SmartBooks franchise based on Your individual challenges and needs as well as broader issues relevant to other franchisees. We will provide You with access to training programs and platforms that We currently offer or may develop in the future. This support and training may be provided via online or in-person group-based or one-on-one training led by Us or another instructor, or via self-paced online resources that You utilize.

8.3.2. We will provision new SmartBooks Domain Accounts and access to Licensed Rights for employees You hire upon Your request and submission of required documentation.

8.3.3. We will assist Your use of SmartBooks IT systems and software that are on the Approved Vendor list.

8.3.4. We will facilitate Your procurement of subcontracted services from our Affiliated service providers.

8.3.5. We will evaluate new products and services, in our discretion, as they are identified or developed in the marketplace, which may be relevant or beneficial to SmartBooks Services.

8.3.6. We will periodically conduct System-wide meetings, either in-person or via videoconference or teleconference, to which all franchisees shall be invited and to which all franchisees sometimes may be required to attend via videoconference or teleconference. In addition, We reserve the right to conduct, and to require You to attend, an annual conference as further described in Section 10.3.3.

8.3.7. We will maintain and periodically update Our Operations Manual and Playbook.

8.4. Maintain the SmartBooks Website including Your Profile

8.4.1. We will maintain the smartbooks.com public website for the purpose of enhancing goodwill and the public image of SmartBooks and our Marks and to attract prospective clients for the benefit of franchisees. We reserve the right to update or make changes or additions to the SmartBooks website without limitation.

8.4.2. We will host at least one page on the smartbooks.com public website with contact and other information specific to Your Franchise such as location, Principal profile(s), and practice focus areas. We reserve the right to add additional required or recommended information and content on franchisees' website pages.

8.4.3. We may also provide services to more actively promote You on the smartbooks.com website and/or other internet sites and/or other media platforms. We reserve the right to charge a fee for such services if You would like us to perform them for You.

8.5. Sales Leads

8.5.1. You are responsible for building Your own business and generating Your own sales leads and revenue. In the Playbook We will provide suggestions and examples of recommended practices, though it is up to You to conduct activities to develop business for Your Franchise.

8.5.2. We may distribute leads to You, but We are under no obligation to provide franchisees with leads apart from leads generated by a marketing program supported by a Brand Fund Fee. We will distribute any leads to You that We generate or receive that are specifically addressed to You or that request to meet with You, provided You are in compliance with this Agreement. Otherwise, We will have sole discretion regarding the franchisee to which to distribute a lead, and may consider a number of factors, including but limited to: 1) whether the lead is in Your primary geographic area, 2) if You are performing recommended business development activities, 3) if You are seeking new clients, 4) if the lead is in an industry with which You have experience and expertise, and 5) if You are in compliance with this Agreement.

8.6. Operations Manual

8.6.1. Our Operations Manual shall contain mandatory specifications, policies, methods, standards, procedures and requirements that We will prescribe from time to time and information relative to other obligations of a franchisee, and to the operation of a franchise. System Standards are required of franchisees and exist to protect Our interests in Our System and Our Marks and not for the purpose of establishing any control or duty to take control over those matters that are reserved to You. In some instances, the Operations Manual will include recommendations to meet the System Standards, or references to the Playbook for additional information and examples of operating methods. You may follow the recommendations in the Operations Manual and Playbook or follow others suitable alternatives, provided You meet and comply with the required System Standards. We have the right to add to and otherwise modify the Operations Manual from time to time, as We deem necessary in our sole discretion, provided that no such addition or modification will alter Your fundamental status, rights and obligations under this Agreement.

8.6.2. The Operations Manual and any other manuals and training aids, as periodically revised, shall be available to You for use under and during this Agreement and shall remain confidential, constitute a Trade Secret (as defined herein) owned by Us, and may not be loaned to any person, or duplicated or copied in whole or in part in any manner. You acknowledge and agree that the Operations Manual and other System communications will be in the English language only and may only be available on the Internet or other online or computer-based media. The Operations Manual may consist of text, video, audio, and/or any other medium capable of conveying the contents of the Operations Manual.

8.6.3. You shall always follow the directives of the Operations Manual, as it may be modified by Us from time to time. You acknowledge that such compliance by You is necessary to protect the integrity and reputation of Our System Standards. In order to protect Our interests in the System and Marks, We reserve the right to determine if You are meeting a required System Standard and whether a suitable alternative is available. In some cases no suitable alternative may be available.

8.7. Playbook

8.7.1. Our Playbook shall contain a variety of recommended operating methods, policies, and procedures, as well as examples of alternative methods, policies, and procedures, and tips and guidance for their use. The Playbook is intended to be a resource to You that You may utilize in meeting System Standards and maximizing the success of Your Franchise. You in Your judgment may decide which of these to adopt in Your Franchise. You may develop alternatives that are not in the Playbook; however, if You develop or use an alternative that is material to the operation of Your Franchise, You will inform Us of the alternative so that We may consider making it available to other franchises.

8.7.2. We shall always have the right to supplement or otherwise modify the Playbook from time to time, in our sole discretion. The Playbook, as periodically revised, shall be available to You for use under and during this Agreement, and shall remain confidential, constitutes a Trade Secret owned by Us, and may not be loaned to any person, or duplicated or copied in whole or in part in any manner. You acknowledge and agree that the Playbook will be in the English language only and may only be available on the Internet or other online or computer-based media. The Playbook may consist of text, video, audio, and/or any other medium capable of conveying the contents of the Operations Manual.

9. YOUR QUALIFICATIONS

9.1 Your Experience, Skills, and Capacity

You represent and warrant that:

9.1.1 At least one Principal of You has employment experience working as CFO, Vice President of Finance, Director of Finance, or other similar role with financial planning, analysis, and management responsibility for a business or non-profit organization. You represent that through experience, study, training, and development, You possess the skill and capacity to competently perform the duties of a Fractional CFO (as hereinafter defined) for small businesses.

9.1.2 During the Term of this Agreement and any renewals, You will have at least one Principal or employee working full-time for You who meets the experience and skill requirements of this Section 9.1, and who is consistently available to deliver Fractional CFO services to Your clients and to meet with sales leads and prospective clients.

9.1.3 The nature of “Fractional CFO” services for small businesses may be further detailed in the Operations Manual and Playbook and means the following such activities delivered on a part-time, largely remote, and bona fide independent contractor model and not as an officer or employee or agent of the client, customized to the needs of clients and Your experience and skills: financial planning and analysis; the development of weekly, monthly, quarterly or annual internal management reporting and information; developing accounting policies and procedures; internal financial, sales, operational and cash flow budgets and forecasts; commission and bonus plan development and administration; insights, suggestions, advice and recommendations regarding strategic or business direction for the organizations; support of merger and acquisition activities; and other related services which are mutually agreed upon between You and a client that are not prohibited by this Agreement or the Operations Manual.

9.2 Your Franchise Application

You represent and warrant that the information You provided in Your most recently submitted Franchise Application dated ______________________ forthrightly and accurately responded to Our questions and information requests and remains accurate as of the Effective Date of this Agreement. The information provided in the Franchise Application is an inducement for Us to enter into this Agreement.

9.3 Competitive and Conflicting Interests

You represent and warrant that:

9.3.1 You and all Principals shall conduct all business activities related to Services solely via Your SmartBooks Franchise and ensure that all payments for such Services are made to Your Franchise with any barter revenue disclosed to SmartBooks;

9.3.2 You and all Principals have no investment or financial interest in any other business that is competitive with SmartBooks, except for any businesses You disclosed in Your Franchise Application. You and all Principals shall acquire no investment or financial interest in any other business that is competitive with SmartBooks, except that investments in public companies are excepted from this restriction, as are investments in bona fide private investment funds managed by third parties completely independent of You and all Principals that make investments in numerous private companies one or more of which might compete with SmartBooks, in both cases provided You and all Principals own, directly or indirectly, less than 1% of each such company and do not exercise any control over such competing companies;

9.3.3 Your execution of this Agreement and the performance of Your responsibilities hereunder do not, and will not, breach or conflict with any obligations, including any non-compete, non-solicitation or non-disclosure obligations You or any Principal have to a previous employer or any other person or entity;

9.3.4 You and all Principals shall at all times faithfully, honestly and diligently perform Your and the Principals' respective obligations hereunder and that You and all Principals will not engage in any business or other activities that will conflict with Your and the Principals' obligations hereunder or the SmartBooks Franchise; and

9.4 Business Organization

If You are an entity, You further represent and warrant that:

9.4.1 You are duly organized and validly exist under the laws of the state in which You were formed and duly qualified and authorized to do business in each jurisdiction in which Your business activities require such qualification and authorization; and

9.4.2 The execution of and performance of Your obligations under this Agreement are within Your powers.

10. YOUR TRAINING REQUIREMENTS

10.1. Required Individuals

The following individuals shall satisfy all of the conditions established by Us for admission to, and graduation from, Our then-current Initial Onboarding and Training Program, and shall attend and satisfactorily complete any additional training programs that may be established and required by Us in the future:

10.1.1. You, if Franchisee is an individual;

10.1.2. Any Principal who owns or controls at least 10% of You, if You include an entity; and

10.1.3. Any Senior Manager You appoint (as hereinafter defined and specified in Section 14).

We reserve the right to require everyone participating in any of Our training programs who is not a party to a franchise agreement with Us or to a Senior Manager Agreement with us to execute a non-disclosure, non-hiring, and non-solicitation agreement in order to protect Our proprietary interest in the Licensed Rights.

10.2. Completion of Initial Onboarding and Training

10.2.1. The Initial Onboarding and Training Program currently consists of one-on-one or group classroom work, self-paced training, homework, and/or on-the-job training utilizing online resources including the Operations Manual and Playbook and associated materials. Your participation in this Initial Onboarding and Training shall commence promptly after the Effective Date of this Agreement. The pre-opening portion of Initial Onboarding and Training training is estimated to be completed within forty-five (45) days, and You shall complete it within sixty (60) days after the Effective Date. You shall complete all Initial Onboarding and Training within ninety (90) days after the Effective Date.

10.2.2. We will not charge a fee for Your first instance of the Initial Onboarding and Training program, though You shall pay any costs You incur to attend the program including but not limited to travel, meals, and wages. We reserve the right to charge a reasonable fee to cover Our costs of Initial Onboarding and Training if we conduct additional instances of Initial Onboarding and Training for You (for example if you add a new Principal or a Senior Manager).

10.3. Continuing Training

10.3.1. You shall devote the time required on an ongoing basis to remain knowledgeable about the then-current contents of the Operations Manual.

10.3.2. We may from time to time offer additional training programs, workshops, seminars and the like, provided by Us or third parties to franchisees and We may require that You and/or

Your Staff participate in such programs. In the event We require the attendance of You or Your Staff, currently said program will be provided at no cost to You, except that for any in-person programs You will be responsible for Your costs for any person who attends the program in person including but not limited to travel, meals, and wages. We reserve the right to charge reasonable fees for any additional training which is provided by Us.

10.3.3. We may choose to hold an annual conference, in our sole discretion, at a location of Our choice within the continental United States (or by videoconference if We so elect), to require that You attend for up to two full days, and to charge You an Annual Conference Fee regardless of whether You attend. The Annual Conference Fee shall be reasonable in amount and shall be used to cover Our costs to conduct the conference. Any material amount of conference fees collected and not needed to cover the cost of that year's conference shall be applied to the cost of the next annual conference. You shall be responsible for Your costs to attend annual conferences including but not limited to travel, meals and wages.

10.3.4. You shall ensure that at least one Principal actively working in Your Franchise, or an appointed Senior Manager, conducts continuing education as needed and at Your expense to stay at the forefront of skills required to perform Fractional CFO consulting services to small businesses.

11. <u>OPERATION OF YOUR FRANCHISE</u>

You covenant and agree that:

11.1. Upon Your compliance with the conditions stated below, You shall promptly open the Franchised Business and provide us written notice of Your opening and the date of Your opening, which date shall be the "Opening Date". Prior to the Opening Date, You shall (i) satisfactorily complete the Initial Onboarding and Training, (ii) outfit a home-based or commercial office per the standards in the Operations Manual, (iii) be current and in good standing with all Your required government filings including tax returns and tax payments and obtain any required permits or licenses to operate the Franchised Business, (iv) open one dedicated bank account for exclusive use by Your Franchise as specified in the Operations Manual, and (v) provide Franchisor with an ACH authorization form for payment of fees under this Agreement as provided in the Operations Manual. Franchisee's failure to open the Franchised Business and commence business (i) in accordance with the foregoing and (ii) within sixty (60) days following the date of this Agreement, unless otherwise extended by Franchisor, shall be deemed a material event of default under this Agreement.

11.2. You shall operate Your Franchise in accordance with the principles and requirements in the Operations Manual as it currently exists and may be amended in the future. Any new requirements will not unreasonably increase Your obligations or place an excessive economic burden on Your operations, or otherwise materially alter Your fundamental status, rights or obligations under this Agreement. You will review the Playbook and consider how its contents may assist with meeting Your operational and financial objectives and meeting System Standards. If You copy any of the contents of the Operations Manual or Playbook for permitted uses under this Agreement, You shall at all times ensure that Your copy of the contents are kept current and up-to-date and, in the event of any dispute as to their contents, the terms of the master copies maintained by Us shall be controlling. You shall not make or allow unauthorized disclosure of the contents of the Operations Manual or Playbook to any outside parties. The entire contents of the Operations Manual and Playbook are and shall remain confidential and Our property.

11.3. In order to protect the Licensed Rights and associated goodwill, You shall feature and use the Licensed Rights solely in the manner that We prescribe and shall observe such reasonable requirements with respect to the Marks and fictitious name registrations and copyright notices as We may direct in writing.

11.4 You shall promptly record all Your sales of products and services and all receipts of payments, and all disbursements to pay expenses, in Your accounting system as specified in the Operations Manual. You shall reconcile all bank accounts and conduct a complete and accurate closing of Your revenue books for each calendar month by the tenth (10th) day of the following calendar month and of all your accounting books by the fifteenth (15th) day of that same following calendar month, or such other deadlines as we may specify in the Operations Manual. If We do not obtain revenue and other financial reports We desire via electronic integration with Your Franchise's accounting software, You shall provide the financial reports we specify and on the deadlines we specify in the Operations Manual.

11.5 You shall report to Us the fair market value of any barter revenue that would be recognizable each month under Generally Accepted Accounting Principles by the 10th calendar day of the following month, or by another standard and deadline as we may specify in the Operations Manual.

11.6 Should any payment for Services be made to a Principal personally or to any entity other than the Franchise controlled by a Principal, You shall cause all such payments to be promptly reported to Us by the deadline specified in Section 11.4 of this Agreement. Should any Principal barter services, You shall cause the value of all such bartered revenue to be promptly to Us by the deadline specified in Section 11.5 of this Agreement.

11.7 You shall comply with all laws, ordinances, and government regulations that apply to all businesses in general, as well as with any local, state, and federal laws, licensing, and regulations concerning the provision of any services You sell or provide. You shall secure and maintain in force, at Your expense, all required licenses, permits and certificates relating to the full and proper operation of Your Franchise. You agree not to provide any services for which You lack required licensing or the skill required to deliver such services consistent with industry best practices.

11.8 You shall have a written contract with each client to whom You provide any services, and such contract shall:

11.8.1. Be signed by the client prior to Your providing any services to the client; and

11.8.2 Contain "Required Client Contract Terms" verbatim as specified in Addendum C hereto and as they may be revised from time to time in Our sole discretion and specified in the Operations Manual.

11.9 You shall not perform any Restricted Services directly, unless you obtain Our prior written authorization. If you are not authorized by Us to perform any Restricted Service, You may nonetheless offer such Restricted Service to Your clients, which must be performed by third party(ies) We approve. Restricted Services shall be defined in Our Operations Manual, are subject to change at any time at Our sole discretion, and currently include:

11.9.1 Attestation of the accuracy or compliance with accounting standards of any financial statements or reports that You provide to Your client or to any third party or that Your client provides to a third party. In the event that for the convenience of clients You provide such financial statements or reports to third parties including but not limited to lenders or investors or prospective lenders or investors, You shall explicitly notify such third parties as such in writing contemporaneously with the delivery of the statements or reports using language that we that specify in the Operations Manual;

11.9.2 Legal representation or any formal legal advice that should be provided by an attorney;

11.9.3 Income tax preparation and filing services, unless You are a CPA or a CPA Firm licensed by the state in which You operate and by virtue of skill and experience and licensure are qualified to prepare and file income tax returns, though You may receive a referral fee from Our Affiliate if You refer a client to Our Affiliate for such services;

11.9.4 Payroll processing services and payroll tax returns, though You may manage a third party payroll processing service and You may receive a referral fee from Our Affiliate if You refer clients to Our Affiliate for such services;

11.9.5 Business brokerage or investment banking services or any services in which You are paid a fee based on a percentage of a business sale price or capital raise amount, unless You are a registered and duly licensed securities broker and have disclosed such registration and license in writing to Us in advance of Your executing this Agreement or promptly upon later registration and licensing, or there is a clear and explicit valid exception that We recognize under federal and state law and regulations allowing You to receive such a fee;

11.9.6 Signing checks or initiating wire transfers or other electronic payments on behalf of a client, except You may participate in an accounts payable process using a bill payment system such as Bill.com that has a transaction approval audit trail with the client approving all bills prior to You releasing payment in the system;

11.9.7 Committing a client to any binding contract, financial commitment, or other agreement; and

11.9.8 Any other services that You are not qualified through knowledge, skill, and experience to provide in compliance with industry standards.

11.10 To align and support the value of Fractional CFO services delivered under the SmartBooks brand, You shall price Your Fractional CFO services at a minimum rate of $200 per hour whether billed hourly or whether that be the realized rate on fixed price contracts, subject to inflation and our specification of a different rate in the Operations Manual which We may do from time to time, unless we specifically authorize You in writing to price Your Fractional CFO services at a lower price. You are free to price other types of services, such as bookkeeping or accounting, at other prices.

11.11 You shall notify Us in writing within three (3) days of Your receipt of notice of the commencement of, or the threat of, any action, suit or proceeding against You or a Principal, or of the issuance of or the threat of any inquiry, subpoena, order, writ, injunction, award or decree of any court, agency or other governmental instrumentality which affects the Franchise, Franchisor, or the goodwill associated with the Licensed Rights. You shall notify Us in writing at least five (5) days prior to commencing any litigation against an employee or client of Yours or other person. You agree that You will not commence any action, suit or proceeding that affects Us, or the goodwill associated with the Licensed Rights, without Our prior written approval. This prohibition shall not apply to routine commercial collections matters in which a client validly owes you payment for Services rendered and has not asserted non-performance or negligence as a reason for its non-payment.

11.12 You shall not contract with a new client, nor continue providing Services to an existing client, if it engages in activities that are not in harmony with the ethical standards of SmartBooks or that will injure the goodwill of our Marks.

11.13 You shall pay on a timely basis for all supplies and expenses and employee services You incur in the operation of the Franchise. You acknowledge that You are solely responsible for all operating, selling, general and administrative expenses of Your Franchise, and that any failure by You to make prompt payment to Your suppliers, vendors, contractors or employees may cause irreparable harm to the reputation and credit of Franchisor and other franchisees.

11.14 In order to preserve the validity and integrity of Your use of the Licensed Rights, We or Our agents shall have the right to observe the manner in which You are operating. We or Our agents shall have the right to confer with Your Staff and clients. We or Our agents shall have the right to inspect marketing and sales materials; client contracts and invoices; and Your performance and quality assurance operations. You agree that all of these areas may impact Our goodwill and that of other franchisees. We shall have the right to utilize an online computer monitoring system, and to use the online system to remotely examine Your records pertaining to the operation of the Franchise.

11.15 You shall perform all recruiting and hiring and Staff management activities for Your Franchise, subject to the following terms and conditions:

11.15.1 You may hire employees or engage independent contractors and subcontractor vendors, provided in all cases reasonable quality assurance practices are maintained and Your classification of each person as an independent contractor or employee complies with applicable federal and state law.

11.15.2 You agree to conduct criminal and civil background checks and credit checks on all Your employees and any individual independent contractor providing services to Your clients, and to provide certifications to Us upon request of the completion with satisfactory results. We may make available a background check service to You upon request. You shall not employ or engage as an independent contractor, or continue to do so, any person: a) convicted of, or who entered a plea of no contest to a felony; b) who engages in gross misconduct, which results in or would likely result in material and demonstrable damage to Your Franchise, Our business, or that of any other Franchise if publicly known; or c) against whom has been entered any judgment involving any claim or other crime or offense that is likely if publicly known to materially adversely affect Your reputation, Our reputation, or the reputation of any other franchise (each of the crimes of fraud, theft, embezzlement, tax evasion, and money laundering presumptively would have such material adverse effect).

11.15.3 You shall enter into written agreements with every employee and independent contractor You employ or engage prior to or on the first day of employment or engagement, containing specific contract terms and language that We specify in the Operations Manual. We currently require every of Your employees to sign a Franchise Acknowledgement, Non-Disclosure, and Non-Solicitation Agreement, a current form of which is in Addendum D hereto. We also currently require any independent contractor You engage who has any access to Our Trade Secrets or who has access to or uses the SmartBooks IT system or who provides services to Your clients to sign a Franchise Acknowledgement, Non-Disclosure, and Non-Solicitation Agreement. You shall not include any other provision in Your employment or independent contractor agreements that contradicts or renders null or void or limits the enforceability of any of Our required contract provisions. We reserve the right to modify these contract contract terms, though You will only be required to utilize modified terms in agreements with employees and independent contractors You hire or engage after the date We provide You written notice of, and a copy of, the modified contract terms. You shall only enter into bona fide independent contractor relationships.

11.15.4 In order for Us to provision SmartBooks IT system user accounts for Your employees, You shall submit a New User Form in a form we specify in the Operations Manual in which You provide certain information about the new users including their eligibility under this Agreement.

11.16 You shall use Your best efforts in operating Your Franchise and in recommending and promoting all SmartBooks Services, whether a service could be delivered by You, by another franchisee, or by an Affiliate of Ours.

11.17 You shall generally be free to accept a referral fee or revenue sharing arrangement or gift from any third party that You refer to or introduce to a client of Yours, subject to policies specified in the Operations Manual. You must disclose such referral fee or other compensation to Your client when required by law. We reserve the right to inquire about and inspect any such compensation (and You shall truthfully provide information we request), and we may prohibit any such arrangement if, in our sole discretion, we believe it poses a risk to Our goodwill or an unnecessary potential legal risk.

11.18 You shall maintain high standards of quality and service that do not detract from Our goodwill. Some of these standards are System Standards and listed in the Operations Manual, and others of these standards will be general in nature to a professional services firm and the expectations of its clients. You shall conduct ongoing quality assurance activities to ensure compliance with quality and service standards and to identify and remediate deviations from those standards. At all times You shall give prompt, courteous, and efficient service to Your clients. All of Your services shall be performed competently, in a professional and diligent manner, and consistent with industry standards and best practices. You shall, in all of Your dealings, adhere to high standards of honesty, fair dealing, and ethical conduct.

11.19 You shall promptly respond to any and all client inquiries or complaints and achieve client satisfaction for reasonable complaints through performing additional services or refunding fees or making other accommodation to the client's satisfaction as may be appropriate, as well as taking such other steps as may be required by Us to ensure positive client relations and to maintain the goodwill of the SmartBooks System. If We reasonably determine that You have not fairly or wisely handled a client complaint, We may intervene in order to resolve the matter to the client's satisfaction. You shall reimburse Us for all costs We incur in satisfying Your client.

11.20 To protect Our investment and the investment of every franchisee in their franchise, You shall not during the term of this Agreement nor any time thereafter, in any manner, interfere with, disparage, disturb, disrupt, or jeopardize the SmartBooks System, Our business, or any business of Our franchisees. You will not, directly or indirectly, in Your own capacity or through or for another individual or entity, make any statements or comments of a defamatory or disparaging nature to any third party including but not limited to internet-based communication and social media regarding Us or any of Our franchisees or any of our Affiliates or any products or services provided by Us or any franchisee or Affiliate, or regarding any member, employee, owner, agent or representative of Ours or of any of Our franchisees or Affiliates.

11.21 You acknowledge and agree that exchanging information with Us by email is efficient and desirable for day-to-day communications and that We and You may utilize email for such communications. You authorize the transmission of email by Us and Our employees, vendors, and Affiliates ("Official Senders") to You during the Term and any renewal thereof. You further agree that: (a) Official Senders are authorized to send email to Your employees and any other users with SmartBooks Domain Accounts; (b) You will cause Your officers, directors, and employees to give their consent to Official Senders' transmission of email to them; (c) You will require such persons not to opt out or otherwise ask to no longer receive emails from Official Senders during the time that such person works for or is affiliated with You; and (d) You will not opt out or otherwise ask to no longer receive email from Official Senders during the Term and any renewal thereof.

11.22 You acknowledge that certain sales opportunities which comprise multiple legal entities operating on a regional or national basis ("Multi-Unit Accounts"), such as franchise systems or collections of multiple franchise units or licensing systems or collections of licensees, require special consideration prior to taking them on as a client due to their unique needs that You may not be best able to meet. You shall consult with Us prior to presenting any proposal for Services to Multi-Unit Accounts and take our instruction with regard to these opportunities. We may require that You refer such an opportunity to an Affiliate of Ours and support the sale of Services by such Affiliate, or We may require that You collaborate with an Affiliate of Ours in selling and providing Services to such an opportunity.

12. VARIATIONS IN FRANCHISEE TERMS

Because complete uniformity under varying conditions may be impossible or impractical, We reserve the right to vary the standards of eligibility and operation, including financial terms and conditions, for any franchisee, including You, based upon primary geographic area, including business potential, existing business practices, and performance of other franchisees in the area, or based upon any other conditions or factors which We determine in our sole discretion to have, or potentially have, a significant effect on the successful operation of such franchisee's business. Variations from standard terms, specifications, and practices granted to other franchisees shall not under any circumstances be cause to require Us to grant to You a like or similar variation hereunder, either now or in the future.

13. APPROVED VENDOR LIST

SmartBooks shall maintain an Approved Vendor List for certain services and goods integral to operating Your Franchise under this Agreement, which may include but not be limited to the technology products specified in Sections 6.5 and 15 of this Agreement.

You shall generally be free to make Your Own decisions about which accounting-related software and technology products, used by Your clients, that You will use and support in the course of providing Services to clients.

If You choose to utilize BPO Services provided by Us or an Affiliate of Ours, the provider of the BPO Services shall maintain specifications including the types of software and services and vendors that BPO Services will support.

Although We do not currently maintain and require the use of a master reseller account with respect to Your purchase of certain services or goods, We reserve the right to introduce such a requirement in the future with terms and conditions described in the Operations Manual.

SmartBooks or an Affiliate of Ours may be the only Approved Vendor for certain products and services, including but not limited to Genie practice management software. SmartBooks reserves the right to add new products and services for which it or an Affiliate of SmartBooks is the only Approved Vendor.

14. ENGAGEMENT OF OWNERS AND CONTINUITY OF MANAGEMENT

You agree that the personal engagement and commitment of at least one Principal will be critical to Your success as Franchisee. Therefore You commit and covenant that:

At least one Principal shall be available and responsive to clients and prospective clients and Us and Your vendors during standard weekday business hours. While You may build Your business to provide You with a certain level of passive income, the SmartBooks System and Franchise is not a passive income arrangement. During the term of this Agreement and during any renewal terms, either a Principal or a Senior Manager (as defined herein whom You appoint and We approve) shall devote full-time 40-hour weekday working hours and best efforts to the management and operations of Your Franchise.

If You wish to appoint another person (a "Senior Manager") who is not a Principal to run Your Franchise in the absence of a Principal, that individual shall first participate in and successfully complete our Initial Onboarding and Training and be approved by SmartBooks based on our review of the Senior Manager's relevant experience and qualifications. We reserve the right to rescind approval of Your Senior Manager at any time if We reasonably believe in our sole discretion that our criteria is not being met. Principals will be the driving force behind Our franchises. Even if You appoint a Senior Manager, at least one Principal shall remain engaged and oversee Your Franchise and the quality of Services being delivered to clients. If Your Senior Manager is not required to sign this Agreement by virtue of ownership in You, the manager shall sign a Senior Manager Agreement, a current version of which is in Addendum F hereto, which We reserve the right to modify, agreeing to be bound by certain terms of this Agreement.

15. COMPUTER EQUIPMENT AND SYSTEMS

You shall be responsible for the purchase, maintenance, and support of computer and related equipment and systems for use by Your Franchise that meet the requirements of Your Franchise and comply with any requirements We specify in the Operations Manual. You shall be responsible for the maintenance and support of such equipment. You shall ensure that Your use of all computer equipment, systems, websites, and software including use of mobile phones is done in a secure manner, compliant with all federal, state and local privacy laws, regulations, as well as with ordinances and other requirements specified in Franchisor's Operations Manual.

Should You store documents or other data related to Franchise business on systems outside of SmartBooks Domain Accounts, Upon Our request You shall provide Us independent electronic access to such documents and other data, and shall if necessary with any providers of such other systems, execute all documents necessary to permit Us to independently and electronically access and review all information stored on such systems.

16. TRADE SECRETS, NEW DEVELOPMENTS, IMPROVEMENTS, ETC.

You acknowledge that Your entire knowledge of the operation of the Franchise, including without limitation the contents of the Operations Manual and the Playbooks and other operating procedures and written resources of the System, is derived from information disclosed to You by Us, and that such information is confidential and Our "Trade Secret." You shall maintain the absolute confidentiality of the Operations Manual and all such other proprietary information You receive from Us, both during and after the term of this Agreement. You shall disclose confidential information only to those employees who need such confidential information to perform their job functions, and only to the extent necessary for them to do so. Prior to disclosing any confidential information, You shall require all such employees to have signed a Franchise Acknowledgement, Non-Disclosure, and Non-Solicitation Agreement included in Addendum D hereto or have signed any other such agreement that we may require in the future. We reserve the right to request copies of such signed agreements, and You agree to promptly provide them to Us upon Our request. You shall not use any of Our Trade Secrets in any business or endeavor other than the Franchise or in any manner not specifically authorized or approved in writing by Us.

You shall promptly notify Us if You develop any new concept, process or improvement material to the operation or promotion of the Franchise, and shall provide Us with all necessary information with respect to such concept, process or improvement, without compensation. If You develop any new trademark, service mark, trade name, trade symbols, associated logos, designs, electronic marks, copyrights, emblems, concept, process or improvement that relates in any way to the Franchise, We will immediately become sole owner and licensor. You agree to execute any and all instruments and documents, render such assistance and do such acts and things as in the opinion of Our counsel may be necessary or advisable to assign such interests to Us. You acknowledge that We may Ourselves subsequently utilize or disclose such information to other franchisees.

Notwithstanding the other provisions of this Section 16, We agree and understand that Franchisee and/or one or more of its Principals are in the business of providing Chief Financial Officer services and in connection therewith, may own various pre-existing materials, tools, methodologies and know-how used to provide Chief Financial Officer services and may develop after the Effective Date additional materials, tools, methodologies and know-how used to provide Chief Financial Officer services unrelated to the SmartBooks System ("Franchisee IP"), which shall remain the property of Franchisee; however, to the extent Franchisee IP is used by Franchise in delivering services under this Agreement, Franchisor shall have a perpetual, transferable, and royalty-free right to use such Franchisee IP. Upon request of Franchisor, Franchisee shall provide a detailed listing and description of any Franchisee IP claimed by Franchisee.

17. MARKS

You acknowledge and agree that We are the owner of the Licensed Rights which include Marks sub-licensed to You under this Agreement. Your right to use the Licensed Rights is derived solely from this Agreement and is limited to the conduct of the business by You pursuant to and in compliance with this Agreement and all applicable standards, specifications, and operating procedures prescribed by Us from time to time during the term of this Agreement. Any unauthorized use of the Marks by You constitutes a material breach of this Agreement and an infringement of Our rights in and to the Marks. You acknowledge and agree that all usage of the Marks by You and any goodwill established by Your use of the Marks shall inure to Our exclusive benefit and that this Agreement does not confer any goodwill or other interests in or to the Marks upon You. You shall not, at any time during the term of this Agreement, or after its termination or expiration, contest the validity or ownership of any of the Marks or assist another person in contesting the validity or ownership of any of the Marks. All provisions of this Agreement applicable to the Marks apply to any additional trademarks, service marks, trade names, trade dress, trade symbols, signs, slogans, associated logos, designs, emblems, electronic marks, copyrights, and commercial symbols authorized for use by and licensed to You by Us after the date of this Agreement.

You shall not use any of the Marks as part of any corporate or trade name, or with any prefix, suffix, or other modifying words, terms, designs, or symbols, or in any modified form, nor may You use any of the Marks in connection with the sale of any unauthorized product or service or in any other manner not expressly authorized in writing by Us.

You shall not register a domain name or establish a website on the Internet using any domain name, nor create or use online user names, that contain the word "smartbooks" or any of Our other Marks with or without any modifying words that a reasonable person would believe to be associated with Our Marks or Our business. We retain the sole right to control all Internet activity and create websites using any of the Marks.

Any digital or electronic content You publish, or communication strategies and tactics You utilize, shall comply with Our brand communication standards as We specify in the Operations Manual or elsewhere. All digital imagery bearing Our Marks is subject to Our approval. Due to the speed of online communication, You shall respond within twenty-four (24) hours to all instructions and requests by Us that seek to restrict, designate or control Your online activities related to the Franchise.

You shall not seek to register any of the Marks in any manner. If required by a jurisdiction in which You operate and with Our prior written approval, You may file doing-business-as or fictitious name registrations to be effective during the Term of this Agreement and that You shall terminate upon the termination of this Agreement.

You shall immediately notify Us in writing of any apparent infringement of or challenge to Your use of the Marks of which You become aware, and of any claim by any person of any right in the Marks or any similar trade name, trademark, or service mark, trade names, trade dress, trade symbols, signs, slogans, associated logos, designs, emblems, electronic marks, copyrights and commercial symbols of which You become aware. You shall not directly or indirectly communicate with any person other than Us and Our legal counsel in connection with any such infringement, challenge, or claim. We shall have sole discretion to take such action (including sole discretion to decline to take any action) as We deem appropriate and shall have the right to exclusively control any litigation, U.S. Patent and Trademark Office proceeding, or other judicial or administrative proceeding arising out of such infringement, challenge or claim or otherwise relating to the Marks. 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 interests in any such litigation, U.S. Patent and Trademark Office proceeding, or other judicial or administrative proceeding, or to otherwise protect and maintain Our interests in the Marks.

If it becomes advisable at any time in Our sole discretion for Us and/or You to modify or discontinue use of the Marks, and/or use one or more additional or substitute trade names, trademarks, service marks, trade names, trade dress, trade symbols, signs, slogans, associated logos, designs, emblems, electronic marks, copyrights and commercial symbols or other commercial symbols or Your territory name or any DBA designations that You are using, You agree to comply with Our directions within a reasonable time after notice to You. We shall have no liability or obligation whatsoever with respect to Your modification or discontinuance of the Marks or any of the above listed items. You agree that such modification or change of Marks or any of the above listed items will be completed by You within a reasonable period of time after notification by Us.

18. MODIFICATION OF THE SYSTEM

You recognize and agree that from time to time We may change or modify Our System and Our business in any manner that is not expressly and specifically prohibited by this Agreement including but not limited to, the adoption and use of new or modified brands, trade names, trademarks, service marks or copyrighted materials; new computer programs and systems; new types of services and products; or new techniques. You shall accept, use, and market any such changes in Our System, as if they were part of this Agreement at the time of execution. Whenever We have expressly reserved in this Agreement or are deemed to have a right and/or discretion to take or withhold and action, or to grant or decline to grant You a right to take or withhold an action, except as otherwise expressly and specifically provided in this Agreement, We may make such decision or exercise its right and/or discretion on the basis of Our judgment of what is in Our best interests in our sole discretion, including without limitation Our judgment of what is in the best interests of the SmartBooks franchise network, at the time Our decision is made or Our right or discretion is exercised. Any new or different requirements imposed will not unreasonably increase Your obligations or place an excessive economic burden on Your operations, or otherwise alter Your status or rights under this Agreement. You will make such expenditures as such changes or modifications in Our System as We may reasonably require. You shall not change, modify or alter in any way any material aspect of Our System, without Our prior written consent.

19. MARKETING

19.1 Your Marketing

You may participate and are strongly encouraged to participate (and, in order to generate revenue for Your Franchise, likely will need to participate) in business development activities such as networking with other business professionals, attending trade shows, engaging in online media platforms and discussions, and other methods to develop relationships with referral sources and prospective clients. You will bear the cost of participating in such activities.

We require You to cooperate, participate in and assist, in a manner that We designate, in the marketing and organization of certain special promotional events or campaigns that may from time to time be sponsored by Us, including but not limited to Financial Operating System Bootcamps which We may undertake for the benefit of Your Franchise and the benefit of other franchises.

No advertising or other use of the Marks by You shall contain any statement or material which, in Our sole judgment, We consider to be in bad taste or inconsistent with SmartBooks's public image, or tend to bring disparagement, ridicule or scorn upon Us or the Marks, or diminish Our associated goodwill. You shall not make any use of any advertising material that We have disapproved for any of the reasons set forth in this Section 19.1.

Immediately upon notification from Us, You shall discontinue any advertising that would, in Our opinion, be detrimental to Our brand. You agree that upon termination, transfer, or expiration of this Agreement, You shall immediately remove all advertising that You control and notify all advertising sources that Your advertising shall be removed and/or canceled immediately. For advertising that cannot be immediately canceled, You are responsible for any and all costs related to such advertising until such time as it can be canceled or it expires.

We may require that You provide periodic reports of Your marketing and business development activities and expenditures, as We may specify in the Operations Manual.

19.2 Our Marketing

We reserve the right to conduct marketing at Our expense.

If and when We begin a marketing program supported by a Brand Fund Fee, it shall be administered by Us. We, in Our sole discretion will be responsible for (i) developing and placing advertising for the benefit of Our entire System; (ii) deciding which media to use and under what terms; (iii) preparing and making available to all franchisees a statement of income and expenses upon written request; and (iv) securing the services of advertising agencies or other marketing professionals. You will have the right to review an annual accounting of Brand Fund Fee income and expenses upon request. Brand Fund Fee funds received and not spent in any given fiscal year shall be carried forward to the next year. We shall not terminate the Brand Fund until all monies in the Brand Fund have been spent for advertising or promotional purposes or returned to contributors, without interest, on the basis of their respective contributions. Up to fifteen percent (15%) of the total Brand Fund Fee annually may be used to reimburse Us or Our designees including Affiliates of Ours for marketing-related management and administrative costs.

We shall maintain separate bookkeeping for Brand Fund Fees and associated expenses, but We shall not be required to cause Brand Fund Fees Fees to be deposited into one or more separate bank accounts. The Brand Fund Fee is not placed in a trust, and We are not a fiduciary or trustee of the Brand Fund Fees. However, We may, in Our discretion, separately incorporate a Brand Fund or create a Brand Fund trust, over which We may be the trustee, into which Brand Fund Fee contributions may be deposited.

Activities and programs supported by the Brand Fund Fee may include, among other things, conducting and preparing advertising, marketing, public relations, client surveys, and/or promotional programs and materials, and any other activities that We believe will enhance the image of the SmartBooks System, such as preparing and conducting radio, television, print, and internet-based advertising campaigns; utilizing social and business networking media sites and other emerging media or promotional tactics; developing, maintaining, and updating Our website on the Internet; direct mail advertising; marketing surveys; employing advertising and/or public relations agencies; purchasing and distributing promotional items; and providing promotional and other marketing materials and services to franchisees. While We do not intend that any part of the Brand Fund Fee will be used for advertising which is principally a solicitation for new franchisees, We reserve the right to use the Brand Fund Fee for activities which may also explain the franchise system, and/or to include a notation in any advertisement indicating "Franchises Available."

Any sales leads or prospect lists that We provide to You is a Trade Secret and shall not be used for any purpose other than Your responsibilities under this Agreement.

20. FINANCIAL INFORMATION AND AUDITS

You shall keep and maintain, during the term of this Agreement and any renewal periods, the accounting software that We specify (currently QuickBooks). You shall preserve for a minimum of seven (7) years thereafter in the accounting software or in spreadsheet form along with receipts, bank statements, credit card statements, and other documentation acceptable to the Internal Revenue Service and reasonably required to audit the financial statements of Your Franchise, full and complete records which shall accurately reflect the items of revenue and expense of Your Franchise attributed to clients and vendors by general ledger account, and monthly income statements and balance sheets and annual statements of cash flow. You shall maintain monthly reports of Gross Revenue by client including a listing of payments by client that includes the underlying invoices to which payments relate, and a reconciliation report of client payments against all cash deposits made to Your bank account, as these reports are specified in the Operations Manual. We may specify a general ledger chart of accounts in the Operations Manual that You shall be required to use in Your internal Franchise accounting.

Unless We are able to obtain all of the financial and other information we seek from your general ledger software by electronic data integration with Genie or another system of Ours, You shall provide Us with financial reports and other information as we may specify in the Operations Manual, by the deadlines We specify in the Operations Manual. If requested by Us, You shall provide us direct, independent access to Your accounting software (which shall be on a read-only basis if such basis is supported by the software).

You shall deliver to Us within thirty (30) days of the end of each of Our fiscal years, complete financial statements for such fiscal year in such form as We may require, including, without limitation, both an income statement and balance sheet, which may be unaudited, together with a report listing all sales transactions by client as well as such other information as We require. Each financial statement shall be signed by the Principal owning the largest percentage of Franchisee, who shall attest that the statement is true and correct and prepared in accordance with Our requirements.

You shall permit Our authorized representatives and accountants designated by Us to inspect, examine, review and/or audit all of Your business records relating to Your Franchise, including but not limited to financial documents and tax returns and direct login access to Your general ledger software, at any time during normal business hours with prior notice. You shall also provide Us with electronic copies of such business records upon Our request. In the event We find that You have understated the amount due to Us or that any such understatement has been made deliberately, such understatement may constitute a material default under Section 25 of this Agreement.

Should any inspection, review or audit reveal an understatement of more than five percent (5%) of the amount otherwise due to Us, You will bear the expenses of Our inspection or audit, and the deficiency shall be immediately due and payable with interest at the Finance Charge rate specified in Section 6.8.8 from the date the payments should have been made.

21. INDEMNIFICATION AND INSURANCE

21.1 YOU UNDERSTAND AND AGREE THAT WE SHALL IN NO EVENT ASSUME LIABILITY FOR, OR BE DEEMED LIABLE AS A RESULT OF, ANY ACT OR OMISSION OF YOURS

IN YOUR CONDUCT OF THE FRANCHISE OR OTHERWISE INCLUDING ANY VIOLATION OF THIS AGREEMENT BY YOU, OR FOR ANY CLAIM OR JUDGMENT AGAINST US ARISING FROM YOUR OPERATION OF THE FRANCHISE. YOU SHALL INDEMNIFY, DEFEND AND HOLD US HARMLESS AND HOLD HARMLESS OUR OFFICERS, DIRECTORS, SHAREHOLDERS, MEMBERS AND EMPLOYEES, AND AGENTS, AND OUR AFFILIATES AND THEIR OFFICERS, DIRECTORS, SHAREHOLDERS, MEMBERS AND EMPLOYEES, AGENTS (WE AND SUCH OTHER ENTITIES AND PERSONS COLLECTIVELY ARE CALLED THE "INDEMNIFIED PERSONS") FROM AND AGAINST ANY AND ALL CLAIMS, COSTS (INCLUDING WITHOUT LIMITATION EXPERT COSTS AND OTHER LITIGATION EXPENSES), OBLIGATIONS, CAUSES OF ACTION, LOSSES, DAMAGES, JUDGMENTS, AND ATTORNEY'S FEES THAT ANY OF THE INDEMNIFIED PERSONS MAY SUFFER OR INCUR THAT ARISE OR RESULT DIRECTLY OR INDIRECTLY FROM: (A) ANY ACT OR OMISSION OF YOURS OR ANY OF YOUR SHAREHOLDERS, DIRECTORS, MEMBERS, OFFICERS, EMPLOYEES, REPRESENTATIVES OR AGENTS, IN CONNECTION WITH OR RELATED TO YOUR OPERATION OF THE FRANCHISE; (B) ANY ALLEGATION OF A VIOLATION OF LABOR OR EMPLOYMENT LAW RELATED TO YOUR FRANCHISE OPERATION;, OR (C) ANY ACT OCCURRING ON, AT OR FROM THE PREMISES OF THE FRANCHISE. , YOU ARE SOLELY RESPONSIBLE FOR THE SAFETY AND WELL-BEING OF YOUR EMPLOYEES AND THE CLIENTS OF YOUR FRANCHISE. THIS INDEMNITY SHALL CONTINUE IN FULL FORCE AND EFFECT SUBSEQUENT TO AND NOTWITHSTANDING THE EXPIRATION OR TERMINATION OF THIS AGREEMENT OR ANY RENEWAL TERM.

21.2 You shall obtain prior to the Opening Date, and maintain uninterrupted during the Term of this Agreement, insurance as follows:

21.2.1 Commercial general liability insurance, including premise liability, covering claims for bodily injury or property damage caused as a result of the operation of the Franchise and pursuant to this Agreement in amounts not less than One Million Dollars ($1,000,000) per occurrence. Coverage shall be written on an occurrence basis only, not claims-made;

21.2.2 Automobile liability (also known as hired and non-owned) insurance against claims for personal injury, death or property damage occurring as a result of the maintenance or operation by You of any automobiles or other vehicles used in the operation of the Franchise in an amount not less than One Million Dollars ($1,000,000) combined single limit;

21.2.3 Workers compensation insurance, in such amounts as may now or hereafter be required by any applicable law;

21.2.4 Errors and omissions (also known as professional liability) insurance for not less than one million dollars ($1,000,000) per occurrence. If these insurance policies are claims-made, You shall maintain an extended reporting period for a minimum of three (3) years after expiration or termination of this Agreement;

21.2.6 A Blanket Surety Bond or other third party crime coverage which indemnifies You for fraudulent or dishonest acts committed by any employee of Yours, in the course of performing their employment, in an amount not less than one million dollars ($1,000,000) per occurrence; and

21.2.7 Any insurance needed to comply with any changes to the types of insurance and minimum coverage limits that We may reasonably specify in the future, and complying with higher coverage limits we may reasonably require of large franchisees, with such insurance types and coverage limits to be specific in the Operations Manual.

21.3 All insurance policies must be written with a carrier who has an AM Best Rating of A- or better.

21.4 As specified in the Operations Manual, You shall cause all policies of liability insurance to name Us as an additional insured/loss payee and protect Us against any liability that may accrue by reason of the ownership, maintenance or operation by You of the Franchise, except for types of insurance that We specify may not name Us as an additional insured/loss payee which currently include Workers Compensation, Error and Omissions, and Employer's Liability Insurance.

21.5 Your obligation to obtain and maintain the foregoing insurance shall not be limited in any way by reason of any insurance that may be maintained by Us, nor shall Your performance of this obligation relieve You of liability under the indemnity provision set forth in this Agreement. You shall deliver to Us certificates of insurance evidencing Your compliance no less than ten (10) days prior to earlier of Your Opening Date or providing any Services under the SmartBooks Mark. Such proof of insurance shall include a statement by the insurer that the policy or policies will not be cancelled or materially altered without giving at least thirty (30) days prior written notice to Us. You must submit to Us at least annually as specified in the Operations Manual and otherwise upon request by Us, a copy of the certificate of existence, renewal, or extension of required insurance policies including showing Us as an additional insured/loss payee.

21.6 Should You, for any reason, fail to procure or maintain the insurance required by this Agreement, You shall be considered in material breach of this Agreement. In such event, We shall have the right and authority (but not obligation) to procure such insurance and to charge the cost of such insurance to You, which charges, together with a reasonable fee or markup for Our expenses in taking such action, shall be payable by You immediately upon notice from Us.

21.7 We reserve the right to offer insurance through a blanket or master policy covering multiple franchisees. If offered at a reasonable market price, We may require You to obtain insurance through Our blanket or master policy. Otherwise, it will be optional for You to purchase insurance from Us.

22. COVENANTS OF CONFIDENTIALITY, NON-SOLICITATION, NON-HIRING; AND COMPETITIVE SYSTEMS

22.1 You shall hold in confidence Our System and shall not disclose any part of Our System to any other individual or entity. It is understood and agreed that Our System would, if used by other individuals or entities, confer on them a substantial competitive advantage, which advantage is presently enjoyed by Us. Accordingly, You agree that You shall not at any time, without Our prior written consent, disclose (except to such employees and independent contractors who must reasonably have access to such information in order to operate the Franchise and who have signed confidentiality agreements with terms required or approved by Us) or use or permit the use of Our System, or any part, except as may be required by applicable law or as authorized by this Agreement. You acknowledge and agree that any form of confidentiality agreement standing alone may or may not be enforceable in a particular jurisdiction. You agree that unless You are using a complete form of contract provided by Us, You are solely responsible for obtaining Your own professional advice with respect to the adequacy of the terms and provisions of any confidentiality agreement You require Your employees, agents and independent contractors to sign.

22.2 You shall at all times use Your best efforts to keep confidential the Operations Manual, the Playbook, other Trade Secrets, and any other manuals or materials designated for use with Our System and any other confidential information about Our System. You acknowledge that the unauthorized use or disclosure of such information will cause incalculable and irreparable injury to Us. Any and all such information, knowledge and know-how, shall be deemed confidential and proprietary for purposes of this Agreement, except information that You can demonstrate came to Your attention prior to disclosure thereof by Us or that is or has become a part of the public domain through authorized publication or communication by others.

22.3 YOU ACKNOWLEDGE AND AGREE THAT OUR CONFIDENTIAL INFORMATION INCLUDES, BUT IS NOT LIMITED TO: THE TERMS AND CONDITIONS OF THIS AGREEMENT; THE CONTENTS OF THE OPERATIONS MANUAL; THE CONTENTS OF THE PLAYBOOK; ALL OTHER TRADE SECRETS; ANY COMPONENT OF OUR SYSTEM THAT DOES NOT CONSTITUTE A TRADE SECRET BUT THAT IS MARKED AS CONFIDENTIAL; AND ANYTHING THAT A REASONABLE PERSON WOULD BELIEVE SHOULD BE "CONFIDENTIAL INFORMATION."

22.4 You acknowledge that, pursuant to this Agreement, You will receive valuable specialized training and access to, and the limited right to use, Trade Secrets and other confidential information, including, without limitation, information regarding the management, operations, marketing, advertising, client and prospective client names and information, and related information, materials, methods and techniques of Franchisor and Our System which are beyond Your present resources, knowledge, skills and experience. You also acknowledge that the value of this information arises not only from the time, effort and money that went into its development and compilation but also from its usage in the System and by franchisees and Affiliates. You acknowledge that such specialized training, Trade Secrets, and confidential information provide a competitive advantage and will be valuable to You in the operation of the Franchise, and that gaining access to such specialized training, Trade Secrets, and confidential information is therefore a primary reason why You are entering into this Agreement. In consideration for access to such specialized training, Trade Secrets, confidential information and other benefits under this Agreement, You agree and covenant that during the Term of this Agreement and for a continuous uninterrupted period ending two (2) years after the effective date of expiration or termination of this Agreement, except as otherwise approved in writing by Us, You and Your Principals shall not, either directly or indirectly, for You or Your Principals, or through, on behalf of, or in conjunction with any person, persons, partnership, corporation or other business entity:

22.4.1 knowingly solicit, divert or attempt to solicit or attempt to divert any business or client or prospective client of the Franchise, or of any other SmartBooks franchise or licensor of the Marks, or of any Affiliate of SmartBooks, to any competitor or to a Principal (or entity controlled by a Principal) outside the Franchise, or to any individual or entity other than a

SmartBooks franchisee or Affiliate or Us, by direct or indirect inducement or otherwise, or perform any Services for a client of Franchise outside of the Franchise;

22.4.2 knowingly employ as an employee or engage as an independent contractor, or solicit to do so, any individual who is an employee of Ours or of another SmartBooks franchisee or of an Affiliate of Ours, or such individual within less than one year after the individual's employment ended with Us or another SmartBooks franchisee or Affiliate;

22.4.3 solicit, approach, endeavor to entice away or have discussions or other communications (regardless of who initiates such discussions or communications) with any then-current member, employee, officer, or director of SmartBooks or of an Affiliate of SmartBooks or with any then-current SmartBooks franchisee including any Principal, for the purpose of causing that individual or franchisee company to become employed or associated with any person, business or organization that offers services that are the same as or substantially similar to SmartBooks Services or that is a Competitive System (as defined herein); or

22.4.4 own, manage, maintain, operate, engage in, advise, consult with, invest in, be employed by or perform services as a director, officer, manager, representative, agent, or otherwise, or have any direct or indirect interest in any business which is granting franchises or licenses or other contractual rights to others to operate a business specializing, in whole or in part, in offering to the public services and/or products substantially similar to the Services (a "Competitive System").

22.5 We shall maintain a list of Our Affiliates in the Operations Manual.

22.6 At any time during the term of this Agreement or thereafter, You and Your Principals shall not, either directly or indirectly, for You, or through, on behalf of, or in conjunction with any person, persons, partnership, corporation or other business entity, use, in connection with the operation of any business other than the Franchise, any of the Licensed Rights, or any other names, marks, systems, insignias, or symbols provided or approved by Us to You pursuant to this Agreement, or cause or permit any such business to look like, copy or imitate a SmartBooks Franchise to the extent that a reasonable person would confuse such business with a SmartBooks franchise.

22.7 If You wish to provide Services after termination of this Agreement, You may provide Services so long as those services are not performed using the System, Licensed Rights, Our Trade Secrets or other of Our confidential information, are not provided to any client or prospective client of the Franchise or any other SmartBooks franchise, and You are not in breach of any provisions of this Agreement.

22.8 You expressly acknowledge that You possess skills and abilities of a general nature and have other opportunities for exploiting such skills for employment at reasonable wage rates. Consequently, You acknowledge that enforcement of the covenants made in this Section 22 will not deprive You of personal goodwill or the ability to earn a reasonable living.

22.9 It is the express intention of the Parties to this Agreement to comply with all laws applicable to the covenants contained in this Agreement. If any of the covenants contained in this Section 22 are found to exceed in duration, geography or scope those permitted by applicable law, the Parties expressly agree that such restrictive covenant shall be reformed or modified to the minimum extent necessary by the final judgment of a court of competent jurisdiction or other lawful constituted authority to reflect a lawful and enforceable restriction, whether in duration, geography or scope, and that the covenants contained in this Section 22 shall automatically be deemed to be amended and modified so as to comply with the judgment or order of such court or authority to the maximum extent permitted. If any one or more of the provisions contained in this Section 22 shall for any reason be held invalid, illegal or unenforceable in any respect, such invalidity, illegality or unenforceability shall not affect any other provisions of this Agreement, and this Agreement shall be construed as if it never contained such invalid, illegal or unenforceable provisions.

22.10 You understand and acknowledge that We shall have the right, in Our sole discretion, to reduce or limit the duration, geography or scope of any covenant set forth in this Section 22 of this Agreement, or any portion thereof, without Your consent, effective immediately upon notice to You; and You agree that You shall comply from that point forward with any covenant as so modified, which shall be fully enforceable notwithstanding the provisions of Section 35 hereof.

22.11 You expressly agree that the existence of any claims You may have against Us, whether or not arising from this Agreement, shall not constitute a defense to the enforcement by Us of the covenants in this Section 22.

22.12 You understand and agree that the restrictions contained in this Section 22 are reasonable and necessary to protect Our legitimate business interests.

22.13 You acknowledge and agree that any failure by You to comply with the requirements of this Section 22 shall constitute a material default of this Agreement; that such failure will cause Us irreparable injury and that money damages will not adequately compensate Us; and that We are entitled to enforce this Section 22 by temporary restraining order and/or temporary, preliminary and/or permanent injunction, and/or specific performance, without the necessity of posting bond. This relief will be in addition to any other relief We may have under federal and/or state law. You agree to pay all court costs and reasonable attorneys' fees incurred by Us in enforcing Our rights under this Section 22.

22.14 In addition to any other remedies or damages allowed under this Agreement and/or by law, if You or any of Your Principals breach(es) any of the covenants set forth in Subsection 22.4, You agree to pay Us as liquidated damages the following amounts that You agree are reasonable given the significant nature of damages that such breach would inflict and that the amount of such damages would be difficult or impossible to prove:

22.14.1 if the breach is of Subsection 22.4.1, fifty percent (50%) of the Gross Revenue received by the Franchise, and by any other SmartBooks franchise or licensor of SmartBooks Marks, and by any Affiliate of SmartBooks, during the one year period prior to the last payment each received from any client lost due to a breach of Subsection 25.1.1;

22.14.2 if the breach is of Subsection 22.4.2 or 22.4.3 involving the hiring of an employee, member, officer, or director, seventy-five percent (75%) of the annual salary or compensation rate of the employee immediately prior to his/her last date as an employee, member, officer, or director of Us or Our Affiliate or other franchisee;

22.14.3 if the breach is of Subsection 22.4.3 involving a franchisee or its Principal becoming employed or associated with a Competitive System, the greater of fifty thousand dollars ($50,000) or two hundred percent (200%) of the fees received by Us from the SmartBooks franchisee in the one year period prior to such franchisee becoming associated with a Competitive System;

22.14.4 if the breach is of Subsection 22.4.4, the greater of the average of the Initial Franchise Fee paid by new franchisees in the one year prior to Your breach or fifty thousand dollars ($50,000), plus plus eight percent (8%) of such Competitive System's Gross Revenue from the time period between the first breach of Subsection 22.4.4 and the date that is two (2) years from the date of the last such breach. For purposes of this Subsection 22.14.4, Competitive System's Gross Revenue means the Gross Revenue of all locations and units and entities that are franchisees or licensees or other grantee of contractual rights under the Competitive System plus any revenue of the franchisor or licensor or other grantor of contractual rights in the Competitive System and any of its parent or subsidiary entities or entities under common control; and

22.14.5 if the breach is of Subsection 22.6, and you do not cure such breach within ten (10) days after written notice from Us, the greater of the average of the Initial Franchise Fee paid by new franchisees in the one year prior to Your breach or fifty thousand dollars ($50,000) for each such look-alike business, plus plus eight percent (8%) of each such business's Gross Revenue from the time period between the first breach of Subsection 22.6 and the date that is two (2) years from the date of the last such breach.

22.15 During the term of this Agreement, We (acting through our officers, agents, managers, or any of Our employees, contracted professionals or representatives) shall have the right to inspect any business in which You have an interest, at reasonable times and during normal business hours, to the extent reasonably necessary to determine whether the conditions of this Section 22 are being satisfied. If, by reason of such inspections or otherwise, We have reasonable grounds to believe that You are in default of this Section 22, and You are so notified by Us, You shall respond to any default notice under this Section 22 within ten (10) days and shall supply all evidence You have, or have access to, that would prove there was not a breach of this Section 22. With regard to any such default, We shall have the right to pursue any and all rights of remedy and enforcement available to Us, either at law or in equity, and You shall immediately take all steps to cure said default in a manner satisfactory to Us.

22.17 We do not require Your spouse(s) or domestic partner(s) to sign this Agreement or a guaranty agreement. However, Your spouse or domestic partner shall be deemed to be a party to this Agreement for purposes of any provisions involving confidentiality, non-solicitation of System clients, non-hiring of System employees, and general non-disturbance of the System, and You shall and hereby indemnify Us against any damages that We may suffer or incur as the result of Your spouse or domestic partner breaching any such provision of this Agreement. As a condition of Our executing this Agreement, You shall have caused all of Your current spouse(s) and domestic partner(s) to have executed the Spouse or Partner Non-Disclosure and Non-Solicitation Agreement attached to this Agreement as Addendum E. During the Term of this Agreement, every time that You come to have a new spouse or domestic partner, You shall promptly cause him or her to personally execute our then-current form of Spouse or Partner Non-Disclosure and Non-Solicitation Agreement.

22.18 If during the Term of this Agreement or thereafter, You have reason to believe that there has been any breach of any provision of this Section 22, You shall immediately notify Us using a method of notice provided in Section 28 and shall cooperate with Us to protect Our interests, including, but not limited to, the prosecution of any lawsuits.

22.19 The provisions of this Section 22 shall survive any termination or expiration of this Agreement and any renewals.

23. TRANSFER AND ASSIGNMENT

23.1 As used in this Agreement, the term "transfer" includes Your voluntary, involuntary, direct or indirect, assignment, sale, gift, or other disposition of any interest in (1) this Agreement, (2) the Franchisee entity, (3) the Franchise governed by this Agreement, or (4) all or a substantial portion of the assets of the Franchise. It also includes an assignment of day-to-day operational responsibilities for the Franchise pursuant to an operating agreement or otherwise. A transfer of the Franchise's ownership, possession, or control, or all or a substantial portion of Your assets, may be made only with a transfer of this Agreement which complies with the terms of this Agreement.

23.2 You shall not, directly or indirectly, sell, assign, transfer, or encumber this Agreement, the Franchise, access to the Licensed Rights, or any other interest hereunder, in part or in full, nor shall You suffer or permit any such assignment, transfer or encumbrance to occur, by operation of law or otherwise, without obtaining Our prior written consent and complying with the terms of this Section 23.

23.3 You shall deliver to Us an updated form of Franchise Application as we may require including information about the proposed transferee as if the proposed transferee were permitted by Us to receive and own an interest in You and You completed the proposed transfer.

23.4 In the event You or Your successor operates the Franchise through an entity, You represent and covenant as follows:

23.4.1 The Articles of Organization (or other charter pursuant to which Your entity was formed) and the Bylaws or Operating Agreement or Partnership Agreement (or regulations or other instrument for the governance of the entity), or other instruments pursuant to which Your entity was created and is governed, reflect that the issuance and transfer of voting stock or other ownership interest therein ("securities") is restricted by the terms of this Agreement. You shall furnish to Us at the time of execution of this Agreement and also later at the time of any assignment to a corporation, limited liability company, partnership or other entity, an agreement executed by all stockholders, partners, members and other owners of any equity interest in You or in Your transferee, stating that none of such owners will sell, assign or transfer voluntarily or by operation of law any securities of Franchisee to any other individual or entity, without Our prior written consent. All securities issued by You and Your transferee will bear a legend in substantially the following form, which shall be printed legibly and conspicuously thereon:

"TRANSFER OF THESE SECURITIES IS SUBJECT TO CERTAIN RESTRICTIONS CONTAINED IN A FRANCHISE AGREEMENT BETWEEN SMARTBOOKS PARTNERS, LLC AND ______________________________ DATED ________________, 202__."

A stop transfer order shall be in effect against the transfer of any securities on Your records except transfers permitted by this Agreement.

23.4.2 You acknowledge and agree that the restrictions on transfer imposed herein are reasonable and are necessary to protect Our franchise System; SmartBooks trade secrets and operating procedures; SmartBooks's general high reputation and image; the Licensed Rights; as well as You and other SmartBooks franchisees. Any assignment or transfer permitted by this Agreement shall not be effective until We receive a completely executed copy of all transfer documents and, when required by this Agreement, consent to such transfer in writing.

23.5 Your performance is of vital importance to Our market position and Our overall image, and there are many subjective factors that comprise the process by which We select a suitable franchisee. Our consent to a transfer or assignment by You of the Franchise or an interest in the Franchise shall, in addition to the other restrictions and requirements herein noted, remain, in part, a subjective determination and shall consider and be subject to, but not be limited to, whether:

23.5.1 The proposed transferee meets all of Our requirements for new franchisees, including, but not limited to, good reputation and character, experience, business acumen, operational ability, financial strength and stability, willingness and ability to devote full time and best efforts to the operation of the Franchise and other business considerations as We may reasonably apply in evaluating new franchisees. We must be provided all information about the proposed transferee as We may reasonably require;

23.5.2 The proposed transferee does not operate or participate in an entity that operates a franchise, license, or other business offering services and/or products similar to those offered by the Franchise unless the proposed transferee transfers all such business to the Franchise such that all revenue is received by the Franchise and the proposed transferee no longer operates or participates in such business outside the Franchise;

23.5.3 The proposed transferee executes or, in appropriate circumstances, causes all necessary parties to execute Our then-current standard form of franchise agreement (provided that such execution will not serve to extend the then remaining term of the franchise) and such other then-current ancillary agreements being required by Us in our sole discretion of new franchisees on the date of transfer;

23.5.4 All obligations of Yours under this Agreement and all other franchise documents are being assumed by the transferee;

23.5.5 All debts of Yours to Us and Our Affiliates have been paid;

23.5.6 You, at the time of the request to transfer and as of the date of transfer, are not in default under this Agreement or an agreement with an Affiliate of Ours;

23.5.7 If You are providing financing to the proposed transferee for any part of the purchase price, You have agreed that all of the proposed transferee's obligations under promissory notes, agreements or security interests reserved in the Franchise are subordinate to the proposed transferee's obligation to pay fees and other amounts due to Us and otherwise comply with the franchise agreement and have provided Us with a copy of such financing agreements;

23.5.8 The proposed transfer is to be made upon such terms and conditions as We, in Our sole and exclusive judgment, deem reasonable;

23.4.8 You, except to the extent prohibited by state law, have executed a general release of any and all claims against Us and Our Affiliates, and Our respective officers, directors, member, employees, and agents; and

23.5.9 You or the proposed transferee have paid to Us a non-refundable Transfer Fee equal to the greater of twenty-five percent (25%) of the average Initial Franchise Fee paid by new franchisees in the one year preceding Your transfer, or a Minimum Transfer Fee of twelve thousand five hundred dollars ($12,500), multiplied by the percentage ownership interest in You that is being transferred, plus any commissions, broker fees, or other out-of-pocket costs that We incur related to the transfer, to cover Our reasonable costs in effecting the transfer and in providing training and assistance to the transferee.

23.6 Provided that We review the considerations listed in Section 23.5 and determine in Our sole judgment that You and Your proposed transferee meet the requirements of that section and all other applicable provisions of this Agreement, We will not unreasonably withhold approval of the transfer.

23.7 If You pursue but do not complete a transfer which has caused Us to incur costs related to the proposed transfer in excess of one thousand dollars, You shall reimburse Us for these costs and expenses.

23.8 This Agreement shall inure to Our benefit, and to the benefit of Our successors and assigns, and We shall have the right to transfer or assign without Your consent all or any part of Our interest in this Agreement to any individual or legal entity. You agree that We have the right, now or in the future, to purchase, merge, acquire or affiliate with an existing competitive or non-competitive franchise network, chain or any other business regardless of the location of that chain or business, and to operate, franchise or license those businesses under the Marks or any other marks following Our purchase, merger, acquisition or affiliation. Furthermore, nothing contained in this Agreement shall require Us or Our successors and assigns to remain in the business franchised herein or to offer the same services, whether or not bearing the Marks, in the event that We exercise Our prerogative hereunder to assign Our rights in this Agreement.

24. <u>DEATH OR PERMANENT DISABILITY</u>

In the event of Your death or permanent disability (or, if You are an entity, the death or permanent disability of the primary or sole Principal of Franchisee), resulting in there being no Principal actively overseeing the

Franchise, then the executor or personal representative of You (or, if You are an entity franchisee, of Your Principal) shall transfer Your interest to a third party approved by Us within six (6) months after such death or permanent disability. Such transfer, including, without limitation, transfer by devise or inheritance, shall be subject to the same restrictions and conditions as any inter vivos transfer under section 23 above and all other applicable provisions of this Agreement. However, in the case of such transfer, if the heirs or beneficiaries of any deceased person are unable to fully satisfy the conditions contained in this Agreement, the executor or personal representative of the deceased Principal may have a reasonable time, in Our sole discretion and Our sole determination of a reasonable time, to transfer the deceased's interest in the Franchise to a qualified and approved transferee, which disposition will be subject to all the terms and conditions for transfer contained in this Agreement. If the deceased's interest is not transferred within such reasonable time, We may terminate this Agreement. The term "permanent disability" shall mean a mental, physical or emotional disability, incapacity, impairment, or condition that is reasonably expected to prevent or actually does prevent You (or the Principal, if Franchisee is an entity) from supervising the management and operation of the Franchise for a period of ninety days from the onset of such disability, incapacity, impairment or condition.

25. DEFAULT AND TERMINATION

25.1 Franchisor Default

If You are in compliance with this Agreement and We materially default under this Agreement and fail to cure such default within thirty (30) days after written notice thereof is delivered by You to Us, then You may terminate this Agreement and the Franchise effective thirty (30) days after receipt by Us of notice of termination. Notwithstanding the foregoing, if the default is capable of being cured but is of a nature which cannot reasonably be cured within such thirty (30) day period, and We have commenced and are continuing to make good faith efforts to cure the breach, We shall be given an additional reasonable period of time to cure the breach, and this Agreement shall not terminate. Any termination of this Agreement and the Franchise by You, without complying with the foregoing requirements, or for any reason other than a material breach of this Agreement by Us and Our failure to cure such material breach within the time allowed shall be deemed a termination by You "Without Cause" and thus subject to the remedies specified in Section 29.2 in addition to any other remedies We may have.

25.2 Franchisee Curable Default

Franchisee shall be deemed to be in material default and Franchisor may, at its option, terminate this Agreement and all rights granted hereunder or exercise its Step-In Rights provided in Section 26, if Franchisee fails to cure the default within the time period set forth in this Section 25.2, effective immediately upon notice to Franchisee, if Franchisee:

25.2.1 fails to pay when due any amounts due to Franchisor under this Agreement or any related agreement and does not correct the failure within seven (7) days after written notice; provided, however, Franchisor has no obligation to give written notice of a late payment more than two (2) times in any twelve (12)–month period, and the third such late payment in any twelve (12)–month period shall be a non-curable default under Section 25.3.

25.2.2 fails to perform any non-monetary obligation imposed by this Agreement (excepting those defaults specified as non-curable in this Agreement) and such default shall continue for ten (10) days after Franchisor has given written notice of such default, or if the default cannot be reasonably corrected within said ten (10)-day period, then if it is not corrected within such additional time as may be reasonably required assuming Franchisee proceeds diligently to cure; provided, however, Franchisor has no obligation to give written notice of a non-monetary default more than two (2) times in any twelve (12)–month period, and the third such default, whether monetary or non-monetary, in any twelve (12)–month period shall be a non-curable default under Section 25.3.

If Franchisee's action or failure to act results in three (3) or more defaults of the type described in Sections 25.2.1 and 25.2.2 within an eighteen (18) month period, whether or not cured after notice, Franchisor shall have the right to terminate this Agreement effective immediately upon notice to Franchisee.

25.3 Franchisee Non-Curable Default

Franchisee shall be deemed to be in material default and Franchisor may, at its option, terminate this Agreement and all rights granted hereunder, without affording Franchisee any opportunity to cure the default, effective immediately upon notice to Franchisee, if Franchisee, or any Principal, as the case may be:

25.3.1 Abandons, vacates, deserts, surrenders, or otherwise ceases operation of the Franchise, or fail to continuously and actively operate the Franchise for a period of ten (10) consecutive days without Our express written consent, unless and only to the extent that You are precluded from doing so by damage to the Franchise due to war, act of God, civil disturbance, natural disaster, or other events beyond Your reasonable control, or unless and only to the extent that You are precluded from doing so by the death or permanent disability of all Principals;

25.3.2 Materially misuses the Licensed Rights including, without limitation, using Confidential Information for any purpose other than furtherance of Your SmartBooks Franchise;

25.3.3 Discloses or divulges confidential information (as it is defined in Section 22.3) to any unauthorized individual or entity, or discloses or divulges confidential information of Our Affiliates to any unauthorized individual or entity;

25.3.4 Twice or more in any twelve (12) month period fails or refuses to submit when due any financial statement, tax return or schedule, or other report or information that We may require or request under this Agreement;

25.3.5 In any twelve-month period, underreports Gross Revenue by more than five thousand dollars ($5,000);

25.3.6 Receives numerous client complaints well beyond the average of all franchisees within a twelve (12) month period;

25.3.7 Materially defaults in the performance of Franchisee obligations under this Agreement and receives five (5) or more notices of such material default during the Term of this Agreement;

25.3.8 Knowingly makes a material misrepresentation or omission to Us or in Your Franchise Application or any other document that You provide to Us, or subsequent to the grant of the Franchise knowingly makes a material misrepresentation or submits a false report or other materially false information to Us;

25.3.9 Refuses to permit Franchisor to exercise its right to inspect or audit the Franchise and its operations as provided in this Agreement;

25.3.10 Fails to comply with the Non-Solicitation and Non-Hiring provisions of Section 22.4;

25.3.11 Fails to comply with the indemnification provisions of Section 21.1;

25.3.12 Effects a transfer or attempts a transfer or permits a transfer (as transfer is defined in Section 23.1) in violation of the provisions of this Agreement;

25.3.13 Attempts to sub-franchise this Agreement, which shall include but not be limited to maintaining active subcontractor engagements with more than ten (10) individuals providing Fractional CFO Services;

25.3.14 Is convicted of or pleads "nolo contendere" to a felony, a crime involving fraud, deception, unfair or improper business practices, or moral turpitude, or commits any crime or offense reasonably likely to materially and unfavorably affect the goodwill and reputation associated with the Marks, the System, or Franchisor (each of the crimes of fraud, theft, embezzlement, tax evasion and money laundering would presumptively cause such material, unfavorable effect);

25.3.15 (1) Fails to satisfy any judgment within thirty (30) days unless a supersedeas or other appeal bond has been filed; or (2) fails to obtain discharge within ten (10) days an execution levied against You, Your business or property; or (3) fails to obtain dismissal within thirty (30) days any suit to foreclose any lien or mortgage against the Franchise; or (4) fails to obtain dismissal or release within a thirty (30) day period of any attachment of or liens on Your bank accounts, property or receivables;

25.3.16 Engages in any act(s) that is so dishonest, untrustworthy, self-dealing, and/or fraudulent, that it goes to the essence of the Franchise Agreement and/or frustrates one of the principal purposes of the Franchise Agreement; or,

25.3.17 Commits a material breach that cannot be cured.

25.4 Notwithstanding the foregoing provisions of this Section 25, Franchisee shall be in default under this Agreement and all rights granted under this Agreement will automatically terminate without notice to Franchisee, if Franchisee, or any Principal, as the case may be:

25.4.1 Makes an assignment for the benefit of creditors or an admission of its inability to pay its obligations as they become due; or,

25.4.2 Files a voluntary petition in bankruptcy or any pleading seeking any reorganization, arrangement, composition, adjustment, liquidation, dissolution or similar release under any law, or admits or fails to contest the material allegations of any such pleading or action for the benefit of creditors filed against it, or is adjudicated bankrupt or insolvent, or has a receiver or custodian appointed for a substantial part of its assets.

25.5 Any material default by You of any other agreement between Us and You or between You and an Affiliate of Ours shall be deemed a material default under this Agreement, and any material default by You under this Agreement shall be deemed a material default under any and all other agreements between You and Us and between You and Affiliates of Ours.

25.6 If You are in material default as described in this Section 25, We have the right to suspend any and all operating assistance to You.

25.7 In the event state law requires a notice period prior to the effective date of a termination under this Section 25, We shall have the right to take possession of the Franchise and run it, or appoint an Affiliate to run it, under the provisions of Section 26.

26. STEP-IN RIGHTS

In the event that You are in a non-curable default or do not cure a curable default by the required deadline, as such defaults are specified in Section 25, in order to protect the Franchise and Us and other franchisees, You authorize Us, or a Affiliate of Ours that We designate, to exercise complete and sole authority to operate the Franchise if We choose to do so for so long as We choose to do so and without waiver of any other rights or remedies We may have under this Agreement. You, on behalf of Yourself, Your heirs, and Your legal representatives, consent to such operation of the Franchise by Us or Our Affiliate.

In the event that We commence to operate the Franchise, We shall not be obligated to operate the Franchise for any period of time. As We will have complete and sole authority to operate the Franchise, we shall freely communicate with clients and vendors of the Franchise, and we may transition clients of the Franchise to alternative service providers including but not limited to other franchises and Affiliates. We shall have no obligation to return to You operating rights over the Franchise, though in Our sole discretion We may choose to do so.

All monies from the operation of the Franchise during the period of Our or Our Affiliate's operation may be maintained in a separate account. The expenses of the Franchise, including reasonable compensation and expenses for Our or Our Affiliate's work, shall be charged to such account (or to Franchisee's regular account if no separate account is open). We or Our Affiliate shall have no obligation to pay any liabilities incurred by Your Franchise prior to the date We or Our Affiliate begin operating the Franchise. If, as provided in this Section 26, We or an Affiliate of Ours operate the Franchise, You agree to indemnify and hold Us and Our Affiliates, and indemnify and hold harmless any representative of Ours or our Affiliate who may operate the Franchise, from any and all claims arising from the acts and omissions of Us and Our representative or of Our Affiliate and respective representatives arising from such operation.

27. OBLIGATIONS OF FRANCHISEE UPON TERMINATION OR EXPIRATION

27.1 Upon termination of this Agreement for any reason or upon expiration of its term, You agree as follows:

27.1.1 To pay immediately to Us and/or Our Affiliates the full amount of all sums due under this Agreement or other agreements or otherwise due;

27.1.2 To cease immediately to operate the Franchise and cease to use the Licensed Rights provided by Us under this Agreement, including but not limited to the Marks and Trade Secrets, and to never use any name, mark, insignias symbol, procedure, or method that is confusingly similar to the Licensed Rights;

27.1.3 To immediately return to Us or destroy any complete or partial copies of the Operations Manual and Playbook and all other manuals, plans and specifications, designs, training aids, records, data, samples, models, programs, or handbooks and other materials loaned or provided to You by Us or any of Our subsidiaries or Affiliates (copying of some of these is prohibited by this Agreement);

27.1.4 To immediately turn over to Us any and all copies of client sales leads, client lists, and correspondence with same if such correspondence was conducted outside of SmartBooks Domain Account systems, and any and all of Our confidential information in Your possession, custody or control concerning or relating to the operation of the Franchise and/or Our operations or business. The only documents that You shall be permitted to retain are Your copy of this Agreement, any correspondence between You and Us, and any other documents that You reasonably need to comply with a provision of applicable law;

27.1.5 To cease immediately to hold Yourself out in any way as a SmartBooks franchisee or to do anything that would indicate any present or future relationship between You and SmartBooks unless and until We and You enter into any future business relationship;

27.1.6 As promptly as possible, remove or permanently cover any and all signs or advertisements on or in or about premises You control that are identifiable in any way with SmartBooks or that contain any Marks;

27.1.7 To promptly take such action that may be required to cancel all fictitious or assumed names or equivalent registrations relating to Your use of any of the Marks or, at Our option, assign same to Us;

27.1.8 Abide by all restrictive covenants set forth in Section 22 of this Agreement;

27.1.9 Immediately refrain from engaging in any and all contact with clients of the Franchise and any former clients of the Franchise who last paid for services or products within two (2) years from the termination or expiration of this Agreement, whether with respect to collection of accounts receivable, to provide Services to such clients or former clients, or pursuant to any business conducted by You that is similar to the Franchise; and

27.1.10 Assign any and all accounts receivable to Us for collection. In connection therewith You hereby appoint Us as attorney-in-fact to engage in such collection activities following the termination or expiration of this Agreement and You specifically undertake to refrain from engaging in any such collection activities upon termination or expiration. We agree to employ good faith efforts, including, where appropriate in Our sole and exclusive judgment, the commencement of legal proceedings, to collect such accounts receivable. Nothing contained herein shall be construed or deemed to impose any duty or obligation upon us to collect such accounts receivable and, if all or a portion of such accounts receivable are not collected by Us, You release and waive any claims thereto against Us. If We are successful in collecting all or a part of such accounts receivable, We shall remit to You such sums collected after first deducting any and all monies owed to Us; after deducting the cost of servicing the client(s) with respect to whom You invoiced any receivables in advance of delivering associated services if We or another franchisee or an Affiliate provides such services to the client; and, after further deducting Our costs of collection.

27.1.11 You, at Our option, shall assign to Us or to an Affiliate we designate, all of Your rights to and interest in client contracts, and at Our option either Your rights in all of Your client contracts or only Your rights in those clients contracts that we specify. You hereby appoint Us as Your true and lawful agent and attorney-in-fact with full power and authority, for the sole purpose of taking such action as is necessary to complete such assignment. This power of attorney shall survive the expiration or termination of this Agreement.

27.1.12 The rights and obligations of the Parties contained in this Section 27 shall survive the expiration or termination of this Agreement.

28. <u>NOTICES</u>

All notices required to be given hereunder shall be in writing and all such notices, and any other material required to be delivered hereunder, shall be considered duly given if (i) hand delivered (with written third party courier's delivery confirmation or receipt signed by the recipient) or (ii) sent by registered or certified US Postal mail, postage prepaid, return receipt requested or (iii) sent by delivery via a nationally recognized shipping service offering proof of delivery, and addressed as follows:

(a) If to Us at: 2352 Main Street, Suite 200, Concord, MA 01742

(b) If to You at: ____

or at such other address as We or You shall have specified by written notice to the other Party hereunder or (iv) emailed to email accounts regularly used for communication between the Parties. Such notice shall be deemed to have been received (i) if hand delivered, on the date delivered; (ii) if by registered or certified mail, then three (3) business days after mailing; (iii) if by national delivery service, then the day such service reports making the delivery; and (iv) if by email, on the date sent provided that the recipient shall have responded to the email or acknowledged its receipt in another email or other documented communication. To be valid, all notices to Franchisor shall be sent to the Chief Executive Officer of Franchisor. Paper notices to a Principal shall be deemed delivered to the Principal if delivered to the primary physical office address of the Franchise.

29. <u>REMEDIES AND LIMITATIONS OF CLAIMS</u>

29.1 The Parties agree that any claim for lost earnings or profits by Franchisee, if valid at all, shall be limited to a maximum amount equal to the net profits of the Franchise for the calendar year prior to the date of the first incident giving rise to the claim.

29.2 The Parties further agree that, in addition to such other damages awarded, if this Agreement is terminated because of Your default or by You Without Cause, You shall be liable to Us for a lump sum amount equal to the net present value of the Royalty Fees that would have become due for the twelve (12) months following termination of this Agreement. Royalties for purposes of this Section 29 shall be calculated based on Your Franchise's average monthly Gross Revenue for the twelve completed calendar months preceding the date termination notice is delivered, and shall be subject to a discount rate of one-half of one percent (0.5%) applied to each month after the date of termination.

29.3 All rights and remedies of the Parties hereto shall be cumulative and not alternative, in addition to and not exclusive of any other rights or remedies which are provided for in this Agreement or which may be available at law or in equity in case of any actual or threatened breach, failure or default of any term, provision or condition of this Agreement or any other agreement between the Parties. The rights and remedies of the Parties under this Agreement shall be continuing and may be exercised at any time or from time to time. The expiration, earlier termination, or exercise of Our rights pursuant to Sections 25 or 26 of this Agreement shall not discharge or release You from any liability or obligation then accrued, or any liability or obligation continuing beyond, or arising out of, the expiration, the earlier termination, or the exercise of such rights under this Agreement.

29.4 Except with regard to Your obligation to pay Royalty Fees, any Brand Fund Fees, and other fees or payments of every nature and kind due from You pursuant to this Agreement or otherwise, any claims between the Parties must be commenced within one (1) year from the date on which the Party asserting the claim knew or reasonably should have known of the facts giving rise to the claim, or such claim shall be barred. The Parties understand that this time limit might be shorter than otherwise allowed by law. You agree that the sole recourse for claims You raise between the Parties shall be against Us or Our successors and assigns. You agree that Our shareholders, members, directors, officers, employees and agents and Our Affiliates and their shareholders, members, directors, officers, employees and agents shall not be personally liable nor named as a party in any action between Franchisee and Franchisor. The Parties further agree that, in connection with any such proceeding, each must submit or file any claim which would constitute a compulsory counterclaim (as defined by Rule 13 of the Federal Rules of Civil Procedure) within the same proceeding as the claim to which it relates. Any such claim that is not submitted or filed as described above shall be forever waived and barred. The Parties agree that any proceeding will be conducted on an individual, not a class-wide, basis and that a proceeding between You and Us may not be consolidated with another proceeding between Us and any other person or entity.

30. <u>DISPUTE RESOLUTION AND INJUNCTIVE RELIEF</u>

30.1 Franchisee shall first bring any claim, controversy or dispute arising out of or relating to this Agreement or the relationship created by this Agreement to Franchisor's chief executive officer for resolution. After providing notice as set forth in Section 28, Franchisee must exhaust this internal dispute resolution procedure before Franchisee may bring Franchisee's dispute before a third party. This agreement by Franchisee to first attempt resolution of disputes internally shall survive termination or expiration of this Agreement.

30.2 At Franchisor's option, any claim, controversy or dispute that is not resolved pursuant to Section 30.1 shall be submitted to non-binding mediation. Franchisee shall provide Franchisor with written notice of Franchisee's intent to pursue any unresolved claim, controversy or dispute, specifying in sufficient detail the nature thereof, prior to commencing any legal action. Franchisor shall have thirty (30) days following receipt of Franchisee's notice to exercise Franchisor's option to submit such claim, controversy or dispute to mediation. Mediation shall be conducted through a mediator or mediators in accordance with the American Arbitration Association Commercial Mediation

Rules. Such mediation shall take place in the state of the then-current location of Franchisor's corporate headquarters and within 15 miles of the then-current location of Franchisor's corporate headquarters. The costs and expenses of mediation, including compensation and expenses of the mediator (and except for the attorneys' fees incurred by either party), shall be borne by the parties equally. Franchisor may specifically enforce Franchisor's rights to mediation, as set forth herein.

30.3 Nothing in this Agreement shall bar Our right to seek, in a court proceeding, specific performance of the provisions of this Agreement and/or injunctive relief against threatened, impending or actual conduct that will cause Us loss or damages under customary equity rules, including applicable rules for obtaining restraining orders and preliminary injunctions. If such actual, threatened or impending conduct creates a business or legal emergent situation for Us that is likely to cause irreparable harm in our sole judgment, then We may seek such remedies without first attempting to notify You or to mediate with You, and we may seek any of such remedies in a federal or state court located in Middlesex County or Suffolk County, Massachusetts or in any state in which You operate the Franchise (and You consent to such venue and to the exercise of jurisdiction over You by each such court that We may choose). You agree to pay all reasonable costs incurred by Us in obtaining specific performance of, and/or an injunction against any violation of, the requirements of this Agreement, including but not limited to attorneys fees and court costs. The foregoing remedies shall be in addition to any other legal or equitable remedies that We may possess. You agree that We will not be required to post a bond to obtain any injunctive relief and that Your only remedy if an injunction is entered against You shall be to seek the dissolution of that injunction, if warranted, upon due hearing (all claims for damages by reason of the wrongful issuance of such injunction being expressly waived hereby).

31. CERTAIN DAMAGES AND CLAIMS AND WAIVER OF JURY TRIAL AND LEGAL COSTS

The Parties waive, to the extent permitted by law, any claim for punitive or exemplary damages against each other, regardless of each Parties' respective right to such damages under the choice of law provision herein. Only claims, controversies or disputes involving You and no claims for or on behalf of any other franchisee, franchisor or supplier may be brought by You hereunder.

You and We each irrevocably waive Our right to a trial by jury in any action, proceeding or counterclaim, whether at law or in equity, brought by either Party. You and We acknowledge that this waiver of jury trial rights provides the Parties with the mutual benefit of uniform interpretation of this Agreement and resolution of any dispute arising out of this Agreement and any aspect of the Parties' relationship. You and We further acknowledge the sufficiency and receipt of mutual consideration for such benefit.

If We or You are required to enforce this Agreement in a judicial proceeding, the Party prevailing in such proceeding shall be entitled to reimbursement of its costs and expenses, including, but not limited to, reasonable accountants', attorneys', attorneys' assistants', and expert witness fees, cost of investigation and proof of facts, and court costs, whether incurred prior to, in preparation for, or in contemplation of the filing of any such proceeding or in enforcement of the results of a proceeding. If We are required to engage legal counsel (including in-house counsel) in connection with any failure by You to pay when due all monies owed under this Agreement or submit when due any reports, information or supporting records, in connection with any failure to otherwise comply with this Agreement, You shall reimburse Us for any of the above-listed costs and expenses incurred by Us, regardless of whether or not any type of binding order or judgment is already entered. Your duty to pay the costs specified in this Section 31 shall survive termination or expiration of this Agreement.

32. CONSENTS AND WAIVERS

Whenever this Agreement requires Our approval or consent, You shall make a timely written request to Us and such approval must be obtained in writing from Us.

No waiver by Us or by You of any covenant or condition or the breach of any covenant or condition of this Agreement to be kept or performed by the other Party shall constitute a waiver by the waiving Party of any subsequent breach of such covenant or condition or authorize the breach or non-observance on any other occasion of the same or any other covenant or condition of this Agreement. Subsequent acceptance by Us of any payments due to Us hereunder shall not be deemed to be a waiver by Us of any preceding breach by You of any terms, covenants or conditions of this Agreement. Any conditional waiver granted by Us shall be subject to Our continuing review, may subsequently be revoked for any reason effective upon Your receipt of ten (10) days prior written notice to that effect, and shall be without prejudice to any other rights We may have.

33. JOINT AND SEVERAL OBLIGATION

If You consist of more than one person, Your liability under this Agreement shall be joint and several.

34. GOVERNING LAW; VENUE AND JURISDICTION

Except to the extent governed by the United States Trademark Act of 1946 (Lanham Act; 15 U.S.C. § 1051 et seq.), as amended, or other federal law, this Agreement and the franchise rights granted herein shall be governed by and construed in accordance with the substantive laws of the Commonwealth of Massachusetts which laws shall prevail in the event of any conflict of law. The Parties agree, however, if the Franchise is not located in Massachusetts and the Franchisee is not a resident of, or domiciled in, Massachusetts, the provisions of any current or future Massachusetts franchise relationship laws and the regulations promulgated thereunder shall not apply to this Agreement or the Franchise relationship created hereby. If, however, any provision, or portion hereof in any way contravenes the laws of any state or jurisdiction where this Agreement is to be performed, such provision, or portion thereof, shall be deemed to be modified to the minimum extent necessary to conform to such laws, and still be consistent with the Parties' intent as evidenced by this Agreement. All claims shall be brought within Massachusetts in Middlesex County or Suffolk County, Massachusetts; provided, however, with respect to any action which includes injunctive relief, We may bring such action in any court designated in section 30.3 above. You irrevocably submit to the jurisdiction of all such courts and waive any objection that You may have to either the jurisdiction or venue of each of such courts. If You attempt to bring any suit concerning this Agreement against Us in any venue other than Middlesex County or Suffolk County, Massachusetts, then You shall be deemed to have consented to the dismissal of that suit for lack of jurisdiction and shall be liable to Us for Our reasonable and necessary attorney’s fees and costs incurred in moving to dismiss the suit.

35. ENTIRE AGREEMENT; MODIFICATION

This Agreement and the Addenda constitute the entire Agreement between the Parties with respect to its subject matter, and this Agreement supersedes all prior and contemporaneous oral and/or written agreements between the Parties. No previous course of dealing shall be admissible to explain, modify, or contradict the terms of this Agreement. No implied covenant of good faith and fair dealing shall be used to alter the express terms of this Agreement. No officer, employee or other representative or agent of Ours is authorized to make any representation, warranty or other promise not contained in this Agreement. You understand and agree that We shall not be liable for or bound by any oral representations or commitments made prior to or concurrently with the execution of this

Agreement or for claims of negligent or fraudulent misrepresentation. No change, modification, termination or attempted waiver of any of the provisions of this Agreement shall be binding upon Us or You unless in writing and signed by an authorized officer of both Franchisor and Franchisee.

You acknowledge that this Agreement obligates you to comply with Our Operations Manual, which is subject to change as provided in Section 8.6 of this Agreement.

Nothing in this Agreement is intended to disclaim the representations We have made in the Franchise Disclosure Document which We furnished to You.

36. SEVERABILITY

All provisions of this Agreement are severable, and this Agreement shall be interpreted and enforced as if any invalid or unenforceable provisions are modified to the minimum extent required to be valid or enforceable. If any applicable law or rule requires a greater prior notice of the termination of this Agreement than is required hereunder, or requires the taking of some other action not required by the terms of this Agreement, the prior notice or other action required by such law or rule shall be substituted for the notice or other requirements hereof.

37. CONSTRUCTION

The headings to the sections of this Agreement have been inserted for convenience only and shall not modify, define, limit or expand express provisions of this Agreement. Throughout this Agreement, wherever the context requires or permits, the neuter gender shall be deemed to include the masculine and feminine and the singular number, the plural and vice versa.

In this Agreement “Principal” shall mean a direct or indirect beneficial individual owner of You, who shall be deemed to thus exert control over You. If You are an individual, then You are a Principal. If You are an entity with one or more individual owners, each individual owner is a Principal. If You are an entity and any of Your owners is itself an entity, any individual owning all or part of that such an entity is a Principal. Every Principal signs this agreement to be personally bound by its terms.

In this Agreement wherever appears the term “Franchisee,” “You,” or another grammatical variation of these terms, it be construed to mean “Franchisee including all Principals” or “You including all Principals” or the associated grammatical variation to include all Principals. “Franchisee” or “You” shall not be construed to mean only a legal entity and not also all of its individual Principals, except that if a provision of this Agreement could only logically apply to an entity and not to an individual, then that provision alone shall be deemed to apply to a legal entity.

38. FORCE MAJEURE

Neither Party shall be liable to the other for any failure or delay in performing any obligation, in whole or in part, under this Agreement if such failure or delay results directly or indirectly from wars, insurrections, riots, fires, floods, explosions, earthquakes, epidemics or quarantine restrictions (whether mandated by any governmental agency or voluntary), acts of God, any act of government, strikes causing a cessation or slow down or interruption of work, or any other cause beyond either Party’s control.

39. COUNTERPARTS AND ELECTRONIC SIGNATURE

This Agreement may be executed in any number of counterparts, each of which shall be deemed an original but all of which together shall constitute one and the same instrument.

The Parties consent to electronic signatures. By affixing their digital signature including any DocuSign signature or other electronic signature system, to this Agreement or any other agreements between the Parties, they are executing the agreement and intending to attach their signature to it. Furthermore, the Parties acknowledge that the other Parties to this Agreement or any other agreements between the Parties can rely on a digital signature, including a DocuSign signature, as the respective party's signature.

40. ADDITIONAL REPRESENTATIONS AND RELEASE

The Additional Representations and Release contained in Addendum A of this Agreement are an inducement for Franchisor to enter into this Agreement.

41. OBLIGATIONS OF PRINCIPALS OF FRANCHISEE

Each Principal of Franchisee signs this Agreement below to confirm irrevocably that he/she shall be jointly and severally liable with Franchisee for: (A) ensuring and causing Franchisee's compliance with and performance of this Agreement's terms; (B) the payment of all monetary and payment obligations of Franchisee under this Agreement; (C) performance and payment of the indemnification, hold harmless and defense obligations of Franchisee under section 21.1 above; and (D) the obligation to pay and reimburse Franchisor for any and all losses, damages, judgments, and liabilities suffered or incurred by Franchisor as a result of Franchisee's breach of this Agreement. Each Principal acknowledges that such joint and several liability is a primary, direct liability and does not depend upon or require any prior attempt to enforce this Agreement against or to collect any sum of money from Franchisee and survives any termination, expiration, amendment or modification of this Agreement. Each Principal of Franchisee stipulates that he/she has received good and adequate consideration for his/her joint and several liability with Franchisee and has reviewed this Agreement, all attachments hereto, and Franchisor's Franchise Disclosure Document prior to signing this Agreement to confirm such joint and several liability with Franchisee.

42. EFFECTIVENESS

This Agreement shall not be effective until accepted by Franchisee as evidenced by the notarized signature of an individual Franchisee (if Franchisee is an individual) or if Franchisee is an entity, then by an authorized officer of Franchisee and by each Principal of Franchisee as evidenced by their individual notarized signatures, and after accepted by Franchisor as evidenced by the signature of an authorized manager or officer of Franchisor.

The Parties hereto have duly executed this Franchise Agreement.

"FRANCHISOR": SmartBooks Partners, LLC

BY:____

NAME:____________________________________

OFFICE HELD:_______________________________

“FRANCHISEE”:_____________________________

BY:____

NAME:_____________________________________

OFFICE HELD:______________________________

[Notary block]

“PRINCIPAL”:_____________________________

NAME: ____________________________________

[Notary block]

“PRINCIPAL”:_____________________________

NAME: ____________________________________

[Notary block]

“PRINCIPAL”:_____________________________

NAME: ____________________________________

[Notary block]

NOTARIZATION

On this ____ day of ______________, 202__, before me, the undersigned notary public, personally appeared _____________________________, proved to me through satisfactory evidence of identification, which was ________________________ to be the person whose name is signed on the preceding or attached document, and acknowledged to me that he/she signed it voluntarily for its stated purpose.

Name of Notary Public:_________________________________

State of Notary Public:______________________

Seal of Notary Public:

ADDENDUM TO FRANCHISE AGREEMENT

ADDENDUM A: ADDITIONAL REPRESENTATIONS AND RELEASE

Franchisee and all Principals ("You" for the purposes of this Addendum A) represent the following:

1. You have conducted an independent investigation of Our business and System and recognize that the business venture contemplated by this Agreement involves business risks and that its success will be largely dependent upon Your ability as an independent business person. We expressly disclaim the making of, and You acknowledge that You have not received, any warranties or guarantees, express or implied, as to the actual or potential sales volume, profits or success of the business venture contemplated by this Agreement. You, together with Your advisors, have sufficient knowledge and experience in financial and business matters to make an informed investment decision with respect to the Franchise granted by the Franchise Agreement.

________ ________

Initial of Franchisee Initial of Principal

2. You have received, carefully read, and understand this Agreement and Our Franchise Disclosure Document, including all Addenda and Attachments thereto; and You further acknowledge that We have advised You to consult with, and have accorded You ample time and opportunity to consult with, advisors and attorneys of Your own choosing about the potential benefits and risks of entering into this Agreement.

________ ________

Initial of Franchisee Initial of Principal

3. You have received complete copies of Our Franchise Disclosure Document and this Franchise Agreement, with all referenced Addenda and Attachments, and any other related Agreements, if any, at least fourteen (14) days prior to the date on which this Agreement was executed by You.

________ ________

Initial of Franchisee Initial of Principal

4. Prior to the date of this Agreement, You entered into no other Agreement with Us, no promises were made to You by Us, and no funds were offered to or accepted by Us from You.

________ ________

Initial of Franchisee Initial of Principal

5. You have no knowledge of any representations by Us or Our officers, directors, shareholders, employees, agents or servants, about the business contemplated by this Agreement that are not expressly stated in this Agreement or that are contrary to the terms of this Agreement or the documents incorporated or referenced

in this Agreement, and further represent to Us, as an inducement to Your entry into this Agreement, that We have made no misrepresentations in obtaining this Agreement.

________ ________
Initial of Franchisee Initial of Principal

6. You acknowledge that Our approval or acceptance of Franchisee's business location does not constitute a warranty, recommendation or endorsement of the location for the Franchise, nor any assurance by Us that the operation of the Franchise at that location will be successful or profitable.

________ ________
Initial of Franchisee Initial of Principal

7. You are aware of the fact that We may in the future modify Our franchise agreements, that some franchisees of Ours may operate under different forms of agreements, and, consequently, that Our obligations and rights in respect to Our various franchisees may differ materially in certain circumstances.

________ ________
Initial of Franchisee Initial of Principal

8. You understand that any training, support, guidance or tools We provide to You as part of the franchise are for the purpose of promoting and protecting the SmartBooks brand and Marks and to assist You in the operation of Your Franchise and not for the purpose of controlling or in any way intended to exercise or exert control over Your decisions or day-to-day operations of Your Franchise, including Your sole responsibility for the hiring, wages and other compensation (including benefits), training, supervision and termination of Your employees and all other employment and employee related matters.

________ ________
Initial of Franchisee Initial of Principal

9. BY EXECUTING THE FRANCHISE AGREEMENT, FRANCHISEE AND ANY AND ALL PRINCIPALS, INDIVIDUALLY AND ON BEHALF OF FRANCHISEE'S AND SUCH PRINCIPAL'S HEIRS, LEGAL REPRESENTATIVES, SUCCESSORS AND ASSIGNS, HEREBY FOREVER RELEASE AND DISCHARGE SMARTBOOKS PARTNERS, LLC, SMARTBOOKS CORP., PROVESTMENTS, LLC, SMARTBOOKS SERVICES, LLC, GENIE TECHNOLOGIES, LLC, GENIE SERVICES, LLC, AND ANY OF THEIR PARENT COMPANIES, SUBSIDIARIES, DIVISIONS, AFFILIATES, SUCCESSORS, ASSIGNS AND DESIGNEES, AND THE FOREGOING ENTITIES' DIRECTORS, OFFICERS, EMPLOYEES, AGENTS, SHAREHOLDERS, SUCCESSORS, DESIGNEES AND REPRESENTATIVES FROM ANY AND ALL CLAIMS, DEMANDS, LOSSES, DAMAGES, AND JUDGMENTS RELATING TO OR ARISING UNDER THE STATEMENTS, CONDUCT, CLAIMS OR ANY OTHER AGREEMENT BETWEEN THE PARTIES MADE OR

EXECUTED PRIOR TO THE DATE OF THE FRANCHISE AGREEMENT, INCLUDING, BUT NOT LIMITED TO, ANY AND ALL CLAIMS, WHETHER PRESENTLY KNOWN OR UNKNOWN, SUSPECTED OR UNSUSPECTED, ARISING UNDER THE FRANCHISE, SECURITIES, TAX OR ANTITRUST LAWS OF THE UNITED STATES OR OF ANY STATE OR TERRITORY THEREOF.

________ Initial of Franchisee ________ Initial of Principal

"FRANCHISEE":______________________________

BY:____

NAME:______________________________________

OFFICE HELD:_______________________________

"PRINCIPAL":______________________________

NAME: _____________________________________

[add additional initial blocks and signature blocks for additional principals]

ADDENDUM TO FRANCHISE AGREEMENT

ADDENDUM B: CONVERSION FRANCHISE CLIENTS AND REVENUE

The following table (or an Attachment A-1 in a comparable format) shall include every client to whom Franchisee or its Principals have provided Services over the twelve completed calendar months immediately preceding execution of the Franchise Agreement if Franchisee wishes to pay reduced fees.

Client Name	Mo1	Mo2	Mo 3	Mo 4	Mo 5	Mo 6	Mo 7	Mo 8	Mo 9	Mo 10	Mo 11	Mo 12	Total

Franchisee Signature:____________________________

Franchisor Signature:_____________________________

ADDENDUM TO FRANCHISE AGREEMENT

ADDENDUM C: REQUIRED CLIENT CONTRACT TERMS

The following terms shall be included verbatim in every end client contract:

"Franchise Acknowledgment:
Client understands that all services shall be provided by [Franchisee legal name] (the "Service Provider") that does business as a franchisee of SmartBooks Partners, LLC ("SmartBooks"), and which is solely responsible for all services provided. Client agrees to pursue any claims related to services received or omitted or this contract solely against Service Provider and not against SmartBooks or any of its parents, subsidiaries, or entities under common control with SmartBooks.

No Agency:
All services provided by Service Provider shall be in a support role only. Client shall make all policy and management decisions related to its business or organization. Services referred to as "Chief Financial Officer" or "CFO" shall always mean CFO consulting services and Service Provider will not actually be an officer, employee, or agent of Client nor represent itself to be.

Internal Management Use Reports Only; No Audit or Attestation:
Client understands that any financial statements, projections, analyses, or other reports provided by Service Provider shall be for internal use by Client management and agrees that Client is responsible for reviewing such documents, spot checking data and assumptions, and revising or approving the documents. Service Provider is not a public accounting firm and does not provide audit, review, or other opinions or representations or warranties regarding the accuracy of financial statements or reports. Client shall never represent or communicate to a third party that any financial statements, projections, analyses, or other reports have been "prepared by" or "reviewed by" or otherwise approved as accurate by Service Provider or SmartBooks.

Non-Hiring of Employees:
Without the prior written consent of Franchisor, Client shall not during the term of the contract with Service Provider nor for a period of one year after the termination of the contract, knowingly hire as an employee or engage as a contractor, whether part-time or full-time, whether paid or unpaid, any person who then is or at any time in the preceding one-year period was an employee of Service Provider, of any other SmartBooks-branded entity, of Genie Services, LLC, or of Cloud Accounting Limited, and who provided services to Client. Client stipulates and admits that its hiring or engagement of any such person is likely to cause irreparable damage that would be difficult or impossible to ascertain or prove and for which the amount of damages would be difficult or impossible to prove. Accordingly, each Party agrees that any breach of this section shall obligate Client to pay to SmartBooks Partners, LLC on demand, as liquidated damages, an amount equal to seventy percent (70%) of that employee's or former employee's annual salary in effect on the date of termination of employment at Service Provider or other entity. Each Party agrees that this provision does not provide for unreasonably large liquidated damages.

Assignment:
All contracts between Client and Service Provider may be assigned to, or assumed by, SmartBooks or an affiliate of SmartBooks designated by SmartBooks, upon written notice to Client and without the consent of Client. In such event, neither SmartBooks nor its designated affiliate shall be liable for any acts or omissions of Service Provider."

ADDENDUM TO FRANCHISE AGREEMENT

ADDENDUM D: FRANCHISE ACKNOWLEDGEMENT, NON-DISCLOSURE, AND NON-SOLICITATION AGREEMENT

This Agreement is made to be effective as of ________________, 202__ between SmartBooks Partners, LLC , a South Dakota limited liability company ("Franchisor") with a primary office at 2352 Main Street, Suite 200, Concord, MA 01742, ____________________________________ ("Franchisee") with its principal place of business at ___________________________________, and ________________________ ("Recipient") with a primary residence at ____.

RECITALS

WHEREAS, Franchisor and its Affiliates have developed, is using and are the owners of all rights in a unique system (hereinafter "SmartBooks® System") for the provision of finance-related services to small and midsized businesses including Fractional Chief Financial Officer services, bookkeeping and accounting services, payroll administration and processing and certain human resources consulting services, and tax planning, preparation and filing services (hereinafter "Services") under the trade name and mark SmartBooks® (hereinafter "SmartBooks®");

WHEREAS, SmartBooks® System includes but is not limited to certain trade names, marks including but not limited to SmartBooks® and The Financial Operating System by SmartBooks®, logos, trade symbols, designs, web domain names, email addresses, and such other trade names and marks as Franchisor may develop in the future for the purposes of identifying SmartBooks® System, and such other distinguishing characteristics of SmartBooks® System including, without limitation, distinctive sales and marketing procedures; knowledge and procedures for providing Services; the SmartBooks® Operations Manual, the SmartBooks® Playbook; and training and assistance, all of which may be changed, improved and further developed by Franchisor from time to time (collectively "Trade Secrets");

WHEREAS, Franchisor's Trade Secrets provide economic advantages to Franchisor and are not generally known to or readily ascertainable by proper means by Franchisor's competitors who could obtain economic value from knowledge and use of Franchisor's Trade Secrets;

WHEREAS, Franchisor has taken and intends to take all reasonable steps to maintain the confidentiality and secrecy of Franchisor's Trade Secrets;

WHEREAS, Franchisor has granted Franchisee a limited right to operate a SmartBooks Franchise using SmartBooks® System and Franchisor's Trade Secrets for the period defined in the Franchise Agreement made and entered into between Franchisor and Franchisee ("Franchise Agreement");

WHEREAS, Franchisor and Franchisee have agreed in the Franchise Agreement on the importance to Franchisor and to Franchisee and to any other licensed users of SmartBooks® System of restricting use, access and dissemination of Franchisor's Trade Secrets;

WHEREAS, it may be necessary for Franchisee to provide certain individuals access to and use of some or all of Franchisor's Trade Secrets in the development and maintenance of Franchisee's business using SmartBooks® System;

WHEREAS, Recipient wishes to access and use Franchisor's Trade Secrets to be of service to Franchisee as an employee or independent contractor of Franchisee; and

NOW, THEREFORE, in consideration of the mutual covenants and obligations contained herein, the Parties agree as follows:

1. Franchise Arrangement

1.1 If Recipient is an employee, Recipient acknowledges that Recipient is employed only by Franchisee, who is responsible for all actions and decisions regarding his/her hiring, supervision, training, management, and compensation. Recipient shall pursue any claims regarding employment only against Franchisee and not against Franchisor. Recipient is not and shall never be "co-employed by" or a "joint employee of" Franchisor nor of any of its parent entities, subsidiaries, or entities under common control with Franchisor and shall be estopped from ever making any such claim.

1.2 If Recipient is an independent contractor, Recipient acknowledges that Franchisee is solely responsible for the terms of Recipient's contract including deliverables and compensation. Recipient shall pursue any claims regarding Recipient's contracted services only against Franchisee and not against Franchisor. Recipient represents that Recipient meets federal and state requirements to be classified as an independent contractor.

2. Protected Information and Confidentiality

2.1 Franchisor and/or Franchisee may disclose to Recipient some or all of Franchisor's Trade Secrets relating to SmartBooks® System.

2.2 Recipient shall receive Franchisor's Trade Secrets in confidence, maintain them in confidence, and use them only in the course of Recipient's work for Franchisee and then only in connection with the development and/or maintenance by Franchisee of the SmartBooks® Franchise using SmartBooks® System for so long as Franchisee is licensed by Franchisor to use SmartBooks® System.

2.3 Recipient shall not at any time make copies of any documents or compilations containing some or all of Franchisor's Trade Secrets without the express written permission of Franchisor.

2.4 Recipient shall not disclose or permit the disclosure of Franchisor's Trade Secrets except to other employees or independent contractors of Franchisee and only to the limited extent necessary to train or assist other employees or independent contractors of Franchisee who have also signed this Agreement or a comparable agreement with Franchisor.

2.5 All information and materials, including without limitation, specifications, techniques and compilations of data which Franchisor shall designate as confidential shall be deemed Franchisor's Trade Secrets for the purposes of this Agreement.

2.6 Any derivatives or developments Recipient creates from Trade Secrets shall remain the sole property of Franchisor as specified in the Franchise Agreement. Recipient and Franchisee shall promptly notify Franchisor of any new material concept, process or improvement in the operation or promotion of the Franchise, and Franchisor shall immediately become the sole owner and licensor.

2.7 Recipient shall surrender the SmartBooks® Operations Manual, the SmartBooks® Playbook, and any other material containing some or all of Franchisor's Trade Secrets to Franchisee or to Franchisor, upon request, or upon termination of employment or termination of contracted services with Franchisee, or if sooner, upon conclusion of the use for which the SmartBooks® Operations Manual or SmartBooks Playbook or other information or material may have been furnished to Recipient.

3. Acceptable Use

3.1 Recipient shall only use Trade Secrets for furtherance of Franchisee or Franchisor business.

3.2 Franchisor may provide Recipient with information technology system accounts including email and other software applications ("IT Systems") in the IT Systems maintained by Franchisor for use by Franchisee. Recipient shall seek information and training from Franchisee on federal and state privacy compliance laws and regulations and standards related to Recipient's work for Franchisee and shall comply with such laws and regulations and standards generally and whenever utilizing any IT Systems.

3.3 Recipient shall obtain a copy of Franchisee's Written Information Security Plan and shall comply with its requirements generally and whenever utilizing any IT systems.

4. Non-Solicitation

In order to protect the goodwill and unique qualities of SmartBooks® System and the confidentiality and value of Franchisor's Trade Secrets, and in consideration for the disclosure to Recipient of Franchisor's Trade Secrets, Recipient further undertakes and covenants that, during the time Recipient is employed or contracted by Franchisee, and for the two (2) years following the later of the termination of Recipient's employment or contractor services for Franchisee or the last date Recipient had access to Franchisor's IT Systems or Trade Secrets, Recipient shall not:

(a) Directly or indirectly, for Recipient or through, on behalf of or in conjunction with any person, partnership or business entity, engage in or acquire any financial or beneficial interest in (including interest in business entities, partnerships, trusts, unincorporated associations or joint ventures), advise, be employed by or engaged as an independent contractor with, any entity involved in business which has a multi-location franchised or licensed or otherwise affiliated group of business locations providing services that are the same as or similar to SmartBooks® Services and which business is located within the United States; or

(b) Divert or attempt to divert, directly or indirectly, any client or prospective client or other business opportunity of Franchisee or of any other SmartBooks® franchisee or SmartBooks Affiliate to any competitor.

5. General

5.1 Franchisee undertakes to use Franchisee's best efforts to ensure that Recipient acts as required by this Agreement.

5.2 Recipient agrees that in the event of Recipient's breach of this Agreement, Franchisor would be irreparably injured and be without an adequate remedy at law. Therefore, in the event of such a breach, or threatened or attempted breach of any of the provisions thereof, Franchisor shall be entitled to enforce the provisions of this Agreement against Recipient, and may seek, in addition to any other remedies which are made available to it at law or in equity, a temporary and /or permanent injunction and a decree for the specific performance of the terms of this Agreement, without being required to furnish a bond or other security.

5.3 Recipient agrees that the period following the termination of Recipient's employment or contract work with Franchisee during which the post-employment restrictions above apply shall be extended uninterrupted by the length of any period of time during which Recipient was in violation of such restrictions.

5.4 No handwritten or typed modifications by Recipient or Franchisee to the form of this Agreement provided by Franchisor shall be valid. This Agreement need not be signed by Franchisor in order to have full force and effect as if it were signed by Franchisor.

5.5 In the event of any conflict between the terms of this Agreement and any other agreement between Recipient and Franchisee, this Agreement shall govern.

5.6 This Agreement shall be governed by and construed under the laws of Massachusetts.

5.7 If any Court or other tribunal having jurisdiction to determine the validity or enforceability of this Agreement determines that it would be unenforceable as written, its provisions shall be determined to be withheld, modified or limited to the minimum extent or in such minimum manner as is necessary for it to be valid and enforceable to the greatest extent possible.

IN WITNESS WHEREOF, the undersigned have entered into this Agreement as witnessed by their signatures below.

RECIPIENT:

By:_______________________________

Name:____________________________

Title:_____________________________

FRANCHISEE:

By:_______________________________

Name:____________________________

Title:_____________________________

FRANCHISOR:

By:_______________________________

Name:____________________________

Title:_____________________________

ADDENDUM TO FRANCHISE AGREEMENT

ADDENDUM E: SPOUSE OR PARTNER NON-DISCLOSURE AND NON-SOLICITATION AGREEMENT

This Agreement is made to be effective ___________, 202__ between SmartBooks Partners, LLC , a South Dakota limited liability company ("Franchisor") with a primary office at 2352 Main Street, Suite 200, Concord, MA 01742, ___________________________________ ("Franchisee") with its principal place of business at ___________________________________, and ________________________ ("Covenantor") with a primary residence at ____.

RECITALS

WHEREAS, Franchisor and its Affiliates have developed, is using and are the owners of all rights in a unique system (hereinafter "SmartBooks® System") for the provision of finance-related services to small and midsized businesses including fractional Chief Financial Officer services, accounting and bookkeeping services, payroll administration and processing and certain human resources consulting services, and income tax planning, preparation and filing services (hereinafter "Services") under the trade name and mark SmartBooks® (hereinafter "SmartBooks®");

WHEREAS, SmartBooks® System includes but is not limited to certain trade names, marks including but not limited to SmartBooks® and The Financial Operating System by SmartBooks®, logos, trade symbols, designs, web domain names, email addresses, and such other trade names and marks as Franchisor may develop in the future for the purposes of identifying SmartBooks® System, and such other distinguishing characteristics of SmartBooks® System including, without limitation, distinctive sales and marketing procedures; knowledge and procedures for providing Services; the SmartBooks® Operations Manual, the SmartBooks® Playbook; and training and assistance, all of which may be changed, improved and further developed by Franchisor from time to time (collectively "Trade Secrets");

WHEREAS, Franchisor's Trade Secrets provide economic advantages to Franchisor and are not generally known to or readily ascertainable by proper means by Franchisor's competitors who could obtain economic value from knowledge and use of Franchisor's Trade Secrets;

WHEREAS, the names of clients and prospective clients of all SmartBooks franchisees and associated information about such clients and prospective clients are confidential unless made publicly available by Franchisor, or authorized to be made publicly available by Franchisor in its sole discretion (such confidential client information considered to be Trade Secrets); and even if the identity of certain clients is made public by Franchisor, all client engagements and relationships are valuable to Franchisor and Franchisee;

WHEREAS, Franchisor has taken and intends to take reasonable steps to maintain the confidentiality and secrecy of Franchisor's Trade Secrets and other confidential information;

WHEREAS, Franchisor has granted Franchisee a limited right to operate a SmartBooks Franchise using the SmartBooks® System and Franchisor's Trade Secrets for the period defined in the Franchise Agreement made and entered into between Franchisor and Franchisee ("Franchise Agreement");

WHEREAS, Franchisor and Franchisee have agreed in the Franchise Agreement on the importance to Franchisor and to Franchisee and other licensed users of SmartBooks® System of restricting use, access and dissemination of Franchisor's Trade Secrets and on the importance of refraining from providing any services to clients and former clients of Franchisee in the event of termination of the Franchise Agreement which are similar in nature to services provided by Franchisee; and

WHEREAS, Covenantor as spouse or partner of Franchisee may come to know or have access to Franchisor's Trade Secrets and other confidential information including client and prospective client information, regardless of whether or not Covenantor be a paid employee or independent contractor of Franchisee.

NOW, THEREFORE, in consideration of the mutual covenants and obligations contained herein, Franchisor, Franchisee, and Covenantor agree as follows:

1. If Covenantor shall receive any of Franchisor's Trade Secrets, Covenantor shall maintain them in confidence, and use them only in the course of supporting Franchisee in conducting business under the terms of the Franchise Agreement.

2. Covenantor shall not at any time make copies of any documents or compilations containing some or all of Franchisor's Trade Secrets without the express written permission of Franchisor.

3. Covenantor shall not disclose or permit the disclosure of Franchisor's Trade Secrets except to employees or independent contractors of Franchisee and only to the limited extent necessary to train or assist employees or independent contractors of Franchisee who have signed a binding employment agreement or independent contractor agreement containing contract terms required under the Franchise Agreement.

4. All information and materials, including without limitation, specifications, techniques and compilations of data which Franchisor shall designate as confidential shall be deemed Franchisor's Trade Secrets for the purposes of this Agreement.

5. Covenantor shall surrender all copies of Trade Secrets in its possession or control upon request of Franchisee or Franchisor.

7. Covenantor shall not, directly or indirectly, do any act or omit to do any act, which would or would likely to be injurious or prejudicial to the goodwill associated with the SmartBooks® System.

8. Covenantor shall not, during the term of the Franchise Agreement and until the later of a) two (2) years following the termination or expiration without renewal of the Franchise Agreement, or b) the last date Covenantor had possession of or access to any of Franchisor's Trade Secrets, directly or indirectly, for himself or herself or through, on behalf of or in conjunction with any person, partnership or business entity:

(a) Provide or solicit to provide to any client or prospective client of Franchisee or of any other SmartBooks® franchisee or SmartBooks-branded business any services that are substantially similar to services provided by SmartBooks® franchisees;

(b) Divert or attempt to divert any client or prospective client or other business opportunity of Franchisee or of any other SmartBooks® franchisee or SmartBooks-branded business to any competitor; or

(c) Engage in or acquire any financial or beneficial interest in (including interest in business entities, partnerships, trusts, unincorporated associations or joint ventures and loans thereto), advise on a paid or unpaid basis, or be employed by or engaged as an independent contractor with, any entity that has a multi-location franchised or licensed or otherwise affiliated group of business locations providing services to small businesses that are substantially similar to services provided by SmartBooks® franchisees, or which entity may not yet have such a multi-location business but is planning to develop one.

9. Franchisee shall use Franchisee's best efforts to ensure that Covenantor acts as required by this Agreement.

10. Covenantor and Franchisee agree that in the event of a breach of this Agreement, Franchisor would be irreparably injured and be without an adequate remedy at law. Therefore, in the event of such a breach, or threatened or attempted breach of any of the provisions thereof, Franchisor shall be entitled to enforce the provisions of this Agreement against Covenantor and Franchisee, and may seek, in addition to any other remedies which are made available to it at law or in equity, including the right to terminate the Franchise Agreement, a temporary and/or permanent injunction and a decree for the specific performance of the terms of this Agreement, without being required to furnish a bond or other security.

11. If Covenantor shall breach any of his/her obligations under Section 8(a) or 8(b), Franchisor shall be entitled to (a) an accounting (by a CPA or representative of Franchisor's choice and at Covenantor's cost) of, and then payment to Franchisor by Covenantor of, all revenues, compensation, commissions, remuneration, and other benefits that Covenantor, directly or indirectly, or any third party benefiting from Covenantor's breach, has realized or may realize as a result of, or in connection with, any such breach; and (b) indemnification by Covenantor from and against any and all losses suffered and to be suffered by Franchisor as a result of such breach and all reasonable and necessary attorney's fees and costs that the Franchisor shall incur in enforcing this Agreement, pursuing damages for its breach, and/or pursuing injunctive relief. These remedies shall be in addition to, and not in limitation of, any other rights or remedies to which Franchisor is or may be entitled at law or in equity or otherwise under this Agreement.

12. Covenantor acknowledges and agrees that each of the covenants contained herein will not impose undue hardship on Covenantor since Covenantor has other considerable skills, experience and education which affords Covenantor the opportunity to derive income from other endeavors.

13. This Agreement contains the entire agreement of the parties regarding the subject matter hereof and supersedes any prior or contemporaneous agreements. This Agreement may be modified only by a duly authorized writing executed by all Parties.

14. The respective obligations of Franchisee and Covenantor hereunder may not be assigned by Franchisee or Covenantor, without the prior written consent of Franchisor.

15. THIS AGREEMENT SHALL BE GOVERNED BY AND CONSTRUED UNDER THE LAWS OF MASSACHUSETTS. COVENANTOR HEREBY IRREVOCABLY SUBMITS HIMSELF OR HERSELF TO THE JURISDICTION OF THE STATE AND FEDERAL COURTS OF COMMONWEALTH OF MASSACHUSETTS. COVENANTOR HEREBY WAIVES ALL QUESTIONS OF PERSONAL JURISDICTION OR VENUE FOR THE PURPOSE OF CARRYING OUT THIS PROVISION. COVENANTOR HEREBY AGREES THAT SERVICE OF PROCESS MAY BE MADE UPON COVENANTOR IN ANY PROCEEDING RELATING TO OR ARISING UNDER THIS AGREEMENT OR THE RELATIONSHIP CREATED BY THIS AGREEMENT BY ANY MEANS ALLOWED BY THE LAWS OF SUCH STATE OR FEDERAL LAW. COVENANTOR FURTHER AGREES THAT VENUE FOR ANY PROCEEDING RELATING TO OR ARISING OUT OF THIS AGREEMENT SHALL BE IN THE STATE OF MASSACHUSETTS; PROVIDED, HOWEVER, WITH RESPECT TO ANY ACTION THAT INCLUDES INJUNCTIVE RELIEF OR OTHER EXTRAORDINARY RELIEF, FRANCHISOR MAY BRING SUCH ACTION IN ANY COURT IN ANY STATE THAT HAS JURISDICTION.

16. Franchisee undertakes to use Franchisee's best efforts to ensure that Covenantor acts as required by this Agreement.

17. The Parties agree that each of the foregoing covenants contained herein shall be construed as independent of any other covenant or provision of this Agreement. If any Court or other tribunal having jurisdiction to determine the validity or enforceability of this Agreement determines that it would be unenforceable as written, its provisions shall be determined to be withheld, modified or limited to the minimum extent or in such minimum manner as is necessary for it to be valid and enforceable to the greatest extent possible.

18. No handwritten or typed modifications by Recipient or Franchisee to the form of this Agreement provided by Franchisor shall be valid. This Agreement need not be signed by Franchisor in order to have full force and effect as if it were signed by Franchisor.

19. This Agreement shall be governed by and construed under the laws of Massachusetts.

The undersigned have entered into this Agreement as witnessed by their signatures below.

COVENANTOR:

By:______________________________

Name:___________________________

Date:_____________________________

FRANCHISEE:

By:______________________________

Name:___________________________

Title:____________________________

Date:_____________________________

FRANCHISOR:

By:______________________________

Name:___________________________

Title:____________________________

Date:_____________________________

ADDENDUM TO FRANCHISE AGREEMENT

ADDENDUM F: SENIOR MANAGER AGREEMENT

I, an employee of, and also desiring to be a Senior Manager for purposes of the Franchise Agreement of ______________________________, a SmartBooks Franchisee, as permitted in the Franchise Agreement, hereby agree, represent, warrant, and covenant the following items, as consideration for my being authorized by SmartBooks to act as a Senior Manager of the Franchise.

1. I have read and fully understand the Franchise Agreement including its Addendums.
2. I will at all times act in good faith and to the best of my abilities to ensure that Franchisee including its Principal(s) abide by the terms of the Franchise Agreement.
3. I personally agree to be bound by the terms of Section 22 of the Franchise Agreement as if I were a party to the Franchise Agreement.
4. I have provided SmartBooks with copies of all of my written employment contracts with Franchisee, and a written summary of any oral agreements between me and the Franchisee regarding my employment or opportunities to own an interest in the Franchisee.
5. I acknowledge that my authorization to be a Senior Manager under the terms of the Franchise Agreement may be granted or revoked at any time by SmartBooks based on SmartBooks's reasonable beliefs in its sole discretion about my meeting its criteria to be a Senior Manager of a SmartBooks franchise.

By:_____________________________________

Name:__________________________________

Date signed:____________________________

Franchisee Signature:____________________________

Name of Individual Signing for Franchisee:__________________________________

Franchisor Signature:______________________________

Name of Individual Signing for Franchisor:__________________________________

EXHIBIT F: STATE-SPECIFIC ADDENDA

ADDENDUM REQUIRED BY THE DEPARTMENT OF LAW OF THE STATE OF 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 SOURCES OF INFORMATION. REGISTRATION OF THIS FRANCHISE BY NEW YORK STATE DOES NOT MEAN THAT NEW YORK STATE RECOMMENDS IT OR HAS VERIFIED THE INFORMATION IN THIS FRANCHISE DISCLOSURE DOCUMENT. IF YOU LEARN THAT ANYTHING IN THE FRANCHISE DISCLOSURE DOCUMENT IS UNTRUE, CONTACT THE FEDERAL TRADE COMMISSION AND NEW YORK STATE DEPARTMENT OF LAW, INVESTOR PROTECTION BUREAU, 28 LIBERTY STREET, 21ST FLOOR, NEW YORK, NEW YORK, 10005. THE FRANCHISOR MAY, IF IT CHOOSES, NEGOTIATE WITH YOU ABOUT ITEMS COVERED IN THE FRANCHISE DISCLOSURE DOCUMENT. HOWEVER, THE FRANCHISOR CANNOT USE THE NEGOTIATING PROCESS TO PREVAIL UPON A PROSPECTIVE FRANCHISEE TO ACCEPT TERMS WHICH ARE LESS FAVORABLE THAN THOSE SET FORTH IN THIS FRANCHISE DISCLOSURE DOCUMENT.

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

Except as provided above, with regard to 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 Item 4:

Neither the franchisor, its affiliate, its predecessor, officers, or general partner during the 10-year period immediately before the date of the offering circular: (a) filed as debtor (or had filed against it) a petition to start an action under the U.S. Bankruptcy Code; (b) obtained a discharge of its debts under the bankruptcy code; or (c) was a principal officer of a company or a general partner in a partnership that either filed as a debtor (or had filed against it) a petition to start an action under the U.S. Bankruptcy Code or that obtained a discharge of its debts under the U.S. Bankruptcy Code during or within 1 year after that officer or general partner of the franchisor held this position in the company or partnership.

4. The following is added to the end of Item 5:

The initial franchise fee constitutes part of our general operating funds and will be used as such in our discretion.

5. 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.

6. 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.

7. The following is added to the end of the "Summary" section of Item 17(j), titled "**Assignment of contract by franchisor**":

However, no assignment will be made except to an assignee who in good faith and judgment of the franchisor, is willing and financially able to assume the franchisor's obligations under the Franchise Agreement.

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

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

The parties hereto have duly executed, sealed and delivered this Addendum dated ____________________ ______________.

FRANCHISEE: ___________________________________	FRANCHISOR: SMARTBOOKS PARTNERS, LLC
By:______________________________ Name:____________________________ Title:_____________________________	By:______________________________ Name:____________________________ Title:_____________________________

PRINCIPALS:

____
Name:____________________________

____
Name:____________________________

ADDENDUM TO THE SMARTBOOK PARTNERS LLC
FRANCHISE DISCLOSURE DOCUMENT
REQUIRED BY THE STATE OF RHODE ISLAND

In recognition of the requirements of the Rhode Island Franchise Investment Act, the Franchise Disclosure Document of SmartBook Partners LLC ("we," "us," or "our") for use in the State of Rhode Island shall be amended to include the following:

1. Items 17v. and 17w., under the provisions entitled "Choice of law" and "Choice of forum," shall be supplemented with the following language:

> However, you may sue us in Rhode Island for claims arising under the Rhode Island Franchise Investment Act.

2. Item 17 shall be supplemented by the addition of the following language at the end of Item 17:

> Section 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."

3. Each provision of this Addendum to the Disclosure Document shall be effective only to the extent, with respect to such provision, that the jurisdictional requirements of the Rhode Island Franchise Investment Act are met independently without reference to this Addendum to the Disclosure Document

.

AMENDMENT TO THE SMARTBOOKS PARTNERS LLC
FRANCHISE AGREEMENT REQUIRED BY THE STATE OF RHODE ISLAND

In recognition of the requirements of the Rhode Island Franchise Investment Act, the parties to the attached SmartBooks Partners LLC Franchise Agreement (the "Franchise Agreement") agree as follows:

The Franchise Agreement is amended by adding the following language:

(1) Notwithstanding the above, Rhode Island franchisees are permitted to bring a lawsuit in Rhode Island for claims arising under the Rhode Island Franchise Investment Act.

Each provision of this Amendment shall be effective only to the extent, with respect to such provision, that the jurisdictional requirements of the Rhode Island Franchise Investment Act are met independently without reference to this Amendment.

The parties hereto have duly executed this Rhode Island Rider to the Franchise Agreement on the same date as that on which the Franchise Agreement was executed.

FRANCHISEE:	FRANCHISOR:
________________________________	SMARTBOOKS PARTNERS, LLC
By:_____________________________	By:_____________________________
Name:___________________________	Name:___________________________
Title:____________________________	Title:____________________________

PRINCIPALS:

____
Name:___________________________

____
Name:___________________________

ADDENDUM TO THE FRANCHISE AGREEMENT
REQUIRED BY THE COMMONWEALTH OF VIRGINIA

In recognition of the restrictions contained in Section 13.1-564 of the Virginia Retail Franchising Act, the Franchise Disclosure Document for Tommy's Express LLC for use in the Commonwealth of Virginia shall be amended as follows:

1. Additional Disclosure: The following statements are added to 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 and development agreement does not constitute "reasonable cause," as that the term may be defined in the Virginia Retail Franchising Act or the laws of Virginia, the provision may not be enforceable.

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 involves the use of undue influence by the franchisor to induce a franchisee to surrender any rights given to him under the franchise, that provision may not be enforceable.

The parties hereto have duly executed, sealed and delivered this Addendum dated _________________________ _______.

FRANCHISEE:	FRANCHISOR:
________________________________	SMARTBOOKS PARTNERS, LLC
By:_____________________________	By:_____________________________
Name:___________________________	Name:___________________________
Title:____________________________	Title:____________________________

PRINCIPALS:

____
Name:___________________________

____
Name:___________________________

EXHIBIT G: FRANCHISEES

None.

EXHIBIT H: STATE EFFECTIVE DATES

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

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

STATE	**EFFECTIVE DATE**
Michigan	March 31, 2021
New York	*Pending*
Rhode Island	*Pending*
Virginia	*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 I

RECEIPT

This Franchise Disclosure Document summarizes certain provisions of the Franchise Agreement and other information in plain language. Read this Franchise Disclosure Document and all exhibits carefully.

If SmartBooks Partners, LLC offers you a franchise, it must provide this Disclosure Document to you 14 calendar-days before you sign a binding agreement with, or make a payment to, the franchisor or an affiliate in connection with the proposed franchise sale.

New York requires you to receive this Franchise Disclosure Document at the earlier of the first personal meeting or 10 business days before the execution of the franchise or other agreement or the payment of any consideration that relates to the franchise relationship.

If SmartBooks Partners LLC does not deliver this Disclosure Document on time or if it contains a false or misleading statement, or a material omission, a violation of federal and state law may have occurred and should be reported to the Federal Trade Commission, Washington, DC 20580 and to your state authority listed on Exhibit A.

The name and principal business address and telephone number of each franchise seller offering the franchise is:

Jeffrey Provost 2352 Main Street #200 Concord, MA 01742 978-202-3064

Issuance Date: March 22, 2021, amended July 1, 2021

I received a Disclosure Document dated March 22, 2021, amended July 1, 2021, that included the following Exhibits:

EXHIBIT A: List of State Franchise Administrators and Agents for Service of Process
EXHIBIT B: Financial Statements of SmartBooks Partners, LLC
EXHIBIT C: Form of Release
EXHIBIT D: Operations Manual Table of Contents
EXHIBIT E: Franchise Agreement
EXHIBIT F: State Addenda
EXHIBIT G: Franchisees
EXHIBIIT H: Receipt

DATED: ______________________________

____
(Signature of recipient)

Print Name: ___________________________
Print Address: _________________________

<u>KEEP FOR YOUR RECORDS</u>

RECEIPT

This Franchise Disclosure Document summarizes certain provisions of the Franchise Agreement and other information in plain language. Read this Franchise Disclosure Document and all exhibits carefully.

If SmartBooks Partners, LLC offers you a franchise, it must provide this Disclosure Document to you 14 calendar-days before you sign a binding agreement with, or make a payment to, the franchisor or an affiliate in connection with the proposed franchise sale.

New York requires you to receive this Franchise Disclosure Document at the earlier of the first personal meeting or 10 business days before the execution of the franchise or other agreement or the payment of any consideration that relates to the franchise relationship.

If SmartBooks Partners LLC does not deliver this Disclosure Document on time or if it contains a false or misleading statement, or a material omission, a violation of federal and state law may have occurred and should be reported to the Federal Trade Commission, Washington, DC 20580 and to your state authority listed on Exhibit A.

The name and principal business address and telephone number of each franchise seller offering the franchise is:

Jeffrey Provost
2352 Main Street #200
Concord, MA 01742
978-202-3064

Issuance Date: March 22, 2021, amended July 1, 2021

I received a Disclosure Document dated March 22, 2021, amended July 1, 2021, that included the following Exhibits:

EXHIBIT A: List of State Franchise Administrators and Agents for Service of Process
EXHIBIT B: Financial Statements of SmartBooks Partners, LLC
EXHIBIT C: Form of Release
EXHIBIT D: Operations Manual Table of Contents
EXHIBIT E: Franchise Agreement
EXHIBIT F: State Addenda
EXHIBIT G: Franchisees
EXHIBIIT H: Receipt

DATED: ______________________________

____
(Signature of recipient)

Print Name: ____________________________
Print Address: __________________________
____

Please return signed receipt to SmartBooks Partners, LLC,
2352 Main Street #200
Concord, MA 01742