FRANCHISE DISCLOSURE DOCUMENT
UNIT FRANCHISE

SUNUP Insurance Services Inc.
A North Carolina Corporation
152 Kinderton Way East
Bermuda Run, NC 27006
Telephone: (844) 377-8687
email:bizzopp@SUNUPinsurance.com
www.WinWithSUNUP.com

SUNUP Insurance Services Inc. d/b/a SUNUP Insurance offers a franchise opportunity to offer insurance products and services. The total investment necessary to begin operation of a SUNUP Insurance franchise is $34,250-$83,250. This includes $25,000 that must be paid to the Franchisor or affiliate.

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

You may wish to receive your disclosure document in another format that is more convenient for you. To discuss the availability of disclosures in different formats, contact Todd Swicegood 152 Kinderton Way East, Bermuda Run, North Carolina 27006 at (844) 377-8687.

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 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's Guide to Buying a Franchise,*" which can help you understand how to use this disclosure document, is available from the Federal Trade Commission. You can contact the FTC at 1-877-FTC-HELP or by writing to the FTC at 600 Pennsylvania Avenue, NW, Washington, DC 20580. You can also visit the FTC's home page at www.ftc.gov for additional information. Call your state agency or visit your public library for other sources of information on franchising.

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

Issuance date: April 24, 2018

STATE COVER PAGE

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

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

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

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

1. THE FRANCHISE AGREEMENT REQUIRES YOU TO RESOLVE DISPUTES WITH US BY MEDIATION AND LITIGATION ONLY IN NORTH CAROLINA. OUT-OF-STATE MEDIATION AND LITIGATION MAY FORCE YOU TO ACCEPT A LESS FAVORABLE SETTLEMENT FOR DISPUTES. IT MAY ALSO COST MORE TO MEDIATE AND LITIGATE WITH US IN NORTH CAROLINA THAN IN YOUR OWN STATE.

2. THE FRANCHISE AGREEMENT STATES THAT NORTH CAROLINA LAW GOVERNS THE AGREEMENTS, AND THIS LAW MAY NOT PROVIDE THE SAME PROTECTIONS AND BENEFITS AS LOCAL LAW. YOU MAY WANT TO COMPARE THESE LAWS.

3. THE FRANCHISOR IS AT AN EARLY STAGE OF DEVELOPMENT AND HAS A LIMITED OPERATING HISTORY. THIS FRANCHISE COULD BE A HIGHER RISK INVESTMENT THAN A SYSTEM WITH A LONGER OPERATING HISTORY.

4. YOU WILL BE REQUIRED TO PAY A ROYALTY FEE BASED ON GROSS REVENUE. YOU MUST MAKE MINIMUM ROYALTY PAYMENTS, REGARDLESS OF YOUR SALES LEVELS. YOUR INABILITY TO MAKE THE PAYMENTS MAY RESULT IN TERMINATION OF YOUR FRANCHISE AND LOSS OF YOUR INVESTMENT.

5. YOU MUST MAINTAIN MINIMUM SALES PERFORMANCE LEVELS. IF YOU FAIL TO DO SO, YOU COULD LOSE ANY TERRITORIAL RIGHTS YOU ARE GRANTED.

6. THERE MAY BE OTHER RISKS CONCERNING THE FRANCHISE.

Effective Date: See the next page for state effective dates.

STATE EFFECTIVE DATES

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

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

California

Illinois

Indiana

Washington

Wisconsin

MICHIGAN ADDENDUM
TO THE DISCLOSURE DOCUMENT

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

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

(b) A requirement that a franchisee assent to a release, assignment, novation, waiver, or estoppel which deprives a franchisee of rights and protections provided in this act. This shall not preclude a franchisee, after entering into a 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, logo type, advertising, or other commercial symbol in the same area subsequent to the expiration of the franchise or the franchisee does not receive at least 6 months advance notice of franchisor's intent not to renew the franchise.

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

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

(g) A provision which permits a franchisor to refuse to permit a transfer of ownership of a franchise, except for good cause. This subdivision does not prevent a franchisor from exercising a right of first refusal to purchase the franchise. Good cause shall include, but is not limited to: (i) The failure of the proposed transferee to meet the franchisor's then current reasonable qualifications or standards; (ii) The fact that the proposed transferee is a competitor of the franchisor or subfranchisor; (iii) The unwillingness of the proposed transferee to agree in writing to comply with all lawful obligations; (iv) The failure of the franchisee or proposed transferee to pay any sums owing to the franchisor or to cure any default in the franchise agreement existing at the time of the proposed transfer.

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

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

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

Any questions regarding this notice should be directed to Department of the Attorney General's Office, Consumer Protection Division, Franchise Section, G. Mennen Williams Building, 525 W. Ottawa Street, Lansing, Michigan 48913; telephone number (517) 373-7117.

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

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Exhibits

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

The Franchisor, and any Parents, Predecessors, and Affiliates. To simplify the language in this disclosure document, the terms "SUNUP," "we," "us," and "our" refer to SUNUP Insurance Services Inc. d/b/a SUNUP Insurance, the Franchisor. The terms "you" and "your" refer to the person or entity that buys this franchise, including any guarantors.

Our principal business address is 152 Kinderton Way East, Bermuda Run, North Carolina 27006.

We do not have any parents, predecessors or affiliates.

We do business as "SUNUP Insurance."

Our agents for service of process are listed in Exhibit D.

We are a North Carolina corporation formed on February 8, 2016.

Our Business and the Franchises Offered. We operate a business of the type being franchised. We do not engage in other business activities except as disclosed here.

We offer franchises for the offering of insurance products and services ("Franchised Business") to existing insurance agents, existing business owners with a storefront established business and individuals who wish to make the insurance selling business a significant part of their primary business. You may operate under the SUNUP Insurance Service, Inc primary heading with "your agency name" as secondary, or if you have a well-established agency or business with significant branding, you may operate your business under "your agency name" powered by SUNUP.

The General Market. The general market for this service is developed. Your services will primarily be sold to individuals. Sales are year-round but certain insurance products have increased sales during specific open enrollment periods.

Laws and Regulations. You will be subject to all state insurance licensure and other laws and regulations applicable to the operation of an insurance agency. These laws vary by state. In general, you and all of your employees and agents who are required to be licensed must be licensed by your state's Department of Insurance to sell insurance policies in your state. Some states may require multiple licenses applicable to different types of insurance. You also may be subject to certain minimum continuing education requirements, record keeping, sound business practices, and advertising requirements as well. You should investigate the application of these laws further.

Competition. Our primary competition comes from other individuals and businesses who sell insurance products and services, which include online portals, insurance companies, brokers, and agents.

Our Prior Business Experience. We have offered franchises of the type offered here since February 2016. Neither we nor an affiliate have offered franchises in any other line of business. We have operated a business of the type you will offer since June 2017.

Area Representatives. We have also offered an Area Representative franchise program since February 2016, pursuant to a separate Franchise Disclosure Document. If you were recruited by an Area Representative, or we assign you to an Area Representative, the Area Representative may assist in initial training, site selection, and operational support of your franchise.

We attach here as Exhibit M a list of Area Representatives and further disclosures about them as to Items 2, 3, 4, and 11 of this disclosure document.

ITEM 2
BUSINESS EXPERIENCE

Jerry Todd Swicegood, CEO. Todd Swicegood has served as our CEO since February 2016. Mr. Swicegood has also served as the Chief Marketing and Sales Officer for The Benefits Corner in Greensboro, North Carolina from April 2014 to December 2015. From January 2012 to 2016 Mr. Swicegood served as a Liberty Tax franchisee in Mocksville, North Carolina. From October 1993 to April 2014, Mr. Swicegood served as a Financial Advisor for Compass Wealth Management.

Robert Lougen, Chief Operating Officer. Mr. Lougen has served as our Chief Operating Officer since November 2016. From April 2014 until June 2015, Mr. Lougen served as Vice President of Operations for Liberty Tax Services in Virginia Beach, Virginia. From January 2013 until March 2014, Mr. Lougen served as Chief Operating Officer for Asurvest in Baltimore, Maryland. From July 2004 until September 2012, Mr. Lougen served as President of H&R Block Inc. Canada.

Larry Pratt, Chief Agencies Officer. Mr. Pratt has served as our Chief Agencies Officer since April 2017. From June 2016 to the present, Mr. Pratt served as Managing Partner for Prospector's Edge in Portland, Oregon. From June 2015 to December 2016, Mr. Pratt served as Chief Operating officer for Greenspan Adjusters in San Francisco, California. From April 2013 to October 2014, Mr. Pratt served as VP Head of NW Territory for Farmers Insurance in Portland, Oregon. From January 2011 to April 2013, Mr. Pratt served as VP Head of California for Farmers Insurance in Los Angeles, California.

Lalo Diaz, Jr., Executive Director. Lalo Diaz has served as our Executive Director since January 2017. Mr. Diaz has also served as an Area Representative for us in Uvalde, Texas since November 2016. From January 2015 until the present, Mr. Diaz has also served as a Justice of the Peace in Uvalde, Texas. From June 2014 until the present, Mr. Diaz has also served as the Owner of Uvalde Postal Express. From November 2010 until the present, Mr. Diaz has served as a Liberty Tax Service franchisee in Uvalde, Texas. From December 2009 until the present, Mr. Diaz has served as an Agent for Diaz Insurance Agency, Farmers Insurance, in Uvalde, Texas.

Rob Lopez, President of Insurance Services. Rob Lopez has served as the President of Insurance Services for us since August 2017. Mr. Lopez has also served as an Area Representative for us in Tomball, Texas since that same time. From December 2015 through August 2017, Mr. Lopez served as the National Sales Director for Greenway Insurance in Houston, Texas. From May 2010 through December 2015, Mr. Lopez served as the National Sales Director for Integra Insurance in Lufkin, Texas.

John Clark, President of SUNUP Business Development Center. Mr. Clark has served as the President of SUNUP Business Development Center since February 2017. From February 2012 until the present, Mr. Clark has also served as an Agent for Farmers Insurance in Liberty Hill, Texas. From December 2007 until January 2012, Mr. Clark served as Division Market Manager for Farmers Insurance in Los Angeles, California. From 1990 until December 2007, Mr. Clark varyingly worked for Farmers Insurance as an Agent, Reserve District Manager, and District Manager in Texas.

Karen Swicegood, Secretary. Karen Swicegood has served as our Secretary since January 2016. From January 2012 to 2016, Ms. Swicegood served as a Liberty Tax franchisee in Mocksville, North Carolina. From 2005 until January 2012, Ms. Swicegood served as a self-employed Realtor in Advance, North Carolina.

ITEM 3
LITIGATION

Prior Actions

Franchise Enterprise, LLC, Danny Hewitt, Chad Corman, and JRDC LLC v. Sunup Insurance Services, Inc. and Jerry Todd Swicegood, Case No. CL 17-1453 (Circuit Court of the City of Virginia Beach filed on March 27, 2017). The plaintiffs were parties to a contract with us and filed suit against us for breach of contract, breach of fiduciary duty, tortious interference, and an accounting in equity. The plaintiffs sought damages of $28,857,056 or such amount as was proven at trial, punitive damages of $350,000, an accounting, interest, attorney fees, and costs. We filed a Motion to Stay and Compel Arbitration, which the Court granted. On December 11, 2017, the plaintiffs filed a Demand for Arbitration before the American Arbitration Association in which they sought $499,000 for the same claims. On March 22, 2018, the parties settled this matter whereby we agreed to pay $120,000 in six payments in 2018 and 2019 and the parties agreed to dismiss the matter with prejudice.

Other than this action, 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

The initial franchise fee is $25,000. The initial franchise fee is due to us in full when you return to us signed copies of your Franchise Agreement. The initial franchise fee is fully earned and nonrefundable upon your signing of the Franchise Agreement and receipt of the funds by us. We may, at our option, allow a buy down of $2,500 per $500,000 of conversion eligible premium off the paid in full price. Maximum buy down is $10,000. We may also waive $15,000 for those who have industry experience. See Item 10 for financing terms that we offer.

ITEM 6
OTHER FEES

Fee	Amount	Due Date	Remarks
Royalty (Note 1)	Franchise Royalty Fee is 20% of Gross Revenues (GR) or, after the first 12 months, $800 per month whichever is greater, and with a declining royalty incentive on Property & Casualty (P&C) premiums only that exceed $2.5 million as follows: • $2.5-$5 million = 15% • $5 - $7.5 million = 10% • $7.5 - $10 million = 5% • $10 million + = 0%	On the 15th of the month following receipt of the Gross Revenue.	"Gross Revenue" means all revenue generated in the offer or sale of authorized products through the Franchised Business, including commissions and bonuses on a monthly basis. "Gross Revenue" does not include sales tax. Premium for the declining royalty incentive is defined as follows: All Property and Casualty premiums produced in the agency and written through the carriers provided by SUNUP. Premium incentive rate does not include Life, Annuities, Health, or Agency service fees. In addition, it does not include any market exception premiums that have been specifically allowed to be excluded by SUNUP. SUNUP alone will determine on a semi-annual (6 months) basis whether the threshold has been met. Franchise Agreement ("FA") Sec. 4.2.
Opening Deadline Extension Fee	$500 per month (or portion of month) for which the deadline is extended.	Upon approval of extension.	Payable for each month that you are granted an extension beyond the one (1) year allowed to open an office and be operational. FA Sec. 4.3.
SUNUP Management System software fee	Approximately $79/month	Monthly	You agree to pay the charges for the SUNUP Management System internal document and content management platform. This fee may vary. FA Sec. 4.4.

Insurance Rating Software Fee	Approximately $297 /month	Monthly	You agree to pay the charges for our designated insurance quoting, rating, and policy management software. This fee may vary. FA Sec. 4.5.
Fees to Third-Parties	Varies	At time of payment	You must pay to us fees that we incur on your behalf with third -parties. FA Sec. 4.6.
Audit Fee	Cost of Audit	On Demand	Payable if audit discloses an underpayment of royalty or fee by 2% of more or a state insurance law violation. FA Sec. 4.7.
Inspection Fee	Reasonable costs associated with inspection of your business (including transportation, lodging and employee wages.).	On Demand	Payable if necessitated by repeated failure to maintain franchise standards, consumer complaints or failure to comply with any provisions of the franchise agreement. FA Sec. 4.8.
Transfer Fee	$7,500	At the time you transfer the Franchise or a majority ownership in it.	We impose this fee for a complete transfer or a transfer of a majority interest in the franchise. There is no fee for a transfer from an individual to business entity owned by the same owners with the same ownership percentages. FA Sec. 4.9.
Interest	Lessor of 18% or the maximum permitted by law.	Owed on past due amounts.	FA Sec. 4.11.
Legal Fees and Costs	Varies	As incurred	If we must bring suit to enforce our rights under this Agreement, and we are the prevailing party, you must pay our attorney fees and costs in such suit. FA Sec. 4.12.
Client Refunds	The amount of any fee we refund to a client.	At time of payment	If you do not resolve a client service complaint and we believe a reasonable basis exists for a refund to the client of all or a portion of the client fees, we may make the refund and bill you. You agree to

			pay the charges. FA Sec. 4.13.
Sales, excise or gross receipts tax	If required by the federal, state or locality in which your franchise is located. Including sales, excise or gross receipts tax or similar type tax on the initial franchise fee, royalty, training, products, and any other services, products or fees.	At time of payment of fees to us which are subject to any tax.	FA Sec. 4.14.
Assistance Fee in the event of death or incapacity	Reimbursement for reasonable expenditures incurred including travel, lodging, per diem and wages.	At time of expense	In the event of your death or incapacity, we are entitled to reimbursement from you or your estate for any reasonable expenses incurred continuing Services. FA Secs. 4.15 and 14.
Clawback Fee	The greater of $10,000 or 25% of the Gross Receipts of the last twelve (12) months of the Franchised Business.	At time of termination or upon non-renewal	If you prematurely bring about the termination of this Franchise Agreement as a result of a breach before the end of its Term, or do not renew the Franchise Agreement you agree to pay to us this fee. FA Sec. 4.17
Indemnity	Our damages, costs, and fees	At the time the debt is incurred	You must indemnify us for dames, costs, and attorney fees which you may cause to us. FA Sec. 13.3.
Cost and attorney fees	Actual amount incurred	At time incurred	You must pay our costs and attorney fees if we are the prevailing party in a dispute with you, or if you bring a claim against an Area Representative. FA Sec. 19.11 and 19.15.

*Except where otherwise specified, we uniformly impose and collect all the fees in this table, you pay them to us, and we do not refund them.

Note 1: We require you to execute an Automatic Bank Draft Authorization. We pay to you your commissions, net of royalties and other monies you owe to us, by ACH electronic funds transfer on the 15th of each month following the month in which the commissions were received. To the extent commissions are not sufficient to obtain fees owed to us, we also reserve the right to pay any fees owed to us via ACH electronic funds transfer.

ITEM 7
ESTIMATED INITIAL INVESTMENT

YOUR ESTIMATED INITIAL INVESTMENT

Type of Expenditure	Estimated Amount	Method of Payment	When Due	To Whom Payment is to be Made
Initial Franchise Fee (Note 1)	$25,000	Check or wire transfer	Upon entering into Franchise Agreement	Us
Initial Training (Note 2)	$300-$3,000	Check/Charge	Before and during initial training	Third-party vendors
Leasehold Improvements (Note 3)	$0-$10,000	Check/Charge	Before opening	Third-party vendors
Rent and Security Deposit (Note 4)	$0-$5,000	Check	Monthly	Landlord
Signage (Note 5)	$1,000-$4,000	Check/Charge	Before opening	Third-party vendors
Equipment and Furniture (Note 6)	$0-$7,000	Check/Charge	Before opening	Third-party vendors
Computers and Software (Note 7)	$1,000-$5,000	Check/Charge	Before opening	Third-party vendors
Start-up Supplies/Inventory (Note 8)	$500-$2,500	Check/Charge	As incurred	Third-party vendors
Grand Opening Marketing (Note 9)	$1,000-$3,500	Check/Charge	As incurred	Third-party vendors
Insurance (Note 10)	$500-$2,000	Check/Charge	As incurred	Third-party vendors
Professional Fees (Note 11)	$1,250-$3,750	Check/Charge	As incurred	Accountants, Attorneys
Utilities (Note 12)	$200-$1,000	Check/Charge	As incurred	Third-party utilities
Insurance Licensing Courses and State Insurance Licensing costs (Note 13)	$500-$2,500	Check/Charge	As incurred	State agencies
Additional Funds-3 months (Note 14)	$3,000-$9,000	Check/Charge	As incurred	Third-party vendors
TOTAL (Note 15)	$34,250-$83,250			

*None of the fees paid to us in this chart are refundable. Whether such fees paid to third-parties are refundable would depend upon their policies.

Note 1 – Initial Franchise Fee. We base the initial franchise fee on your purchase of one territory. We may, at our option, allow a buy down of $2,500 per $500,000 of conversion eligible premium off the paid in full price. Maximum buy down is $10,000. We may also waive $15,000 for those who have industry experience. If necessary and depending upon your creditworthiness and industry experience, we may finance up to 50% of the initial franchise over a period of twelve (12) months, at an APR of 12%. Assuming that you finance $12,500 over twelve (12) months at 12% APR, your monthly payment would be approximately $1,111.

Note 2 - Initial Training. We offer initial training in or near Winston Salem, North Carolina or in Liberty Hill, Texas or another location we designate. Travel and living expenses will vary significantly depending upon whether you live within driving distance or whether you must fly, rent a car, or incur lodging expenses. Your costs may vary.

Note 3 - Leasehold Improvements. You will need to operate from an appropriate retail location. The amount of leasehold improvement expense that you will incur will depend upon whether you already have a suitable office location and, if not, the extent to which you will need to make renovations and repairs.

Note 4 - Rent and Security Deposit. If you do not already have a suitable office location, you will need to rent a location containing approximately 500-1,000 square feet. The amount of rent that you will incur will depend upon whether you already have a suitable office location and will also vary considerably in different market areas. We estimate rent for the first three months plus a security deposit for one month's rent.

Note 5 – Signage. We provide estimates for exterior signage. Type of signage allowed varies depending on city ordinances, property owner's association covenants, and landlord preferences. Your signage needs, and costs will vary.

Note 6 - Equipment and Furniture. You will need telephones, chairs, desks, file cabinets, tables, and other items we specify.

Note 7 – Computers and Software. We require you to have an internet connection, email, a laptop or desktop computer, a printer, and Microsoft Office, Word, and Excel. You must use SUNUP Management System internal document and content management platform; the quoting, rating, and policy management software that we specify; and a Point of Sale/Credit Card application. We also recommend that you use Quickbooks Online for your bookkeeping.

Note 8 - Start-Up Supplies/Inventory. Your primary cost for start-up supplies and inventory will be paper and general office supplies.

Note 9 – Grand Opening Marketing. We encourage but do not require you to engage in a Grand Opening Marketing campaign to draw attention to the opening of your business.

Note 10 – Insurance. You will need to obtain Errors & Omissions, Commercial General Liability, Rented Premises and Fire Legal Liability, Automobile, Worker's Compensation/Employers Liability, all as we describe in more detail in Item 8.

Note 11 – Professional Expenses. You may incur professional legal and accounting fees to assist with your entity set up, local licensing, and other legal and accounting issues.

Note 12 – Utilities. Utilities rates vary by market areas. Additionally, some utilities such as gas, electric, sewer, water, or trash removal are included in the lease rate and some are not.

Note 13 – Insurance Licensing Courses and State Insurance Licensing costs. You will need to take insurance licensing courses and obtain appropriate state insurance license(s) to offer and sell insurance. The costs vary state by state.

Note 14 - Additional Funds. Additional funds are to pay for permits, employee and agent background checks, carrier appointment fees, miscellaneous expenses, and to maintain sufficient working capital. We base this estimate upon the 20+ years of experience our management team has in the insurance industry and in franchising.

Note 15 - Does not include royalties, interest expenses or taxes.

Note 16 - These figures are estimates of your initial expenses covering the first three months of your operation. We cannot guarantee that you will not have additional expenses starting the business. Your costs will depend on: how well you follow our methods and procedures; your management skills; experience and business acumen; local economic conditions; the local market for our services; the prevailing wage rate; and competition. You should review these figures carefully with a business advisor before making any decision to purchase the franchise.

ITEM 8
RESTRICTIONS ON SOURCES OF PRODUCTS AND SERVICES

The Goods or Services Required to be Purchased or Leased:

Advertising and Marketing. You must use advertising material from us, a vendor that we designate, or we must approve the advertising in writing, prior to its use.

Computers, Software, and Credit Card POS System. You must use computer hardware and software we designate. You must use SUNUP Management System internal document and content management platform; the quoting, rating, and policy management software that we specify; and a Point of Sale/Credit Card application. We also recommend that you use Quickbooks Online for your bookkeeping.

Equipment and Furniture. You must purchase equipment and furniture from a supplier that we designate or subject to our specifications.

Insurance. You must maintain insurance policies protecting you and us (as additional insured). The policies must be written by an A.M. Best "A" or better rated insurance company and must include the following types and minimum amounts of coverage as well as any other insurance as may be required by state law. You must purchase Errors & Omissions insurance from our designated provider.

Errors & Omissions: You must procure coverage in the minimum amount of $1,000,000 per claim with an annual policy limit of $1,000,000. This policy must be purchased under SUNUP's approved E & O Program (as defined in the Operations Manual) exclusively. In addition SUNUP can require you to reasonably increase the minimum insurance requirement annually, and require different or additional kinds of insurance from time to time.

Commercial General Liability*:* Coverage including bodily injury, property damage, and personal injury. Per occurrence $1,000,000, annual policy aggregate of $2,000,000.

Rented Premise and Fire Legal Liability: Coverage of $200,000.

Automobile: Coverage for all owned, non-owned and hired vehicles of $1,000,000 for uninsured and underinsured motorist, bodily injury and property damage. Must include statutory personal injury protection per individual state requirements.

Workers' Compensation/Employers Liability: As required by statute, workers' compensation coverage for employees and all owner(s) of $500,000 of employer's liability limits of protection.

You must name us and all our officers, directors, members and agents and others as their interest may appear on a primary, noncontributory basis as an additional insured on these policies and send proof of same to us. Certificates of insurance must be sent in upon annual expiration date.

We may designate or make available an insurance carrier from whom to purchase some or all of the coverage listed above.

Insurance Licensing Courses and State Insurance Licensing. You will need to take insurance licensing courses and obtain appropriate state insurance license(s) to offer and sell insurance. You may purchase the insurance licensing courses from any third-party vendor and must obtain the state insurance license(s) from the state(s) in which you sell insurance.

Insurance Products for Sale. You must offer those insurance products, lines, and policies from insurance companies that we specify. If you have a line of insurance business, that we do not have a carrier relation or specification with, you may maintain that line of business with our approval, in writing We reserve the right to charge the same royalty schedule on new business written within that line of business. Once we obtain a relationship to support that line of business, we may require you to bring that business to our specified carrier.

Leased Location. You will need a site in which to operate the Franchised Business. We furnish site selection guidelines. We require you to send to us any proposed lease and information as required by us to evaluate the site for our approval before you sign the lease. You may lease from any landlord.

Leasehold Improvements. You may purchase leasehold improvements from any supplier but must build out your location pursuant to our specifications.

Supplies/Inventory. You may purchase miscellaneous office supplies from any vendor and we do not have specifications for these items.

Third-Party Marketing Opportunities. From time to time we may specify third-party marketing opportunities which you may be allowed or required to offer.

Whether we or our Affiliates are Approved Suppliers:

We are an approved supplier of Advertising and Marketing templates but not the only approved supplier of such items.

Officer Interests in Suppliers:

Our officers, Jerry Todd Swicegood, Karen Swicegood, and Larry Pratt own an interest in us.

Alternative Suppliers:

We do not maintain written criteria for approving suppliers and thus these criteria are not available to you or your proposed supplier. We do permit you to contract with alternative suppliers if approved by us and they meet our criteria. We do not charge you any fee to propose another supplier. If you wish to propose to us another supplier, you may submit the proposed supplier that you wish for us to consider in writing. We will examine the quality of the items and the supplier's ability to supply a sufficient quantity in a timely way with good customer service to determine whether to consider adding the supplier to our list of approved vendors. We will notify you within 60 days if we approve or disapprove of an alternative supplier. If we revoke approval for a supplier, we will provide written notice to you.

Issuance and Modification of Specifications:

We issue specifications and standards to franchisees or approved suppliers through our Operations Manual or through informational bulletins we issue from time to time.

Revenue from Required Purchases:

We may derive revenue or other material consideration from required purchases or leases by you.

In our last fiscal year, neither we nor our affiliates earned revenue or other material consideration from required purchases or leases by franchisees.

Required Purchases as a Proportion of Costs:

We estimate that required purchases described above will be approximately 25-50% of all purchases and leases by you of goods and services to establish a franchise and approximately 50-75% of your operating costs.

Supplier Payments to Us:

Designated suppliers may make payments to us from franchisee purchases.

In our last fiscal year, we did not yet receive any supplier rebates but anticipate supplier rebates in the future.

Purchasing or Distribution Cooperatives:

At this time, we do not have any purchasing or distribution cooperatives.

Purchase Arrangements:

We negotiate purchase arrangements with suppliers, including price terms, for the benefit of our franchisees.

Material Benefits:

We do not provide material benefits to you based on your use of a particular supplier. However, when you franchise is up for renewal, to continue your franchise rights, we require you to be in compliance with your franchise agreement, which includes compliance with any supplier standards that are contained in our Operations Manual.

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.

Franchisee's Obligations	Section In Franchise Agreement	Item in Disclosure document
a. Site selection and acquisition/lease	3, 6.2	11
b. Pre-opening purchases/leases	6.11, 6.12, 6.13	7, 8
c. Site development and other pre-opening requirements	6.2	11
d. Initial and ongoing training	5.7, 6.1, 6.9	11
e. Opening	6.3	11

Franchisee's Obligations	Section In Franchise Agreement	Item in Disclosure document
f. Fees	4, 15, 19.11, 19.15	5, 6, 7, 11
g. Compliance with standards and policies/Manual	6.4	8, 11
h. Trademarks and proprietary information	7, 8	13, 14
i. Restrictions on products/services offered	6.6	8, 16
j. Warranty and customer service requirements	6.8	6
k. Territorial development and sales quotas	3	12
l. Ongoing product/service purchases	6.11, 6.12, 6.13	8
m. Maintenance, appearance & remodeling requirements	6.14	Not Applicable
n. Insurance	6.9	8
o. Advertising	7	8, 11
p. Indemnification	13.3	6
q. Owner's participation/management/staffing	6.5	15
r. Records and reports	9	11
s. Inspections and Audits	9	11
t. Transfer	14	17
u. Renewal	2.2	17
v. Post-termination obligations	11	15, 16, 17
w. Non-competition covenants	12	15, 16, 17
x. Dispute resolution	19	17

ITEM 10
FINANCING

We may offer financing for a portion of your Initial Franchise Fee if you meet our qualifications. We do not offer any other direct or indirect financing. The following table summarizes the financing we may offer you for the Initial Franchise Fee.

Item Financed	Initial Franchise Fee
Source of Financing	Us
Down Payment*	Minimum 50% down payment required
Amount Financed*	Up to 50%
Interest Rate/Finance Charge*	12% per annum simple interest (including finance charges)
Period of Repayment*	12 months
Security Required	None
Whether a Person Other than the Franchisee Must Personally Guarantee the Debt	If the franchisee is an entity, its owners must personally guarantee the debt
Prepayment Penalty	None
Liability Upon Default	Accelerated obligation to pay the entire amount due, pay our court costs and attorney fees incurred in collecting the debt, and termination of the franchise.
Waiver of Defenses or Other Legal Rights	Waiver of right to jury trial; homestead and other exemptions; waiver of presentment, demand, protest, notice of dishonor.

*The required down payment, amount financed, term, and interest rate will vary depending upon your creditworthiness, down payment, desired term, and industry experience.

We do not guarantee your notes, leases, or obligations. We do not have any past or present practice to sell, assign or discount to any third-party, any note, contract or other instrument signed by you, but we reserve the right to do so. We do not receive any direct or indirect payments or other consideration for placing financing.

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

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

Before Opening:

Initial Training. We provide an initial training program, currently 5 days long and located in Charlotte or Winston Salem, North Carolina, Liberty Hill, Texas or at other locations we designate. The topics covered in initial training are described in the chart below in this Item 11. (Franchise Agreement, Section 5.1).

Site Selection. We provide to you site selection criteria, guidelines and counseling to help you select a site. We do not select the site, it is your responsibility to locate and select a suitable site for your Franchised Business. You must submit to us a site selection proposal containing reasonable items required by us to evaluate the site. We must approve any site you select before you sign a lease for that location. We do not generally own the premises and lease it to you. Before you enter into a lease or purchase agreement, you must have the site approved by us. We consider the following factors in approving your site selection: general location, neighborhood, traffic patterns, signage, parking, size, zoning, physical characteristics of the proposed space, demographics, population density of the area and lease terms. We will conduct an on-site evaluation if we consider it necessary as part of our evaluation. We will typically approve or disapprove a proposed site within fourteen (14) days of your submission to us of the pertinent information required by us on the proposed site. In the unlikely event that you and we cannot agree on a site within the opening timeframe allowed, you can extend the timeline by obtaining our approval and paying the opening deadline extension fee, we can allow you more time to search for a site that we can agree upon or we can terminate the franchise agreement. (Franchise Agreement, Section 5.2(a)).

Plans and Layout. We or our designee will furnish to you a sample site layout plan. (Franchise Agreement, Section 5.2(b)).

Build out. It is your responsibility to conform the premises to federal, state or local ordinances, building codes, licensing requirements and obtain any required permits. (Franchise Agreement, Section 6.2(b)).

Lease. Before you sign a lease, sublet a space, purchase space or make any binding to commitment to do so, we must approve, in writing your proposed lease or purchase agreement. (Franchise Agreement, Sections 5.2(c) and 6.2(d)).

Assistance to obtain equipment, signs, fixtures, opening inventory, and supplies. We provide to you guidance to obtain equipment, signs, fixtures, and supplies. (Franchise Agreement Section 5.3).

Operations Manual. We provide to you access to our Operations Manual ("Manual") to offer guidance in the operation of your Franchised Business. (Franchise Agreement, Section 5.4).

Length of Time Before Opening:

You will typically be open for business 90-120 days from the time both parties execute the Franchise Agreement. Factors affecting the time length to open a business include: whether you already have a suitable site or you must find a suitable site; weather; lease negotiations; obtaining any needed licenses or permits; performing any needed build out; obtaining furniture, equipment, signs, and software; obtaining insurance license(s); hiring and training any staff; and obtaining any needed occupancy permit. If you have not opened your office after twelve (12) months of signing the Agreement, you will be charged a $500 fee for every month your office is not opened.

During the Operation of the Franchise:

Operations Manual. We will provide you with electronic access to our Operations Manual. We may provide updates to the Operations Manual on occasion and will provide you with electronic access. You agree to comply with any revised standards and procedures in the updates. (Franchise Agreement, Section 5.4).

Operational Support. We offer assistance with operating problems and issues that you may encounter. (Franchise Agreement, Section 5.5).

Computer and Software Systems. We may specify computer and software systems to assist in the operation of your Franchised Business. (Franchise Agreement, Section 5.6).

Additional Training or Seminars. We may elect to offer and you may elect to attend additional training or seminars. (Franchise Agreement, Section 5.7).

***

Area Representatives. If you were recruited by an Area Representative or assigned to one, the Area Representative may assist in the initial training and operational support of your franchise.

Advertising Program:

Our Obligation to Conduct Advertising. We may advise you in the advertising, marketing, and promotion of your Franchised Business. We may from time to time, at our sole discretion, produce advertising material and conduct promotional programs. We may use online, radio, television, direct mail, billboards, print or other advertising. We may use local, regional, or national advertising. We may produce advertising material in-house or though outside agencies. We are not required to spend any amount on advertising in the area or territory where you will be located. (Franchise Agreement, Section 5.8).

Private Websites. You are not allowed to have an independent website or obtain or use any domain name (Internet address) for your Franchised Business, without first obtaining our written approval. (Franchise Agreement, Section 7.3).

Digital Marketing. We may create, operate and promote websites, social media accounts (including but not limited to Facebook, Twitter, and Instagram), applications, digital advertising (including pay-per-click and display ads) or other means of digital marketing to promote the brand, Franchised

Business, marks and franchise opportunities. We have the sole right to control all aspects of any digital marketing including all digital marketing related to your Franchised Business. Unless we consent in writing, you or your employees may not conduct any digital marketing that uses our marks or relates to your Franchised Business, including through an independent website, or social media account. We may withdraw approval at any time and you must immediate modify or delete any digital marketing as required. (Franchise Agreement, Section 7.4).

Use of Your Own Advertising Material. You may use your own advertising materials provided that you submit them to us and we approve them, in writing, and they adhere to federal, state and local law. If our written approval is not received within 14 days from the date we received the material, the material is deemed disapproved. (Franchise Agreement, Section 7.2).

Advertising Council. We do not have an advertising council composed of franchisees that advises us on advertising policy.

Advertising Cooperative. You are not required to participate in a local or regional advertising cooperative.

Computer Systems:

We require you to have an internet connection, email, a laptop or desktop computer, a printer, and Microsoft Office, Word, and Excel. You must use SUNUP Management System internal document and content management platform; the quoting, rating, and policy management software that we specify; and a Point of Sale/Credit Card application. We also recommend that you use Quickbooks Online for your bookkeeping. Depending on what computer systems and software you already have, these items can be purchased for approximately $1,000- $5,000.

Neither we nor our affiliates or any third-party have any obligation to provide ongoing maintenance, repairs, upgrades or updates. You must maintain your computer systems in good working order and must replace, update or upgrade your hardware systems as we require. The estimated annual cost of optional or required maintenance, updating, upgrading, or support contracts to your computer systems is approximately $1,000.

Anti-virus protection. You must use anti-virus protection on your computer. At present, we do not specify a particular vendor, but reserve the right to do so.

Independent Access to Information. We have and you are required to provide independent access to the information that will be generated or stored in your computer systems, which includes, but not limited to, customer, transaction, and operational information. You must at all times give us unrestricted and independent electronic access to your computer systems and information. We have the right to review your business operations, in person, by mail, or electronically, and to inspect your operations and obtain your paper and electronic business records and tax returns related to the Franchised Business and any other operations taking place through your Franchised Business. If, as part of a review of your business, we request a copy of any business records, you must send us at your expense these records within five business days of receiving our request.

Operations Manual:

Exhibit K contains the Table of Contents to the Operations Manual along with the page count per chapter. The total page count of the Operations Manual is 59 pages.

Initial Training Program

Subject	Hours of Classroom Training	Hours of On the Job Training	Location
Introduction/ Company History	½ hour		See Note 1
Running a Business	½ hour		See Note 1
Site Selection and Build Out	½ hour		See Note 1
Equipment, Furniture, Inventory and Supplies	½ hour		See Note 1
State Insurance Licensing	½ hour		See Note 1
Hiring and Training Employees	½ hour		See Note 1
Sales and Marketing	10 hours	4 hours	See Note 1
Product Training	16 hours	4 hours	See Note 1
Bookkeeping and Reporting	1 hour		See Note 1
Review/ Q&A	1 hour		See Note 1
Totals	31 hours	8 hours	

Note 1: We offer initial training in Charlotte or Winston Salem, North Carolina, Liberty Hill, Texas or at other locations we designate.

The following Instructors teach our initial training program: John Clark, Lalo Diaz, Larry Pratt and Todd Swicegood. Item 2 above discloses the nature of the Instructors' experience.

The Instructors' length of experience in the field and with us is shown in the following chart:

Instructor	Years of Experience in the Field*	Years of Experience with the Franchisor
John Clark	17	2
Lalo Diaz	8	1
Larry Pratt	27	1

Todd Swicegood	32	2

We may also have guest speakers, such as representatives from various insurance companies whose products we carry, speak at training. We intend to hold initial training classes quarterly at our headquarters or leased classroom space in Winston Salem, North Carolina at our Regional Training Center in Liberty Hill, Texas or at other locations we designate.

We use the Operations Manual, training books, handouts, PowerPoint presentations, and technical hands on training to conduct initial training.

We do not charge for any of this training. However, you are responsible for travel, lodging, transportation, meal costs, and your employees' wages to attend initial training. You and your office manager must attend. We encourage additional staff and agents to attend, but do not require it.

Successful completion of initial training is required to operate a franchise within four (4) months of signing the Franchise Agreement. We advise you during or immediately after initial training if you have successfully completed the course.

Additional Training or Seminars. We may elect to offer and require you to attend, either live or electronically, additional training and seminars that we may offer.

ITEM 12
TERRITORY

We grant to you a territory of a one (1) mile radius from your outlet.

We may approve relocation of the Franchised business if we feel that conditions have changed such that a relocation represents a sound business decision (e.g., better lease terms, more visibility, or other improvements in the new location).

We do not grant you options, rights of first refusal, or similar rights to acquire additional franchises.

You will receive an exclusive territory, meaning a geographic area within which we promise not to establish either a company-owned or franchised outlet selling the same or similar goods or services under the same or similar trademarks or service marks.

However, you and other franchisees may solicit and transact business in any jurisdiction or franchise territory in which you or they are licensed to transact business, provided that we may also lawfully transact business in that jurisdiction.

Minimum Requirements: Continuation of your territorial rights depends on achieving $75,000 in Gross Revenue in the first eighteen (18) months of your franchise operations, $125,000 in months 19-30, and $150,000 annually thereafter.

Also, if you have not opened your office after twenty-four (24) months from the Effective Date of your Franchise Agreement, we reserve the right to open another franchise in your territory.

We or an affiliate reserves the right to use other channels of distribution, such as the Internet, catalog sales, telemarketing, or other direct marketing sales, to make sales within your territory using our principal trademarks.

We or an affiliate also reserves the right to use other channels of distribution, such as the Internet, catalog sales, telemarketing, or other direct marketing sales, to make sales with your territory of products or services under trademarks different from the ones that you will use under the Franchise Agreement.

We are not obligated to pay compensation to you for soliciting or accepting orders from inside your territory.

You may solicit orders from customers outside your territory, including through other channels of distribution such as the internet, catalog sales, telemarketing, or other direct marketing, provided the advertising is done pursuant to our specifications or permission and you and we are licensed to solicit such orders there.

Neither we nor an affiliate operates, franchises, or has plans to operate or franchise a business under a different trademark which such business sells or will sell goods or services similar to those you will offer, but we reserve the right to do so.

ITEM 13
TRADEMARKS

The Franchise Agreement licenses to you the right to use the following principal trademarks ("Marks") registered or applied for with the U.S. Patent and Trademark Office ("USPTO"):

Description of Mark	Principal or Supplemental Register of the USPTO	Registration Number	Registration Date
SUNUP	Principal	5092852	November 29, 2016

We have filed all required affidavits and renewals.

There are currently no effective determinations of the USPTO, the Trademark Trial and Appeal Board, or any state trademark administrator or any court; or any pending infringement, opposition, or cancellation proceeding in which we unsuccessfully sought to prevent registration of a trademark in order to protect a trademark licensed by the franchisor. There are no pending material federal or state court litigation regarding our use or ownership rights in a trademark.

Karen P. Swicegood, a North Carolina Individual, owns the trademark listed in the chart above and licenses it to us pursuant to a written License Agreement effective February 8, 2016. The

License Agreement is perpetual in duration and may be terminated upon a material breach not remedied after 30 days' written notice. If the License Agreement was terminated, you could lose the right to use the trademarks licensed to us under the License Agreement. There are no other currently effective agreements that significantly limit our rights to use or license the use of our trademarks listed in this section.

If you learn of any claim against you for alleged infringement, unfair competition, or similar claims about the Marks, you must promptly notify us. We are not required to take affirmative action when notified of these uses or claims.

We have the sole right to control any administrative proceedings or litigation involving a trademark licensed by us to you. The Franchise Agreement does not require us to participate in your defense or indemnify you for expenses or damages if you are a party to an administrative or judicial proceeding involving a trademark licensed by us to you or if the proceeding is resolved unfavorably to you.

If we discontinue or modify our Marks, you must adopt and use any new marks as required by us. Any expenses you incur because of adopting and using these marks are your responsibility.

We do not know of any superior prior rights or infringing uses that could materially affect your use of our Marks anywhere.

ITEM 14
PATENTS, COPYRIGHTS AND PROPRIETARY INFORMATION

At this time, we do not hold any patents. We claim a copyright to our Operations Manual, marketing material such as our website text, and other printed material, although we have not presently filed a registration of those copyrights. We consider all of these items confidential and proprietary. Upon termination of your Franchise Agreement, you must return to us our Operations Manuals and any confidential information.

You will not directly or indirectly disclose, publish, disseminate or use our "Confidential Information" except as authorized in the Franchise Agreement. You may use our Confidential Information to perform your obligations under the Franchise Agreement, but in doing so you will only allow dissemination of our Confidential Information on a need-to-know basis and only to those individuals that have been informed of the proprietary and confidential nature of such Confidential Information. We may share performance data of your franchised business between us, our employees and affiliates, our franchisees and their employees. You agree to keep such performance data confidential.

"Confidential Information" means information or data (oral, written, electronic or otherwise), including, without limitation, a trade secret, of or about us that is valuable and not generally known or readily available to third-parties obtained by you from us during the term of the Franchise Agreement. The Confidential Information of ours includes all intellectual property associated with our Franchise system, all other materials relating to our Franchise system that are not a matter of public record, and all information generated by the parties in the course of the performance of the Franchise Agreement.

"Customer Data" is considered Confidential Information, and includes any and all information about Customers that may be collected in connection with their use of your services, including, but not limited to, name, telephone number, address and email address. We retain all right, title, and interest in and to the Customer Data, including all intellectual property rights. However, upon termination or non-renewal of your franchise agreement, you will also be allowed to retain Customer Data to carry on your insurance business and we will maintain a copy for legal compliance purposes, but not use the data to solicit those customers in a targeted way.

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

You must provide franchise services under your direct supervision and control or under the direct supervision and control of a full time General Manager or key employee who has attended and passed our initial training and has the necessary state insurance license(s) in those areas of insurance they are supervising. You, your general manager (if applicable) and all employees that have access to client accounts or as required by local law, must be able to pass a criminal background check.

Principal Owner. You must designate one (1) owner with at least 10% ownership as the "Principal Owner." The Principal Owner is the primary owner responsible for your business and communication with us. The Principal Owner must have authority and license over all transactions and dealings related to your Franchised Business and must have power to create binding agreements with us.

If the Franchisee is a business entity, the General Manager does not have to have an equity interest in the franchisee's business.

The Franchise Agreement requires you, including all holders of an ownership interest in a franchisee that is an entity, to a personal guaranty, confidentiality clause, and a covenant not to compete. Furthermore, your General Manager must sign an employment contract naming us as a third-party beneficiary containing confidentiality requirements and, to the extent permitted by law, a covenant not to compete.

ITEM 16
RESTRICTIONS ON WHAT THE FRANCHISEE MAY SELL

You must offer those insurance products, lines and policies from insurance companies that we have relationships with. If you have a line of insurance business, as to which we do not have a carrier relation or specification, you may maintain that line of business with our written approval. Once we obtain a relationship to support that line of business, we may require you to bring that business to our specified carrier. We may designate products or services as optional or mandatory. You may not sell any goods or services that we have not authorized or approved. We may designate products or services as optional or mandatory.

Subject to territorial restrictions on where you may market, you may offer your insurance products to any customers.

You are required to sell all goods or services that we authorize unless prohibited by your applicable local law, or approved by us. We may change the types of authorized goods and services sold by franchisees. There are no limits on our right to make changes to the authorized goods and services sold by franchisees. We may, at our sole discretion, revoke approval of a previously approved goods or services, at which case you must immediately stop selling the revoked services or products.

For the duration of your Franchise Agreement you may not offer competitive services in the states and territories of the United States unless you receive our prior written consent.

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 Agreement	Summary
a. Length of the franchise term	2	5 years.
b. Renewal or extension of the term	2	Can be renewed for successive terms if you are in compliance with your Franchise Agreement ("Agreement").
c. Requirements for you to renew or extend	2	Renewing your Franchise Agreement means that you are able to continue your operations as a franchisee for an additional term. You must sign a general release of claims, notify us in writing at least 180 days before the expiration of the Agreement, and sign our then current Agreement, which may contain materially different terms and conditions than your original contract.
d. Termination by you	10.1	You may terminate the Agreement if you do not renew.
e. Termination by us without cause	None	Not applicable
f. Termination by us with cause	10.2, 10.3	We can terminate only if you default.
g. "Cause" defined – curable defaults	10.3	Violate the Agreement, Manual, any other agreement with us, or owe monies to us more than 30 days past due, and do not cure such breach within 30 days after notice.

Provision	Section In Franchise Agreement	Summary
h. "Cause" defined – non-curable defaults	10.2	Do not pass initial training, fail to obtain our approval of a site or open on time, become insolvent, commit a material violation of law, abandon the Franchised Business, submit a materially false Franchise Application, fraud, uncured default of other agreement, fail to pay suppliers an amount exceeding $3,000 for more than 60 days; fail to permit us to inspect or audit your franchise; you fail to remain in good standing with your State's Department of Insurance or similar agency; or commit two or more breaches within 12 months.
i. Your obligations on termination/renewal	11	Cease operating; stop using our marks and assign social media pages with our marks on them to us; pay debts due to us; assign telephone numbers to us; assist in lease transfer and our purchase of your assets, at our option; return Manual and Confidential Information to us; cancel fictitious names; adhere to the post-term covenants not to compete or solicit; transfer social media accounts and websites; adhere to other post term duties; execute any necessary documents.
j. Assignment of contract by us	14.1	We may assign to a successor in interest who remains bound by terms of Agreement.
k. "Transfer by you" – definition	14.2	Includes transfer of Franchise Agreement, any interest of the Franchise Agreement, or substantially all of the assets of the Franchised Business.
l. Our approval of transfer by you	14.2	We have the right to approve all transfers.
m. Conditions for our approval of transfer	14.5	You must be: -current in monetary obligations; -in compliance with the Franchises Agreement; -execute any transfer, amendment, or release forms that we may require; -provide to us a copy of the proposed transfer documents; -transferee must meet our criteria; -transferee must execute our then-current Franchise Agreement; -pay to us the Transfer Fee; -transferee must satisfactorily complete our initial training program; -comply with the post-termination provisions;

Provision	Section In Franchise Agreement	Summary
		-transferee must obtain necessary licenses and permits; -obtain any lessor approval for transfer; -the transfer must be made in compliance with any laws that apply to the transfer; -the purchase price and terms of the proposed transfer are not so burdensome to the prospective transferee as to impair or materially threaten its future operation; -you must request that we provide the prospective transferee with our current Franchise Disclosure Document.
n. Our right of first refusal to acquire your business	14.6	We have a right of first refusal to match any bona fide purchase offer for your franchise, any interest in the franchise, or substantially all the assets of the Franchised Business.
o. Our option to purchase your business	14.7	Upon termination or non-renewal we may offer to buy out your franchise rights and business 150% of that portion of the sales commissions we received during the preceding 12 We may also offer to purchase a portion of your business.
p. Your death or disability	15	Transfer must be commenced within sixty (60) days, completed within six (6) months; we must approve the transferee, transferee must attend and successfully complete training, and sign our current Agreement.
q. Non-competition covenants during the term of the franchise	12	No competition allowed in the United States and its territories.
r. Non-competition covenants after the franchise is terminated or expires	12	You will not solicit employees in your Territory or a 30 mile radius of your Territory for a period of 2 years.
s. Modification of the agreement	16	No modifications except to Operations Manual. Revisions to the Manual will not unreasonably affect the franchisee's obligations, including economic requirements, under the Agreement.
t. Integration/merger clause	18	Only the terms in the Franchise Agreement are binding (subject to federal or state law). Any representations or promises made outside the disclosure document and Franchise Agreement may not be enforceable. No claim in any franchise agreement(s) is intended to disclaim the express

Provision	Section In Franchise Agreement	Summary
		representations made in this Franchise Disclosure Document.
u. Dispute resolution by arbitration or mediation	19	You must first attempt to resolve claims against us through mediation. Arbitration does not apply except as provided in State Addenda to the Franchise Agreement.
v. Choice of forum	19	All claims must be brought before a court of general jurisdiction closest to our corporate office (subject to state law).
w. Choice of Law	19	North Carolina law governs (subject to applicable state law).

ITEM 18
PUBLIC FIGURES

We have not paid any compensation or other benefit to a public figure for the use of their endorsement or recommendation of the franchise to prospective franchisees.

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.

The following are forecasts of what a SUNUP Insurance Franchisee can earn for gross revenues for the first three (3) years of operation under three different scenarios: no sales, poor performance, and medium performance.

Please also make sure to read the footnotes that appear under the heading "Material Bases and Assumptions" following the tables as the footnotes are an integral part of the information presented.

Case 1	Based upon doing nothing		
	Year 1	Year 2	Year 3
Auto and Homeowners	0	0	0

Medicare Supplements	0	0	0
Life	0	0	0
Total Gross Revenues (less royalties)	0	0	0

Case I is based upon making no insurance sales at all the first three years of operation.

Case 2	Poor performance		
	Year 1	Year 2	Year 3
Auto and Homeowners	$11,520	$14,976	$18,432
Medicare Supplements	$9,600	$12,000	$14,400
Life	$8,640	$8,640	$8,640
Total Gross Revenues (less royalties)	$29,760	$35,616	$41,472

Case 2 is based upon making the following insurance sales at an average annual premium rate of $1,200:
-5 Auto policies per month for all three (3) years at an average annual premium of $1,200 with a 10% first year commission a 30% renewal rate, and 6% renewal commission
-5 Home Owners policies per month for all three years with a 10% first year commission, 30% renewal rate, and 6% renewal commission
-30 Medicare Supplements per year during open enrollment with a $320 first year commission, 40% renewal rate, and renewal commissions of $160
-3 Life Insurance Policies of $300 Premium monthly, with a $300 commission, and no renewals

Case 3	Medium performance		
	Year 1	Year 2	Year 3
P&C	$19,584	$24,871	$30,158
Medicare	$16,000	$20,000	$24,000
Life	$20,160	$20,160	$20,160
Total Gross Revenues (less royalties)	$55,744	$65,031	$74,318

Case 3 is based upon making the following insurance sales at an average annual premium rate of $1,200:
-10 Auto policies per month for all three years at an average annual premium of $1,200 with a 10% first year commission a 45% renewal rate, and 6% renewal commission
-7 Home Owners policies per month for all three years with a 10% first year commission, 45% renewal rate, and 6% renewal commission

-50 Medicare Supplements per year during open enrollment with a $320 first year commission, 50% renewal rate, and renewal commissions of $160
-7 Life Insurance Policies of $300 Premium monthly, with a $300 commission, and no renewals

Material Bases and Assumptions.
The tables above present pro forma examples of annual gross revenue under three different scenarios. We do not claim that you will perform at any specific level. You should formulate your own estimate with your own business advisors.

The conditions that you would allow you to sell insurance at a given level will vary based upon a number of factors such as: the economic or market conditions which you face in your area, the demographics of your market area, the success of your marketing efforts, and how well you follow our franchise system, among other factors.

To sell insurance at the level of Case 2 above assumes a smaller market area such as a small town or rural area, or you may engage in minimal marketing in a larger, more densely populated market area. Additionally, certain insurance products are considered more optional by consumers- such as Medicare Supplements, annuities, and life insurance- and these will sell better in strong economic times versus weak economic times. Sales at the level of Case 2 would be more likely to occur at weaker economic times.

To sell insurance at the level of Case 3 above assumes at least a medium level of population density such as in a suburban area, or a medium level of marketing execution by you in a densely populated area. Additionally, as noted above, with respect to insurance products considered more optional by consumers, sales at the level of Case 3 would be more likely to occur at moderate to strong economic times.

The sales rates, commission amounts, and renewal rates used in the above tables are based upon 35+ years of insurance industry experience of the principals of the franchisor.

The figures in the tables above are net of royalties you pay to us, but do not include any other expenses that you will incur.

These figures are only estimates of what we think you may earn. Your individual results may differ. There is no assurance that you will earn as much.

Written substantiation for this financial performance representation will be made available to you upon reasonable request.

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 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 Todd Swicegood, CEO, at 152 Kinderton Way East, Bermuda Run, North Carolina 27006; (844) 377-8687, the Federal Trade Commission, and the appropriate state regulatory agencies.

ITEM 20
OUTLETS AND FRANCHISEE INFORMATION

Table No. 1

System Wide Outlet Summary
For Years 2015 to 2017

Outlet Type	Year	Outlets at the Start of the Year	Outlets at the End of the Year	Net Change
Franchised	2015	0	0	0
	2016	0	4	+4
	2017	4	26	22
Company-Owned	2015	0	0	0
	2016	0	1	+1
	2017	1	1	0
Total Outlets	2015	0	0	0
	2016	0	4	+4
	2017	5	27	22

Table No. 2

Transfers of Outlets From Franchisees to New Owners (Other than the Franchisor)
For Years 2015 to 2017

State	Year	Number of Transfers
All States	2015	0
	2016	0
	2017	0
Total	2015	0
	2016	0
	2017	0

Table No. 3

Status of Franchised Outlets
For Years 2015 to 2017*

State	Year	Outlets at Start of Year	Outlets Opened	Terminations	Non-Renewals	Reacquired By Franchisor	Ceased Operations-Other Reasons	Franchised Stores Operating at Year End
California	2015	0	0	0	0	0	0	0
	2016	0	0	0	0	0	0	0
	2017	0	1	0	0	0	0	1
Georgia	2015	0	0	0	0	0	0	0
	2016	0	1	0	0	0	0	1
	2017	1	0	0	0	0	1	0
Louisiana	2015	0	0	0	0	0	0	0
	2016	0	0	0	0	0	0	0
	2017	0	2	0	0	0	0	2
North Carolina	2015	0	0	0	0	0	0	0
	2016	0	1	0	0	0	0	1
	2017	1	3	0	0	0	0	4
Ohio	2015	0	0	0	0	0	0	0
	2016	0	0	0	0	0	0	0
	2017	0	1	0	0	0	0	1
South Carolina	2015	0	0	0	0	0	0	0
	2016	0	1	0	0	0	0	1
	2017	1	0	0	0	0	0	1
Texas	2015	0	0	0	0	0	0	0
	2016	0	1	0	0	0	0	1
	2017	1	17	0	0	0	1	17
Total	2015	0	0	0	0	0	0	0
	2016	0	4	0	0	0	0	4
	2017	4	24	0	0	0	2	26

*If multiple events occurred affecting an outlet, this table shows the event that occurred last in time.

Table No. 4

Status of Company-Owned Outlets
For Years 2015 to 2017

State	Year	Outlets at Start of Year	Outlets Opened	Outlets Reacquired from Franchisees	Outlets Closed	Outlets Sold to Franchisees	Outlets at End of the Year
North Carolina	2015	0	0	0	0	0	0
	2016	0	1	0	0	0	1
	2017	1	0	0	0	0	1
Total	2015	0	0	0	0	0	0
	2016	0	1	0	0	0	1
	2017	1	0	0	0	0	1

Table No. 5

Projected Openings as of December 31, 2017

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
Alabama	0	2	0
Arizona	0	1	0
Colorado	0	2	0
Florida	0	5	0
Georgia	0	5	0
Louisiana	0	2	0
North Carolina	0	10	0
Ohio	0	2	0
South Carolina	0	5	0
Tennessee	0	2	0
Texas	0	15	0
TOTALS	0	51	0

Exhibit H contains a list of the names of all current Franchisees and the address and telephone number of each of their outlets.

Exhibit I contains a list of the names, city and state, and current business telephone number, or if unknown, the last known home telephone number of every Franchisee who had an outlet terminated, canceled, not renewed, or otherwise voluntarily or involuntarily ceased to do business under the Franchise Agreement during our most recently completed fiscal year or who have not communicated with us within 10 weeks of the Issuance Date of this Disclosure Document. If you buy this franchise, your contact information may be disclosed to other buyers when you leave the franchise system.

During the last three (3) fiscal years, no current or former franchisees have signed confidentiality clauses that restrict them from discussing with you their experiences as a franchisee in our franchise system.

We are not aware of any trademark-specific franchisee organizations associated with the franchise system being offered.

ITEM 21
FINANCIAL STATEMENTS

Exhibit J contains our audited financial statements as of December 31, 2017, December 31, 2016, and February 10, 2016. We have not been in business for three years or more, and cannot include all financial statements required of this item.

Our fiscal year end is December 31.

ITEM 22
CONTRACTS

The proposed agreements regarding this franchise offering are included as exhibits to this Disclosure Document as follows:

Exhibit B - Franchise Agreement
- Schedule 1- Territory and Approved Locations
- Schedule 2- Holders of Ownership Interest in the Franchise
- Schedule 3- State Addenda

Exhibit C- Promissory Notes

Exhibit E - Confidentiality and Non-Disclosure Agreement

Exhibit F - Automatic Bank Draft Authorization

Exhibit G - Closing Acknowledgment

Exhibit L - Release

ITEM 23
RECEIPT

Exhibit N contains two copies of a Receipt of our Disclosure Document.

EXHIBIT A

STATE ADDENDA TO DISCLOSURE DOCUMENT

CALIFORNIA ADDENDUM
TO THE DISCLOSURE DOCUMENT

As to franchises governed by the California Franchise Investment Law, if any of the terms of the Disclosure Document are inconsistent with the terms below, the terms below control.

The "Risk Factors" on the second page of the Disclosure Document are amended to also include the following:

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

Item 3 of the Disclosure Document is amended by adding the following paragraph:

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

Item 5 of the Disclosure Document is amended by adding the following sentence:

We defer collection of initial fees until after we have completed our initial obligations to you.

Item 17 of the Disclosure Document is amended by adding the following paragraphs:

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

Item 17.g. of the Disclosure Document is modified to state that, in addition to the grounds for immediate termination specified in Item 17.h., the franchisor can terminate upon written notice and a sixty (60) day opportunity to cure for a breach of the Franchise Agreement.

Item 17.h. of the Disclosure Document is modified to state that the franchisor can terminate immediately for insolvency, abandonment, mutual agreement to terminate, material misrepresentation, legal violation persisting ten (10) days after notice, repeated breaches, judgment, criminal conviction, monies owed to the franchisor more than five (5) days past due, and imminent danger to public health or safety.

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

The Franchise Agreement requires application of the laws of the state of North Carolina. This provision may not be enforceable under California law.

SECTION 31125 OF THE FRANCHISE INVESTMENT LAW REQUIRES US TO GIVE TO YOU A DISCLOSURE DOCUMENT APPROVED BY THE COMMISSIONER OF CORPORATIONS BEFORE WE ASK YOU TO CONSIDER A MATERIAL MODIFICATION OF YOUR FRANCHISE AGREEMENT.

YOU MUST SIGN A GENERAL RELEASE OF CLAIM IF YOU RENEW OR TRANSFER YOUR FRANCHISE. CALIFORNIA CORPORATIONS CODE §31512 VOIDS A WAIVER OF YOUR RIGHTS UNDER THE FRANCHISE INVESTMENT LAW (CALIFORNIA CODE §§31000 THROUGH 31516). BUSINESS AND PROFESSIONS CODE §20010 VOIDS A WAIVER OF YOUR RIGHTS UNDER THE FRANCHISE RELATIONS ACT (BUSINESS AND PROFESSIONS CODE §§20000 THROUGH 20043).

Our Website is located at www.WinWithSUNUP.com.

OUR WEBSITE HAS NOT BEEN REVIEWED OR APPROVED BY THE CALIFORNIA DEPARTMENT OF BUSINESS OVERSIGHT. ANY COMPLAINTS CONCERNING THE CONTENT OF THIS WEBSITE MAY BE DIRECTED TO THE CALIFORNIA DEPARTMENT OF BUSINESS OVERSIGHT AT www.dbo.ca.gov.

HAWAII ADDENDUM
TO THE DISCLOSURE DOCUMENT

As to franchises governed by the Hawaii Franchise Investment Law, if any of the terms of the Disclosure Document are inconsistent with the terms below, the terms below control.

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

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

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

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

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

ILLINOIS ADDENDUM
TO THE DISCLOSURE DOCUMENT

As to franchises governed by the Illinois Franchise Disclosure Act, if any of the terms of the Disclosure Document are inconsistent with the terms below, the terms below control.

1. Item 17.u. is modified to provide that dispute resolution is by arbitration.

2. Item 17.v. is modified to provide that arbitration shall take place in the location of our corporate headquarters.

3. Item 17.w. is modified to provide that Illinois law applies.

4. Any condition, stipulation, or provision of the Franchise Agreement purporting to bind you to waive compliance with any provision of the Illinois Franchise Disclosure Act or any other law of the State of Illinois is void.

5. The conditions under which your Franchise Agreement can be terminated and your rights upon nonrenewal may be affected by Sections 19 and 20 of the Illinois Franchise Disclosure Act.

6. Items 5 and 7 are modified to also provide that we defer collection of all initial fees until we have satisfied our pre-opening obligations to you and you have commenced doing business under the Franchise Agreement. The Illinois Attorney General's Office imposed this deferral requirement due to our financial condition.

MARYLAND ADDENDUM
TO THE DISCLOSURE DOCUMENT

As to franchises governed by the Maryland Franchise Registration and Disclosure Law, if any of the terms of the Disclosure Document are inconsistent with the terms below, the terms below control.

1. Item 17.b. is modified to also provide, "The general release required as a condition of renewal, sale, and/or assignment/transfer shall not apply to any liability under the Maryland Franchise Registration and Disclosure Law.

2. Item 17.u. is modified to also provide, "A franchisee may bring a lawsuit in Maryland for claims arising under the Maryland Franchise Registration and Disclosure Law."

3. Item 17.v. is modified to also provide, "Any claims arising under the Maryland Franchise Registration and Disclosure Law must be brought within 3 years after the grant of the franchise."

MINNESOTA ADDENDUM
TO THE DISCLOSURE DOCUMENT

As to franchises governed by the Minnesota franchise laws, if any of the terms of the Disclosure Document are inconsistent with the terms below, the terms below control.

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

- With respect to franchises governed by Minnesota law, the franchisor will comply with Minn. Stat. Sec. 80C.14 Subds. 3, 4, and 5 which require (except in certain specified cases), that a franchisee be given 90 days' notice of termination (with 60 days to cure) and 180 days' notice for non-renewal of the franchise agreement and that consent to the transfer of the franchise will not be unreasonably withheld.

- The franchisor will protect the franchisee's rights to use the trademarks, service marks, trade names, logotypes or other commercial symbols or indemnify the franchisee from any loss, costs or expenses arising out of any claim, suit or demand regarding the use of the name.

  Minnesota considers it unfair to not protect the franchisee's right to use the trademarks. Refer to Minnesota Statutes 80C.12, Subd. 1(g).

- Minnesota Rules 2860.4400(D) prohibits a franchisor from requiring a franchisee to assent to a general release.

- The franchisee cannot consent to the franchisor obtaining injunctive relief. The franchisor may <u>seek</u> injunctive relief. See Minn. Rules 2860.4400J.

  Also, a court will determine if a bond is required.

The Limitations of Claims section must comply with Minnesota Statutes, Section 80C.17, Subd. 5.

NEW YORK ADDENDUM
TO THE DISCLOSURE DOCUMENT

As to franchises governed by the New York franchise laws, if any of the terms of the Disclosure Document are inconsistent with the terms below, the terms below control.

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 D OR YOUR PUBLIC LIBRARY FOR SOURCES OF INFORMATION. IF YOU LEARN THAT ANYTHING IN THE DISCLOSURE DOCUMENT IS UNTRUE, CONTACT THE FEDERAL TRADE COMMISSION AND NEW YORK STATE DEPARTMENT OF LAW BUREAU OF INVESTOR PROTECTION AND SECURITIES 120 BROADWAY, 23RD FLOOR NEW YORK, N.Y. 10271

THE FRANCHISOR MAY, IF CHOOSES, NEGOTIATE WITH YOU ABOUT ITEMS COVERED IN THE DISCLOSURE DOCUMENT. HOWEVER, THE FRANCHISOR CANNOT USE THE NEGOTIATING PROCESS TO PREVAIL UPON A PROSPECTIVE FRANCHISEE TO ACCEPT TERMS WHICH ARE LESS FAVORABLE SET 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 the 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.

NORTH DAKOTA ADDENDUM
TO THE DISCLOSURE DOCUMENT

As to franchises governed by the North Dakota franchise laws, if any of the terms of the Disclosure Document are inconsistent with the terms below, the terms below control.

General Release: Any requirement that the franchisee sign a general release upon renewal of the franchise agreement does not apply to franchise agreements covered under North Dakota law. Restrictive Covenants: To the extent that covenants not to compete apply to periods after the term of the franchise agreement, they are generally unenforceable under North Dakota law.

Choice of Venue: Provisions designating venue outside of North Dakota do not apply to franchise agreements covered under North Dakota law.

Applicable Laws: North Dakota law will govern the Franchise and Area Developer Agreement.

Waiver of Trial by Jury: Any waiver of a trial by jury will not apply to North Dakota Franchises.

Waiver of Exemplary & Punitive Damages: Any waiver of punitive damages will not apply to North Dakota Franchises.

Limitations of Claims: Any limitation period requiring claims to be brought within one year shall not apply to claims by North Dakota Franchises.

Enforcement of Agreement: Any requirement in the Franchise Agreement that requires the franchisee to pay all costs and expenses incurred by the franchisor in enforcing the agreement is void. Instead, the prevailing party in any enforcement action is entitled to recover all costs and expenses including attorney's fees.

RHODE ISLAND ADDENDUM
TO THE DISCLOSURE DOCUMENT

As to franchises governed by the Rhode Island Franchise Investment Act, if any of the terms of the Disclosure Document are inconsistent with the terms below, the terms below control.

Item 17.m. of the Disclosure Document is revised to provide:

> Section 19-28.1-14 of the Rhode Island Franchise Investment Act prohibits a franchisee to be restricted in choice of jurisdiction or venue. To the extent any such restriction is purported to be required by us, it is void with respect to all franchisees governed under the laws of Rhode Island.

Item 17.w. of the Disclosure Document is revised to provide:

> Rhode Island law applies.

WISCONSIN ADDENDUM
TO THE DISCLOSURE DOCUMENT

As to franchises governed by the Wisconsin Fair Dealership Law, if any of the terms of the Disclosure Document are inconsistent with the terms below, the terms below control.

1. Item 17 is modified to also provide,

If the franchise agreement contains any provisions that conflict with the Wisconsin Fair Dealership Law, the provisions of this Addendum shall prevail to the extent of such conflict.

With respect to franchises governed by Wisconsin law, the Wisconsin Fair Dealership Law applies to most, if not all, franchise agreements and prohibits the termination, cancellation, non-renewal or the substantial change of the competitive circumstances of a dealership agreement without good cause. That Law further provides that 90 days prior written notice of a proposed termination, etc. must be given to the dealer. The dealer has 60 days to cure the deficiency and if the deficiency is cured, the notice is void.

SUNUP INSURANCE SERVICES INC.

SUNUP
INSURANCE SERVICES

FRANCHISE AGREEMENT

EXHIBIT B

TABLE OF CONTENTS

WHEREAS, SUNUP Insurance Services Inc. d/b/a SUNUP Insurance ("SUNUP Insurance," "we," "us," or "our") offers a franchise program to offer insurance products and services ("System"). Our system utilizes specified marketing techniques and operating procedures; and

WHEREAS, Franchisee and all Signators identified on the signature page to this Agreement, in your personal capacity, (collectively "Franchisee," "you," or "your") desire to utilize our System and our trade names, service marks, and trademarks (collectively, the "Marks"); and

NOW, THEREFORE, for value received, we and Franchisee ("the Parties") agree as follows:

1. GRANT OF FRANCHISE

Subject to the terms of this Franchise Agreement ("Agreement" or "Franchise Agreement"), we grant to you a SUNUP Insurance franchise ("Franchised Business") using our system and our Marks in the territory described in Schedule 1 ("Territory"). You agree to abide by the terms of this Agreement.

2. TERM AND RENEWAL

2.1. Term. This Agreement will be effective for a five (5) -year term beginning on the Effective Date specified in this Agreement.

2.2 Renewal. You may renew for another term by signing our then current Franchise Agreement if you are in compliance with this Agreement and meet the other conditions for renewal. You may also renew future Franchise Agreements if you are in compliance with such agreements and meet the other conditions for renewal by signing our then current Franchise Agreement. To renew, you must exercise a general release of all claims that you might have against us. Other terms, conditions, and fees may vary. If you wish to renew, you must notify us in writing at least 180 days before the expiration of this Agreement.

3. TERRITORY

We grant to you a territory of a one (1) mile radius from your outlet, as specified in Schedule 1 to this Franchise Agreement.

We may approve relocation of the Franchised business if we feel that conditions have changed such that a relocation represents a sound business decision (e.g., better lease terms, more visibility, or other improvements in the new location).

We do not grant you options, rights of first refusal, or similar rights to acquire additional franchises.

You will receive an exclusive territory, meaning a geographic area within which we promise not to establish either a company-owned or franchised outlet selling the same or similar goods or services under the same or similar trademarks or service marks.

However, you and other franchisees may solicit and transact business in any jurisdiction or franchise territory in which you or they are licensed to transact business, provided that we may also lawfully transact business in that jurisdiction.

Minimum Requirements: Continuation of your territorial rights depends on achieving $75,000 in Gross Revenue in the first eighteen (18) months of your franchise operations, $125,000 in months 19-30, and $150,000 annually thereafter.

Also, if you have not opened your office after twenty-four (24) months from the Effective Date of your Franchise Agreement, we reserve the right to open another franchise in your territory.

We or an affiliate reserves the right to use other channels of distribution, such as the Internet, catalog sales, telemarketing, or other direct marketing sales, to make sales within your territory using our principal trademarks.

We or an affiliate also reserves the right to use other channels of distribution, such as the Internet, catalog sales, telemarketing, or other direct marketing sales, to make sales with your territory of products or services under trademarks different from the ones that you will use under the Franchise Agreement.

We are not obligated to pay compensation to you for soliciting or accepting orders from inside your territory.

You may solicit orders from customers outside your territory, including through other channels of distribution such as the internet, catalog sales, telemarketing, or other direct marketing, provided the advertising is done pursuant to our specifications or permission and you and we are licensed to solicit such orders there.

4. FEES AND PAYMENTS

4.1 Initial Franchise Fee. The initial franchise fee is $25,000. The initial franchise fee is due to us in full when you return to us signed copies of your Franchise Agreement. The initial franchise fee is fully earned and nonrefundable upon your signing of the Franchise Agreement and receipt of the funds by us. We may, at our option, allow a buy down of $2,500 per $500,000 of conversion eligible premium off the paid in full price. Maximum buy down is $10,000. We may also waive $15,000 for those who have industry experience.

4.2 Royalty. Franchise Royalty Fee is 20% of Gross Revenues (GR) or, after the first 12 months, $800 per month whichever is greater, and with a declining royalty incentive on Property & Casualty (P&C) premiums only that exceed $2.5 million as follows:

- $2.5-$5 million = 15%
- $5 - $7.5 million = 10%
- $7.5 - $10 million = 5%
- $10 million + = 0%

"Gross Revenue" means all revenue generated in the offer or sale of authorized products through the Franchised Business, including commissions and bonuses. "Gross Revenue" does not include sales tax.

4.3 Opening Deadline Extension Fee. If you have not opened your office after twelve (12) months of signing the Agreement, you will be charged a $500 fee for every month your office is not opened.

4.4 SUNUP Management System Fee. You agree to pay the charges for the SUNUP Management System insurance quoting, rating, and policy management software. This fee is presently $79 per month but may vary in the future.

4.5 Insurance Rating Software. You agree to pay the charges for our designated insurance quoting, rating, and policy management software. This fee is presently $297/month for up to three users, but may vary in the future.

4.6 Fees to Third-Parties. You are solely responsible for fees to third parties including but not limited to insurance licensing courses, state insurance licenses, insurance carrier appointment fees (when you obtain an insurance carrier's permission to offer their products), background check fees on agents and employees, and software costs. However, if we incur or advance a fee to a third-party on your behalf, you agree to pay to us such fee.

4.7 Audit Fee. If we perform an audit of the Franchised Business and the audit reveals an underpayment of royalty to us of 2% or more for the time period audited or a state insurance law violation, you must pay to us our costs in performing the audit.

4.8 Inspection Fee. If you fail to maintain franchise standards, have repeated consumer complaints or fail to comply with provisions of this Agreement, you may be charged reasonable costs associated with inspection of your business, including transportation, lodging, per diem and employee wages.

4.9 Transfer Fee. You must pay to us a Transfer Fee of $7,500 if you wish to transfer ownership of the rights under this Franchise Agreement, or a majority of the ownership of this Agreement or in an entity holding this Agreement. We do not charge a transfer fee if the owners of this Agreement transfer this Agreement into an entity owned by the same owners with the same ownership percentages.

4.10 Renewal Fee. We do not charge a renewal fee to enter into another Franchise Agreement with us at the expiration of the term of this Agreement.

4.11 Interest. You must pay interest of 18% (compounded daily) per year, or the maximum permitted by law, if less, on any amounts owed to us that are more than 30 days past due.

4.12 Legal Fees and Costs. If we must bring suit to enforce our rights under this Agreement, and we are the prevailing party, you must pay our attorney fees and costs in such suit.

4.13 Client Refunds. If you do not resolve a client service complaint and we believe a reasonable basis exists for a refund to the client all or a portion of the client's fees, we may pay the client directly and bill you. You agree to pay the charges.

4.14 Sales, Excise or Gross Receipts Tax. If required by the federal government, state or locality in which your Franchised Business is located, the initial franchise fee, royalty, training, development fee, , products and possibly other services, products or fees may be subject to sales, excise, gross receipts or similar type tax, which you must pay to us at the same time and in the same manner as you pay these fees to us.

4.15 Assistance Fee in the event of Death or Incapacity. In the event of your death or incapacity, you agree we are entitled to reimbursement from you or your estate for any reasonable expenses incurred continuing operation of your Franchised Business.

4.16 Sales, Income, and Other Taxes. You shall be solely responsible for paying all sales, income, and other taxes imposed upon you with respect to your operation of the Franchised Business. We do not charge royalty or on sales tax.

4.17 Clawback. If you prematurely bring about the termination of this Franchise Agreement as a result of a breach before the end of its Term or do not renew the Franchise Agreement upon expiration, you agree to pay to us $10,000 or 25% of the last twelve (12) months of Gross Receipts of your Franchised Business, whichever is greater.

4.18 Payment Period and Method. We require you to execute an Automatic Bank Draft Authorization. We pay to you your commissions, net of royalties and other monies you owe to us, by ACH electronic funds transfer or other methods on the 15th of the month following the month in which the commissions were received. To the extent commissions are not sufficient to pay fees owed to us, we also reserve the right to pay any fees owed to us via ACH electronic funds transfer. We reserve the right to modify the payment methods and schedule in our Operations Manual.

5. OBLIGATIONS OF FRANCHISOR

5.1. Initial Training. We provide you with an initial training, currently a five (5) day initial training course in Winston Salem, North Carolina, Liberty Hill, Texas or such other location as we designate.

5.2 Site Selection and Build Out.

(a) Site Selection. We provide to you criteria to help you select a site. We must approve any site you select before you sign a lease for that location. We do not select the site. We will typically approve or disapprove a proposed site within fourteen (14) days of your submission to us of the information required by us on the proposed site. In the unlikely event that you and we cannot agree on a site within the opening timeframe allowed, you can extend the timeline by obtaining our approval and paying the opening deadline extension fee, we can allow you more time to search for a site that we can agree upon or we can terminate the franchise agreement.

(b) Plans and Layout. We or our designee will furnish to you a sample site layout plan.

(c) Lease. Before you sign a lease, sublet a space, purchase space or make any binding to commitment to do so, we must approve, in writing your proposed lease or purchase agreement.

(d) Relocation Review. We will evaluate locations you propose to us to relocate your Franchised Business. We will typically approve or disapprove a relocation site within fourteen (14) days of your submission to us of the information required by us on the proposed site. You must submit to us a site selection proposal containing reasonable items required by us to evaluate the site.

5.3 Supply Source. We offer guidance or a supply source to you to obtain furniture, fixtures, equipment, and supplies to conduct the Franchised Business.

5.4 Operations Manual. We provide you access to our proprietary and confidential Operations Manual, as well as any other manuals and writings prepared by us for your use in operating a Franchised Business ("Manual"). We may disseminate the Manual electronically. We may revise the Manual from time to time to adjust for legal or technological changes, competition, or attempts to improve in the marketplace.

5.5 Operational Support. We provide support to you in operational problems and issues that you may encounter in the operation of your Franchised Business.

5.6 Software and Computer Systems. We may specify software and computer systems to assist in the operation of your Franchised Business.

5.7 Additional Training or Seminars. We may elect to offer and require you to attend, either live or electronically, additional training or seminars that we may offer.

5.8 Advertising and Marketing. We may advise you in the advertising, marketing, and promotion of your Franchised Business. We may from time to time, at our sole discretion, produce advertising material and conduct promotional programs. We may use online, radio, television, direct mail, billboards, print or other advertising. We may use local, regional, or national advertising. We may produce advertising material in-house or though outside agencies. We are not required to spend any amount on advertising in the area or territory where you will be located.

6. OBLIGATIONS OF FRANCHISEE

6.1 Training. You must successfully complete our initial training within four (4) months of the Effective Date of this Agreement and before you may operate the Franchised Business.

6.2 Site Selection and Build Out.

(a) Site Selection. You must select a site for operation of your Franchised Business pursuant to our guidelines. You agree to obtain our written approval for your proposed site. You may operate the Franchised Business only at the accepted site. We must also approve in advance any proposed relocation of the Franchised Business.

(b) Buildout. It is your responsibility to conform the premises to federal, state or local ordinances, building codes, licensing requirements and obtain any required permits.

(c) Plans and Layout. You are required to submit the layout and have it approved by us. We will typically approve or disapprove a proposed layout within fourteen (14) days of your submission to us. Once approved by us, it is your responsibility to remodel the premises and install the furniture, fixtures and equipment accordingly.

(d) Lease. Before you sign a lease, sublet a space, purchase space or make any binding to commitment to do so, we must approve, in writing your proposed lease or purchase agreement.

(e) Relocation Review. You must obtain our approval if you wish to relocate. We will evaluate locations you propose to us to relocate your Franchised Business. You must submit to us a site selection proposal containing reasonable items required by us to evaluate the site.

6.3 Starting Date. You agree to open an office and be operational within one (1) year of the Effective Date of this Agreement.

6.4 Operations Manual. You agree to operate the Franchised Business according to the then current Operations Manual as well as information bulletins and guidance that we disseminate electronically.

6.5 Participation.

(a) Supervision. You must provide franchise services under your direct supervision and control or under the direct supervision and control of a full time General Manager or key employee who has attended and passed our initial training and has the necessary state insurance license(s) in those areas of insurance they are supervising. You, your general manager (if applicable) and all employees that have access to client accounts or as required by local law, must be able to pass a criminal background check.

(b) Principal Owner. You must designate one (1) owner with at least 10% ownership as the "Principal Owner." The Principal Owner is the primary owner responsible for your business and communication with us. The Principal Owner must have authority over all transactions and dealings related to your Franchised Business and must have power to create binding agreements with us.

6.6 Authorized Products and Services Only. You must offer those insurance products, lines and policies from insurance companies that we have relationships with. If you have a line of insurance business, as to which we do not have a carrier relation or specification, you may maintain that line of business with our written approval. Once we obtain a relationship to support that line of business, we may require you to bring that business to our specified carrier. We may designate products or services as optional or mandatory. You may not sell any goods or services that we have not authorized or approved. We may designate products or services as optional or mandatory.

You are required to sell all goods or services that we authorize unless prohibited by your applicable local law, or approved by us. We may change the types of authorized goods and services sold by franchisees. There are no limits on our right to make changes to the authorized goods and services sold by franchisees. We may, at our sole discretion, revoke approval of a previously approved goods or services, at which case you must immediately stop selling the revoked services or products.

6.7 Insurance Licensing Courses and State Insurance Licensing. You will need to take insurance licensing courses and obtain appropriate state insurance license(s) to offer and sell insurance. You may purchase the insurance licensing courses from any third-party vendor and must obtain the state insurance license(s) from the state(s) in which you sell insurance.

6.8 Client Service. You shall interact with prospective and actual clients in a professional and respectful businesslike manner and diligently fulfill your obligations to them when they engage your services.

6.9 Employee Training. You shall train your agents and employees to competently and professionally carry out their duties and offer excellent customer service. You shall ensure that your agents and employees have any training, licenses, or certifications required by applicable law, including necessary state insurance license(s). You are solely responsible for hiring, firing, compensating, paying applicable payroll taxes and day-to-day supervision and control over your agents and employees.

6.10 Insurance. You are required to have insurance as may be required by your state laws and as we may specify in the Operations Manual or otherwise. You must name us and all our officers, directors, members and agents and others as their interest may appear on a primary, noncontributory basis as an additional insured on these policies and send proof of same to us. Certificates of insurance must be sent in upon annual expiration date. If you suffer a loss to your franchise, such as fire or theft, you are required to use the insurance proceeds to replace or repair the premises or property damaged or lost.

6.11 Furniture, Fixtures, Equipment and Supplies. You agree to use furniture, fixtures, equipment, and supplies as we specify to operate the franchise.

6.12 Computer and Software Systems. You are required to purchase and use such computer and software systems as we specify, including the SUNUP Management System internal document and content management platform; the quoting, rating, and policy management software that we specify; and a Point of Sale/Credit Card application. We also recommend that you use Quickbooks Online for your bookkeeping.

6.13 Telephone Number. You agree to maintain a dedicated telephone number for your Franchised Business.

6.14 Brand Image and Remodeling. You agree to keep your Franchised Business clean and well maintained in order to uphold the image and goodwill of our franchise system. You agree to remodel your Franchised Business if and when we request, at your cost, pursuant to our guidelines at the time. However, we promise not to require you to do a full remodel of your Franchised Business more than once every ten years.

6.15 Minimum Days and Hours. You agree to agree to be open for business, at a minimum, the days and hours that we specify in the Operations Manual.

6.16 Laws and Regulations. You agree to comply with all federal, state, and local laws, and regulations. You agree to secure all necessary permits, certificates, licenses, and consents to operate your business.

7. ADVERTISING

7.1 Use of our Marks. We allow and require you to use our Marks to hold out your Franchised Business to the public. You agree to use only our Marks as we develop them for this purpose. Use of our Marks must be in accordance with our Operations Manual.

7.2 Local Advertising and Promotions. Your advertising and promotions shall conform to the following requirements:

a) You shall advertise and promote only in a manner that will reflect favorably on us;

b) You shall use our advertising templates or, if you wish to use your own material, you shall submit to us for written approval all advertising and promotional material, including proposed signage, prior to its use. If our written approval is not received within 14 days from the date we received the material, the material is deemed disapproved.

c) You agree to participate in all promotional programs and that we create, offer or advertise. You agree to accept gift certificates, coupons, vouchers, corporate discounts, memberships and other promotional programs as we create and develop from time to time. You agree you will not be entitled to receive payment or be reimbursed for any expenses, lost revenue or costs associated with such.

d) Your advertising must comply with federal, state, and local laws.

7.3 Private Websites. You are not allowed to have an independent website or obtain or use any domain name (Internet address) for your Franchised Business, without first obtaining our written approval.

7.4 Digital Marketing. We may create, operate and promote websites, social media accounts (including but not limited to Facebook, twitter, and Instagram), applications, digital advertising (including pay-per-click and display ads) or other means of digital marketing to promote the brand, Franchised Business, marks and franchise opportunities. We have the sole right to control all aspects of any digital marketing including all digital marketing related to your Franchised Business. Unless we consent in writing, you or your employees may not conduct any digital marketing that uses our marks or relates to your Franchised Business, including through an independent website, or social media account. We may withdraw approval at any time and you must immediate modify or delete any digital marketing as required.

7.5 **Entity Name Requirements.** You may not use the words "SUNUP" or "SUNUP Insurance" or any confusingly similar words, as any part of the name of a corporation, LLC or other entity. However, "SUNUP Insurance Services" followed by your entity name, or such other designation as we shall specify, shall be your "doing business as" name for an entity which owns this franchise, sometimes also called your "assumed name," "trading as" name, or "fictitious name."

7.6 **No Confusingly Similar Marks**. You agree not to use any marks that could be confused with our Marks.

7.7 **Update to our Marks**. We may replace, modify, or add to our Marks. If we replace, modify, or add additional marks, you agree to update or replace your supplies, etc. to reflect the new marks, at your expense, in the time frame we provide at the time of such an update.

7.8 **Publicity**. Except as required by law, you may not make any press release or other public announcement respecting the subject matter of this Agreement without our written consent as to the form of such press release or public announcement.

7.9 **Name and Likeness.** You give us permission to use your name and likeness in all forms and media for advertising, trade, and any other lawful purposes.

8. CONFIDENTIALITY AND INTELLECTUAL PROPERTY RIGHTS

8.1 **Definition.** "Confidential Information" means information or data (oral, written, electronic or otherwise), including, without limitation, a trade secret, of or about us that is valuable and not generally known or readily available to third parties obtained by you from us during the Term of this Agreement. The Confidential Information of ours includes all intellectual property associated with our Franchise system, all other materials relating to our Franchise system that are not a matter of public record, and all information generated by the parties in the course of the performance of this Agreement.

8.2 **Confidentiality.** You will not directly or indirectly disclose, publish, disseminate or use our Confidential Information except as authorized herein. You may use our Confidential Information to perform your obligations under this Agreement, but in doing so will only allow dissemination of our Confidential Information on a need-to-know basis and only to those individuals that have been informed of the proprietary and confidential nature of such Confidential Information.

8.3 **Return of Information.** Upon termination or expiration of this Agreement, you will return to us all of our Confidential Information embodied in tangible form, and will destroy, unless otherwise agreed, all other sources that contain or reflect any such Confidential Information. Notwithstanding the foregoing, you may retain Confidential Information as needed solely for legal, tax, and insurance purposes, but the information retained will remain subject at all times to the confidentiality restrictions of this Agreement.

8.4 Customer Data. "Customer Data" is considered Confidential Information, and includes any and all information about Customers that may be collected in connection with their use of your services, including, but not limited to, name, telephone number, address and email address. We retain all right, title, and interest in and to the Customer Data, including all intellectual property rights. However, upon termination or non-renewal of your franchise agreement, you will also be allowed to retain Customer Data to carry on your insurance business and we will maintain a copy for legal compliance purposes, but not use the data to solicit those customers in a targeted way.

8.5 Intellectual Property Ownership. We own the Franchise system and all intellectual property associated with it. To the extent you have or later obtain any intellectual property, other property rights, or interests in the Franchise system by operation of law or otherwise, you hereby disclaim such rights or interests and will promptly assign and transfer such entire interest exclusively to us. You will not undertake to obtain, copyright, trademark, service mark, trade secret, patent rights or other intellectual property right with respect to the Franchise system.

8.6 Suggestions. You agree that we may incorporate into our business operations any suggestions, enhancement requests, recommendations, or other feedback provided by you or anyone else and we shall have sole rights and title to such suggestions.

8.7 Performance Data. You agree that we may share performance data from your Franchised Business between our employees, franchisees and their employees. You agree to keep such performance data confidential.

9. REPORTS AND REVIEW

9.1 Reports. You must send us such reports in the time and manner we may specify in the Operations Manual.

9.2 Profit and Loss. By January 30 of each year, you must send us an unaudited profit and loss statement of the Franchised Business, in the manner and form we specify, for the 12-month period ending the prior December 31.

9.3 Reviews. We have the right to review your business operations, in person, by mail, or electronically, and to inspect your operations and obtain your paper and electronic business records related to the Franchised Business and any other operations taking place through your Franchised Business. This includes the right to inspect and copy all tax returns and bank statements that may show revenues from the Franchised Business. We also have the right to require that you implement a plan to resolve issues that we discern from any review we conduct.

9.4 Time Frame to Furnish Documents. If, as part of a review of your business operations, we request a copy of any business records related to the Franchised Business, you must send us at your expense these records within five (5) business days of receiving our request.

9.5 Independent Access to Information. You agree that we have and that you will provide independent access to the information that will be generated or stored in your computer systems, which includes, but not limited to, customer, transaction, and operational information. You must at all times give us unrestricted and independent electronic access to your computer systems and information.

10. TERMINATION

10.1 Termination by You. You may terminate this Agreement by not renewing; that is by notifying us in writing of your desire to not renew at least 180 days prior to the expiration of this Agreement. If you terminate pursuant to this paragraph, you must still comply with all of the provisions of this Agreement that require performance post-termination.

10.2 Termination by Us. We may terminate this Agreement without notice and the opportunity to cure for any of the following reasons:

a) If you do not pass our initial training in accordance with our passing standards;

b) If you fail to obtain our approval of a site or open on time;

c) If you become insolvent, meaning unable to pay your bills in the ordinary course as they become due;

d) If you commit a material violation of any law, ordinance, rule, or regulation of a governmental agency or department reasonably associated with the operation of the Franchised Business or if you are convicted of, or plead guilty or no contest to a felony;

e) If you abandon the Franchised Business or discontinue the active operation of the Franchised Business for three or more business days, except when active operation is not reasonably possible, such as because of a natural disaster;

f) If you include a materially false representation or omission of fact in your Confidential Franchise Application to us;

g) If you or your principals commit any fraud or misrepresentation in the operation of the Franchised Business;

h) If you or your principals materially breach any other agreement with us or any of our affiliates, or threaten any material breach of any such agreement, and fail to cure such breach within any permitted period for cure;

i) You fail to pay suppliers an amount exceeding $3,000 for more than 60 days;

j) You fail to permit us to inspect or audit your franchise;

k) You fail to remain in good standing with your State's Department of Insurance or similar agency; or

l) If you commit two or more breaches of this Agreement, the Operations Manual, or any other agreement with us, in any 12-month period regardless of whether such breaches were cured after notice.

10.3 Termination by Us with Opportunity to Cure. We may terminate this Agreement, after sending you notice and an opportunity to cure within thirty (30) days, if:

a) You violate any other term or condition of this Agreement, the Operations Manual, or any other agreement with us; or

b) Any amount owing to us from you is more than 30 days past due.

10.4 No Refund of Initial Fee. We have no obligation to return or refund any fee to you upon termination of this Agreement.

11. POST TERMINATION OBLIGATIONS

If this Agreement expires, is not renewed, or is terminated for any reason by any party, including a sale of the Franchised Business, you must immediately:

a) Cease operating the Franchised Business and discontinue use of any aspects of our System or Confidential Information;

b) Stop identifying yourself as a franchisee of ours, discontinue using any of our Marks or any marks which are likely to be confused with our Marks, and assign social media pages with our marks on them to us;

c) Deliver to us the original and all copies, both paper and electronic, of the business records of your Franchised Business (retaining only such copies as you need for legal or tax purposes);

d) Pay to us all amounts owing to us;

e) At our request, assign to us all telephone numbers used in the Franchise Business;

f) Reimburse customers for any fees paid for services not yet rendered;

g) At our option, and upon our request, use your best efforts to assist in our taking over the lease of the location of your Franchised Business, whether it be through a new lease or assignment;

h) At our option, offer to us the right to purchase your furniture, equipment, signage, fixtures, and supplies within 30 days of the date of termination for the adjusted book value, which is the undepreciated book value of the assets on your most recently filed federal tax return prior to the date of the termination or expiration;

i) Deliver to us any paper and electronic copies of the Operations Manual and any Confidential Information;

j) Cancel all fictitious name or other listings which you have filed for use of any of the Marks;

k) Adhere to the provisions of any post-term covenants not to compete and not to solicit;

l) Abide by any other covenant in this Agreement that requires performance by you after you are no longer a franchisee; and

m) Execute, from time to time, any necessary papers, documents, and assurances to effectuate the intent of this Section 11.

12. NON-COMPETE AND NO SOLICITATION.

12.1 Non-Compete.

a) **In-Term**. You will not, during the Term of this Agreement, in the United States or its Territories, directly or indirectly offer insurance products or services except in the provision of such services through the Franchised Business, unless we grant you written permission otherwise

12.2 No Solicitation of Employees. You will not, in the Territory or within thirty (30) miles of the boundaries of the Territory, directly or indirectly, either during the term of this Agreement, or for a period of two years after its expiration or termination, (1) attempt to induce any employee of ours or an affiliate of ours to leave their employment; or (2) solicit any such employee to work for you or any entity you control which provides insurance products or services.

12.3 [Reserved]

12.4 Waiver of Bond. You agree that if we bring suit to enforce Sections 11, 12.1, 12.2, or 12.3 above, you agree to waive any requirement that we post bond to obtain a temporary, preliminary, or permanent injunction to enforce these duties.

12.5 Severability. If any covenant or provision of Section 12.1, 12.2, or 12.3 is determined to be void or unenforceable, in whole or in part, it shall be deemed severed and removed from this Agreement and shall not affect or impair the validity of any other covenant or provision. Further, these obligations are considered independent of any other provision in this Agreement and the existence of any claim or cause of action by either party to this Agreement against the other, whether based upon this agreement or otherwise, shall not constitute a defense to the enforcement of these obligations.

13. ADDITIONAL IN-TERM AND POST-TERM COVENANTS

13.1 Maintenance of Goodwill. You agree not to disparage us or our current and former employees, agents, members, or directors. During the term of this Agreement, you agree not to do any act harmful, prejudicial, or injurious to us.

13.2 Independent Contractor. You and we are independent contractors to each other. Neither you nor we is an agent, fiduciary, partner, employee, or a participant in a joint venture, and neither you nor we has the authority to hold out as such to third parties. You do not have any authority to bind or obligate us. We are not and will not be liable for any act, omission, debt, or other obligation of yours.

13.3 Indemnity. You are responsible for all loss or damage and for all contractual liability to third parties originating in or in connection with the operation of the Franchised Business and for all claims or demands for damage directly or indirectly related. You agree to defend, indemnify, and hold harmless us and our employees, officers, directors, and members with respect to any such claim, loss, or damage, including our costs and attorney fees.

14. TRANSFER

14.1 Assignment by Us. We may assign this Agreement to an assignee who agrees to remain bound by its terms. We do not permit a sub-license of the Agreement.

14.2 Transfer by You. You may transfer this Franchise Agreement, any interest under this Agreement, or substantially all the assets of the Franchised Business only if we approve, and you comply with the provisions in this Section 14. We shall not unreasonably withhold approval. If this Agreement is held by joint tenants or tenants in common, all joint tenants or tenants in common must join in any transfer of an ownership interest in this Agreement, except any person who is deceased or under a legal disability.

14.3 Transfer to a Controlled Entity. A "Controlled Entity" is an entity in which you are the beneficial owner of 100% of each class of voting ownership interest. A transfer to a Controlled Entity shall not trigger the Right of First Refusal, described in Section 14.6 below. At the time of the desired transfer of interest to a Controlled Entity, you must notify us in writing of the name of the Controlled Entity and the name and address of each officer, director, shareholder, member, partner, or similar person and their respective ownership interest. We do not charge a transfer fee for this change.

14.4 Transfer within an Entity. A transfer of interest within an entity shall not trigger the Right of First Refusal described in Section 14.6 below if only the percentage ownership, rather than the identity of the owners, is changing. Prior to the time of the desired transfer of interest within an entity, you must notify us in writing of the name and address of each officer, director, shareholder, member, partner or similar person and their respective ownership interest. Each such person of the Controlled Entity shall sign the then current amendment and release forms and/or Franchise Agreement as required by us, and you shall pay to us the applicable transfer fee specified in Section 4 above.

14.5 Conditions for Approval of Transfer. We may condition our approval of any proposed sale or transfer of the Franchised Business or of your interest in this Agreement upon satisfaction of the following occurrences:

14.5.1 You are current in all monetary obligations to us, our affiliates, and our designated/approved suppliers and vendors;

14.5.2 You are in full compliance with this Agreement;

14.5.3 You execute any transfer, amendment, or release forms that we may require;

14.5.4 You or the transferee will provide to us a copy of the proposed documents as we may request to evidence the transfer;

For a transfer under Section 14.2 above, all of the following conditions also apply:

14.5.5 The transferee must be approved by us and demonstrate to our satisfaction that s/he meets our educational, managerial and business standards; possesses a good moral character, business reputation and credit rating; has the aptitude and ability to conduct the business to be transferred; and has adequate financial resources and capital to meet the performance obligations under this Agreement;

14.5.6 The transferee must execute our then-current Franchise Agreement;

14.5.7 You or the transferee must pay to us the Transfer Fee specified in Section 4 above;

14.5.8 The transferee must satisfactorily complete our initial training program at the transferee's expense within the time frame we establish;

14.5.9 You must comply with the post-termination provisions of this Agreement;

14.5.10 The transferee must obtain within the time limits set by us and maintain thereafter, all permits and licenses required for operation of the Franchised Business;

14.5.11 To the extent required by the terms of any leases or other agreements, the lessors or other parties must have consented to the proposed transfer;

14.5.12 The transfer must be made in compliance with any laws that apply to the transfer, including state and federal laws governing the offer and sale of franchises;

14.5.13 The purchase price and terms of the proposed transfer are not so burdensome to the prospective transferee as to impair or materially threaten its future operation and performance under its franchise agreement;

14.5.14 You must request that we provide the prospective transferee with our current Franchise Disclosure Document;

14.5.15 Our approval of the transfer will not constitute a waiver of any claims we may have against the transferring party;

14.5.16 We will have the right to disclose to any prospective transferee such revenue reports and other financial information concerning the Franchised Business as you have supplied us hereunder; and

14.5.17 In any event, we may withhold or condition our consent to any transfer as we deem appropriate based on the circumstances of the transfer or otherwise.

14.6 Right of First Refusal. If you have received and desire to accept a signed, bona fide offer to purchase or otherwise transfer the Franchise Agreement, any interest in it, or substantially all the assets of the Franchised Business, you shall grant us the option (the "Right of First Refusal") to purchase the Franchised Business as provided here:

a) Within fourteen (14) days of receipt of the offer, you shall offer the Right of First Refusal to us by notice in writing, including a copy of the signed offer to purchase which you received ("Notice"). We shall have the right to purchase the Franchised Business or interest in the Franchised Business at and for the price and upon the terms set out in the Notice, except that we may substitute cash for any non-cash form of payment proposed and we shall have 60 days after the exercise of our Right of First Refusal to close the said purchase. Should we wish to exercise our Right of First Refusal, we will notify you in writing within 15 days from its receipt of the Notice. Upon the giving of such notice by us, there shall immediately arise between us and you, or its owners, a binding contract of purchase and sale at the price and upon the terms contained in the Notice.

b) If we do not exercise our Rights of First Refusal, you may transfer the Franchised Business or ownership interest therein according to the terms set forth in the Notice, provided that you satisfy the conditions in Section 14.5 above and complete the sale within 90 days from the day on which we received the Notice. If you do not conclude the proposed sale transaction within the 90-day period, the Right of First Refusal granted to us shall continue in full force and effect.

14.7 Our Purchase Option. Upon termination or non-renewal we may offer to buy out your franchise rights and business at 150% of that portion of the sales commissions we received during the preceding 12 months.

15. DEATH OR INCAPACITY

In the event of your death or incapacity, you, or your estate, as the case may be, must actively begin the process to seek a transfer of your rights under this Agreement within 60 days and must complete the transfer within 6 months of your death or incapacity. If you or your estate fails in either respect, then we may terminate this Agreement. The new Franchisee must pay the transfer fee specified above, meet our qualifications, complete initial training, and enter into a new Franchise Agreement. And we are entitled to reimbursement from you or your estate for any reasonable expenses incurred continuing Services from the date of your death or incapacity until transfer or termination. The term "incapacity" means a condition that prevents you from reasonably carrying out your duties under this Agreement.

16. MODIFICATION

No modifications to this Agreement will have any effect unless such modification is in writing and signed by you and by our authorized officer. We may, however, modify the provisions of the Manual, without your consent, as discussed in Section 5.

17. NON-WAIVER OF BREACH

The failure of either party to enforce any one or more of the terms or conditions of this Agreement shall not be deemed a waiver of such terms or conditions or of either party's rights thereafter to enforce each and every term and condition of this Agreement.

18. FULL UNDERSTANDING

This Agreement, including the schedules, is the entire agreement between the parties. This Agreement supersedes all other prior oral and written agreements and understandings between you and us with respect to the subject matter of this Agreement. Nothing in this or in any related agreement, however, is intended to disclaim the representations we made in the Franchise Disclosure Document we furnished to you.

19. GOVERNING LAW

19.1 Choice of Law. This Agreement is effective upon its acceptance in North Carolina by our authorized officer. Except as to claims governed by federal law, North Carolina law governs all claims that in any way relates to or arises out of this Agreement or any of the dealings of the parties ("Claims"). However, no laws regulating the sale of franchises or governing the relationship between franchisor and franchisee shall apply unless the jurisdictional requirements of such laws are met independently of this paragraph.

19.2 Jurisdiction and Venue. You and we agree that venue and jurisdiction for any Claims shall be proper solely in the state and federal court nearest to our corporate headquarters, presently located in Charlotte, North Carolina.

19.3 Jury Waiver. In any trial between any of the parties as to any Claims, you and we agree to waive our rights to a jury trial and instead have such action tried by a judge.

19.4 Class Action Waiver. You agree to bring any Claims, if at all, individually and you shall not join such claim with claims of any other person or entity or bring, join or participate in a class action against us.

19.5 Punitive Damages Waiver. As to any Claims, you and we agree to waive our rights, if any, to seek or recover punitive damages.

19.6 Limitation of Actions. You agree to bring any Claims against us, if at all, within one (1) year of the occurrence of the facts giving rise to such Claims, and that any action not brought within this period shall be barred as a claim, counterclaim, defense, or set-off.

19.7 Prior Notice of Claims. As a condition precedent to commencing an action for a Claim, you must notify us within thirty (30) days after the occurrence of the violation or breach, and failure to timely give such notice shall preclude any claim for damages.

19.8 Internal Dispute Resolution. You must first bring any Claim to our CEO, after providing notice as set forth in Section 19.7 above. You must exhaust this internal dispute resolution procedure before you may bring your Claim before a third-party.

19.9 Mediation. Before you may bring any Claim against us in court, you agree to try for a period of 60 days to mediate such claim before a mutually agreed to mediator in the city or county where our headquarters are located. If we can not mutually agree on a mediator, you and we agree to use the mediation services of the American Arbitration Association ("AAA"), and split any AAA and mediator fees equally.

19.10 Waiver of bond. You agree that if we are forced to bring suit to enforce any provision of this Agreement, you agree to waive any requirement that we post bond to obtain a temporary, preliminary, or permanent injunction to enforce these duties.

19.11 Attorney Fees. If we are the substantially prevailing party as to any Claims, you agree to reimburse our costs and attorney fees incurred in pursuing or defending the Claims.

19.12 Third Party Beneficiaries. Our officers, directors, members, shareholders, agents, and employees are express third-party beneficiaries of the terms of the Governing Law provisions contained herein.

19.13 Survival. All of the covenants contained in this Agreement that may require performance after the termination or expirations of this Agreement will survive any termination or expiration of this Agreement.

19.14 Severability Clause. If any covenant or provision in this Agreement is determined to be void or unenforceable, in whole or in part, it shall be deemed severed and removed from this Agreement and shall not affect or impair the validity of any other covenant or provision of this Agreement.

20. RELEASE OF PRIOR CLAIMS

By executing this Agreement, the undersigned entity, if any, and individuals, on behalf of yourselves and your heirs, legal representatives, successors and assigns, and each assignee of this Agreement, forever releases and discharges us, our past and present employees, agents, members, area developers, officers, and directors, including any of our parent, subsidiary and affiliated entities, their respective past and present employees, agents, members, officers, and directors, from any and all claims relating to or arising out of any franchise agreement between the parties executed prior to the date of this Agreement, and all other claims relating to any dealings between any of the parties. However, this release does not apply to any claim you may have arising from representations in our Franchise Disclosure Document, or its exhibits or amendments.

21. NOTICES

You shall give any required notice or request in writing by mail or courier, postage fully prepaid, delivered personally, or by facsimile, to our CEO, at our corporate office, presently 152 Kinderton Way East, Bermuda Run, North Carolina 27006. Telephone: (844) 377-8687. We may also give any such notice to you in the same manner at the address indicated below your signature on this Agreement, such other more current address as we may have for you, or by e-mail.

22. ACKNOWLEDGMENTS

You acknowledge that you have read our Franchise Disclosure Document and this Agreement and that you are familiar with their contents. You acknowledge that you have independently investigated the business offered hereunder and base your decision to purchase solely on such investigation. You acknowledge that we have recommended, and that you have had the opportunity to obtain, review of this Agreement and our Franchise Disclosure Document ("FDD") by your lawyer, accountant or other business advisor prior to execution. Except as may be stated in Item 19 of our Franchise Disclosure Document, you acknowledge that no person is authorized to make and no person has made any representations to you as to the actual, projected or potential sales, volumes, revenues, profits or success of our franchise. You further acknowledge and agree that you are not a third party beneficiary to any agreement between us and any other franchisee.

23. GUARANTY

The Franchisee named at the top of the following page agrees to abide by the terms of this Agreement. The signature of an individual or individuals as sole proprietors, joint tenants, or tenants in common constitutes their personal agreement to such terms. The signature of an individual or individuals on behalf of an entity constitutes the entity's agreement to such terms.

In addition, the signatures of all individuals below, in any capacity, also constitute their personal joint and several agreement to perform all the obligations in and relating to this Agreement, including, but not limited to, the obligations stated in **Paragraphs 11-13 above,** the obligation to make specified payments, and pay any other debts due to us. All Signators below waive any right to presentment, demand, notice of non-performance, or the right to require us to proceed against the other Signators.

Franchisee: ______________________________ **Entity Number:** __________

Type: ____________________ **(Sole Proprietor, LLC, Corp., Joint Tenants with Right of Survivorship ("JTROS"), Tenants in Common, Partnership).***

SIGNATORS:

By: ______________________________
(Signature)

____
(Printed Name)

Title: ______________________________

Address: ______________________________

____

Ownership Percent: _____ % (see note below)

By: ______________________________
(Signature)

____
(Printed Name)

Title: ______________________________

Address: ______________________________

____

Ownership Percent: _____ % (see note below)

By: ______________________________
(Signature)

____
(Printed Name)

Title: ______________________________

Address: ______________________________

____

Ownership Percent: _____ % (see note below)

By: ______________________________
(Signature)

____
(Printed Name)

Title: ______________________________

Address: ______________________________

____

Ownership Percent: _____ % (see note below)

SUNUP Insurance Services Inc.

By: ______________________________ Effective Date: ____________________
Todd Swicegood, CEO

***Joint Tenants with Right of Survivorship is typically for married couples and must be owned equally by each tenant, 50-50 for two owners, and if one spouse passes away, the other automatically receives the decedent's share. Tenants in common is normally for non-spouses and if one passes away, his or her share passes by will or state law to his or her heirs.**

SCHEDULE 1 TO THE FRANCHISE AGREEMENT
TERRITORY AND APPROVAL LOCATIONS

Your Approved Location shall be:

____

____

Your Territory shall be a 1-mile radius around the Approved Location.

SCHEDULE 2 TO THE FRANCHISE AGREEMENT

HOLDERS OF OWNERSHIP INTEREST IN THE FRANCHISEE

Please list ALL persons who hold any ownership interest in the franchisee:

***Please note per Section 14.2 of your Franchise Agreement, you may transfer your interest in the franchisee or any entity holding the franchise only if we approve**

Name:____________________________
Position/Title:________________________
Home Address:______________________
____
____
Telephone No.:______________________
E-mail address:______________________
Percentage of ownership: ________%

Name:____________________________
Position/Title:________________________
Home Address:______________________
____
____
Telephone No.:______________________
E-mail address:______________________
Percentage of ownership: ________%

Name:____________________________
Position/Title:________________________
Home Address:______________________
____
____
Telephone No.:______________________
E-mail address:______________________
Percentage of ownership: ________%

Name:________________________
Position/Title:____________________
Home Address:__________________
____
____
Telephone No.:__________________
E-mail address:__________________
Percentage of ownership ________%

Name:________________________
Position/Title:____________________
Home Address:__________________
____
____
Telephone No.:__________________
E-mail address:__________________
Percentage of ownership ________%

Name:________________________
Position/Title:____________________
Home Address:__________________
____
____
Telephone No.:__________________
E-mail address:__________________
Percentage of ownership ________%

Principal Owner: Your designated Principal Owner (pursuant to Section 6.9(b) of the Franchise Agreement) shall be:
Name:____
Percentage of ownership _________%
Primary Contact Phone Number: ____________________
E-mail Address: __________________________________
Primary Address: ________________________________
____
____

SCHEDULE 3 TO THE FRANCHISE AGREEMENT
STATE ADDENDA

CALIFORNIA ADDENDUM
TO THE FRANCHISE AGREEMENT

If any of the terms of the Franchise Agreement are inconsistent with the terms below, the terms below control.

1. The Franchise Agreement is modified to also provide that we defer collection of initial fees until after we have completed our initial obligations to you and the franchise is open for business.

2. Sections 10.2 and 10.3 are deleted and in their place are substituted the following:

10.2 Termination by Us Without Right to Cure. We may terminate this Agreement without notice and the opportunity to cure for any of the following reasons:

(a) The franchisee or the business to which the franchise relates has been judicially determined to be insolvent, all or a substantial part of the assets thereof are assigned to or for the benefit of any creditor, or the franchisee admits his or her inability to pay his or her debts as they come due;

(b) The franchisee abandons the franchise by failing to operate the business for five consecutive days during which the franchisee is required to operate the business under the terms of the franchise, or any shorter period after which it is not unreasonable under the facts and circumstances for the franchisor to conclude that the franchisee does not intend to continue to operate the franchise, unless such failure to operate is due to fire, flood, earthquake, or other similar causes beyond the franchisee's control;

(c) The franchisor and franchisee agree in writing to terminate the franchise;

(d) The franchisee makes any material misrepresentations relating to the acquisition of the franchise business or the franchisee engages in conduct which reflects materially and unfavorably upon the operation and reputation of the franchise business or system;

(e) The franchisee fails, for a period of 10 days after notification of noncompliance, to comply with any federal, state, or local law or regulation, including, but not limited to, all health, safety, building, and labor laws or regulations applicable to the operation of the franchise;

(f) The franchisee, after curing any failure in accordance with Section 10.3 engages in the same noncompliance whether or not such noncompliance is corrected after notice;

(g) The franchisee breaches the franchise agreement three or more times in a 12-month period, whether or not corrected after notice;

(h) The franchised business or business premises of the franchise are seized, taken over, or foreclosed by a government official in the exercise of his or her duties, or seized, taken over, or foreclosed by a creditor, lienholder, or lessor, provided that a final judgment against the franchisee remains unsatisfied for 30 days (unless a supersedeas or other appeal bond has been filed); or a levy of execution has been made upon the license granted by the franchise agreement or upon any property used in the franchised business, and it is not discharged within five days of such levy;

(i) The franchisee is convicted of a felony or any other criminal misconduct which is relevant to the operation of the franchise;

(j) The franchisee fails to pay any franchise fees or other amounts due to the franchisor or its affiliate within five days after receiving written notice that such fees are overdue; or

(k) The franchisor makes a reasonable determination that continued operation of the franchise by the franchisee will result in an imminent danger to public health or safety.

10.3 Termination by Us with Opportunity to Cure. We may terminate this Agreement, after sending you notice and a 60 day opportunity to cure, for any other breach of this Agreement.

Sections 11(f) concerning lease assignment is deleted

FRANCHISEE: **SUNUP Insurance Services Inc.**

By:__________________________

By:__________________________

By:__________________________
Todd Swicegood, CEO

Date:__________________________

ILLINOIS ADDENDUM
TO THE FRANCHISE AGREEMENT

If any of the terms of the Franchise Agreement are inconsistent with the terms below, the terms below control.

1. Illinois law governs the Franchise Agreement.

2. You agree to bring any claim against us, including our present and former employees and agents, which in any way relates to or arises out of this Agreement, or any of the dealings of the parties hereto, solely in arbitration before the American Arbitration Association in the city or county where our National Headquarters office is located.

3. 815 ILCS 705/41 provides as follows: "Sec. 41. Waivers void. Any condition, stipulation, or provision purporting to bind any person acquiring any franchise to waive compliance with any provision of this Act or any other law of this State is void."

4. The Franchise Agreement is modified to also provide that we defer collection of all initial fees until we have satisfied our pre-opening obligations to you and you have commenced doing business under the Franchise Agreement. The Illinois Attorney General's Office imposed this deferral requirement due to our financial condition.

FRANCHISEE:	**SUNUP Insurance Services Inc.**
By:________________________	By:________________________ Todd Swicegood, CEO
By:________________________	Date:________________________

MARYLAND ADDENDUM
TO THE FRANCHISE AGREEMENT

If any of the terms of the Franchise Agreement are inconsistent with the terms below, the terms below control.

1. A general release required as a condition of renewal, sale, and/or assignment/transfer shall not apply to any liability under the Maryland Franchise Registration and Disclosure Law.

2. Any claims arising under the Maryland Franchise Registration and Disclosure Law must be brought within 3 years after the grant of the franchise.

3. The acknowledgment or representations of the franchisee made in the Franchise Agreement which disclaim the occurrence or acknowledge the non-occurrence of acts that would constitute a violation of the Franchise Law are not intended to nor shall they act as a release, estoppel or waiver of any liability incurred under the Maryland Franchise Registration and Disclosure Law.

4. You may bring a lawsuit in Maryland for claims arising under the Maryland Franchise Registration and Disclosure Law.

FRANCHISEE:	**SUNUP Insurance Services Inc.**
By:________________________	By:________________________ Todd Swicegood, CEO
By:________________________	Date:________________________

MINNESOTA ADDENDUM
TO THE FRANCHISE AGREEMENT

If any of the terms of the Franchise Agreement are inconsistent with the terms below, the terms below control.

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

- With respect to franchises governed by Minnesota law, the franchisor will comply with Minn. Stat. Sec. 80C.14 Subds. 3, 4, and 5 which require (except in certain specified cases), that a franchisee be given 90 days' notice of termination (with 60 days to cure) and 180 days' notice for non-renewal of the franchise agreement and that consent to the transfer of the franchise will not be unreasonably withheld.

- The franchisor will protect the franchisee's rights to use the trademarks, service marks, trade names, logotypes or other commercial symbols or indemnify the franchisee from any loss, costs or expenses arising out of any claim, suit or demand regarding the use of the name.

  Minnesota considers it unfair to not protect the franchisee's right to use the trademarks. Refer to Minnesota Statutes 80C.12, Subd. 1(g).

- Minnesota Rules 2860.4400(D) prohibits a franchisor from requiring a franchisee to assent to a general release.

- The franchisee cannot consent to the franchisor obtaining injunctive relief. The franchisor may seek injunctive relief. See Minn. Rules 2860.4400J.

  Also, a court will determine if a bond is required.

The Limitations of Claims section must comply with Minnesota Statutes, Section 80C.17, Subd. 5.

FRANCHISEE:	**SUNUP Insurance Services Inc.**
By:__________________________	By:__________________________ Todd Swicegood, CEO
By:__________________________	Date:__________________________

NORTH DAKOTA ADDENDUM
TO THE FRANCHISE AGREEMENT

If any of the terms of the Franchise Agreement are inconsistent with the terms below, the terms below control.

1. You are not required to sign a general release upon renewal of the franchise agreement.

2. The franchise agreement is amended to also provide as follows:

> "Covenants not to compete are generally considered unenforceable in the State of North Dakota."

3. The provisions concerning choice of law, jurisdiction and venue, limitation of action, jury waiver, and waiver of punitive damages are hereby deleted and in their place is substituted the following language:

> "You agree to bring any claim against us, including our present and former employees, agents, and affiliates, which in any way relates to or arises out of this Agreement, or any of the dealings of the parties hereto, solely in arbitration before the American Arbitration Association."

4. North Dakota law governs any cause of action arising out of the franchise agreement.

5. Any requirement in the Franchise Agreement that requires you to pay all costs and expenses incurred by us in enforcing the agreement is void. Instead, the prevailing party in any enforcement action is entitled to recover all costs and expenses including attorney's fees

FRANCHISEE:	**SUNUP Insurance Services Inc.**
By:________________________	By:________________________ Todd Swicegood, CEO
By:________________________	Date:________________________

RHODE ISLAND ADDENDUM
TO THE FRANCHISE AGREEMENT

If any of the terms of the Franchise Agreement are inconsistent with the terms below, the terms below control.

1. If the franchise agreement contains any provisions that conflict with the Rhode Island Franchise Investment Act, the provisions of this Addendum shall prevail to the extent of such conflict.

2. Any provision in the franchise agreement restricting jurisdiction or venue to a forum outside of Rhode Island is void with respect to a claim otherwise enforceable under the Rhode Island Franchise Investment Act.

3. Any provision in the franchise agreement requiring the application of the laws of a state other than Rhode Island is void with respect to a claim otherwise enforceable under the Rhode Island Franchise Investment Act.

4. The Rhode Island Franchise Investment Act stipulates that you cannot release or waive any rights granted under this Act. Any provision of this franchise agreement, which constitutes a waiver of rights granted under the Act, is superseded.

5. You agree to bring any claim against us, including our present and former employees and agents, which in any way relates to or arises out of this Agreement, or any of the dealings of the parties hereto, solely in arbitration before the American Arbitration Association.

FRANCHISEE:	**SUNUP Insurance Services Inc.**
By:________________________	By:________________________ Todd Swicegood, CEO
By:________________________	Date:________________________

SOUTH DAKOTA ADDENDUM
TO THE FRANCHISE AGREEMENT

If any of the terms of the Franchise Agreement are inconsistent with the terms below, the terms below control.

1. The Franchise Agreement is clarified to also indicate that 50% of the initial franchise fee and 50% of royalties are deemed paid for the use of our Marks and 50% are deemed paid for our training, support, and franchise system.

FRANCHISEE:	**SUNUP Insurance Services Inc.**
By:__________________________	By:__________________________ Todd Swicegood, CEO
By:__________________________	Date:__________________________

WASHINGTON ADDENDUM
TO THE FRANCHISE AGREEMENT

If any of the terms of the Franchise Agreement are inconsistent with the terms below, the terms below control.

The state of Washington has a statute, RCW 19.100.180, which may supersede the franchise agreement in your relationship with the franchisor including the areas of termination and renewal rights of your franchise. There may also be court decisions that may supersede the franchise agreement in your relationship with the franchisor including the areas of termination and renewal of your franchise.

In any arbitration involving a franchise purchased in Washington, the arbitration site shall be either in the state of Washington, or in a place mutually agreed upon at the time of the arbitration, or as determined by the arbitrator.

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

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

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

The undersigned does hereby acknowledge receipt of this addendum.

FRANCHISEE:	**SUNUP Insurance Services Inc.**
By:__________________________	By:__________________________ Todd Swicegood, CEO
By:__________________________	Date:__________________________

WISCONSIN ADDENDUM
TO THE FRANCHISE AGREEMENT

If any of the terms of the Franchise Agreement are inconsistent with the terms below, the terms below control.

1. If the Franchise Agreement contains any provision that conflict with the Wisconsin Fair Dealership Law, the provisions of this Addendum shall prevail to the extent of such conflict.

2. The Franchise Agreement is amended to also include the following language:

   With respect to franchises governed by Wisconsin law, the Wisconsin Fair Dealership Law applies to most, if not all, franchise agreements and prohibits the termination, cancellation, non-renewal or the substantial change of the competitive circumstances of a dealership agreement without good cause. That Law further provides that 90 days' prior written notice of a proposed termination, etc. must be given to the dealer. The dealer has 60 days to cure the deficiency and if the deficiency is cured, the notice is void.

FRANCHISEE:

By:___________________________

By:___________________________

SUNUP Insurance Services Inc.

By:___________________________
Todd Swicegood, CEO

Date:___________________________

EXHIBIT C

PROMISSORY NOTES

EXHIBIT C
PROMISSORY NOTE- SOLE PROPRIETORSHIP, JOINT TENANTS, TENANTS IN COMMON

$____________________ Date ______________
Bermuda Run, North Carolina

For and in consideration of good and valuable consideration, the undersigned promises to pay to the order of SUNUP Insurance Services Inc. ["Holder"] at 152 Kinderton Way East, Bermuda Run, NC 27006 or at Holder's option, at such other place as may be designated from time to time by Holder, the amount stated above, together with interest at the rate of ____ percent (___%) per annum on the unpaid balance computed from the date provided above, payable as follows:

[insert repayment terms]

Interest under this Note will be calculated on the basis of a 360-day year consisting of twelve 30-day months.

The undersigned represents and warrants to Holder that the loan evidenced by this Note is being made for business, commercial or investment purposes. The undersigned may prepay this Note, in whole or in part, without penalty, at any time.

The undersigned agrees to pay all attorney fees and other costs and expenses that Holder may incur in connection with the collection or enforcement of this Note or the preservation or disposition of any collateral for the payment of this Note.

Each person liable on this Note in any capacity, whether as maker, endorser, surety, guarantor or otherwise, and any holder (collectively hereafter "Obligor"), waives the benefit of the homestead exemption and of all other exemptions available to him and also waives presentment, demand, protest, notice of dishonor and all other notices of every kind and nature to which he would otherwise be entitled under the applicable law. Each Obligor agrees that Holder may take any one or more of the following actions, on one or more occasions, whether before or after the maturity of this Note, without any notice to such Obligor, without any further consent to such actions, and without releasing or discharging such Obligor from liability on the Note: (a) any extension or extensions of the time of payment of any principal, interest or other amount due and payable under this Note; (b) any renewal of this Note, in whole or in part; (c) any full or partial release or discharge from liability under this Note of any other Obligor; (d) any waiver of any default under this Note or other agreement between the Lender and any Obligor relating to the indebtedness evidenced by this Note; or (e) any agreement with the Maker changing the rate of interest or any other term or condition of this Note.

TIME IS OF THE ESSENCE with regard to the payment of any amounts due under this Note and the performance of the covenants, terms and conditions of this Note.

Any one or more of the following shall constitute an event of default under this Note: (a) any default in the payment of any installment or payment of principal, interest, or other amounts due and payable under this Note; (b) the death, dissolution, merger, consolidation or termination of existence of any Obligor; (c) any default by Obligor in the performance of, or compliance with, any provision in this Note or other agreement, document or instrument to which any Obligor and Holder are parties; (d) any Obligor is unable to pay debts as they become due, or is or becomes insolvent or makes an assignment for the benefit of creditors; (e) any Obligor files or becomes the subject of any petition or other pleading for relief under the Federal bankruptcy laws or any state insolvency statute; or (f) a receiver is appointed for, or a writ or order of attachment, levy or garnishment is issued against, any Obligor or the property, assets or income of any Obligor.

If an event of default shall occur or if the undersigned shall fail to pay this Note in full at maturity, the entire unpaid balance of this Note and all accrued interest shall become immediately due and payable, at the option of Holder, without notice or demand to any Obligor. The remedies provided in this Note upon default and in other agreement between Holder and any Obligor are cumulative and not exclusive of any other remedies provided under any other agreement or at law or in equity.

Each Obligor hereby waives trial by jury in any action or proceeding to which such Obligor and Holder may be parties, arising out of, in connection with or in any way pertaining to, this Note. It is agreed and understood that this waiver constitutes a waiver of trial by jury of all claims against all parties to such action or proceeding, including claims against parties who are not parties to this Note. This waiver is knowingly, willingly and voluntarily made by each Obligor, and each Obligor hereby represents that no representations of fact or opinion have been made by any individual to induce this waiver of trial by jury and that each Obligor has been represented in the signing of this Note and in the making of this waiver by independent legal counsel, or has had the opportunity to be represented by independent legal counsel selected of its own free will, and that it has had the opportunity to discuss this waiver with its counsel.

The covenants, terms and conditions of this Note shall be binding upon the heirs, personal representatives, successors and assigns of each Obligor and shall inure to the benefit of Holder, its successors and assigns.

This Note shall be construed in all respects and enforced according to the laws of the State of North Carolina.

WITNESS the following signature(s) and seal(s):

______________________________	______________________________
Signature of Maker	Signature of Maker
______________________________	______________________________
Printed Name of Maker	Printed Name of Maker
Home Address:	Home Address:
______________________________	______________________________
______________________________	______________________________
______________________________	______________________________

EXHIBIT C
PROMISSORY NOTE- ENTITY

$____________________

Date ______________
Bermuda Run, North Carolina

For and in consideration of good and valuable consideration, the undersigned promises to pay to the order of SUNUP Insurance Services Inc. ["Holder"] at 152 Kinderton Way East, Bermuda Run, NC 27006, or at Holder's option, at such other place as may be designated from time to time by Holder, the amount stated above, together with interest at the rate of ____ percent (___%) per annum on the unpaid balance computed from the date provided above, payable as follows:

[insert repayment terms]

Interest under this Note will be calculated on the basis of a 360-day year consisting of twelve 30-day months.

The undersigned represents and warrants to Holder that the loan evidenced by this Note is being made for business, commercial or investment purposes. The undersigned may prepay this Note, in whole or in part, without penalty, at any time.

The undersigned agrees to pay all attorney fees and other costs and expenses that Holder may incur in connection with the collection or enforcement of this Note or the preservation or disposition of any collateral for the payment of this Note.

Each person liable on this Note in any capacity, whether as maker, endorser, surety, guarantor or otherwise, and any holder (collectively hereafter "Obligor"), waives the benefit of the homestead exemption and of all other exemptions available to him and also waives presentment, demand, protest, notice of dishonor and all other notices of every kind and nature to which he would otherwise be entitled under the applicable law. Each Obligor agrees that Holder may take any one or more of the following actions, on one or more occasions, whether before or after the maturity of this Note, without any notice to such Obligor, without any further consent to such actions, and without releasing or discharging such Obligor from liability on the Note: (a) any extension or extensions of the time of payment of any principal, interest or other amount due and payable under this Note; (b) any renewal of this Note, in whole or in part; (c) any full or partial release or discharge from liability under this Note of any other Obligor; (d) any waiver of any default under this Note or other agreement between the Lender and any Obligor relating to the indebtedness evidenced by this Note; or (e) any agreement with the Maker changing the rate of interest or any other term or condition of this Note.

TIME IS OF THE ESSENCE with regard to the payment of any amounts due under this Note and the performance of the covenants, terms and conditions of this Note.

Any one or more of the following shall constitute an event of default under this Note: (a) any default in the payment of any installment or payment of principal, interest, or other amounts due and payable under this Note; (b) the death, dissolution, merger, consolidation or termination of existence of any Obligor; (c) any default by Obligor in the performance of, or compliance with, any provision in this Note or other agreement, document or instrument to which any Obligor and Holder are parties; (d) any Obligor is unable to pay debts as they become due, or is or becomes insolvent or makes an assignment for the benefit of creditors; (e) any Obligor files or becomes the subject of any petition or other pleading for relief under the Federal bankruptcy laws or any state insolvency statute; or (f) a receiver is appointed for, or a writ or order of attachment, levy or garnishment is issued against, any Obligor or the property, assets or income of any Obligor.

If an event of default shall occur or if the undersigned shall fail to pay this Note in full at maturity, the entire unpaid balance of this Note and all accrued interest shall become immediately due and payable, at the option of Holder, without notice or demand to any Obligor. The remedies provided in this Note upon default and in other agreement between Holder and any Obligor are cumulative and not exclusive of any other remedies provided under any other agreement or at law or in equity.

Each Obligor hereby waives trial by jury in any action or proceeding to which such Obligor and Holder may be parties, arising out of, in connection with or in any way pertaining to, this Note. It is agreed and understood that this waiver constitutes a waiver of trial by jury of all claims against all parties to such action or proceeding, including claims against parties who are not parties to this Note. This waiver is knowingly, willingly and voluntarily made by each Obligor, and each Obligor hereby represents that no representations of fact or opinion have been made by any individual to induce this waiver of trial by jury and that each Obligor has been represented in the signing of this Note and in the making of this waiver by independent legal counsel, or has had the opportunity to be represented by independent legal counsel selected of its own free will, and that it has had the opportunity to discuss this waiver with its counsel.

The covenants, terms and conditions of this Note shall be binding upon the heirs, personal representatives, successors and assigns of each Obligor and shall inure to the benefit of Holder, its successors and assigns.

This Note shall be construed in all respects and enforced according to the laws of the State of North Carolina.

WITNESS the following signature(s) and seal(s):

Maker:______________________________
(Enter Name of Entity Here)

By:__________________________________

Printed Name:__________________________ Title:________________________

Guarantors:

____________________________	____________________________
Signature of Guarantor	Signature of Guarantor
____________________________	____________________________
Printed Name of Guarantor	Printed Name of Guarantor
Home Address:	Home Address:
____________________________	____________________________
____________________________	____________________________
____________________________	____________________________

Signature of Guarantor

Printed Name of Guarantor

Home Address:

Signature of Guarantor

Printed Name of Guarantor

Home Address:

EXHIBIT D

State Administrators and Agents for Service of Process

State	State Administrator	Agent for Service of Process
California	Department of Business Oversight Division of Corporations 320 West 4th Street Los Angeles, CA 90013 1515 K Street, Suite 200, Sacramento, CA 95814 1-866-275-2677	Department of Business Oversight Division of Corporations 320 West 4th Street Los Angeles, CA 90013
Connecticut	The Banking Commissioner The Department of Banking, Securities and Business Investment Division 260 Constitution Plaza Hartford, CT 06103-1800 Phone Number (860) 240-8299	The Banking Commissioner The Department of Banking, Securities and Business Investment Division 260 Constitution Plaza Hartford, CT 06103-1800 Phone Number (860) 240-8299
Hawaii	Commissioner of Securities of the State of Hawaii Department of Commerce and Consumer Affairs Business Registration Division Securities Compliance Branch 335 Merchant Street, Room 203 Honolulu, HI 96813 (808) 586-2722	Commissioner of Securities of the State of Hawaii Department of Commerce and Consumer Affairs Business Registration Division Securities Compliance Branch 335 Merchant Street, Room 203 Honolulu, HI 96813
Illinois	Office of Attorney General Franchise Division 500 South Second Street Springfield, IL 62706 (217) 782-4465	Illinois Attorney General Office of Attorney General Franchise Division 500 South Second Street Springfield, IL 62706
Indiana	Secretary of State, Securities Division 302 West Washington Street, Room E-111 Indianapolis, IN 46204 (317) 232-6681	Secretary of State, Securities Division West Washington Street, Room E-111 Indianapolis, IN 46204
Kentucky	Kentucky Attorney General 700 Capitol Avenue Frankfort, Kentucky 40601-3449 (502) 696-5300	
Maryland	Office of the Attorney General Securities Commissioner	Maryland Securities Commissioner

	200 St. Paul Place Baltimore, MD 21202 (410) 576-6360	200 St. Paul Place Baltimore, MD 21202-2020
Michigan	Department of Attorney General Consumer Protection Division – Franchise Unit 525 W. Ottawa Street G. Mennen Building Lansing, MI 48913 (517) 373-7117	Department of Attorney General 525 W. Ottawa Street G. Mennen Building Lansing, MI 48913
Minnesota	Minnesota Commissioner of Commerce 85 7th Place East, Suite 280 St. Paul, MN 55101-2198 (651) 539-1500	Minnesota Commissioner of Commerce 85 7th Place East, Suite 280 St. Paul, MN 55101-2198
Nebraska	Nebraska Department of Banking and Finance 1200 N Street-Suite 311 Post Office Box 95006 Lincoln, Nebraska 68509 (402) 471-3445	
New York	NYS Department of Law Investor Protection Bureau 28 Liberty St. 21st Floor New York, NY 10005 (212) 416-8236 Phone	New York Department of State One Commerce Plaza 99 Washington Avenue, 6th Floor Albany, New York 12231-0001 (518) 473-2492 Phone
North Dakota	Securities Commissioner North Dakota Securities Department 600 East Boulevard Avenue State Capital, Fifth Floor, Dept. 414 Bismarck, ND 58505-0510 (701) 328-4712	Securities Commissioner North Dakota Securities Department 600 East Boulevard Avenue State Capital, Fifth Floor, Dept. 414 Bismarck, ND 58505-0510
Rhode Island	Department of Business Regulation Securities Division John O. Pastore Complex 1511 Pontiac Avenue, Bldg. 69-1 Cranston, RI 02920 (401) 462-9588	Department of Business Regulation Securities Division John O. Pastore Complex 1511 Pontiac Avenue, Bldg. 69-1 Cranston, RI 02920 (401) 462-9588
South Dakota	Division of Insurance Securities Regulation 124 South Euclid, Suite 104 Pierre, SD 57501 (605) 773-3563	Division of Insurance Securities Regulation 124 South Euclid, Suite 104 Pierre, SD 57501
Texas	Secretary of State	

	Statutory Document Section P.O. Box 12887 Austin, TX 78711 (512) 475-1769	
Utah	Department of Commerce Division of Consumer Protection 160 East 300 South Salt Lake City, Utah 84111-0804 (801) 530-6601	
Virginia	State Corporation Commission Division of Securities and Retail Franchising 1300 E. Main Street Richmond, VA 23219 (804) 371-9051	Clerk of the State Corporation Commission 1300 East Main Street, 1st Floor Richmond, VA 23219
Washington	Securities Administrator Washington State Department of Financial Institutions 150 Israel Rd., SW Tumwater, WA 98501 (360) 902-8760	Securities Administrator Washington State Department of Financial Institutions 150 Israel Rd., SW Tumwater, WA 98501
Wisconsin	Wisconsin Department of Financial Institutions 345 West Washington Avenue Madison, WI 53703 (608) 266-8557	Wisconsin Department of Financial Institutions 345 West Washington Avenue Madison, WI 53703

EXHIBIT E
CONFIDENTIALITY AND NON-DISCLOSURE AGREEMENT

THIS CONFIDENTIALITY AND NON-DISCLOSURE AGREEMENT ("Agreement") is made on the date entered below between SUNUP Insurance Services Inc. ("Company") and the below named recipient ("Recipient").

WHEREAS, Company has or is about to undertake discussions with Recipient regarding a franchise business opportunity (the "Opportunity"); and

WHEREAS, in connection with the Opportunity, Company may grant to Recipient access to Confidential Information, which such Confidential Information, including its existence and terms, the Company does not want made public, except as may be required by law;

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

1. Definition. Confidential Information shall include all oral, written, and electronic information which is furnished by Company to Recipient in connection with the Opportunity and which is not available to the public, including but not limited to all business information, agreements, manuals, operating materials, and data.

2. Restricted Use. Recipient agrees that the Confidential Information will not be used or disclosed to any third-party except business advisors such as CPA's or attorneys with a need to know, or in response to a lawful summons, subpoena, or discovery request, without the express prior written consent of Company.

3. Injunctive Relief. Recipient acknowledges that the remedy at law for any breach by it of the terms of this Agreement shall be inadequate and that the damages resulting from such breach are not readily susceptible to being measured in monetary terms. Accordingly, in the event of a breach or threatened breach by Recipient of the terms of this Agreement, Company shall be entitled to immediate injunctive relief and may obtain a temporary order restraining any threatened or further breach. Nothing herein shall be construed as prohibiting Company from pursuing any other remedies available to Company for such breach or threatened breach, including the recovery of damages from Recipient. Recipient further represents that it understands and agrees that the provisions of this Agreement shall be strictly enforced and construed against it.

4. Non-Waiver. No failure or delay by Company in exercising any right, power or privilege hereunder will operate as a waiver thereof, nor shall any single or partial exercise thereof preclude any other or further exercise thereof or the exercise of any right, power or privilege hereunder.

5. North Carolina Law. This Agreement is effective upon its acceptance in North Carolina by Company's authorized personnel. North Carolina governs all claims that in any way relates to or arises out of this Agreement or any of the dealings of the parties ("Claims").

6. Jurisdiction and Venue. In any suit over any Claims, the parties agree to the sole and exclusive venue and personal jurisdiction in the state and federal court located nearest to our Company's National Office, presently located in Mocksville, North Carolina.

7. Jury Waiver. In any trial between any of the parties, as to any Claims, the parties agree to waive their rights to a jury trial and instead have such action tried by a judge.

8. Class Action Waiver. Recipient agrees that any Claim Recipient may have shall be brought individually and Recipient shall not join with claims of any other person or entity or bring, join or participate in a class action against Company.

9. Punitive Damages Waiver. In any Claim, the parties agree to waive their rights, if any, to seek or recover punitive damages.

10. Attorney Fees. In any Claim, in the event that Company is the prevailing party, Company shall be entitled to recover its costs and attorney fees.

IN WITNESS WHEREOF, the parties have executed this Confidentiality Agreement on the date below.

Recipient:	**SUNUP Insurance Services Inc.**
By:____________________	By:____________________ Todd Swicegood, CEO
By:____________________	Date:____________________

EXHIBIT F
AUTOMATIC BANK DRAFT AUTHORIZATION

ACH Origination Authorization

Please complete the following with your banking information and attach a voided check:

Company Name:____

Name of Financial Institution:____

Address of Financial Institution:______________________________________

Routing Number:____

Account Number:____

I hereby authorize SUNUP Insurance Services Inc. and the financial institution named above to initiate entries to my checking or savings accounts as identified above in accordance with the terms of my Franchise Agreement and, if necessary, to initiate adjustments for any transactions credited in error. This authority will remain in effect until I notify either SUNUP Insurance Services Inc. or the above-named financial institution in writing to cancel it in such time as to afford a reasonable opportunity to act on such instructions. I can stop payment of any entry by notifying the above-named financial institution at least 3 days before my account is scheduled to be charged. I can have the amount of an erroneous charge immediately credited to my account for up to 15 days following issuance of my statement by the above-referenced financial institution or up to 60 days after deposit, whichever occurs first.

Signature: ____

Printed Name of Person Signing: ______________________________

Title (if any):____

Application Date: ____

Telephone Number: ______________________________________

Applicant's Address: ____

____

EXHIBIT G
CLOSING ACKNOWLEDGEMENTS

You and we are preparing to enter into a Franchise Agreement. This Acknowledgement is to determine whether any statements or promises were made to you that we did not authorize or are untrue, inaccurate or misleading, to ensure you have been properly represented, and that you understand the limitations on claims you may make relating to your franchise. **You cannot sign or date this Acknowledgement the same day as the Receipt for the Franchise Disclosure Document. You must sign and date it the same day you sign the Franchise Agreement and pay your franchise fee.** Please review each of the following questions carefully and provide honest responses. If you answer "Yes" to any of the questions below, please explain your answer on the back of this sheet.

Yes__ No__ 1. Have you received and personally reviewed the Franchise Agreement and each attachment or schedule attached to it?

Yes__ No__ 2. Do you understand all the information contained in the Franchise Agreement?

Yes__ No__ 3. Have you received and personally reviewed the Franchise Disclosure Document we provided?

Yes__ No__ 4. Do you understand all the information contained in the Franchise Disclosure Document?

Yes__ No__ 5. Have you reviewed the Franchise Disclosure Document and Franchise Agreement with a lawyer, accountant or other professional advisor?

Yes__ No__ 6. Do you understand the risks of developing and operating this franchise?

Yes__ No__ 7. Do you understand that your investment involves substantial business risks and that there is no guarantee that your business will be profitable?

Yes__ No__ 8. Do you understand the success or failure of your franchise will depend in large part upon your skills, abilities and efforts and those of the persons you employ as well as many factors beyond your control such as competition, the economy, labor and supply costs and other relevant factors?

Yes__ No__ 9. Do you acknowledge that the success of your franchise in large part relies upon your ability as an independent business person and your active participation in the day to day operation of the business?

Yes__ No__ 10. Do you agree that no employee or other person speaking on our behalf has made any statement, promise, or agreement, that is contrary to or different from what is stated in the Franchise Disclosure Document and Franchise Agreement?

Yes__ No__ 11. Do you agree that no employee or other person speaking on our behalf made any statement or promise regarding the actual, average or projected profits or earnings, the likelihood of success, the amount of money you may earn, or the total amount of revenue you will generate, that is not contained in Item 19 of the Franchise Disclosure Document or that is contrary to, or different from, the information contained in Item 19 of the Franchise Disclosure Document, and that you have not made a decision to purchase your franchise based on any such representations?

Yes__ No__ 12. Do you understand that the Franchise Agreement and attachments to the Franchise Agreement contain the entire agreement between us and you concerning this franchise, meaning any prior oral or written statements not set out in the Franchise Agreement or the attachments to the Franchise Agreement will not be binding?

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

By signing below, you are representing that you have responded truthfully to the above questions.

____
Name of Applicant (please print)

____
Signature

Date: ______________________

<u>Explanation of any negative responses (Refer to Question Number):</u>

EXHIBIT H

CURRENT FRANCHISEES

The following is a list of the names of all Franchisees and the address and telephone number of each of their outlets as of the end of our most recently completed fiscal year.

Franchises for 2017						
First Name	**Last Name**	**Address**	**City**	**State**	**zip**	**Cell Phone**
Jay	Adkins	3545 Midway Dr #J	San Diego	CA	92110	858-888-2649
Kyle	Bolivar	400 Live Oak	Lafayette	LA	70503	337-257-1123
Phillip	Broussard	114 Woodhaven Rd	Youngsville	LA	70592	337-344-5652
Karen	Swicegood	152 Kinderton Way	Bermuda Run	NC	27005	336-978-4822
Richard	Henn	P.O. Box 415	Bunn	NC	27508	919-612-7058
Justin	McDaniel	13830 Ballantyne Corporate Place Suite 100	Charlotte	NC	28277-5405	704-692-1624
Mike	Hughes	3 Centerview Dr. Ste. 300	Greensboro	NC	27407	336-671-1865
Cindy	Fehr	5821 Heron's Blvd Unit A	Youngstown	OH	44515-5832	330-519-4778
Mark	Williams	123 S. Herlong Avenue	Rock Hill	SC	29715	803-524-3399
Luis	Flores	503 West Pena Street	Carrizo Springs	TX	78834	210-215-8832
StarShark		217 Heather Glen Dr.	Coppell	TX	75019	972-464-8594
Robert	Oncken	14007 Telge Road	Cypress	TX	77429	281-256-8310
Kether	Wilson	11737 Latania Lane	Fort Worth	TX	76244	817-692-7596
Salvador	Galdamez	1549 Campbell Rd	Houston	Tx	77055	832-964-5188
Darrell	Garcia	10551 Mills Road Ste. A	Houston	TX	77070	210-489-0372
Brandon	Herndon	10103 Fondren Rd Ste 340	Houston	TX	77096	713-659-0796
Rossemary	Keller	1120 N Shepard Drive	Houston	TX	77008	832-264-8164
Wendell	Phillips	3414 E. Pine Brook Way	Houston	TX	77059	281-488-5830
Paula	Sierra	10000 N. Elkridge Pkwy.	Houston	TX	77065	281-704-3472
Julio	Garcia	101 Plantation Drive Ste. A	Lake Jackson	TX	77566	832-991-0626
Andy	McKirahan	14875 Texas 29	Liberty Hill	TX	78642	512-966-5722
Sam	Prescott	1006 Aspen Lane	Mansfield	TX	76063	817-987-8343
Oscar	Villarreal	4803 Chrissie Dr	Pearland	TX	77584	713-775-8905
Ida	Mikus	1118 Overland Trail Dr	Richmond	TX	77406	832-451-7302
Lalo	Diaz	121 W. Main St., Ste B	Uvalde	TX	78801-5503	830-591-6900
Susan	Valdez	128 W. Main Street Ste. B	Uvalde	TX	77801	830-591-6496

Franchise Agreement Signed But Outlet Not Yet Open

None

EXHIBIT I

FORMER FRANCHISEES

The following is a list of Franchisees who had an outlet terminated, cancelled, not renewed or otherwise ceased to do business under the Franchise Agreement during the most recently completed fiscal year or who had not communicated with us within ten weeks of the date of the disclosure document issuance date. If you buy this franchise, your contact information may be disclosed to other buyers when you leave the franchise system.

Former Franchises						
First Name	**Last Name**	**Address**	**City**	**State**	**zip**	**Cell Phone**
Amer	Awad	224 Bullsboro	Newman	GA	30263	404-542-8929
Kim	Hastings	15912 Rosethorn Crt.	Cypress	TX	77429	832-746-9090

EXHIBIT K

Table of Contents to Operations Manual

EXHIBIT L
RELEASE

THIS RELEASE is made and given by ____, ("Releasor") with reference to the following facts:

1. Releasor and SUNUP Insurance Services Inc. (Releasee) are parties to one or more franchise agreements.

2. The following consideration is given:

   _______ the execution by Releasor of a successor Franchise Agreement or other renewal documents renewing the franchise (the "Franchise"); or

   _______ Releasor's consent to Releasee's transfer of its rights and duties under the Franchise Agreement; or

   _______ Releasor's consent to Releasee's assumption of rights and duties under the Franchise Agreement; or

   ____ [insert description]

3. Release- Franchisee and all of Franchisee's guarantors, members, employees, agents, successors, assigns and affiliates fully and finally release and forever discharge Releasee, its past and present agents, employees, officers, directors, members, Franchisees, successors, assigns and affiliates (collectively "Released Parties") from any and all claims, actions, causes of action, contractual rights, demands, damages, costs, loss of services, expenses and compensation which Franchisee could assert against Released Parties or any of them up through and including the date of this Release.

4. THIS IS A SPECIFIC RELEASE GIVING UP ALL RIGHTS WITH RESPECT TO THE TRANSACTIONS OR OCCURRENCES THAT ARE BEING RELEASED UNDER THIS AGREEMENT.

5. California Releasor- You represent and warrant that YOU EXPRESSLY WAIVE ANY AND ALL RIGHTS AND BENEFITS UNDER CALIFORNIA CIVIL CODE §1542, which provides as follows:

   A general release does not extend to claims which the creditor does not know or suspect to exist in his or her favor at the time of executing the release, which if known by him or her must have materially affected his or her settlement with the debtor.

6. The above Release shall not apply to any liabilities arising under the California Franchise Investment Law, the California Franchise Relations Act, Indiana Code § 23-2-2.5.1 through 23-2-2.7-7, the Maryland Franchise Registration and Disclosure Law, Michigan

Franchise Investment Law, Minnesota Franchise Act, North Dakota franchise laws, the Rhode Island Investment Act, and the Washington Franchise Investment Protection Act.

Franchisee:	**SUNUP Insurance Services Inc.**
By:____________________________	By:____________________________ Todd Swicegood, CEO
Printed Name:______________________	Date:____________________________
Title:____________________________	

EXHIBIT M
Area Representative Disclosures

The following constitutes disclosures about our Area Representatives as to Items 2, 3, 4, and 11:

Item 2 Business Experience

Alabama:

Jessica Smith, Area Representative. Jessica Smith has served as an Area Representative for us in Madison, Alabama since November 2017. From May 2001 to December 2017, Ms. Smith served as an Assistant District Manager for Farmers Insurance in Huntsville, Alabama.

California:

Debbie Nguyen, Area Representative. Debbie Nguyen has served as an Area Representative for us through Debbie Nguyen Insurance Agency, Inc. in San Diego, California since June 2017. Ms. Nguyen also served as the Owner of the Debbie Nguyen Insurance Agency, Inc. in Newport Beach, California from January 2007 through May 2017.

Louisiana:

Kyle Bolivar, Area Representative. Kyle Bolivar has served as an Area Representative for us though Epic Change, LLC in Lafayette, Louisiana since October 2016. Since October 2016 to the present, Mr. Bolivar has also served as a franchisee of ours in Lafayette, Louisiana. From January 2016 to October 2017, Mr. Bolivar served as a Sales Representative for Liberty Mutual in Lafayette, Louisiana. From September 2008 to December 2017, Mr. Bolivar served as the President of CajunDVD in Lafayette, Louisiana.

North Carolina:

Justin McDaniel, Area Representative. Justin McDaniel has served as an Area Representative for us in Charlotte, North Carolina since December 2016. From February 2016 until November 2016, Mr. McDaniel served as a Sales Representative for Liberty Mutual in Charlotte, North Carolina. From May 2015 until February 2016, Mr. McDaniel served as a Financial Planner for Prudential in Charlotte, North Carolina. From March 2000 until May 2015, Mr. McDaniel served as a Field Sales Leader for Allstate in Charlotte, North Carolina.

Ohio:

Cynthia Fehr, Area Representative. Cynthia Fehr has served as an Area Representative for us through Associates for Financial Solutions LLC in Austintown, Ohio since November 2016. From August 2010 until the present, Ms. Fehr has also served as the Owner of Associates for Insurance Solutions, LLC in Canfield, Ohio.

Texas:

Lalo Diaz, Jr., Area Representative. Lalo Diaz has served as our Executive Director since January 2017. Mr. Diaz has also served as an Area Representative for us in Uvalde, Texas since November 2016. From January 2015 until the present, Mr. Diaz has also served as a Justice of the Peace in Uvalde, Texas. From June 2014 until the present, Mr. Diaz has also served as the Owner of Uvalde Postal Express. From November 2010 until the present, Mr. Diaz has served as a Liberty Tax Service franchisee in Uvalde, Texas. From December 2009 until the present, Mr. Diaz has served as an Agent for Diaz Insurance Agency, Farmers Insurance, in Uvalde, Texas.

Julio Garcia, Area Representative. Julio Garcia has served as an Area Representative for us in Lake Jackson, Texas since November 2016. From October 2016 to the present, Mr. Garcia has also served as Agency Manager for Farmers Insurance in Lake Jackson, Texas. From February 2014 to September 2016, Mr. Garcia served as Chief Financial Officer for Pinnacle Dream Homes in Conroe, Texas. From May 2013 until January 2014, Mr. Garcia was self-employed for Julio Garcia Insurance in Austin, Texas. From July 2011 until April 2013, Mr. Garcia was a District Office Trainer for Farmers Insurance in Austin, Texas.

Rossemary Keller, Area Representative. Rosemary Keller has served as an Area Representative for us through Macoal Agency, LLC in Houston, Texas since September 2017. Prior to that, she was a homemaker.

Rob Lopez, Area Representative. Rob Lopez has served as the President of Insurance Services for us since August 2017. Mr. Lopez has also served as an Area Representative for us in Tomball, Texas since that same time. From December 2015 through August 2017, Mr. Lopez served as the National Sales Director for Greenway Insurance in Houston, Texas. From May 2010 through December 2015, Mr. Lopez served as the National Sales Director for Integra Insurance in Lufkin, Texas.

Ida Mikus, Area Representative. Ida Mikus has served as an Area Representative for us in Brazoria, Texas since November 2017. From August 2008 to the present, Ida Mikus has served as the Owner/ Agent of Ida Mikus Agency in Lake Jackson, Texas.

Robert Oncken, Area Representative. Robert Oncken has served as an Area Representative for us through Oncken Insurance Agency, P.C. in Cypress, Texas since February 2017. From December 2011 to the present, Mr. Oncken has also served as an Independent Agency Owner for Oncken Insurance Agency in Cypress, Texas. From October 2004 through December 2011, Mr. Oncken served as an Agency Owner for Allstate Insurance Company in Cypress, Texas.

Ken Peterson, Area Representative. Ken Peterson has served as an Area Representative for us through KCP Worldwide Ventures, LLC in Houston, Texas since January 2018. From February 2017 through December 2017, Mr. Peterson served as the National Sales Director for Disaster America. From July 2014 through November 2016, Mr. Peterson was the Owner of Storm Guard Restoration in Spring, Texas. From August 2007 through November 2013, Mr. Peterson served as Assistant Vice President then State Executive for Farmers in Insurance in Los Angeles, California and then Minneapolis, Minnesota.

Paula Sierra, Area Representative. Paula Sierra has served as an Area Representative for us in Houston, Texas since December 2017. From January 2016 through December 2017, Mr. Sierra served as a Life Specialist for Farmers Insurance in Houston, Texas. From January 2014 through January 2016, Ms. Sierra served as an Advertising Consultant for Hearst Media in Houston, Texas. From January 2000 through January 2014, Ms. Sierra served as an Advertising Consultant for Newspan Media in Houston, Texas.

Item 3 Litigation

No litigation is required to be disclosed in this Item.

Item 4 Bankruptcy

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

Item 11 Franchisor's Assistance, Advertising, Computer Systems, and Training

The Area Representatives listed above may offer certain assistance to you with respect to site selection and operational support.

EXHIBIT N
RECEIPT

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

If SUNUP Insurance Services Inc. offers you a franchise, we must provide this disclosure document to you 14 calendar days before you sign a binding agreement with, or make a payment to, us or an affiliate in connection with the proposed franchise sale.

Iowa requires that we give you this Disclosure Document at the earlier of the first personal meeting or 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.

Michigan requires that we give you this Disclosure Document at least 10 business days before the execution of any binding franchise or other agreement or the payment of any consideration, whichever occurs first.

New York requires that we give you this 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 we do not deliver this disclosure document on time or if it contains a false or misleading statement, or a material omission, a violation of federal law and State law may have occurred and should be reported to the Federal Trade Commission, Washington, D.C. 20580 and the state agency listed on Exhibit D.

The franchisor is SUNUP Insurance Services Inc. located at 152 Kinderton Way East, Bermuda Run, NC 27006.

Issuance Date: April 24, 2018.

The Franchise Seller for this offering is:
_X_ Todd Swicegood, 152 Kinderton Way East, Bermuda Run, NC 27006; (844) 377-8687

____ ____; ____________

We authorize the respective state agencies identified in Exhibit D to receive service of process for us in the particular state.

I have received a disclosure document dated April 24, 2018 that included the following Exhibits:
A. State Addenda to the Disclosure Document
B. Franchise Agreement
    Schedule 1- Territory and Approved Locations
    Schedule 2- Holders of Ownership Interest in the Franchise
    Schedule 3- State Addenda
C. Promissory Notes

D. List of State Administrators and Registered Agents
E. Confidentiality and Non-Disclosure Agreement
F. Automatic Bank Draft Authorization
G. Closing Acknowledgments
H. List of Current Franchisees
I. List of Former Franchisees
J. Financial Statements
K. Table of Contents of Operations Manual
L. Release
M. Area Representative Disclosures
N. Receipt

PROSPECTIVE FRANCHISEE:

____
Date you received this Disclosure Document

If an individual:

____
Signature

____
Printed Name

____
Address

____

______________________________ **(Telephone number)**

If a business entity:

____
Name of Business Entity

By: ______________________________
Signature

______________________________ /
Printed Name/Title

____
Address

____

______________________________ **(Telephone number)**

Please sign, date and retain this copy for your records.

EXHIBIT N
RECEIPT

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

If SUNUP Insurance Services Inc. offers you a franchise, we must provide this disclosure document to you 14 calendar days before you sign a binding agreement with, or make a payment to, us or an affiliate in connection with the proposed franchise sale.

Iowa requires that we give you this Disclosure Document at the earlier of the first personal meeting or 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.

Michigan requires that we give you this Disclosure Document at least 10 business days before the execution of any binding franchise or other agreement or the payment of any consideration, whichever occurs first.

New York requires that we give you this 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 we do not deliver this disclosure document on time or if it contains a false or misleading statement, or a material omission, a violation of federal law and State law may have occurred and should be reported to the Federal Trade Commission, Washington, D.C. 20580 and the state agency listed on Exhibit D.

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____ ____________________________________; ____________

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    Schedule 3- State Addenda
C. Promissory Notes

D. List of State Administrators and Registered Agents
E. Confidentiality and Non-Disclosure Agreement
F. Automatic Bank Draft Authorization
G. Closing Acknowledgments
H. List of Current Franchisees
I. List of Former Franchisees
J. Financial Statements
K. Table of Contents of Operations Manual
L. Release
M. Area Representative Disclosures
N. Receipt

____
Date you received this Disclosure Document

PROSPECTIVE FRANCHISEE:

If an individual:

____
Signature

____
Printed Name

____
Address

____

______________________________ **(Telephone number)**

If a business entity:

____
Name of Business Entity

By: ______________________________
Signature

____
Printed Name/Title

____
Address

____

______________________________ **(Telephone number)**

Please sign, date, and return this copy to us.