FRANCHISE DISCLOSURE DOCUMENT

PATERSON

The Paterson Center, LLC,
a Delaware limited liability company

PO Box 5386
Mooresville, NC 28117
Telephone: 336-345-3932
Website: www.patersoncenter.com
Email: guidesupport@patersoncenter.com

The Paterson Center, LLC ("we," "our," "Paterson," or "franchisor") offers the right to qualified individuals to establish and operate a franchised business that provides entrepreneurial training, leadership and business development products and services to business owners, executives and leadership teams utilizing our Paterson LifePlan® and/or StratOp® platforms, under the name "The Paterson Center", and which is comprised of our proprietary tools, products and training and facilitation materials, methods, techniques, practices, procedures and processes.

The total investment necessary to begin operation of a Paterson franchise is $20,000 to $107,130, depending on the type of licenses you seek (LifePlan, StratOp, or both). This includes $18,000 to $46,500 that must be paid to the franchisor or its affiliate(s).

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

You may wish to receive your disclosure document in another format that is more convenient for you. To discuss the availability of disclosures in different formats, contact Paterson via email at guidesupport@patersoncenter.com.

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

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

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

Issuance Date of this Disclosure Document: April 8, 2025.

How to Use This Franchise Disclosure Document

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

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

What You Need To Know About Franchising Generally

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

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

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

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

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

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

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

Some States Require Registration

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

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

Special Risks to Consider About *This* Franchise

Certain states require that the following risk be highlighted:

1. **Out-of-State Dispute Resolution.** The Franchise Agreement requires you to resolve disputes with the franchisor by mediation and/or arbitration only in the state and county where the franchisor is headquartered at the time such dispute arises, and any litigation only in the state where the franchisor is headquartered at the time the dispute arises. Out-of-state mediation, arbitration, or litigation may force you to accept a less favorable settlement for disputes. It may also cost more to mediate, arbitrate, or litigate with the franchisor in such state than in your own state. The franchisor is currently headquartered in the State of North Carolina, County of Iredell.
2. **Short Operating History.** The franchisor is at an early stage of development and has a limited operating history. This franchise is likely to be a riskier investment than a franchise in a system with a longer operating history.
3. **Sales Performance Requirement.** You must maintain minimum performance levels. Your inability to maintain these levels may result in termination of your franchise and loss of your investment.
4. **Mandatory Minimum Payments.** You must make franchise fee payments, regardless of your sales levels. Your inability to make the payments may result in termination of your franchise and loss of your investment.

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

NOTICE REQUIRED BY

STATE OF MICHIGAN

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

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

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

(b) A requirement that 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, logotype, advertising, or other commercial symbol in the same area subsequent to the expiration of the franchise or the franchisee does not receive at least 6 months advance notice of franchisor's intent not to renew the franchise.

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

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

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

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

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

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

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

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

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

If the Franchisor's most recent financial statements are unaudited and show a net worth of less than $100,000.00 the Franchisee may request the Franchisor to arrange for the escrow of initial investment and other funds paid by the Franchisee until the obligations, if any, of the Franchisor to provide real estate, improvements, equipment, inventory, training or other items included in the franchise offering are fulfilled. At the option of the Franchisor, a surety bond may be provided in place of escrow.

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

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

Any questions regarding this notice should be directed to the Department of Attorney General, Consumer Protection Division, Attn: Franchise Department, G. Mennen Williams Building, 1st Floor, 525 W. Ottawa Street, Lansing, MI 48909, (517) 335-7622.

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

NOTICE REQUIRED BY STATE OF NORTH CAROLINA

The State of North Carolina has not reviewed and does not approve, recommend, endorse or sponsor any business opportunity. The information contained in this disclosure has not been verified by the State. If you have any questions about this investment, see an attorney before you sign a contract or agreement.

NOTICE REQUIRED BY

STATE OF SOUTH CAROLINA

The State of South Carolina has not reviewed and does not approve, recommend, endorse or sponsor any business opportunity. The information contained in this disclosure has not been verified by the State. If you have any questions about this investment, see an attorney before you sign a contract or agreement.

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

The franchisor is The Paterson Center, LLC, doing business as "Paterson Center," which will be referred to as "we", "us", or "Paterson" in this Disclosure Document. "You" or "your" means the individual person that acquires the franchise from us and enters into a Paterson Center franchise agreement.

We are a Delaware limited liability company formed on March 16, 2023. We and our affiliates currently conduct business under our corporate name "Paterson Center". Our principal business address is PO Box 5386, Mooresville, NC 28117. Our telephone number is 336-345-3932 and our website is www.patersoncenter.com (collectively, with any future websites we create, the "Website").

Our current agent for service of process in Delaware is Capitol Services, Inc., located at 108 Lakeland Avenue, Dover, DE 19901. Our agents for service of process in each of the applicable franchise registration or filing states are disclosed in Exhibit D. If a state is not listed, we have not appointed an agent for service of process in that state in connection with the requirements of franchise laws. There may be states in addition to those listed in Exhibit D in which we have appointed an agent for service of process.

We began offering Paterson franchises as of July 17, 2023. You are required to purchase certain educational and instructive materials used in your Client sessions from us. Any other materials may be purchased wherever available.

Our affiliate, The Paterson Group, LLC, owns and operates businesses similar to the type you will be operating. We do not engage in any other business activities outside of operating the Paterson franchise system, the businesses referenced in the immediately preceding sentence and related business matters. We have not offered franchises in any other line of business.

Parent, Predecessors and Affiliates

Our parent company is Paterson Holdings, LLC, a Delaware limited liability company formed on April 21, 2008 ("Paterson Holdings"). The principal business address of Paterson Holdings is PO Box 5386, Mooresville, NC 28117.

Paterson Holdings owns the trademarks "StratOp"and "LifePlan" and the Intellectual Property described in Items 13 and 14 below. Paterson Holdings may assist us in delivering services such as training, professional development and business development coaching. Paterson Holdings may guarantee some or all of our obligations, as appropriate under the Franchise Agreement, as defined below.

Our principal operational affiliate is The Paterson Group, LLC ("Paterson Affiliate"), a Delaware limited liability company, formed on March 16, 2023. Paterson Affiliate is a wholly-owned subsidiary of Paterson Holdings. The principal business address of Paterson Affiliate is PO Box 5386, Mooresville, NC 28117. Paterson Affiliate has owned and operated businesses similar to the type you will be operating since its formation, offering training on the Paterson Process to Clients and may develop other functions.

We have never offered franchises in this or any line of business and do not currently provide products or services to franchisees except as described above.

Other than those described above, we have no predecessors or other affiliates that are required to be disclosed in this Disclosure Document.

The Franchise

We offer franchises for the establishment and operation of a business (the "Franchised Business") which provides Paterson related services (collectively, the "Services) and products (collectively, the "Products") that help entrepreneurs, business owners, leadership teams, and other customers and clients (collectively, the "Clients") achieve their business objectives. Our process (the "Paterson Process"), refined by over 40 years of proven success, is tailor-made to help individuals and teams gain the insight they need by prioritizing perspective over sheer speed and building insight upon insight to elevate collective wisdom.

The "Paterson Franchise System" consists of our Products and Services as well as our know-how, our distinctive and identifiable trade-dress and the specifications, information, policies, methods, controls, advertising and promotional programs, and procedures for operations, management and financial control all of which is identified by our trademarks "StratOp" and "LifePlan" and other names and marks, as further defined in Item 13), and other Intellectual Property we now or in the future may designate in writing for use in connection with the Paterson Franchise System which are described in more detail below in Item 13. We may periodically make changes to the Paterson Franchise System, including changes to the Services and Products offered (including StratOp and LifePlan) and our methods, tools, software, training materials and other requirements. You may have to make additional investments in the Franchised Business periodically during the term of the Franchise Agreement if those kinds of changes are made or for other reasons. To ensure that Clients receive the consistent quality of Services and Products associated with Paterson, all Franchised Businesses must be operated to Paterson Franchise System specifications and standards.

We currently categorize operating franchisees by license type (StratOp and/or LifePlan). An active, current franchisee is enabled to (i) deploy Paterson Services (LifePlan, StratOp, or both, as applicable), (ii) receive transcription services[1] from us or our affiliates, and (iii) receive access to our digital asset library, which includes sample client work, trainings, marketing material, and other resources.

Market and Competition

The market for entrepreneurial coaching, consulting or training services is competitive. Your competition will include individual independent contractors, consultants and executive trainers, offering business coaching services, leadership coaching and other competitive services and products. Your competition will also include local, regional, national and international businesses offering similar services to the Services and Products, some of which may be franchise systems. You will also compete with educational enterprises and institutions, peer-to-peer organizations, trade associations and similar organizations in the industries and geographic location where your clients operate that may not offer directly competitive Products or Services, but provide guidance and peer-to-peer networking services and cater to our clientele. Your ability to compete will depend on various factors, including the geographic region where your Franchised Business is located, general economic conditions, and your particular capabilities. In our experience, there is potential seasonality as we find more sessions occur between the months of September through December due to annual planning.

Industry Specific Laws and Regulations

[1] Transcription services involve converting photographs of analog charts into a digital format for later referral and use by you and your clients. Each step of Paterson Processes (LifePlan and StratOp) are facilitated using analog charts. Our staff then converts the chart into a digital format.

Many of the laws, rules, and regulations that apply to businesses generally, such as the Americans with Disabilities Act, Wage and Hour Laws, and the Occupational Safety and Health Act, also apply to coaching businesses like ours. There may also be industry specific laws and regulations that would affect the operation of your Franchised Business. These may include state or local licensing or regulatory requirements currently in effect or which may be adopted in the future relating to the operation of your Franchised Business in the state in which you operate, including, without limitation, any special licensing requirements. There may also be local, state or federal contracting laws that may apply to operating the Franchised Business. If you collect any payments from Clients via credit or debit card, you must comply with the Payment Card Industry Data Security Standard ("PCI DSS") established by major credit card brands to ensure that merchants like your Franchised Business securely store, process, and transmit customer credit information. Certain states or governmental authorities may have restrictions on the use of offering warranties or guarantees or requirements regarding oral or written contracts with Clients.

You must identify, research, and comply with any laws or regulations applicable to the operation of your Franchised Business. You should seek counsel or contact your state and local agencies for detailed information about applicable laws and regulations.

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ITEM 2
BUSINESS EXPERIENCE

Jason Baker, CEO and Partner. From 2017 to 2022, Jason served as Owner and Certified Paterson StratOp & LifePlan Guide of Performance Planning, LLC. Jason started working with Paterson Holdings, LLC, our parent company, in 2020 where he served as a Business Development Consultant until mid- 2021. From 2022 through today, Jason serves as Partner and Chief Executive Officer for Paterson.

Zach Miller, CFO and Partner. Prior to joining Paterson, Zach owned and operated a consulting firm, Onward Planning, LLC, which has a registered address of 164 Easton Drive, Mooresville, NC 28117, from 2018-2022 where he served clients using the StratOp process. From 2022 through today, Zach serves as Partner and Chief Operating Officer for Paterson.

Stacey Pearson, Chief of Client Success and Partner. From 2016 through 2020, Stacey Pearson served as a Director of StratOp Planning and a Principal StratOp Guide at Otter Products, LLC, which has a principal address of 209 S Meldrum St, Fort Collins, CO, 80521, US. From 2018 to 2022, Stacey served as Owner and Certified Paterson StratOp & LifePlan Guide of Spinnaker Strategy, LLC, which has a principal address of 5821 Red Bridge Dr, Timnath, CO, 80547. From 2022 through today, Stacey serves as Partner and Chief of Client Services for Paterson.

DeAnza Jarrett, President of Paterson Center. From 2014 to 2018, DeAnza served as Owner and Certified Paterson LifePlan Guide of Heart to Chart, LLC. DeAnza started as Vice President and a Principal LifePlan Guide in 2019 at Paterson Holdings, LLC. She continues to serve at Paterson Holdings as the President of Paterson Center and Principal LifePlan Guide.

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ITEM 3
LITIGATION

State of Washington Consent Order, Order No.: S-24-3772-24-CO01. Our affiliate, Paterson Holdings, LLC ("Holdings") that offers licenses to certain "Paterson" intellectual property, signed a Consent Order with the Washington State Department of Financial Institutions Securities Division (the "Division") on or about July 29, 2024, and it became effective on July 29, 2024, when it was executed by the Division. The Division alleged that during the period of June 2021 through July 2021, Holdings provided two (2) Washington persons with agreements that amounted to a franchise agreement under Washington state law without providing the persons a Franchise Disclosure Document ("FDD"). The Division concluded that Holdings' offer of franchises without registering as a franchise or filing a notice of exemption from registration with the Division violated RCW 19.100.020 and RCW 19.100.080, the franchise registration and FDD requirement sections of the Franchise Investment Protection Act, respectively, because it offered a franchise with no registration or exemption on file with the Division and because it did not offer the prospective franchisees an FDD at least 14 calendar days prior to any sale, respectively. Holdings neither admitted nor denied the findings of fact or the conclusions of law stated in the Consent Order. Holdings, on behalf of itself and its agents and employees, agreed to: (i) cease and desist from offering or selling franchises in violation of RCW 19.100.020 and RCW 19.100.080; and (ii) pay investigative costs in the amount of $750.

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ITEM 4
BANKRUPTCY

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

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ITEM 5
INITIAL FEES

Initial Franchise Fee

You must pay us an initial franchise fee that varies based on the Paterson Intellectual Property you will be trained to deploy (the "Initial Franchise Fee"). If you agree to be trained on LifePlan, the Initial Franchise Fee will be $15,000. If you agree to be trained on StratOp, the Initial Franchise Fee will be $30,000. If you agree to be trained on both Life Plan and StratOp, the Initial Franchise Fee will be $37,500. The Initial Franchise Fee covers the Membership Fee, as described below, for the first year after you sign the Franchise Agreement.

You will pay the Initial Franchise Fee either (i) in full at the time you sign your franchise agreement or (ii) in equal quarterly payments during the first year after you sign your franchise agreement. With exception for Existing Licensees, the Initial Franchise Fee is uniform as to all new franchisees, is deemed fully earned upon payment and, is in consideration of training and administrative and other expenses we incur in granting this franchise and therefore is nonrefundable under our franchise agreement. The Initial Franchise Fee does not apply to Existing Licensees. "Existing Licensees" means those persons with an existing relationship with us or our parent or our affiliates at the time of our restructuring our business model from a license-based business to a franchise-based business.

All other costs to complete training, including but not limited to travel, meals, office space and supplies, are at your own expense.

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ITEM 6
OTHER FEES

Type of Fee[1]	Amount	Due Date	Remarks
Membership Fee[2]	After your first year, you must pay us a non-refundable Membership Fee that varies based on the Paterson Intellectual Property you will be trained to deploy. You will pay an annual Membership Fee of (i) $6,000 to utilize LifePlan; (ii) $12,000 to utilize StratOp; or (iii) $18,000 to utilize both LifePlan and StratOp.	On the last business day of the calendar year or on a quarterly basis of the same year.	N/A
Royalty Fee	We may choose to implement a Royalty Fee on all revenue earned by your facilitation of LifePlan, StratOp, or follow-on work generated by either process. There will not be a Royalty Fee charged during the current term.	The Royalty Fee if implemented, would be due on a monthly basis within three weeks of the month the revenue was earned by you.	N/A
Brand Development Fund[3]	Not currently assessed.	Determined if and when the Brand Development Fund is established, likely would be payable on a monthly basis on the first of the month.	We reserve the right to establish the Brand Development Fund and increase its fee, in each case upon sixty (60) days' notice to you.

Conference Fee	Currently we do not have a conference fee ("Conference Fee").	Upon registration.	We may establish a Conference Fee, but we will limit the initial fee to no more than $2,000 per attendee and will not increase the fee more than once in any calendar year and any incremental fee increase will not exceed $500 per year. The Conference Fee does not include any associated expenses you may incur in attending, including travel, food and lodging expenses, and any connection fees for virtual events.
Accounting/Audit Fee	Cost and expenses of audit and any administrative expenses related to such audit.	When incurred.	We may audit your Franchised Business to confirm the veracity of your quarterly reports. If we determine that you understated revenue or made other misrepresentations and owe us additional amounts, then you will pay us a fee in the amount of the costs incurred by us within seven (7) days of us providing you written notice of such cost.
Interest on Overdue Amounts	The lower of 1.5% interest per month or the highest rate available by law on the past due amount.	First day of late period.	Interest is due on all overdue payments and begins to accrue thirty (30) days' after the original due date until payment is received in full.
Insurance Reimbursement[4]	The premium, plus 20% of the premium.	When incurred.	If you fail to maintain the required insurance, we have the right, but not the obligation, to procure insurance on your behalf and you must reimburse us the premium payment plus a fee of 20% of the premium to cover our costs.
Indemnification	Actual costs.	Date incurred.	You must reimburse us and/or our affiliate if we incur liability as a result of the operation of your Franchised Business.

Costs of Enforcement and Defense	Actual costs.	Date incurred.	You must pay our costs and attorneys' fees if we must take action to enforce your obligations to us.
Non-compliance cure costs and fee	Our out-of-pocket costs and internal cost allocation, plus up to 10%.	When billed.	We may cure your default on your behalf, and you will owe our costs plus a 10% administrative fee.
ACH/Credit Card Fees	Our then-current fees, currently $50 per incident, for cancelled payment/credit card declined or insufficient funds instances.	As incurred.	If a credit card payment is declined for any reason or if there are not sufficient funds in your account to permit us to debit the account for the payments you owe us, we may charge a fee per incident. As set forth in the termination provisions below, reoccurring late payments may be grounds for termination.
Reimbursement of Taxes	Will vary.	As incurred.	If sales and use or similar taxes are imposed or levied, then we reserve the right to pass along such costs to you. This does not include any responsibility to reimburse us for any of our income taxes.
Refresher Training	$500	Prior to any Refresher Training session.	If you do not facilitate at least one LifePlan or one StratOp per year, as applicable, you shall lose good standing. If you lose good standing, your License to utilize LifePlan or StratOp, as applicable, will be suspended and you will complete a refresher training ("Refresher Training") to regain good standing and lift the suspension of your License. See Item 11 for more information.

1. **Non-Refundable**. Except as otherwise stated below, all of the fees listed in this Item 6 are uniformly imposed by, payable to, and collected by us or our affiliates, and are non-refundable. We may waive or discount fees for certain equity holders, officers and directors of us or our affiliates as well as certain franchisees who provide support services for us in other capacities, or with others for other business reasons. The Item 6 table describes other recurring or isolated fees or payments that you must pay to us or our affiliates, or which we or our affiliates may impose or collect on behalf of a third party, in whole or in part.

2. **Membership Fee**. You must pay us a non-refundable membership fee that varies based on the Paterson Intellectual Property you will be trained to deploy (the "Membership Fee"), as set forth below.

The Membership Fee is due on the last business day prior to December 31st. We will also allow you to pay on a quarterly basis within the year that the Membership Fee is due. The Membership Fee in each case is not refundable under any circumstances. We reserve the right at any time to increase or decrease the Membership Fee on thirty (30) days' written notice to you, provided that we will not increase the Membership Fee more than once in any calendar year, and any incremental fee increase will not exceed $200 per month ($2,400 annually) during the Initial Term or the then-current Renewal Term of your Franchise Agreement. If you request, and we approve, your qualification as a different Licenseholder, then you will commence paying the then-current Membership Fee for the new License or combination of Licenses, as applicable, in the first full month after we approve the changed License designation.

Franchisees will pay an annual Membership Fee of (i) $6,000 to utilize LifePlan; (ii) $12,000 to utilize StratOp; or (iii) $18,000 to utilize both LifePlan and StratOp.

3. **Brand Development Fund**. We may establish a "Brand Development Fund." If we do, then you will begin paying the Brand Development Fund fee ("Brand Development Fund Fee") under the Franchise Agreement. We will provide you at least sixty (60) days' notice before implementing a Brand Development Fund Fee and we will limit the initial fee to no more than $100 per month. We will not increase the Brand Development Fund Fee, if established, more than once in a calendar year and any incremental fee increase will not exceed $100 per month ($1,200 annually) in any calendar year during the initial term of your Franchise Agreement. See Item 11 for more information on the Brand Development Fund. We may also establish or otherwise participate in cooperative or special marketing programs. Cooperative advertising or other special marketing programs may include select paid media or other advertising as a flat fee or minimum percentage of revenue. These cooperative or special marketing programs may vary in duration, apply on a local, regional, national, or international basis, or involve clusters or groups of franchisees utilizing services on a shared basis. Examples include sales and marketing programs and customer satisfaction programs. Programs may be optional for franchisees or we may require participation.

4. **Insurance Reimbursement.** If you fail to comply with our minimum insurance requirements, we have the right to obtain and maintain the requisite insurance coverage on your behalf and at your sole expense. You must pay us the premium cost of any insurance we obtain on your behalf plus an administrative fee equal to twenty percent (20%) of the premium cost for obtaining insurance on your behalf. We have the right to increase, or otherwise modify the minimum insurance requirements upon thirty (30) days' prior written notice to you and you must comply with any modification within the time specified in the notice.

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ITEM 7
ESTIMATED INITIAL INVESTMENT

YOUR ESTIMATED INITIAL INVESTMENT

Type of Expenditure[1]	Amount		Method of Payment	When Due	To whom payment is to be made
	Low	High			
Initial Franchise Fee[2]	$15,000	$37,500	Annually or Quarterly	On the date of signing the Franchise Agreement or divided equally across the first four calendar quarters following the signing date.	Us
Additional Costs to Attend Training[3]	$500	$2,000	As Arranged	As Arranged	Vendors
Computer Technology Hardware[4]	$500	$2,000	As Arranged	As Arranged	Vendors
Insurance[5]	$1,500	$3,000	As Arranged	As Arranged	Insurance Carriers
Miscellaneous 1st Year Expenses[6]	$1,500	$5,000	As Arranged	As Arranged	Vendors
Accounting and Professional Fees[7]	$1,000	$3,000	As Arranged	As Arranged	Attorneys, Accountants and Advisors
Additional Funds for First 6 Months of Operation[8]	$0	$54,630	As Arranged	As Needed	Vendors, Suppliers, Employees, Business Partners
TOTAL[9]	$20,000	$107,130			

Notes:

1. **Type of Expenditure**. Unless otherwise indicated, none of the expenses listed in the above

chart are refundable. You must check with suppliers as to the ability to obtain a refund of any amounts you pay.

2. **Initial Franchise Fee**. The Initial Franchise Fee will be (i) $15,000 if you agree to be trained on LifePlan, (ii) $30,000 if you agree to be trained on StratOp and (iii) $37,500 if you agree to be trained on both LifePlan and StratOp. See Item 5. You will pay the Initial Franchise Fee lump-sum on the date of your signing the Franchise Agreement or in equal payments across the first four calendar quarters following your signing the Franchise Agreement. This includes the fee to attend our Training, as defined herein, and the first year of Membership Fee. We reserve the right, in our sole discretion, to waive or reduce training fees for our Existing Licensees and those who may have recently attended and completed a Training.

3. **Additional Costs for you to attend Training**. This includes an estimate for travel, lodging, meals, and other costs for you to attend our Training in the first year. These costs will depend on the distance you must travel to attend these events and your travel vendors and accommodations.

4. **Computer Technology and Hardware**. This includes the cost to acquire a device (desktop, laptop or tablet) capable of accessing the Internet with a current version of Google Chrome, Microsoft Edge, Apple Safari or Firefox Internet browser to view training, report sessions and attend virtual meetings. Our computer system estimate includes the cost of purchasing a new computer and licensing required software. If you already own a device less than three years old which meets our specifications, your cost may be less. Additional information about the required computer system is included in Item 11.

5. **Insurance.** You must purchase general commercial liability insurance, errors and omission liability insurance and other insurance as we specify or required by applicable law (e.g., workers compensation insurance) or your lease agreement, should you rent space. See Item 8 for more details. Our estimates assume the annual premium for your insurance policies will be paid in full upon the purchase of these insurance policies.

6. **Miscellaneous First Year Expenses.** This includes business cards, client meals, and estimated conference room rental fees for holding sessions or meetings with clients for the first year of operations.

7. **Accounting and Professional Fees.** We anticipate that you will incur professional fees related to your evaluation of this Disclosure Document, including the Franchise Agreement and evaluating compliance obligations with any applicable laws or regulations as described in Item 1. In addition, you may form an entity for your Franchised Business, which will incur legal and administrative fees and expenses.

8. **Additional Funds for First 6 Months of Operation.** This item estimates your initial startup expenses (other than the items identified separately in the table) for the initial period of operation of your Franchised Business, which we anticipate will be three to six months. You will need additional capital to support ongoing expenses and possibly your cost of living to the extent these costs are not covered by sales revenue. Operating expenses might include payroll costs if your start up plan includes hiring support staff and/or paying yourself a salary. These figures are estimates and we cannot guarantee that you will not have additional expenses starting your Franchised Business. We relied on the extensive Guide experience of our officers

listed in Item 2 to compile these estimates. These estimates assume you will not rent or purchase space to operate your Franchised Business. Your costs under this item may be zero if your start up plan does not include hiring support staff, paying yourself a salary, a lease or purchase of real estate, or where your sales revenue exceeds costs. We allow you to work remotely or at home and no real estate is required by us to operate your Franchised Business.

9. **Total**. We relied on our affiliates' and principals' experience in developing and operating a Paterson business similar to the one offered under this Disclosure Document to compile these estimates. These estimates are also based on our general business experience and knowledge of the industry. We do not offer financing directly or indirectly for any part of the initial investment. Your ability to obtain third-party financing or the franchise purchase and business start-up depend on many factors, including the availability of financing generally, your creditworthiness and collateral and lending policies of financial institutions from which you request a loan.

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ITEM 8
RESTRICTIONS ON SOURCES OF PRODUCTS AND SERVICES

To ensure that we maintain a consistent brand image and consistent quality and service within the Paterson Franchise System, you must operate and develop your Franchised Business in strict conformance with our methods, standards and specifications and obtain certain supplies, inventory, and advertising materials in strict compliance with our specifications and only from us, our affiliates or the authorized manufacturers, distributors, suppliers, vendors, merchants or providers designated or approved by us. Our methods, standards and specifications (our "Franchise System Standards") are prescribed in the Franchise Agreement and our confidential operations manual(s), which we provide to you in the form of one or more manuals, Internet catalogues, technical bulletins or other written materials in hard copy, electronic or otherwise ("Operations Manual"). All Services, inventory, supplies, computer software and hardware, insurance, marketing components and techniques, customer service standards, and other supplies used in your Franchised Business must comply with our Franchise System Standards. We estimate that the costs set forth in Item 6 and Item 7 are proportionate to the cost of operating your Franchised Business.

We formulate and modify our Franchise System Standards based upon the collective experience of our franchisees, affiliates, and principals. We will disclose to you, in the Operations Manual or otherwise in writing, any specifications for the Services and the Products by designating approved brands, types, compositions, performance standards, qualities or suppliers. You must sell and offer for sale all Services required by us in the manner and method we require. You must not deviate from our Franchise System Standards without obtaining our prior written consent. You must discontinue selling and offering for sale any items and Services that we may disapprove in writing at any time. We may periodically change our Franchise System Standards at our sole discretion and we reserve the unlimited right to formulate, modify and supplement our Franchise System Standards for operating the Franchised Business. We will try to provide you with as much written notice as possible of any changes as they occur, which may include through mail, email, posting on our digital media, updates to the Operations Manual or by other means. You must implement all changes as soon as practical at your sole expense. You may incur increased costs to comply with our changes. We may also require you to occasionally participate in the test marketing of potential products and services.

You are required to procure prior to providing any Guide Services to Clients, and maintain at all times during the Term and, at your sole cost and expense, valid, effective and collectible commercial insurance coverage for your Franchised Business that is consistent with industry standards for business coaches, with at a minimum, the types and minimum coverage amounts and on the terms set forth in Exhibit K to this Disclosure Document. If you fail to comply with our minimum insurance requirements, we have the right to obtain and maintain the requisite insurance coverage on your behalf and at your sole expense. You must pay us the premium cost of any insurance we obtain on your behalf plus an administrative fee equal to twenty percent (20%) of the premium cost for obtaining insurance on your behalf. We have the right to increase, or otherwise modify the minimum insurance requirements upon thirty (30) days' prior written notice to you and you must comply with any modification within the time specified in the notice. If you believe that you should not be required to carry an identified type of insurance or otherwise comply with our minimum insurance requirements, you must submit a written waiver request and obtain a written waiver from Franchisor. Until such time as we notify you in writing of our waiver, you are obligated to comply with all minimum insurance requirements.

You are responsible for arranging a suitable space to host LifePlans or StratOps and purchasing your own supplies, including but not limited to items such as whiteboards, flip charts, and markers, to facilitate the hosting of LifePlans or StratOps. It is important that the environment in which these processes take place

is comfortable, professional, and conducive to introspective thought and discussion that can last for several hours. We may issue guidance, best practices, and training on hosting these events, but the ultimate responsibility lies with you to provide these resources. You may consider charging your clients for the use of facilitation space. We allow you to work remotely or at home and no purchase or lease of real estate is required by us to establish or operate your Franchised Business. We estimate that the cost of required purchases and leases in relation to all purchases and leases to be made by you to be zero percent (0%). Neither we nor our affiliates derive any income based on any required purchases or leases, including any required purchase or products or supplies, nor do we or our affiliates derive revenue, rebates, or other material consideration on any purchases or leases.

At this time, we do not have any Approved Suppliers, as defined below, or any intention to institute an Approved Supplier program. You have the flexibility to choose your own suppliers for the required materials and resources. We will not provide any material benefit to you based on your purchase of particular products or services or your use of designated or approved sources. We reserve the right, in the future and at any time, to require you to purchase certain additional items exclusively from us, our affiliates or unaffiliated vendors, merchants, or suppliers who sell and provide quality and reliable products and services and who we identify in the Operations Manual or otherwise in writing ("Approved Suppliers"). We will not negotiate purchase agreements, including price terms, with any Approved Suppliers for your benefit. No purchasing or distribution cooperatives exist. We reserve the right to modify these specifications and standards as deemed necessary. Any institution of an Approved Supplier program, or modifications or updates to the specifications of such a program, will be communicated to you and Approved Suppliers in a timely manner. If we institute an Approved Supplier program, no material benefit will be provided to you based on your use of such Approved Suppliers. Other than as described above, neither we nor our affiliates are an Approved Supplier, nor do any of our officers own an interest in any supplier, for any other items.

You must purchase or lease computer equipment, including hardware and software we specify, for your Franchised Business. We currently require you to have a computer (desktop or laptop) able to run the most current version of Google Chrome, Microsoft Edge, Apple Safari, or Firefox Internet browser (the "Computer System") in order to view training, report sessions, facilitate virtual sessions as needed, attend virtual meetings, and run our digital platforms, as may be updated from time to time. Computers should be less than three years old and have the most current version of its operating system, such as OSX or Windows. Your Computer System must have the capacity to submit to us reports through our cloud-based software containing information about the number of sessions held by your Franchised Business, revenue generated, average ratings and other information we require, all in the form prescribed in the Operations Manual which we may change from time to time upon notice. You must also have access to high-speed Internet to access our online systems and are responsible for all costs and expenses associated with your access, including connection charges. You may purchase your Computer System from any supplier, unless we designate a specific Approved Supplier. In the event we designate an Approved Supplier for any supplies, we will disclose the terms of any agreement with such Approved Supplier.

We may provide detailed specifications and standards that outline the requirements and expectations for conducting the franchise business. These specifications cover various aspects such as branding, operations, customer service, quality control, and any other relevant areas that are necessary for maintaining consistency and upholding our brand image.

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ITEM 9
FRANCHISEE'S OBLIGATIONS

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

Obligation	Section in Franchise Agreement	Disclosure Document Item
(a) Site selection and acquisition/lease	Not Applicable	Not Applicable
(b) Pre-opening purchases/leases	Not Applicable	Not Applicable
(c) Site development and other pre-opening requirements	Not Applicable	Not Applicable
(d) Initial and ongoing training	Sections 4, 5, 7 and 10	Items 5, 6, 7 and 11
(e) Opening	Not Applicable	Not Applicable
(f) Fees	Section 4, 6, 7, 8, 9, 10, 13, 14, 17 and 20	Items 5, 6, 7, 8 and 11
(g) Compliance with standards and policies/Operations Manual	Sections 1, 2, 5, 7, 8, 9, 10, 11, 14, 16 and 17	Items 8, 11, 14, and 15
(h) Trademarks and proprietary information	Sections 3, 7, and 9	Items 13, 14 and 15
(i) Restrictions on products/services offered	Sections 5.3, 8.1, 8.2 and 10	Items 8 and 16
(j) Warranty and customer service requirements	Section 10.10	Item 8
(k) Territorial development and sales quotes	Sections 5.2 and 5.3	Item 12
(l) On-going product/service purchases	Not Applicable	Not Applicable
(m) Maintenance, appearance, and remodeling requirements	Not Applicable	Not Applicable
(n) Insurance	Section 10.4	Items 6, 7, 8 and 17
(o) Advertising	Not Applicable	Not Applicable
(p) Indemnification	Sections 6.3, 10, 13 and 15	Item 6

(q)	Owner's participation/management/staffing	Sections 2.8, 6, 7.2, 10.3, 10.8, 10.15 and 10.16	Items 1, 11 and 15
(r)	Records and reports	Sections 4, 10, 14, 17 and 19	Item 6 and 17
(s)	Inspections and audits	Sections 10.10 and 14	Item 6
(t)	Transfer	Not Applicable	Not Applicable
(u)	Renewal	Section 2	Item 6 and 17
(v)	Post-termination obligations	Sections 13, 15, 16 and 17	Item 17
(w)	Non-competition covenants	Not Applicable	Not Applicable
(x)	Dispute resolution	Section 20	Item 17

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ITEM 10
FINANCING

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

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ITEM 11
FRANCHISOR'S OBLIGATIONS

Except as listed below, The Paterson Center, LLC is not required to provide you with any assistance.

Pre-Opening Obligations

Before you commence operations of your Franchised Business we or our designee will:

1. Provide you temporary access to our training platform and other applicable Paterson systems we own or control and make available to franchisees. (Section 7.2(f) Franchise Agreement). Your rights to use and access these systems will terminate on the termination or expiration of your Franchise Agreement.

Ongoing Assistance Obligations

1. Provide you with on-going updates of information and programs regarding your Franchised Business, Paterson and the Paterson Franchise System, including, without limitation, information about improvements or modifications to Paterson, special or new services or products which may be developed and made available to franchisees. (Section 7.2(a) Franchise Agreement).
2. Comply with all applicable laws, regulations and industry standard best practices with respect to processing, storage, handling, collection, use, transfer, and transmission of Client Data. (Section 8.3(c) Franchise Agreement).
3. Comply with all such data privacy and security requirements that we may require you to comply with from time to time pursuant to Section 8.3(b) of the Franchise Agreement and to exert our commercially reasonable efforts to prevent the unauthorized use, dissemination or publication of Client Data, subject in all instances to applicable laws. (Section 8.3(c) Franchise Agreement).

Optional Obligations

1. Periodically and in our sole discretion, make our employees or other designees (which may be other franchisees) available to you for advice and assistance with the on-going operation of the Franchised Business. (Section 7.2(d) Franchise Agreement).
2. We may, in our discretion, hold the Paterson Conference, continuing training and other programs, at such times and in such locations as we determine in our discretion. (Sections 5 and 7.2(i) Franchise Agreement).
3. We may, in our sole discretion, provide you with additional software or other technology services. If such products or services are offered, they may be offered to you at an additional cost and may not be mandatory to purchase. This is separate and apart services or products otherwise stated in this Disclosure Document. (Section 7.2(l) Franchise Agreement).

Time to Commence Operations

You must attend, and complete to our satisfaction, our Training within twelve (12) months of signing the Franchise Agreement. (Section 5.1 Franchise Agreement). We estimate that the time from the signing of the Franchise Agreement to commencing operations of the Franchised Business will be approximately thirty (30) days. This time may be shorter or longer due to (1) availability of Training after you sign the

Franchise Agreement, (2) availability and delivery of initial inventory and marketing materials, (3) your ability to complete your official online profile and provide required website content, including professional, high quality headshot(s), lifestyle photo(s) and video(s), and updating of social media accounts per our brand guidelines, and (4) the time needed to obtain permits, licenses, insurance and certifications necessary for the operation of the Franchised Business, as well as other factors. Prior to the opening of your Franchised Business, you must pay to us all amounts that are due and owing.

You must begin operating your Franchised Business within six (6) months after signing the Franchise Agreement. (Section 10.6 Franchise Agreement). You may not open your Franchised Business until (i) all amounts owed to us have been paid, (ii) you have provided to us proof of insurance coverage, (3) you complete our Training, (4) your website content is uploaded, as applicable; and (5) you satisfy any other requirements of new franchisees under the Franchise Agreement. We will reasonably extend the time to commence the operation of your Franchised Business for a period of up to sixty (60) days' if you are unable to despite your best efforts or for reasons beyond your control.

If you do not begin operating your Franchised Business within the timeframes specified above, we may terminate the Franchise Agreement. (Section 17.2(j) Franchise Agreement).

Marketing Approval Process

All your advertising, marketing and other promotional efforts that are in any way related to the Franchised Business and that include or otherwise identify any of the Marks, must conform to all provisions of the Franchise Agreement, our Franchise System Standards that we state in the Operations Manual or otherwise, our Brand Guidelines and any other Paterson branding guidelines and policies we prescribe from time to time. You must participate in all required marketing and sales promotion programs that we may authorize or develop for Franchised Businesses. All advertising, marketing and promotional efforts and/or materials, including any advertising and/or marketing plan or material used for advertising and marketing on the Internet and/or a worldwide web page, must be completely clear and factual and not misleading and conform to the highest standards of ethical advertising, and must be conducted in a dignified manner. You must promptly discontinue use of any advertising, marketing or promotional plans or materials on notice from us. We are under no obligation to provide assistance with your marketing efforts, including providing equipment, signs, fixtures or supplies, except as provided in this Franchise Disclosure Document and in the Franchise Agreement.

All use of any of the Marks must meet our Franchise System Standards as defined in the Operations Manual. (Section 9.1 Franchise Agreement.) We reserve the right to require you to include certain language in your local advertising materials, such as "Interested in becoming a Professional Paterson Guide" and our Website.

Real Estate

We allow you to work remotely or at home and no real estate is required by us to operate your Franchised Business. There is no obligation to purchase or lease real estate.

Grand Opening/Start-Up Promotion

There is currently no requirement that you engage in a specific grand opening or start-up promotion outside of regular marketing efforts, such as through social media, email marketing, and local networking and business resources. You are not required to spend any amount on grand opening or start-up promotions.

Local Marketing Requirement

There is currently no minimum requirement or spending for local marketing, however, you are permitted to conduct local marketing and advertising activities at your own cost and expense and create marketing co-ops with fellow franchisees, including sponsoring local peer groups. We may make certain marketing assets, including but not limited to customizable marketing collateral, available for utilization in these programs. There is no obligation to participate in a local or regional advertising cooperative.

Advertising Cooperative

There are currently no advertising cooperatives for the Franchise System. You are not currently required to join or participate in any local or region advertising cooperative; however, we may require that you participate in cooperative advertising or other special marketing programs in the future. Cooperative advertising or other special marketing programs may include select paid media or other advertising as a flat fee or minimum percentage of revenue. These cooperative or special marketing programs may vary in duration, apply on a local, regional, national, or international basis, or involve clusters or groups of franchisees utilizing services on a shared basis. Examples include sales and marketing programs and customer satisfaction programs. Programs may be optional for franchisees or we may require participation. All franchisor-owned businesses will be required to contribute or participate to on the same basis as the franchisees.

Social Media and Internet Advertising

You may wish to use Social Media Platforms (i.e., web-based platforms such as Facebook, X (formerly Twitter), LinkedIn or Instagram and other networking and sharing sites) or use Social Media Materials (i.e., any material on any Social Media Platform that makes use of our Intellectual Property, Marks, name, brand, products or your Franchised Business whether created by us, you or a third-party). You are required to comply with our Brand Guidelines and any other Paterson branding or social media guidelines and policies we prescribe from time to time. You must abide by all official Paterson Brand Guidelines and best practices, including the designation of your status as a franchisee. You must comply with the quality considerations and requirements for your official online profile as outlined in Section 8.2 of the Franchise Agreement.

Brand Development Fund

We currently do not have a Brand Development Fund (i.e., any national, regional, or international marketing fund) for the Paterson Franchise System, but we may form a Brand Development Fund in the future to promote Paterson, the Paterson Franchise System and/or its Services and Products and reserve the right to do so in the Franchise Agreement. If we form a Brand Development Fund, we anticipate that the terms will be consistent with those for marketing funds in other franchise systems, such as:

- you will be required to contribute to it;
- franchisor-owned businesses will be required to contribute to the Brand Development Fund on the same basis as the franchisees;
- our Brand Development Fund will be used for international, national and regional advertising, publicity and promotion relating to Paterson and the Paterson Franchise System;
- we will have the right to determine the manner in which the contributions to the Brand Development Fund are spent;
- we could use any form of media we determine is appropriate to conduct the advertising and may utilize an in-house advertising department or outside agencies;
- some portion of the Brand Development Fund may be used for creative concept production, website development, marketing surveys, test marketing and related purposes;
- we will have the right to direct all advertising activities with sole discretion over creative

concepts, materials and media used, as well as their placement and allocation;

- we will also have the right to determine, in our sole discretion, the composition of all geographic and market areas for the implementation of these advertising and promotional activities'
- we will have the right to reimburse ourselves out of the Brand Development Fund for the total costs (including indirect costs) of developing, producing and distributing any advertising materials and administering the Brand Development Fund (including without limitation, attorneys', auditors' and accountants' fees, salaries of in-house advertising personnel and outside advertising agencies and other expenses incurred in connection with collecting any Brand Development Fund Fees or other amounts);
- funds from the Brand Development Fund paid will be kept separate and distinct and will be accounted for separately from our other funds; these funds will not be used to defray any of our general operating expenses, except as described in the paragraph above; and
- any sums paid to the Brand Development Fund that are not spent in the year they are collected will carry over to the following year.

We anticipate that any Brand Development Fund we create would strive to maximize general public recognition in all media of the Marks and patronage of Paterson businesses. There will however never be any obligation to ensure that expenditures of the Brand Development Fund in or affecting any geographic area are proportionate or equivalent to contributions into the Brand Development Fund by franchisees operating in that geographic area or that any franchisees will benefit directly or in proportion to the amounts paid for the development of advertising and marketing materials or the placement of advertising. In the event that we create a Brand Development Fund, we will prepare audited financial statements of the Brand Development Fund each fiscal year and provide them upon your written request.

We will not require ourselves to spend any amount on advertising in any franchisee's area or territory, and no amount of the Brand Development Fund will be spent for advertising that is principally a solicitation for the sale of franchises, although we may retain the right to include "Franchises Available" or "Interested in becoming a Professional Paterson Guide" or similar language along with our contact information on all Brand Development Fund advertising. (Section 11 Franchise Agreement).

Although the Brand Development Fund would be created with the intention that it would be perpetual, we will reserve the right to terminate (and reinstate) the Brand Development Fund at any time; however, we would take steps to ensure that it would not be terminated until all monies in the Brand Development Fund were spent for advertising or promotional purposes or returned to contributors in accordance with the Franchise Agreement. (Section 11 Franchise Agreement).

Advisory Council

We do not have an advisory council at this time. We reserve the right to form an advisory council to assist us with various components of our System, including Services offered by Franchised Businesses, marketing and promotion, training, and other aspects of the Paterson Franchise System. If we create an advisory council, it will act in an advisory capacity only and will not have decision-making authority. We will have the right to form, change, merge and dissolve any advisory council at any time.

While the membership of any advisory council will be determined in our sole discretion, members will likely include our representatives and franchisee representatives however no franchisee will have the right to sit on any advisory council. If you are chosen and agree to participate in an advisory council, you will pay all costs and expenses you incur related to your participation and attendance at council meetings, including travel, lodging and meals.

Computer System

You must purchase or lease computer equipment, including hardware and software we specify, for your Franchised Business. We currently require you to have a computer (desktop or laptop) able to run the most current version of Google Chrome, Microsoft Edge, Apple Safari, or Firefox Internet browser (the "Computer System") in order to view training, report sessions, facilitate virtual sessions as needed, attend virtual meetings, and run our digital platforms, as may be updated from time to time. Computers should be less than three years old and have the most current version of its operating system, such as OSX or Windows. Your Computer System must have the capacity to submit to us reports through our cloud-based software containing information about the number of sessions held by your Franchised Business, revenue generated, average ratings and other information we require, all in the form prescribed in the Operations Manual which we may change from time to time upon notice. You may purchase your Computer System from any supplier, unless we designate a specific Approved Supplier. You must also have access to high-speed Internet to access our online systems, and are responsible for all costs and expenses associated with your access, including connection charges. (Section 8.1 Franchise Agreement).

We also provide franchisees with access to our digital resource library (the "Library"). Our Library is a resource containing sample client work, trainings, marketing material, and other resources and is included in your fees paid to us.

We anticipate that the initial cost of your Computer System will be between $500 and $2,000. If you already own computer and communications equipment which meets our specifications, your cost may be less. We currently do not require you to have a maintenance contract for your computer system, but we strongly suggest that you do so. You will keep your Computer System in good maintenance and repair and, at your expense, promptly make any and all additions, changes, modifications, substitutions, and/or replacements to your Computer System as we direct.

If you are in default of any obligations under the Franchise Agreement, we may, in addition to any other remedy we may have under the Franchise Agreement, temporarily inhibit your access to all or part of the Paterson related data contained within the Computer System, until you have cured such default completely. We will not have access to your hardware, but we will have independent access to certain software systems you are required to use. The data we will have access to includes data generated with each client and stored in a secured portal via Box software.

You must upgrade the Computer System, and/or obtain service and support, as we require or as is necessary because of technological developments or events. There are no contractual limitations on the frequency and cost of your obligation to obtain maintenance, updates or upgrades. We have no obligation to reimburse you for any of these costs. Unless we otherwise agree in writing, neither we nor any of our affiliates will provide you with any maintenance repairs, updates or upgrades for your computer system. (Section 8.1 Franchise Agreement). We estimate that you will spend between $0 and $2000 on an annual basis on the optional or required maintenance, support, upgrading and updating your computer system.

Confidential Operations Manual

Attached to this Disclosure Document, as Exhibits F and G, is the Table of Contents for our current LifePlan Operations Manual and StratOp Operations Manual, respectively, which are approximately 159 pages and 300 pages in length, respectively. The Operations Manuals are highly confidential, contain our trade secrets and you must use your best efforts to maintain its absolute confidentiality. The Operations Manuals remain our property, and any hard copies must be maintained in a safe place and returned upon request. We reserve the right to revise or modify the Operations Manuals to reflect new Franchise System Standards. You must accept and comply with such revisions, modifications and additions, which we may communicate to you

through written notification by mail, email, posting on our Website or otherwise. You must maintain a current copy of the LifePlan Operations Manual and StratOp Operations Manual, as applicable, at all times. You are prohibited from copying or distributing the Operations Manuals in any manner whatsoever. You must only use the information contained in the Operations Manuals to manage your Franchised Business and may not use such information for any other purpose. (Section 7.1 Franchise Agreement).

Training Program

We will provide you with approximately five to nine days of in-person initial training and up to 180 days of virtual training in our methods and techniques ("Training"), during which you will be considered a "Trainee." Prior to attending Training, you must have been a LifePlan client and pass a series of interviews, assessing your intent for training, professional background and experience, ability to acquire and retain clients, and align with the core values of Paterson. After these prerequisites, you will complete a 60-day online training through our online learning management system ("Phase 1") and acquire at least one LifePlan or StratOp client to serve after Phase 2 (the client may be served on a *pro bono* basis), defined below. You will then attend a 3 to 5 day in-person training ("Phase 2"). We will determine a five-day window, subject to instructor availability, for you to attend Phase 2 and provide you advance notice no later than your completion of Phase 1. After you complete Phase 2, you will have a one hundred twenty (120) day window to complete one to three LifePlans or StratOps ("Phase 3"). Additionally, we will grant you a six- month provisional license to deploy LifePlan or StratOp, as appropriate. Successful completion of Phase 2 of the training is a prerequisite before you can begin using the processes with clients. Trainees must complete LifePlans and StratOps in-person (not virtual) with their client, and you will not be able to proceed to Phase 4, as defined below, until you complete at least one LifePlan or StratOp. During Phase 3, you will receive extensive reviews on your work, given one-on-one feedback and access to coaching forums. There will also be four (4) cohort meetings during the 120-day period. At the end of such period, Trainees will reconvene for 3 to 5 days of in-person training ("Phase 4"), which will include advance techniques, introductory-level instruction for establishing a practice and developing a client base, to receive a license to practice LifePlan and StratOp. Upon completion of Phase 4, Trainees will be deemed "Paterson Guides" and will have a new provisional license to deploy LifePlan or StratOp, as applicable, until June 30th. The recently graduated Paterson Guide must renew the StratOp or LifePlan license by paying (i) the full annual fee if the provisional license expires on June 30th or (ii) half of the annual fee if the provisional license expires on December 31st. All new Paterson Guides will then renew their licenses at the full annual rate on the following July 1st. Training will occur as often as we have adequate class sizes and is required for all new Guides. You must attend, and complete to our satisfaction, our Training within twelve (12) months of signing the Franchise Agreement. Guides who are not in good standing must also complete Refresher Training.

THE TRAINING PROGRAM

Subject Taught	Hours of Classroom Training	Hours of On the Job Training	Location
LifePlan	56.0	65+	In-Person and Virtual
StratOp	64.0	48+	In-Person and Virtual
TOTAL HOURS[(1)]	**120**	**113+**	

Notes:

(1) Total hours are an estimate for Trainees completing both the LifePlan and StratOp Training.

We reserve the right to amend, modify, supplement, vary and/or delete any portion of the contents of our training programs.

Currently, in-person training sessions are locating in learning spaces sufficient to accommodate approximately fifteen (15) Trainees and three (3) instructors and virtual trainings are hosted via Zoom. Our instructors have been facilitating StratOp or LifePlan for over eight (8) years each and have at least fifty (50) repetitions of each process. Our instructional materials include our operating manuals, which contain step-by-step instructional write-ups of each sub-step of LifePlan or StratOp, as applicable. Material covered includes a picture of the required chart, transition points, key talking points of the

facilitator, and tips. The above and additional information are also available via our online learning management system.

In addition to our Training, we may also conduct other seminars or hold annual meetings or conferences from time-to-time for the benefit of all franchisees whose attendance may or may not be mandatory. You must pay for the expense of salaries, travel, meals, lodging, and miscellaneous expenses of you attending such seminars, meetings or conferences, unless we provide written notice otherwise.

Refresher Training

We require you to conduct at least one LifePlan and / or one StratOp per year, as applicable. If you do not facilitate at least one LifePlan and / or one StratOp per year, as applicable, you shall lose good standing. If you lose good standing, your License to utilize LifePlan or StratOp, as applicable, will be suspended and you will be required to complete a refresher training ("Refresher Training") to regain good standing and lift the suspension of your License. In connection with Refresher Training, we require a nonrefundable fee of Five Hundred Dollars ($500) to be paid in full prior to your attendance. The Refresher Training can occur virtually or in person, and is subject to our, our parent's, or our affiliates' guide availability, as determined by us, regardless of the Refresher Training's format. If you are at risk of losing good standing, we will notify you ninety (90) days prior to your potential loss of good standing, provided however, that any failure of ours to provide you such notice will not waive your loss of good standing.

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ITEM 12
TERRITORY

Given the nature of the Franchised Business, we do not grant franchises for specific locations nor do we grant protected or exclusive territories. You will not receive an exclusive territory. You may face competition from other franchisees, from outlets that we own, or from other channels of distribution or competitive brands that we control. We will not compensate you for soliciting or accepting orders for the Services. Neither we nor any of our affiliates operates or plans to operate or franchise business under a different trademark that will sell similar goods or services as you.

You are permitted to offer and sell applicable Products and the Services anywhere in the world, subject to applicable law and our reservation of certain rights described below and in the Franchise Agreement. You may conduct sessions in-person or virtually, in each case in accordance with our Franchise System Standards.

Because we do not grant franchises for specific locations or grant protected or exclusive territories, there are no provisions in the Franchise Agreement for modification of territorial rights, nor do we have any restrictions on the relocation of any leased or session space. However, our Website currently lists franchisees geographically, so if you do look to relocate, you should notify us so we can update this information accordingly. Franchisees may only designate locations where they actively operate their Franchised Business in accordance with our policies and procedures that are in effect from time to time and can update their locations from time to time with our approval.

Unless specifically agreed with you in writing, our grant of the Franchised Business does not include any option or promise to allow you to purchase any additional franchises whether by option, right of first-refusal or similar right. You may acquire other Paterson Franchises, provided however that you continue to meet our requirements and maintain proficiency in serving clients.

You have the right to use other channels of distribution, such as the Internet, catalog sales, telemarketing, or other direct marketing, to make sales outside of your geographic area. We, our parent and our affiliates reserve the right to use other channels of distribution, such as the Internet, catalog sales, telemarketing, or other direct marketing sales, to make sales within or around your geographic area using our principal trademarks and other trademarks different from the ones you will use under the Franchise Agreement.

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ITEM 13
TRADEMARKS

You receive the right to use the names "StratOp," "Paterson," and "LifePlan" which are the primary Marks used to identify our Franchise System. You may use any current or future Mark in connection with the operation of your Franchised Business that we designate in writing and in the manner we permit, including the logo on the front page of this Disclosure Document and the Marks listed below. By "Marks" we mean the trade names, trademarks, service marks and logos used to identify Paterson and our Products and Services.

The Marks contain marks registered (the "Registered Marks") with the United States Patent & Trademark Office ("USPTO") and marks with current applications for registration pending (the "Pending Marks") with the USPTO. The following is a list of the principal Marks we may authorize you to use. Paterson Holdings owns all of these Marks listed below. This list does not include all of the Marks Paterson Holdings owns, or that may be used in your Franchised Business, and we may add or subtract from this list from time to time.

Registered Marks	Registration No	Registration Date
Paterson LifePlan	4862276	02/06/2015
StratOp	4849735	11/10/2015
LifePlan	5304262	10/10/2017
Paterson Logo	7667611 7701669	01/28/2025 02/25/2025

We or our parent have filed appropriate documentation for the Registered Marks. Following registration of any Pending Marks, and at the appropriate times, the appropriate parties intend to renew the registrations and to file all appropriate affidavits.

We have the right to the use and sublicense the Marks as well applicable copyrights, patents, know-how and trade secrets owned and developed by Paterson Holdings (including any intellectual property developed by us, the "Intellectual Property"), under a license agreement between us and Paterson Holdings (the "License Agreement"). On July 14, 2023, Paterson Holdings licensed to us a worldwide non- exclusive right to use, and sublicense the use of, the Marks, Intellectual Property and System in connection with the offer, sale and operation of Paterson businesses. The License Agreement is for a term of 99 years unless Paterson Holdings or we terminate the license. We will sub-license to you the right to use the Marks to operate your Franchised Business upon the terms of your Franchise Agreement.

With the exception of the License Agreement, there are no agreements currently in effect which significantly limit our rights to use or sub-license the use of the Marks in a manner material to your Franchised Business. There are no currently effective adverse material determinations of the USPTO, the Trademark Trial and Appeal Board, the trademark administrator of any state or any court, nor are there any pending infringement, cancellation or opposition proceedings or material litigation against us or our affiliates, involving the Registered Marks.

We may occasionally add additional trademarks for use with Paterson Franchised Businesses which may not be federally registered, and those additions will be considered part of the Marks, will be licensed to

you, and will be subject to the restrictions discussed below. If additional trademarks do not have a federal registration, those trademarks would not have many legal benefits and rights as those available for a federally registered trademark. If our right to use such a trademark is challenged, you may have to change to an alternative trademark, which may increase your expenses.

Use of the Marks.

You must follow our rules when you use the Marks. You may not use the Marks as part of your corporate or any other legal name unless we authorize such use in writing in advance. We must approve your business entity name and all fictitious names under which you propose to do business in writing before use. You must identify yourself using your name either alone or a fictitious name that is in accordance with our Franchise System Standards, as allowed or required under applicable law. You must promptly register your fictitious or assumed name at the state office as provided for by the laws of the state in which your Franchised Business is located and/or if required at the office of the county in which your Franchised Business is located, as doing business under any such assumed business name as allowed under applicable law. You cannot use any Mark in connection with the performance or sale of any unauthorized services or products or in any other manner we have not expressly authorized in writing.

We or our affiliates are the lawful and sole owner of the domain name www.patersoncenter.com. In addition to our restrictions, you may not register any of the Marks now or in the future owned by us or any abbreviation, acronym or variation of the Marks, or any other name that could be deemed confusingly similar, as Internet domain names. Except as we may authorize in writing in advance, you cannot (i) link or frame our Website or (ii) create or register any Internet domain name that contains or references us in such domain name.

You may use only the Marks which we designate and only for the operation of the Franchised Business or in advertising for the Franchised Business, and may use them only in the manner we authorize and permit. Any goodwill associated with the Marks, including any goodwill which might be deemed to have arisen through your operation of the Franchised Business, inures directly and exclusively to the trademark owner's benefit. You must use all Marks without prefix or suffix and in conjunction with the symbols "SM," "®,"or "™" as instructed by us.

We are not aware of any superior prior rights or infringing uses that could materially affect your use of our principal Marks in any state; however, a federal trademark registration does not necessarily protect the use of the concerned trademark against a prior user. Therefore, before entering into the Franchise Agreement, you should make every effort to confirm that there are no existing uses of the Marks or confusingly similar marks being used where you wish to do business. You should immediately notify us of any confusingly similar marks you discover.

Infringements.

You must notify us immediately of any apparent infringement or challenge to your use of any Mark, or of any claim by any person of any rights in any Mark or Intellectual Property, and you may not communicate with any person other than us, our attorneys and your attorneys in connection with any infringement, challenge or claim. We or our parent, in our sole judgment, may take any action that we deem appropriate and we have the right to control exclusively any litigation, USPTO proceeding or any other administrative proceeding arising from any infringement, challenge or claim or otherwise relating to any Mark or Intellectual Property. You must sign any instruments and documents, provide assistance and take any action that, in the opinion of our attorneys, may be necessary or advisable to protect and maintain our interests in any litigation or USPTO or other proceeding or otherwise to protect and maintain our interests in the Marks

or Intellectual Property. The Franchise Agreement requires us to participate in your defense and/or indemnify you for expenses or damages if you are a party to an administrative or judicial proceeding involving a Mark or Intellectual Property licensed to you by us or if the proceeding is resolved unfavorably to you provided that you have used such Mark or Intellectual Property in compliance with the Franchise Agreement. We or our parent will defend all of our Intellectual Property, including but not limited to:

LifePlan

- LifePlan Objectives
- 4 Helpful Lists
- Turning Points
- Turning Point Profile
- Turning Point Learnings
- Talent-Heart Assessment
- Thinking Wavelength
- Internal Wiring
- Replenishment Cycle
- Life Dashboard - Pathway (center)
- Life Dashboard - Vital Signs (right)
- Life Dashboard - Risk/Constraint Pyramid (left)
- Life Perspective Filter
- Vocational Gating
- The WIN Wheel
- Life Initiatives Profile

StratOp

- StratOp Process
- Thinking Wavelength
- Turning Points (T.P.)
- T.P. Profile
- T.P. Learnings
- 4 Helpful Lists
- Internal Patterns & Trends
- External Patterns & Trends
- Life Cycle Analysis
- Fountain of Youth
- Opportunity-Risk Analysis
- Market Saturation
- Opportunity Map
- Strategic Control Panel
- Our Primary Customer (P.C.)
- Our P.C.'s Values
- Value Building Cycle
- Vision
- The WIN Wheel
- Action Initiatives Profile
- Situational Analysis (Train)
- Action Initiative Plan (Train)

Changes to the Marks.

If we determine that it becomes advisable for us and/or you to modify or discontinue the use of any Mark and/or use one or more additional or substitute trade or service marks, you must comply with our directions within seven (7) days after receiving notice. You will pay the expense of changing any materials used in the operation of your Franchised Business. Further, we will not be obligated to reimburse you for any loss of revenue attributable to any modified or discontinued Mark or for any expenditure you make to promote a modified or substitute trademark or service mark.

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ITEM 14
PATENTS, COPYRIGHTS AND PROPRIETARY INFORMATION

Patents.

We do not currently own any issued patents which are material to the Franchised Business.

Copyrights.

We or our parent claim copyrights in all our materials subject to copyright protection, including but not limited to the Operations Manual, the Website, Product and Service materials, training and session materials, advertising materials and related items used in operating the Franchised Business (the "Copyrighted Materials"). The License Agreement described in Item 13 provides us with the right to use, license and sublicense the Copyrighted Materials.

The following is a list of the principal Copyrighted Materials we may authorize you to use. Paterson Holdings owns all of these Copyrighted Materials listed below. This list does not include all of the Copyrighted Materials the Paterson Affiliate owns, or that may be used in your Franchised Business, and we may add or subtract from this list from time to time. We may further register, develop, change, cancel, enhance or modify Copyrighted Materials at any time. We have registered some, but not all, of the Copyrighted Materials with the United States Registrar of Copyrights.

Registered Name	Registration No.	Registration Date
LifePlan Objectives Outline	TX 8-458-045	09/30/2015
LifePlan Videos	Pau 3-800-979	02/15/2016
StratOp Process Outline	TX 8-458-047	09/30/2015
Marketplace StratOp Videos	Pau 3-800-980	02/15/2016
Church StratOp Process Outline	TX 8-458-046	09/30/2015
Church StratOp Videos	Pau 3-800-978	02/15/2016

There currently are no effective determinations by, pending proceedings with, the Copyright Office (Library of Congress) or any court regarding any of the Copyrighted Materials which limit our rights to use or authorize franchisees to use any Copyrighted Materials in a manner material to your Franchised Business. Nor are there any agreements with unaffiliated third parties currently in effect which significantly limit our right to use or authorize franchisees to use the Copyrighted Materials. Furthermore, there are no infringing uses actually known to us which could materially affect a franchisee's use of the Copyrighted Materials in any state. We are not required by any agreement to protect or defend Copyrighted Materials or confidential Information, as defined herein, although we intend to do so when this action is in the best interests of the Paterson Franchise System. During the term of your Franchise Agreement, you are granted the right to use certain of our Copyrighted Materials only for the operation of the Franchised Business or in advertising for the Franchised Business, and only in the manner we authorize and permit.

Confidential Information

Our Confidential Information includes the Operations Manuals; the Training Manuals; Franchise System Standards; information related to our Services and Products; methods for operating, managing, developing, performing, or coordinating aspects of the Franchised Business; recruitment, training, marketing or compensation methods; Client names and lists; referral sources; billing and collection methods; pricing strategies; financial information; business plans and other information about us, our affiliates and information about our Approved Suppliers; strategic partners, vendors, employees, and independent contractors and any other information we deem confidential (collectively, the "Confidential Information"). You may not use our Confidential Information in an unauthorized manner and must take reasonable steps to prevent its disclosure to others.

You may never – during the initial term, any renewal term, or after the Franchise Agreement expires or is terminated – reveal any of our Confidential Information or any other materials, goods and information created or used by us and designated for confidential use within the Paterson Franchise System to another person or use it for any purpose other than to operate your Franchised Business. You may not copy any of our Confidential Information or give it to a third party except as we authorize in writing. You must limit access of your employees and any others who help support your Franchised Business to Confidential Information used in connection with the Paterson Franchise System on a need to know basis. We may, periodically and in our sole discretion, amend the contents of the Operations Manuals and your confidentiality obligations will extend to these amendments. You may only share access to Paterson Confidential Information with your employees or other persons affiliated with your Franchised Business on a strict need to know basis. We may however require that such other persons and employees affiliated with your Franchised Business sign our then-standard form confidentiality agreement; however, you are ultimately responsible for ensuring confidentiality of Paterson Confidential Information that you share with any such employees or other third person, directly or by providing access to any Paterson system.

All ideas, concepts, techniques and other newly developed information or materials relating to the Franchised Business ("Information"), whether or not constituting protectable intellectual property, and whether created by or on behalf of you, must be promptly disclosed to us, will be considered our property and part of our System and will be considered to be works made-for-hire for us. You assign the Information to us under the Franchise Agreement, and you must sign whatever documents we request to evidence our ownership or to assist us in securing intellectual property rights in these ideas, concepts, techniques or materials. We may, in our sole discretion determine whether you will receive any form of compensation or consideration in exchange for ideas, concepts, and techniques and other newly developed information or materials relating to the Franchised Business which you develop. We make no guarantees that you will be entitled to any form of compensation for such Information.

Client Data

All information, mailing lists, Client information and databases of Client Data from whatever source derived, will, at our request, and in any event when provided by you to us, be our property. You must enter all Client Data and information accurately into our systems as outlined in the Operations Manual and failure to do so could result in termination of your Franchise Agreement. You may not use such information, except in connection with your Franchised Business in accordance with the Franchise Agreement and the Operations Manual. You also may not use, process, copy, display, publish, store or transfer the Client Data without our express written approval. You must comply with all applicable laws with respect to Client Data; in addition, you must comply with all data privacy and security requirements we may establish from time to time and to exert commercially reasonable efforts to prevent the unauthorized use, dissemination, or publication of Client Data, subject in all instances to applicable laws. You will promptly notify us if you become aware of or suspect any unauthorized access to the Client Data, or if you become the subject of any governmental, regulatory or other enforcement or private proceeding relating to your data handling

practices of Client Data. You agree in the Franchise Agreement to indemnify us for all third-party claims related to your use of Client Data.

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

You must sign the Franchise Agreement personally as the "Franchisee" under the Franchise Agreement and participate personally in the direct operation of the Franchised Business. You may use an Operating Entity in connection with the operation of your Franchised Business. You may have other owners, operators, or managers, for your Franchised Business or Operating Entity, but such individuals may not be a Guide or provide Guide Services to Clients, and such individuals will not attend, or be required to successfully complete, our training program unless they choose to become a Guide. There is no requirement that an on-premise supervisor must have an interest in a franchisee business entity. You must disclose to us any such passive owners, operators, managers, or on-site supervisors.

Franchisees must devote their best efforts to the Franchised Business operations under the Franchise Agreement. You must notify us promptly if you cannot continue to serve as the Guide of your Franchise.

Any personnel, owners, operators, managers or any other person assisting in providing the Services or Products or working on behalf of the Franchised Business and who has access to the Operations Manual, Client Data or other Paterson Confidential Information must sign our then-standard confidentiality agreement agreeing to maintain the confidentiality of Confidential Information. You must promptly notify us of the names of any personnel or any other person who has access to the Operations Manual, Client Data or other Paterson Confidential Information.

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ITEM 16
RESTRICTIONS ON WHAT THE FRANCHISEE MAY SELL

We understand that our franchisees are successful, abundance minded entrepreneurs that may engage in other opportunities during their term as a franchisee. While we do not require our franchisees to be full-time operators and therefore understand they may engage in outside opportunities, those opportunities must not violate the restrictive covenants in the Franchise Agreement. You may offer any goods or services in addition to LifePlan and/or StratOp (as applicable) and the related materials, concepts, and instruction (the "Paterson Processes"), provided however that you comply with such restrictive covenants, including but not limited to not altering or modifying Paterson Processes, as we strive to maintain their integrity and effectiveness.

We have the right to change the types of authorized Products and Services, and there are no limits on our right to do so, although we will provide you with notice when changes become effective.

Subject to applicable law, we may periodically set a maximum or minimum price that you may advertise for the Services and Products offered by your Franchised Business. If we impose a maximum advertised price for any Service or Product, you may not advertise a higher price for the Service or Product than the maximum advertised price we impose. If we impose a minimum advertised price for any Service or Product, you may not advertise a lower price for such Service or Product than the minimum advertised price we impose. Further, you must comply with any advertising policy we adopt which may prohibit you from advertising any price for a Service or Product that is different than our suggested retail price.

We place no other restrictions on where or to whom you may provide Paterson Processes.

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ITEM 17
RENEWAL, TERMINATION, TRANSFER AND DISPUTE RESOLUTION

THE FRANCHISE RELATIONSHIP.

This table lists 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	2.2	Three (3) year term ending on December 31st of the third full calendar year following your signing of the Franchise Agreement.
b. Renewal or extension of the term	2.3	For our franchise system, "renewal" means that as a franchisee, after completing the required training and certification, you have the option to pay the annual fee associated with your membership. This payment grants you the right to deploy our IP if you are in good standing and we are still in the business of offering and selling new Paterson franchises.
c. Requirements for franchisee to renew or extend	2.3	Requirements include: (i) you provide us the prior notice required in the Franchise Agreement; (ii) you complete, to our satisfaction all maintenance and upgrading necessary we require; (iii) you are in good standing; (iv); you satisfy all monetary obligations you owe us and our affiliates; (v) you execute our then-current form of Franchise Agreement; (vi) you satisfy our then-current requirements for new franchisees and our training requirements (including the currency requirement detailed in Item 11); (vii) you and your applicable co-owners sign a general release ; and (viii) we are still in the business of offering and selling new Paterson franchises. The then-current standard Franchise Agreement may contain materially different terms and conditions than your original Franchise Agreement.

d. Termination by franchisee	17.1	You may terminate at any time with 60 days' prior written notice. You may also terminate prior to registering for Training with at least 10 days' prior written notice. To do so, you and your applicable co-owners must execute a full release and you must be in good standing and pay your *pro rata* fees until your

		termination date. Except as described above, you are not entitled to any refunds of any fees.
e. Termination by franchisor without cause	Not Applicable	We may not terminate without cause.
f. Termination by franchisor with cause	17.2-17.3	Each of your obligations under the Franchise Agreement is a material and essential obligation, the breach of which may result in termination.
g. "Cause" defined – curable defaults	17.3	You have 30 days from our written notice to cure breaches of obligations, covenants or representations under the Franchise Agreement that are subject to cure, except that the following breaches provide a shorter time period specified in the Franchise Agreement: (i) you failed to timely remit the required payments (10 days from our written notice); (ii) you fail to remit any other payments when due to us or our affiliates (10 days from our written notice); (iii) you fail to remit any payments immediately when due to a supplier, vendor, broker, landlord, or other third party owed by the Franchised Business payments (30 days from our written notice); (iv) you fail to maintain proper insurance (5 business days from our written notice); (v) you fail to pay your other debts or expenses (15 days from our written notice); (vi) you fail to successfully complete required training (attend the next available training session); or (vii) you fail to pay any taxes when due (30 days from such due date).

h. “Cause” defined – non curable defaults	17.2	Non-curable defaults include: (i) you are convicted of a crime of moral turpitude or theft; (ii) you engage in any misconduct which hurts the goodwill of Paterson, the Paterson Franchise System, or Paterson’s parent or affiliates; (iii) you make any unauthorized transfer of the Franchised Business or Franchise Agreement; (iv) your bankruptcy or insolvency; (v) you fail to meet the required minimum number of sessions ; (vi) you breach your in-term restrictive covenants; (vii) you knowingly fail to accurately report other payments due to us, our affiliates, or suppliers/creditors, or you commit any acts of fraud or misrepresentation; (viii) you make any willful unauthorized use of the Marks or violate the Intellectual Property provisions of the Franchise Agreement; (ix) you default, on three (3) or more separate occasions with any term of your franchise, on any of your material obligations to us or an affiliate, whether or not cured (including failure to adhere to any of our Core Values); (x) you fail to commence business
		within the time prescribed in the Franchise Agreement; or (xi) you make any misrepresentation on your franchise application or supporting documentation.

i. Franchisee's obligations on termination/non-renewal	17.6	You must: (i) immediately cease to use any of the Confidential Information, the Intellectual Property and the Marks; (ii) immediately return to us (or destroy upon our request) all of your copies of any materials containing any of the Confidential Information or any materials bearing the Intellectual Property or the Marks and all copies and records of any Client or other similar lists; (iii) upon our request, cooperate in assigning to us or to a person or entity designated by us any and all vendor agreements or sales or service contracts for the Services with Clients of your Franchised Business, which will be automatic at our option as a result of the termination or expiration; (iv) immediately cease all use of our Marks and Intellectual Property including any of our marketing materials and brochures and stop holding yourself out to the public as associated with us in any way including remove all trade dress and removing any stickers of our trade dress; (v) immediately terminate your access to our computer systems, any e-commerce activities we designate, and any other applicable Paterson systems to which you had access as a franchisee, and immediately remove any Paterson franchise related proprietary software from your computer(s); (vi) immediately pay us all unpaid fees and pay us, our affiliates, and our approved and designated suppliers and vendors, all other monies owed; (vii) comply with the post-termination covenants; and (viii) cease any and all contact with Paterson Clients, suppliers, vendors, employees or our agents without our prior written consent.
j. Assignment of contract by franchisor	15.1	We may assign our interest in the Franchise Agreement, directly or indirectly, by merger, public or private offering, assignment, pledge, or other means.
k. "Transfer" by franchisee defined	15.3	Your voluntary, involuntary, direct or indirect assignment, sale, gift, pledge, mortgage, disposal or other disposition of any legal or beneficial interest in: (i) the Franchise Agreement, (ii) any material asset of your Franchised Business; or (iii) the ownership interest in your Franchised Business, including any transfers resulting from proceedings under the U.S. Bankruptcy Code or any similar

		law, and transfers resulting from death, disability or divorce.

l. Franchisor approval of transfer by franchisee	15.5	You must obtain our prior written consent before transferring any interest in the assets of the Franchised Business.
m. Conditions for franchisor approval of transfer	15.5	You must obtain our prior written consent before transferring any interest in the assets of the Franchised Business.
n. Franchisor's right of first refusal to acquire franchisee's business	Not Applicable	We do not have a right of first refusal to acquire your business on a proposed transfer.
o. Franchisor's option to purchase franchisee's business	17.7	If the Franchise Agreement is terminated by either party or you cease to do business for any reason then we have the right to purchase some or all of your assets relating to Paterson at book value (cost less depreciation) for purposes of business continuity.
p. Death or disability of franchisee	15.7	For purposes of maintaining business continuity, you must transfer the Franchise Agreement to a new Guide in the time we designate. Assignments are subject to our approval rights. We have the right to manage the Franchised Business or select other trained Guides to help operate the Franchised Business during such period and charge a management fee if we feel, in our sole discretion, that the Franchised Business is not being operated properly.
q. Non-competition covenants during the term of the franchise	Not Applicable	There are no non-competition covenants.
r. Non-competition covenants after the franchise is terminated or expires	Not Applicable	There are no non-competition covenants.
s. Modification of the agreement	21.3	You must comply with the Operating Manuals (StratOp or LifePlan) as periodically updated or amended. The Franchise Agreement may only be modified or amended in writing signed by all parties.
t. Integration/merger clause	21.3	Only the terms of the Franchise Agreement and other related written agreements are binding (subject to applicable state law). Any representations or promises outside of the disclosure document may not be enforceable. Notwithstanding the foregoing, nothing in this or any related agreement is intended to disclaim the express representations made in the Franchise Disclosure Document, its exhibits and amendments. Any representations or promises outside of the Franchise Disclosure Document and

		other agreements may not be enforceable.

u. Dispute resolution by arbitration or mediation	20.4-20.5	At our discretion, all disputes must be submitted to mediation and then arbitration in the state where we are headquartered at the time such dispute arises (subject to state law). We are currently headquartered in the State of North Carolina, County of Iredell.
v. Choice of forum	20.2	The state and county where we are headquartered at the time a dispute arises (subject to state law). Our headquarters are currently in the State of North Carolina, County of Iredell.
w. Choice of law	20.1	Delaware (subject to state law), except whether federal law applies (e.g., that disputes regarding the Marks will be governed by the Lanham Act, 15 U.S.C. Sec. 1051 et seq. and disputes over copyrights will be governed by federal copyright laws of the United States)

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ITEM 18
PUBLIC FIGURES

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

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ITEM 19
FINANCIAL PERFORMANCE REPRESENTATIONS

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

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

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ITEM 20
OUTLETS AND FRANCHISEE INFORMATION

Table No. 1

System wide Outlet Summary For years 2022 through 2024

Outlet Type	Year	Outlets at the Start of the Year	Outlets at the End of the Year	Net Change
Franchised	2022	0	0	0
	2023	0	72	72
	2024	72	88	16
Company-Owned	2022	7	9	2
	2023	9	9	0
	2024	9	10	1
Affiliate-Owned	2022	0	0	0
	2023	0	0	0
	2024	0	0	0
Total Outlets	2022	7	9	2
	2023	9	81	72
	2024	81	98	17

Table No. 2

Transfers of Outlets from Franchisees to New Owners (Other than the Franchisor) For Years 2022 through 2024

State	Year	Number of Transfers
Total Outlets (United States)	2022	0
	2023	0
	2024	0

Table No. 3

Status of Franchised Outlets For Years 2022 through 2024

State	Year	Outlets at Start of Year	Outlets Opened	Outlets Reacquired	Outlets Closed	Outlets Sold to Franchisee	Outlets at End of the Year
Alabama	2022	0	0	0	0	0	0
	2023	0	2	0	0	2	2
	2024	2	0	0	0	0	2
Alaska	2022	0	0	0	0	0	0
	2023	0	0	0	0	0	0
	2024	0	0	0	0	0	0
Arizona	2022	0	0	0	0	0	0
	2023	0	3	0	0	3	3
	2024	3	1	0	0	1	4
Arkansas	2022	0	0	0	0	0	0
	2023	0	0	0	0	0	0
	2024	0	0	0	0	0	0
California	2022	0	0	0	0	0	0
	2023	0	0	0	0	0	0
	2024	0	7	1	0	7	6
Colorado	2022	0	0	0	0	0	0
	2023	0	19	0	0	19	19
	2024	19	0	0	1	0	18
Connecticut	2022	0	0	0	0	0	0
	2023	0	0	0	0	0	0
	2024	0	0	0	0	0	0
Delaware	2022	0	0	0	0	0	0
	2023	0	0	0	0	0	0
	2024	0	0	0	0	0	0
District of Columbia	2022	0	0	0	0	0	0
	2023	0	0	0	0	0	0
	2024	0	1	0	0	1	1
Florida	2022	0	0	0	0	0	0
	2023	0	5	0	0	5	5
	2024	5	1	0	1	1	5
Georgia	2022	0	0	0	0	0	0
	2023	0	2	0	0	2	2
	2024	2	0	0	0	0	2

Idaho	2022	0	0	0	0	0	0
	2023	0	1	0	0	1	1
	2024	1	0	0	0	0	1
Illinois	2022	0	0	0	0	0	0
	2023	0	1	0	0	1	1
	2024	1	0	0	0	0	1
Indiana	2022	0	0	0	0	0	0
	2023	0	2	0	0	2	2
	2024	2	0	0	0	0	2
Iowa	2022	0	0	0	0	0	0
	2023	0	5	0	0	5	5
	2024	5	0	0	1	0	4
Kansas	2022	0	0	0	0	0	0
	2023	0	1	0	0	1	1
	2024	1	0	0	0	0	1
Kentucky	2022	0	0	0	0	0	0
	2023	0	1	0	0	1	1
	2024	1	0	0	0	0	1
Louisiana	2022	0	0	0	0	0	0
	2023	0	1	0	0	1	1
	2024	1	0	0	0	0	1
Maine	2022	0	0	0	0	0	0
	2023	0	0	0	0	0	0
	2024	0	0	0	0	0	0
Maryland	2022	0	0	0	0	0	0
	2023	0	0	0	0	0	0
	2024	0	0	0	0	0	0
Massachusetts	2022	0	0	0	0	0	0
	2023	0	0	0	0	0	0
	2024	0	0	0	0	0	0
Michigan	2022	0	0	0	0	0	0
	2023	0	2	0	0	2	2
	2024	2	2	0	0	2	4
Minnesota	2022	0	0	0	0	0	0
	2023	0	0	0	0	0	0
	2024	0	0	0	0	0	0

Mississippi	2022	0	0	0	0	0	0
	2023	0	0	0	0	0	0
	2024	0	0	0	0	0	0
Missouri	2022	0	0	0	0	0	0
	2023	0	2	0	0	2	2
	2024	2	1	0	0	1	3
Montana	2022	0	0	0	0	0	0
	2023	0	0	0	0	0	0
	2024	0	0	0	0	0	0
Nebraska	2022	0	0	0	0	0	0
	2023	0	2	0	0	2	2
	2024	2	0	0	0	0	2
Nevada	2022	0	0	0	0	0	0
	2023	0	0	0	0	0	0
	2024	0	0	0	0	0	0
New Hampshire	2022	0	0	0	0	0	0
	2023	0	1	0	0	1	1
	2024	1	0	0	0	0	1
New Jersey	2022	0	0	0	0	0	0
	2023	0	0	0	0	0	0
	2024	0	0	0	0	0	0
New Mexico	2022	0	0	0	0	0	0
	2023	0	0	0	0	0	0
	2024	0	0	0	0	0	0
New York	2022	0	0	0	0	0	0
	2023	0	0	0	0	0	0
	2024	0	0	0	0	0	0
North Carolina	2022	0	0	0	0	0	0
	2023	0	2	0	0	2	2
	2024	2	1	0	0	1	3
North Dakota	2022	0	0	0	0	0	0
	2023	0	0	0	0	0	0
	2024	0	0	0	0	0	0
Ohio	2022	0	0	0	0	0	0
	2023	0	1	0	0	1	1
	2024	1	0	0	0	0	1

Oklahoma	2022	0	0	0	0	0	0
	2023	0	1	0	0	1	1
	2024	1	0	0	0	0	1
Oregon	2022	0	0	0	0	0	0
	2023	0	2	0	0	2	2
	2024	2	0	0	0	0	2
Pennsylvania	2022	0	0	0	0	0	0
	2023	0	3	0	0	3	3
	2024	3	0	0	0	0	3
Rhode Island	2022	0	0	0	0	0	0
	2023	0	0	0	0	0	0
	2024	0	0	0	0	0	0
South Carolina	2022	0	0	0	0	0	0
	2023	0	1	0	0	1	1
	2024	1	0	0	0	0	1
South Dakota	2022	0	0	0	0	0	0
	2023	0	1	0	0	1	1
	2024	1	0	0	0	0	1
Tennessee	2022	0	0	0	0	0	0
	2023	0	3	0	0	3	3
	2024	3	1	0	0	1	4
Texas	2022	0	0	0	0	0	0
	2023	0	7	0	0	7	7
	2024	7	1	0	0	1	8
Utah	2022	0	0	0	0	0	0
	2023	0	0	0	0	0	0
	2024	0	0	0	0	0	0
Vermont	2022	0	0	0	0	0	0
	2023	0	1	0	0	1	1
	2024	1	1	0	0	1	2
Virginia	2022	0	0	0	0	0	0
	2023	0	0	0	0	0	0
	2024	0	1	0	0	1	1
Washington	2022	0	0	0	0	0	0
	2023	0	0	0	0	0	0
	2024	0	2	0	0	2	2

West Virginia	2022	0	0	0	0	0	0
	2023	0	0	0	0	0	0
	2024	0	0	0	0	0	0
Wisconsin	2022	0	0	0	0	0	0
	2023	0	0	0	0	0	0
	2024	0	0	0	0	0	0
Totals	2022	**0**	**0**	**0**	**0**	**0**	**0**
	2023	**0**	**72**	**0**	**0**	**72**	**72**
	2024	**72**	**20**	**1**	**3**	**20**	**88**

Table No. 4

Status of Company Outlets For Years 2022 through 2024

State	Year	Outlets at Start of Year	Outlets Opened	Outlets Reacquired from Franchisee	Outlets Closed	Outlets Sold to Franchisee	Outlets at End of the Year
California	2022	0	0	0	0	0	0
	2023	0	0	0	0	0	0
	2024	0	0	1	0	0	1
Colorado	2022	2	2	0	0	0	4
	2023	4	0	0	0	0	4
	2024	4	0	0	0	0	4
Minnesota	2022	1	0	0	0	0	1
	2023	1	0	0	0	0	1
	2024	1	0	0	0	0	1
North Carolina	2022	2	0	0	0	0	2
	2023	2	0	0	0	0	2
	2024	2	0	0	0	0	2
Tennessee	2022	1	0	0	0	0	1
	2023	1	0	0	0	0	1
	2024	1	0	0	0	0	1
Texas	2022	1	0	0	0	0	1
	2023	1	0	0	0	0	1

	2024	1	0	0	0	0	1
Totals	**2022**	**7**	**2**	**0**	**0**	**0**	**9**
	2023	**9**	**0**	**0**	**0**	**0**	**9**
	2024	**9**	**0**	**1**	**0**	**0**	**10**

Table No. 5

Projected Openings As of December 31, 2024

State	Franchise Agreements Signed But Outlets Not Opened	Projected New Franchise Outlets in the Next Fiscal Year	Projected New Comp Owned Outlets the Next Year
Alabama	0	0	0
Alaska	0	0	0
Arizona	0	0	0
Arkansas	0	0	0
California	0	0	0
Colorado	0	0	0
District of Columbia	0	0	0
Florida	0	0	0
Georgia	0	1	0
Idaho	0	0	0
Illinois	0	0	0
Indiana	0	0	0
Iowa	0	0	0
Kansas	0	0	0
Kentucky	0	0	0
Louisiana	0	0	0
Maryland	0	0	0
Massachusetts	0	0	0
Michigan	0	0	0
Minnesota	0	0	0
Mississippi	0	0	0
Missouri	0	0	0
Montana	0	0	0
Nebraska	0	0	0

Nevada	0	0	0
New Hampshire	0	1	0
New York	0	2	0
North Carolina	0	1	0
Ohio	0	0	0
Oklahoma	0	0	0
Oregon	0	0	0
Pennsylvania	0	0	0
South Carolina	0	0	0
South Dakota	0	0	0
Tennessee	0	0	0
Texas	0	6	0
Utah	0	0	0
Virginia	0	0	0
Washington	0	0	0
Wisconsin	0	0	0
Total	**0**	**11**	**0**

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 do not have any trademark-specific franchisee organization associated with the franchise system being offering in this Franchise Disclosure Document. Please see Exhibit H and Exhibit I to this Franchise Disclosure Document for a list of current and terminated franchisees, respectively.

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ITEM 21
FINANCIAL STATEMENTS

Attached to this Disclosure Document as Exhibit B are our audited financials for the years ended December 31, 2023 and December 31, 2024 and our unaudited income statement for the period beginning January 1, 2025 and ending July 31, 2025. We have not been operating for three years so we are unable to provide you with three full years of audited financial statements. We are a wholly-owned subsidiary of our parent company. Our fiscal year end is December 31st of each year.

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ITEM 22
CONTRACTS

The following agreements and other exhibits are attached to this Disclosure Document in the pages immediately following:

1. Form of Franchise Agreement
   a. General Release
   b. Confidentiality Agreement
   c. Multi-State Addenda
2. Financial Statements
3. State Administrators
4. State Agents for Service of Process
5. State Addenda to FDD
6. LifePlan Operations Manual Table of Contents
7. StratOp Operations Manual Table of Contents
8. List of Franchisees
9. Franchisees Who Have Left The System
10. Franchise Disclosure Acknowledgment Statement
11. Minimum Insurance Requirements (United States)
12. State Effective Dates
13. Receipts

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ITEM 23
RECEIPTS

Exhibit M of this Disclosure Document contains a detachable document, in duplicate, acknowledging receipt of this Disclosure Document by a prospective franchisee. You should sign and date both copies of the Receipt. You should retain one signed and dated copy for your records and return the other signed and dated copy to: PO Box 5386, Mooresville, NC 28117, or by electronic delivery of a .pdf copy of the signed and dated the receipt to The Paterson Center, LLC at guidesupport@patersoncenter.com.

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EXHIBIT A

Form of Franchise Agreement

FRANCHISE AGREEMENT

Franchisee Name:_____

State / Region: _____

Effective Date:_____

FRANCHISE AGREEMENT

THIS FRANCHISE AGREEMENT (this "Agreement"), between The Paterson Center, LLC, LLC, a Delaware limited liability company ("we," "us", "our", "Paterson" or "Franchisor"), and _____ ("you", "your", or "Franchisee"), is effective as of the date of our signature below (the "Effective Date"). This Agreement will not be effective until it has been countersigned by us and delivered to you, and not until you have paid the Initial Franchise Fee (as described below).

1. PREAMBLE.

1.1 **The Paterson Platform**. As a result of the expenditure of time, effort, and money, we, our parent and our affiliates have developed a unique franchise opportunity (the "Franchise" or the "Paterson Franchise") for establishing and operating a business which offers entrepreneurial training, leadership and business development services (the "Services") and, as applicable, related products (the "Products"), using our Intellectual Property, as defined below, or comprised of tools, concepts, training and facilitation materials, methods, techniques, practices, procedures and processes, which include but are not limited to LifePlan, StratOp, and our confidential Operations Manuals (collectively with any other applicable trainings that are or become part of our platform as we may update it from time to time, the "Paterson Services").

1.2 **The Paterson Franchise System**. Our franchise system includes elements of know-how; specifications, information, policies, methods, controls, and procedures for operations; procedures for management and financial control; business relationships, training and assistance; advertising and promotional programs; a communication strategy; and the Marks and related Intellectual Property described below; all of which we may register, change, cancel, alter, amend, further improve, discontinue, develop or otherwise modify, from time to time (collectively, the "Paterson Franchise System" or the "System").

1.3 **The Intellectual Property**. The distinguishing characteristics of the Paterson Franchise System include the logo on the cover page of this Agreement and such other names and marks we now or in the future may designate in writing for use in connection with the Paterson Franchise System (collectively, the "Marks") and other intellectual property, including all copyrights, titles, symbols, logotypes, trade dresses, emblems, slogans, insignias, terms, know-how, methods, specifications, designations, designs, diagrams, anecdotes, artworks, worksheets, techniques, rules, ideas, Session and meeting scripts and components, plans and course materials, advertising and promotional materials, and other audio, video and written materials developed and designated for use in connection with the Paterson Franchise System, or as we may hereafter acquire, develop or designate for use in connection with the Paterson Franchise System, from time to time (together with the Marks, the "Intellectual Property").

1.4 **The License**. We grant to individuals who meet our qualifications and are willing to undertake the investment and effort and exemplify our core values (the "Core Values"), the right to own and operate a Paterson Franchise using the Paterson Franchise System, the Intellectual Property and the Marks.

1.5 **The Franchise**. You desire to acquire the right to operate a Paterson Franchise (the "Franchised Business"), using the Paterson Franchise System, the Intellectual Property and the Marks, to market, sell, provide, render and perform the Services and Products to those who seek your services, including entrepreneurs, business owners and other end-users (collectively, the "Clients").

1.6 **Franchisee's Application**. You submitted an application to us representing and warranting that all information provided to us is true, complete, correct and not misleading in any material

respects ("Franchise Application"). We approved the application in reliance upon your representations and warranties set forth in the Franchise Application.

1.7 **Acknowledgments**.

(a) You understand and acknowledge the importance of our high and uniform standards of quality, operations and service and the necessity of operating the Franchised Business in strict conformity with the Paterson Franchise System, and you acknowledge that the terms of this Agreement are reasonable and necessary to maintain such high and uniform standards among all Paterson Franchises ("Franchise System Standards"), and to protect and preserve the goodwill of the Marks, the Intellectual Property and the System.

(b) You further understand and acknowledge that the rights and duties along with the Franchise granted in this Agreement are personal to you, and Franchisor has entered into this Agreement in reliance on your personal skills, experience and financial ability.

2. GRANT, TERM AND LOCATION.

2.1 **Grant and Acceptance**. Subject to and upon the terms and conditions of this Agreement, we hereby grant you a revocable, limited license and right to (i) operate a Paterson Franchise and (ii) use the Intellectual Property in connection with the establishment and operation of the Paterson Franchise, anywhere in the world, subject to applicable law. You accept this Agreement and the license granted herein, and undertake the obligation to operate the Paterson Franchise, using the Marks and other Intellectual Property, in strict compliance with the terms and conditions of this Agreement and our Franchise System Standards for the entire Term (as defined below), together with any renewal or extension. For the avoidance of doubt, the Franchised Business you will be operating is an individually owned and operated franchised business, and you, and not Franchisor, shall be responsible for investigating, understanding and complying with all laws, rules and regulations applicable to such operation, as well as for the supervision and oversight of all your Personnel (as defined below), if any, in each case as further described in this Agreement.

2.2 **Term**. Your grant to own and operate a Franchise begins on the Effective Date and ends on December 31st of the third full calendar year following the Effective Date (the "Initial Term"), unless sooner terminated pursuant to this Agreement. The word "Term" means this Initial Term and any Renewal Term (as defined below) or extension of that time period.

2.3 **Renewal Terms**. If this Agreement is at such time in full force and effect, you have the right to renew the Initial Term for three (3) year periods (each, a "Renewal Term"), provided the following conditions are met:

(a) You have notified us of your intention to renew the Term in writing at least sixty (60) days (but no more than three hundred and sixty (360) days) prior to the expiration of the Initial Term or then-current Renewal Term (and any such notice to renew shall be irrevocable unless prohibited by applicable law);

(b) You have at your expense completed, to our satisfaction, at least sixty (60) days prior to the expiration of the Initial Term or then-current Renewal Term, all reasonable refurbishment, modernization, maintenance and upgrading, as applicable, necessary to bring your Franchise into full compliance with our then-current Franchise System Standards;

(c) You are not in material breach of any provision of this Agreement, or any other agreement with us, our parent or our affiliates, and you have substantially and timely complied with all of the material provisions of such agreements during their respective terms;

(d) You have satisfied all monetary obligations you owe us, our parent, and our affiliates;

(e) At least fifteen (15) days prior to the expiration of the Initial Term or then-current Renewal Term, you execute our then-current form of franchise agreement, the terms of which may vary substantially from the terms of this Agreement and may include, without limitation, increased fees and advertising obligations, it being understood that the terms of such renewal (including those within any then-current form of franchise agreement) shall supersede this Agreement in all respects for purposes of such Renewal Term; provided, however that you will not be required to pay any Initial Franchise Fee with such renewal franchise agreement;

(f) You satisfy our then-current qualifications and standards for a new franchisee and have satisfied training requirements for renewing franchisees prior to the expiration of the then-current Term at your sole expense, if any;

(g) You sign a general release in the form set forth on Exhibit A attached hereto (or any other form required by or acceptable to us), in any case to the fullest extent allowed under applicable law, in favor of us, our parent, and our affiliates, and our, our parent's, and our affiliates' respective members, owners, officers, directors, employees, consultants, advisors, agents, successors and assigns (in their corporate and individual capacities), for all claims arising out of or related to this Agreement or your Franchise; and

(h) We are still offering and selling new Paterson Franchises at the time of the Renewal Term.

2.4 **Extension of Term.** If you do not renew the Term pursuant to the terms of Section 2.3, and continue to accept the benefits of this Agreement beyond the stated Term, then, at our option, this Agreement may be treated as (i) expired as of the last day of the Initial Term or then-current Renewal Term, as applicable, which will result in your operating the Franchise without a license in violation of our rights; or (ii) continued on a month-to-month basis until we provide you with notice of our intent to terminate the month-to-month term. In the latter case, all of your obligations shall remain in full force and effect as if this Agreement had not expired, and all obligations and restrictions imposed upon you upon the expiration of this Agreement shall be deemed to take effect upon the termination of the month-to-month term.

2.5 **Renewal by Law.** If you fail to satisfy each of the conditions set forth in Section 2.3, but we are otherwise required to renew or extend your Franchise under applicable law, rule, regulation, statute, ordinance, or legal order, then the Renewal Term will be subject to the conditions of the franchise agreement we are using for new franchisees at the time the Renewal Term begins. If we are not then offering new franchises, your Renewal Term will be subject to the terms of our most recent franchise agreement. If for any reason that is not allowed, the Renewal Term will be governed by the terms of this Agreement.

2.6 **Refusal to Renew Franchise Agreement**. We may refuse to renew your Franchise if you fail to satisfy each of the conditions set forth in Section 2.3.

2.7 **Your Election Not to Renew**. For the purposes hereof, you shall be deemed to have irrevocably elected not to renew the Franchise hereunder (and the option to do so shall thereupon terminate) if you fail to timely satisfy each of the conditions required by us to renew your Franchise pursuant to Section 2.3 herein.

2.8 **Paterson Guide**.

(a) Only you and others who have completed our Training, as defined herein, may act as a Paterson Guide ("Guide") for your Franchise. Only the Guide attends Franchisor training and franchisee events and provides Services on behalf of your Franchised Business to Clients as described in the applicable Operations Manual ("Guide Services"). Franchisees that form Business Entities (as defined in Section 19 below) for the operation of their Franchised Businesses may have multiple owners, shareholders, partners, operators, directors, or managers, but only you may serve as the designated Guide (and not any such other individuals). As between you and your Business Entity, if any, or any other owners, shareholders, employees, partners, operators, directors, or managers, you will (i) be responsible for the operation of the Franchised Business under this Agreement and all decisions made on behalf of the Franchised Business; (ii) have the authority on behalf of the Franchise to bind it in any dealings with us and our affiliates; and (iii) direct any action necessary to ensure compliance with this Agreement and any other agreements relating to the Franchised Business, and Franchisor may therefore rely on any and all directions, elections, information and other communication from you.

(b) You shall perform your obligations under this Agreement faithfully and honestly, shall continuously exert best efforts to promote and enhance your Franchised Business and the Paterson Franchise System.

3. TERRITORIAL RIGHTS AND RESTRICTIONS.

3.1 **Grant**. Subject to all of the terms and conditions of this Agreement and applicable law and so long as you are in compliance with this Agreement, you will have the non-exclusive right, and you undertake the obligation, to operate your Franchised Business, including to market, offer and sell Services and Products (as applicable), directly to Clients anywhere in the world. You will not receive an exclusive, protected or designated geographic market, service area or territory with your Franchise. Further, this Agreement does not grant you the right and you are expressly prohibited from reproducing, copying, translating or replicating any training, instructional, education materials, worksheets, guides, modules, Leadership Team Manuals, videos, books, documents, or other materials used in your Paterson Services or otherwise in any way related to the Paterson Franchise System, the Marks or the Intellectual Property ("Materials"), unless you receive expressed prior written permission from us.

You may not grant a sub-franchise or otherwise sublicense any of your rights or obligations under this Agreement.

3.2 **Membership Types**

(a) Currently, we offer three types of memberships based on the license(s) held by Guide: a LifePlan only membership, a StratOp only membership and a combined LifePlan and StratOp membership. You will pay the Membership Fee as described in Section 4.2 associated with your license type(s). You may only market, advertise, operate, and promote yourself and your Franchised Business in accordance with your applicable License and the Intellectual Property we expressly permit you to deploy.

(b) Your membership enables you to (i) deploy Paterson Services (LifePlan, StratOp, or both, as applicable), (ii) receive transcription services from us or our affiliates, and (iii) access the Library.

(c) You may request a modification to your membership designation only upon formal written request to us. We may condition your License qualification on meeting certain standards, terms and requirements. Participation in a License, or deploying certain Intellectual Property, may require (i) additional purchase of inventory or supplies; (ii) additional training; (iii) additional marketing requirements; (iii) additional payment obligations; and (v) other conditions, all of which you must meet at your own

expense. We may modify, eliminate, discontinue, merge or otherwise alter our membership designations at any time in our sole discretion and we disclaim any liability to you related to any such change. If you do not continue to satisfy the conditions and requirements of a License designation, then we may modify your License designation upon written notice, which may require mandatory Refresher Training in accordance with Section 5.2 herein.

3.3 **Rights We Reserve**. We, our parent, and our affiliates retain the right, at our sole discretion, to engage in any other activities not expressly prohibited in the Franchise Agreement. Without limiting the generality of the foregoing, we and our affiliates retain the right to own and operate Paterson businesses under the Marks or using the Intellectual Property, or to license others the right to own and operate a Paterson business or franchise under the Marks and System or using the Intellectual Property anywhere in the world, and to allow others to solicit Clients anywhere we may permit in their agreements with us, our parent, or our affiliates. We, our parent, and our affiliates also retain the right, at our sole discretion, to own and operate other businesses using our Marks or Intellectual Property or other trademarks or intellectual property, or to license others the right to use our Marks or Intellectual Property or other trademarks or intellectual property, or to license others the right to own and operate other businesses or franchises using our Marks or Intellectual Property or other trademarks or intellectual property, anywhere in the world. Your rights as a franchisee do not include any right of first refusal for any additional business or franchise programs or other rights to use our Marks or Intellectual Property or other trademarks or intellectual property, which we may now or in the future create. Additionally, we may acquire or merge with, or be otherwise acquired by, any business, including without limitation, a competitive business or another franchisor offering competitive businesses, located anywhere and operate that business using the Intellectual Property, Marks and Paterson Franchise System and/or other intellectual property, marks or system components. We and our affiliates also may sell other products or services under trademarks other than the Marks. We and our affiliates reserve the right to enter into any marketing partnerships or programs that could be local, regional, national or international in scope, and could also be digital in nature through the Internet, and provide the same Products and Services your Franchised Business will offer and sell.

3.4 **Alternative Channels of Distribution**. In addition to those retained rights described in Section 3.3, you understand and acknowledge that we, our parent, and our affiliates retain the right, in our sole discretion, to sell the Services or Products under the Marks in the same manner as offered by the Paterson Franchise System or in any other manner we determine in our sole discretion. Our rights include the ability to sell the Materials, Products and Services through channels of distribution such as our Website and online stores, collectively referred to herein as our "Paterson Online Stores"), mobile application, e-commerce, retail or wholesale stores, catalog sales, telemarketing or other channels of distribution (together, "Alternative Channels of Distribution") and retain all the profits from such activities. We also reserve the right to develop software or other similar programs or products to distribute through Alternative Channels of Distribution; however, if we do, we may permit you to engage in revenue sharing for such products in which we share the revenue collected with you in a manner we determine. Unless we provide prior permission, you may not use Alternative Channels of Distribution to make sales and you will not receive any compensation for our sales through Alternative Channels of Distribution.

4. FEES AND PAYMENT.

4.1 **Initial Franchise Fee**. In consideration of the Franchise granted to you by us, you must pay us the initial franchise fee that varies based on the Paterson Intellectual Property you will be trained to deploy (the "Initial Franchise Fee"). If you agree to be trained on LifePlan, the Initial Franchise Fee will be $15,000. If you agree to be trained on StratOp, the Initial Franchise Fee will be $30,000. If you agree to be trained on both Life Plan and StratOp, the Initial Franchise Fee will be $37,500.

(a) You will pay the Initial Franchise Fee either (i) in full at the time you sign your franchise agreement or (ii) in equal quarterly payments on the first four calendar quarters following the Effective Date. With exception for Existing Licensees, the Initial Franchise Fee is uniform as to all new

franchisees, is deemed fully earned upon payment and, is in consideration of training and administrative and other expenses we incur in granting this franchise and therefore is nonrefundable under our franchise agreement. The Initial Franchise Fee does not apply to Existing Licensees. "Existing Licensees" means those persons with an existing relationship with us or our parent or our affiliates at the time of our restructuring our business model from a license-based business to a franchise-based business.

(b) The Initial Franchise Fee is payable in cash by wire transfer or ACH upon the execution of this Agreement. The Initial Franchise Fee is deemed fully earned upon payment and is non-refundable under any circumstances. The Initial Franchise Fee is payment, in part, for expenses incurred by us and our affiliates in furnishing assistance and services to you as set forth in this Agreement, for costs incurred by us, including costs incurred in offering and selling franchises, franchise sales and marketing activities to promote the sale of a franchise to qualified franchisees, the first year of Membership Fees (as defined below), our participation in the franchise sale process, legal compliance with franchise laws and regulations, the development and hosting of training programs, marketing expenses, legal, accounting and other professional fees.

(c) **Membership Fees**. In addition to the Initial Franchise Fee, beginning on the first anniversary of the Effective Date, you are required to pay us or our affiliates a membership fee to maintain your license, in consideration of your use of the Marks, Intellectual Property and System (the "Membership Fee"). The Membership Fee is due on the last business day of the year in which the Membership Fee was incurred and varies based on the Paterson Intellectual Property you deploy (LifePlan, StratOp, or both), as set forth below. We will also allow you to pay on a quarterly basis within the same year in which the Membership Fee was incurred. The Membership Fee is not refundable under any circumstances. We reserve the right at any time to increase or decrease the Membership Fee on thirty (30) days' written notice to you, provided that we will not increase the Membership Fee more than once in any calendar year, and any incremental fee increase will not exceed $200 per month ($2,400 annually) during the then-current Renewal Term of your Franchise Agreement. If you request, and we approve, your qualification as a different License, then you will commence paying the then-current Membership Fee for the new License designation, as applicable, in the first full month after we approve the changed License designation. You will pay a Membership Fee of (i) $6,000 to utilize LifePlan; (ii) $12,000 to utilize StratOp; or (iii) $18,000 to utilize both LifePlan and StratOp.

4.2 **Royalty Fees** . In addition to our Membership Fee, we may choose to implement a fee for revenue generated by you using LifePlan, StratOp, or follow-on income derived from either process (a "Royalty Fee"). This Royalty Fee will be due on a monthly basis within three weeks of the month the revenue was earned by you. There will not be a Royalty Fee charged during the current term. We may increase or decrease the Royalty Fee in future fiscal years and will publish the decision and the new percentage prior to such time.

4.3 **Accounting / Audit Fee**. We may audit your Franchised Business to confirm the veracity of your quarterly reports. If we determine that you understated revenue or made other misrepresentations and owe us additional amounts, then you will pay us a fee in the amount of the costs incurred by us ("Accounting/Audit Fee") within seven (7) days of us providing you written notice of such cost.

4.4 **Manner of Payment**. All and any fees or amounts owed are payable in cash by wire transfer, ACH or such other form of payment reasonably acceptable to us. Credit or debit card payments, if applicable, will require you to provide card information authorizing us, our affiliates, or our third-party payment processor to maintain your account information and to charge your card for all applicable fees, including those for your recurring fees with no further action required by you. We reserve the right to charge a reasonable administrative fee for credit card payments to the extent permitted by applicable law. For ACH or similar payments using your bank account, you shall maintain an account at a national banking institution reasonably acceptable to us, allowing us to electronically withdraw applicable fees due to us or our affiliates from the account, and must maintain a balance in this account sufficient to allow us, our affiliates or our

processors to collect all such amounts owed when due. If required by us, you must sign our standard payment authorization form(s) to authorize and direct to the transfer of such funds to us or our affiliates, and shall execute such additional documents as may be reasonably requested by us or your financial institution to evidence such authorization. If you desire to change your payment method on file, you must provide us with at least thirty (30) days prior written notice by completing an updated draft authorization with the updated account information. We reserve the right to assess a reasonable fee upon each such change request.

4.5 **Insufficient Funds Fees**. If your payment method cannot be authorized or is otherwise in error, due to expiration, insufficient funds, or otherwise, you will pay to us an insufficient funds fee equal to our then current reasonable fee for delinquent funds per violation. For some payment methods, your bank or the issuer may charge you certain additional fees relating to the processing of your failed payment. In the event of a failure of your payment method, we may take reasonable steps to retry your payment method, or we may contact you to reconfirm or update your payment method. This fee is in addition to interest on any overdue amount, as described in Section 4.7 herein. You are responsible for any other penalties, fines or other similar expenses associated with the transfer of funds described in this Agreement, including, foreign transaction fees and any overdraft fees.

4.6 **Interest on Late Payments**. If any fee or other payment due to us or our affiliates under this Agreement is not paid on or before its due date, you agree to pay us, in addition to the overdue amount, interest on any overdue payment of the lower of (i) one and one-half percent (1.5%) of the overdue amount per month or (ii) the highest rate allowed by law. Interest on any overdue amount shall begin to accrue thirty (30) days after the original due date until payment in full is received. Interest as enumerated in this Section 4.7 shall also apply to any understated amounts as revealed by an audit of your financial records. You acknowledge that this Section 4.7 is not our agreement to accept any payments after they are due or our commitment to extend credit to, or otherwise finance your operation of, your Franchise. You further acknowledge that your failure to pay all amounts that you owe us when due constitutes grounds for our terminating this Agreement under Section 17, notwithstanding this Section.

4.7 **Taxes**. You are solely responsible for, and shall as applicable, pay to us, or as applicable, our affiliates, all applicable sales taxes, use taxes and similar excise taxes imposed on the fees or other amounts under this Agreement and on services or products furnished to you by us or our affiliates when you remit such fees. You shall withhold taxes as required under applicable law on payments made to us or our affiliate hereunder, without offset, and shall remit in a timely manner all such taxes withheld to the appropriate taxing authority in each respective jurisdiction.

4.8 **No Right to Set-Off**. You agree that you shall not, on grounds of the alleged nonperformance or default by us of any of our obligations under this Agreement, withhold payment of any fee or other amount payable to us under this Agreement or otherwise. Notwithstanding any designation by you, we have the right to apply any payments to any past due amounts and accrued interest thereon as we see fit in our discretion, subject to applicable law.

5. TRAINING.

5.1 **Initial Training and Continuing Training.** Prior to providing any Guide Services to any Clients and within twelve (12) months of the Effective Date, you must attend and complete to our reasonable satisfaction, our initial training program. In addition to paying the Training Fee, you must pay all expenses incurred in connection with attending the Training, including travel, lodging, meals, local transportation expenses and wages. Actual dates and locations of Training are subject to change at any time, and we assume no responsibility for any costs incurred by you as a result of such changes. If you fail to timely complete Training to our reasonable satisfaction, and are permitted to repeat such training, you will be charged our then current cost for repeating Training.

5.2 **Description of Training.** We will provide you with approximately six to nine days of in-person initial training and up to 180 days of virtual training in our methods and techniques ("Training"), during which you will be considered a "Trainee." Prior to attending Training, you must have been a LifePlan client and pass a series of interviews, assessing your intent for training, professional background and experience, ability to acquire and retain clients, and align with the Core Values of the Paterson Franchise System. After these prerequisites, you will complete a 60-day online training through our online learning management systems (Phase 1") and acquire at least one LifePlan or StratOp client to serve after Phase 2 (the client may be served on a *pro bono* basis), defined below. You will then attend a 3 to 5 day in-person training ("Phase 2"). We will determine a five-day window, subject to instructor availability, for you to attend Phase 2 and provide you advance notice upon announcement of the applicable fiscal year's training cohort, on or about June 30th. After you complete Phase 2, you will have a one hundred twenty (120) day window to complete one to three LifePlans or StratOps ("Phase 3"). Additionally, we will grant you a provisional license to deploy LifePlan or StratOp, as appropriate. Successful completion of Phase 2 of the training is a prerequisite before you can begin using the processes with clients. Trainees must complete LifePlans and StratOps in-person (not virtual) with their client, and you will not be able to proceed to Phase 4, as defined below, until you complete at least one LifePlan or StratOp. During Phase 3, you will receive extensive reviews on your work, given one-on-one feedback and access to coaching forums. There will also be four (4) cohort meetings during the 120-day period. At the end of such period, Trainees will reconvene for 3 to 5 days of in-person training ("Phase 4"), which will include advance techniques, introductory-level instruction for establishing a practice and developing a client base, and a written exam that Trainees must pass to receive a license to practice LifePlan and StratOp. Upon completion of Phase 4, Trainees will be deemed "Paterson Guides" and will have a new provisional license to deploy LifePlan or StratOp, as applicable, until June 30th. The recently graduated Paterson Guide must renew the StratOp or LifePlan license by paying (i) the full annual fee if the provisional license expires on June 30th or (ii) half of the annual fee if the provisional license expires on December 31st. All new Paterson Guides will then renew their licenses at the full annual rate on the following July 1st. We reserve the right to amend, modify, supplement, vary and/or delete any portion of the contents of our training programs.

5.3 **Mandatory Refresher Training**.

(a) We may require, in our sole discretion, that you attend additional training courses in person, at locations we designate from time to time, or by teleconference call, webinar, online training or videoconference if we determine it is appropriate (i) as a result of your violations of Franchise System Standards (including if we determine you are not performing satisfactorily pursuant to our Client Satisfaction Program or adhering to our Core Values), (ii) as a result of your breach of this Agreement or violation of the Franchise System Standards, (iii) to protect the quality, reputation or integrity of the Paterson Franchise System, Marks, or our Intellectual Property, or (iv) you fail to meet the requirements to maintain your current Guide status as set forth in Section 5.3(b) hereof ("Refresher Training"). The then-current cost for the Refresher Training (currently $500) must be paid in full prior to attending. These fees are fully earned and non-refundable when paid. We reserve the right to increase these fees. In addition to the Refresher Training fee, you must also reimburse us for any reasonable travel or related costs and expenses we incur in providing you with Refresher Training, and also pay all of your expenses incurred in connection with attending the Refresher Training, including travel, lodging, and meals.

(b) We require you to conduct at least one LifePlan and / or one StratOp per year, as applicable. If you do not facilitate at least one LifePlan or one StratOp per year, as applicable, you shall lose good standing. If you lose good standing, your License to utilize LifePlan or StratOp, as applicable, will be suspended and you will complete Refresher Training to regain good standing and lift the suspension of your License. The Refresher Training can occur virtually or in person, and is subject to our, our parent's, or our affiliates' guide availability, as determined by us, regardless of the Refresher Training's format. If you are at risk of losing good standing, we will notify you ninety (90) days prior to your potential loss of good standing, provided however, that any failure of ours to provide you such notice will not waive your

loss of good standing.

6. EMPLOYEES.

6.1 **Employees**. You may decide whether you need additional employees, personnel or administrative staff to assist you in operating the Franchised Business ("Personnel"), but these individuals may not be a Guide or provide any Guide Services to Clients. As a reminder, your Franchise is an individually owned and operated business, therefore you are solely responsible for all hiring, firing, evaluation and employment decisions relating to your Personnel, complying with all laws applicable to such employment, including withholding and wage related laws, and setting the compensation to be paid to your Personnel. We will not be responsible for payment of any compensation to you or your Personnel.

6.2 **Confidentiality Agreements**.

(a) You must ensure that all Personnel or any other person assisting in providing the Services or Products or working on behalf of the Franchised Business associated with your Franchise who are provided access to the Operations Manuals or other Paterson Confidential Information (as hereafter defined), sign a confidentiality agreement in such form as we may require or otherwise approve from time to time, prior to receiving access to the Operations Manuals or other Paterson Confidential Information. Our current form of confidentiality agreement is attached hereto as Exhibit B. You shall maintain copies of all confidentiality agreements signed by your Personnel and others associated with your Franchised Business and provide, if and when requested by us, and in the manner we designate, a copy of each such confidentiality agreement showing compliance with the foregoing requirements. Notwithstanding the foregoing, you shall be responsible for each of your Personnel's and such other persons' compliance with your obligations under this Agreement.

(b) Without limiting your obligations under Section 6.2(a) or elsewhere in this Agreement, you shall promptly notify us of the names of any Personnel or any other person who has access to the Operations Manual or other Paterson Confidential Information, and any additions or deletions to any of the foregoing.

6.3 **Indemnification**. You will indemnify us, hold us harmless from, and defend us against any and all liabilities, losses, expenses, and obligations that we may incur related to you or any of your Personnel (or any person assisting in providing the Services or Products or working on behalf of the Franchise) arising out of any claim, cause of action, complaint, proceeding (in litigation, arbitration, mediation, administrative process or otherwise) relating to your obligations to pay them any compensation or remuneration or otherwise relating to an employment relationship. You understand and acknowledge that we are under no obligation or liability to you or to any of your Personnel for any remuneration, compensation, commission, employment or any other duty, responsibility, liability or obligation. Your indemnification obligations: (i) include reimbursement to us of any and all of our attorneys' fees and costs in defending any such claim from your Personnel, (ii) survive expiration or termination of this Agreement, and (iii) extend to our affiliates, representatives and agents.

7. OPERATIONS MANUALS AND FRANCHISOR GUIDANCE.

7.1 **Operations Manuals**. During the Term, we will provide you with access to our Operations Manual(s) or other guidelines in which we designate our Franchise System Standards (which if tangible, shall be considered a loan to you for the Term and if electronic, such access shall be deemed temporary for the duration of the Term). For purposes of this Agreement, our "Operations Manuals" means a set of one or more manuals or user guides we make available to franchisees in writing (including in electronic format), and includes any written, audio or visual guidelines, bulletins, worksheets, modules, descriptions, videotapes, audiotapes, magnetic media, computer software or instructions concerning Franchise System Standards and other Paterson Franchise System operational information, including updates, amendments

and supplements. The Operations Manual may be modified, supplemented, or updated by us from time to time to reflect changes in the Franchise System Standards and may be communicated by us, our affiliates, or our designees. Our revisions to the Operations Manual will be effective on delivery to you (including via electronic format), unless we specify a later effective date for a particular revision. If a tangible copy of an Operations Manual is lost, stolen or damaged, you must obtain a replacement from us and we may charge you for such replacement. If a dispute develops with respect to the contents of the Operations Manuals, the version of the Operations Manual we designate (or the master copy we maintain at our principal office) will be controlling. You must keep the Operations Manuals in a secure location, which allows access only to those who have signed the Restrictive Covenant Agreement. The Operations Manual is our property and must be returned to us upon our request. We have separate Operations Manuals for LifePlan and StratOp and we reserve the right to provide only the Operations Manual that is applicable to your Franchise.

7.2 **Guidance and Assistance**. During the Term, we will from time to time furnish you with guidance and assistance with respect to Franchise System Standards. This guidance and assistance will be furnished in the form of training materials, the Operations Manuals, other bulletins, written reports and recommendations, written or electronic materials, telephone consultations, electronic mail, training programs, meetings, conferences and/or personal consultations. Our guidance and assistance generally consists of:

(a) Providing on-going updates of information and programs regarding your Franchised Business, Paterson and the Paterson Franchise System, including, information about improvements or modifications to Paterson and special or new Services or Products which may be developed and made available to franchisees;

(b) Upon your request and subject to availability, providing you with recommendations on the layout, floor plan and design for your Client sessions and board rooms (session and board rooms shall however be maintained at all times at your expense in a "clean, neat and professional" condition, with all furnishings, fixtures and signage in compliance with the Americans with Disabilities Act ("ADA") and other applicable health and safety laws, rules, standards and regulations, and signage shall be posted in the manner we may specify from time to time in the Operations Manual or otherwise);

(c) Upon your reasonable request and subject to our availability, consulting with you by telephone, email, virtual meeting, webinar, or otherwise regarding the operation of your Franchised Business and advise you regarding Services, sales techniques, utilizing our tools and Paterson, client relations and similar topics;

(d) Periodically and in our sole discretion, making our employees or designees (which may be other franchisees) available to you for advice and assistance with the on-going operation of the Franchised Business.

(e) After you attend and satisfactorily complete Training and our Webiste has such capabilities, listing your Franchise in our online directory of Paterson businesses as your Paterson Franchise;

(f) Providing you access to applicable Paterson systems, as available;

(g) Evaluating requests to modify your Membership Type (LifePlan, StratOp or both) designation;

(h) Issuing, modifying and supplementing Franchise System Standards for the Paterson Franchise as we deem necessary;

(i) Holding programs, as we determine appropriate in our discretion;

(j) At our sole discretion, making available to you administrative, bookkeeping, or other services. If such services are offered, they may be offered to you at an additional fee;

(k) At our sole discretion, providing you with software or other technology services. If such services are offered, we may require you utilize such services or we may offer the technology services as an option and charge you a separate cost for such services; and

(l) Modifying the Paterson Franchise System as we deem necessary, including, the adoption and use of new or modified techniques, supplies, equipment, products, trade names, trademarks, service marks, copyrighted materials, and information technology tools.

7.3 **Approved Equipment and Supplies**.

(a) Any vendor, supplier, merchant, retailer, wholesaler or seller we require or permit that you purchase goods or services from is an "Approved Supplier(s)". You must purchase items which cause LifePlan or StratOp sessions to be conducted in a reasonable manner (whiteboard, flip charts, markers, etc), certain designated Paterson branded items, other written and bound materials used with Clients during your Guide Services, and related products we designate from our Paterson Online Stores as the sole Approved Supplier. You are prohibited from reproducing, copying, translating or replicating any Materials or other copyrighted materials used with Clients during your Paterson Services or otherwise. We reserve the right to: (i) designate Approved Suppliers for any other products, services, branded items, signs, supplies, fixtures, inventory, tools and other services, assets, products, or materials utilized by you to operate your Franchise, which we may change, alter, or amend from time to time; (ii) name us or any of our affiliates as Approved Suppliers and require you to order through us certain Products, goods, materials or services, as we may specify from time to time; and/or (iii) derive revenue from your required purchases ordered through us or our Approved Suppliers to the fullest extent permitted by applicable law.

(b) Other than the items we may require as described above, you may purchase all other products, services, signs, supplies, fixtures, inventory, tools, books and other items purchased for use in the operation of your Franchised Business from vendors or suppliers of your choice as long as the items meet or exceed Franchise System Standards.

(c) If you propose to substitute any Approved Suppliers or any Materials, Products or Services, you must notify us in writing and submit sufficient information, samples, and specifications to allow us to determine if the supplier and/or supplies meet our approved criteria. It is in our sole discretion whether to test additional supplies and/or suppliers you propose. If we agree to evaluate a proposed substitute, then we will provide you with written notification of the approval or disapproval within sixty(60) days from the date we receive notice and all information and samples. All criteria used by us or our designee in making our determination and any further procedures for obtaining approval of a new supplier or supplies we may specify from time to time will be set forth in the Operations Manuals.

(d) Approved Suppliers are selected based on factors we deem appropriate in our discretion, including previous experience with us, our affiliates or the Paterson Franchise System; recommendations we have received from franchisees or other third parties; reputation in the industry; and willingness to provide preferred pricing for franchisees. However, by listing any third party as an Approved Supplier or otherwise recommending any third party, or any advice or recommendations we may offer with respect to any such party, is not, and in no shall be deemed, a representation or guarantee as to the products or services provided by these third parties, or will make us responsible in any way for any such third parties' performance or provision of products or services to any franchisee.

8. SYSTEM TECHNOLOGIES.

8.1 **Computer System**.

(a) You must acquire, license and use, a laptop or desktop computer with certain computer services, components, peripherals, equipment and computer hardware; and general business software and any proprietary software (the "Software") designated or approved by us in the future from time to time as Required Technology and as described in this Agreement or the Operations Manual (collectively, the "Computer System"). We may require you to obtain as part of the Computer System or other Required Technology, computer and communications hardware, equipment, components or software and may modify our specifications for, and required components of, the Computer System or Required Technology from time to time. You agree to make such modifications and meet such requirements, which may require you to incur additional costs. We may require that the Computer System: (i) must have the capacity to submit to us reports through our internal system containing information about the number of Paterson Services held by your Franchised Business, revenue generated, average ratings and other information we require, and otherwise be capable of connecting with our computer system, (ii) perform the functions we designate including viewing training, reporting sessions, facilitating virtual sessions and attending virtual meetings, (iii) operate the most current version of Google Chrome, Microsoft Edge, Apple Safari, or Firefox Internet browser; (iv) permit us to review the results of your Franchise's operations, and/or (v) be capable of engaging in any E- Commerce (as defined below) activities that we designate or approve. You may purchase your Computer System from any supplier, unless we designate a specific or exclusive Approved Supplier.

(b) You must upgrade the Computer System, and/or obtain service and support, as we require or as is necessary because of technological developments, risk assessments, or events. There are no contractual limitations on the frequency and cost of your obligation to obtain any such maintenance, updates or upgrades, and we have no obligation to reimburse you for any of these costs. Unless we otherwise agree to in writing, neither we nor any of our affiliates will provide you with any maintenance repairs, updates or upgrades for your Computer System but we may assist you in our discretion in troubleshooting potential issues related to the Software.

(c) You must have access to high-speed Wi-Fi Internet to access our online systems, and are responsible for all costs and expenses associated with your access, including connection charges.

(d) If you are in default of any obligations under this Agreement, we may, in addition to any other remedy we may have under this Agreement, temporarily inhibit your access to all or part of the Paterson related data contained within the Computer System or any Required Technology, until you have cured such default completely.

8.2 **Websites; E-Commerce**.

(a) We have the right to control all use of www.patersoncenter.com and any future websites we create (collectively, the "Website"). You do not have any right to update, upgrade, amend, or host the Website. We have the right to control all use of URLs, domain names, websites, addresses, meta-tags, links, key words, email addresses and any other means of electronic identification or origin ("e-names") related to the Franchise. We may however provide you certain rights to revise designated sections on your microsite, but the framework is owned and determined by us. The Website will contain information on the Paterson Franchise System, as well as other information we deem appropriate and all changes, additions, and deletions are at our sole discretion. Further, you shall, at your sole expense, participate in our websites on the Internet or other on-line communications, including an intranet system that we may develop in the future unless we provide otherwise. You acknowledge that certain information obtained through your participation on our Website may be considered Confidential Information, including access codes and identification codes. Your right to participate in our Website terminates when this Agreement expires or terminates. You may not establish any separate website, blog or other world wide web or internet-based presence which uses or displays any of the e-names, Marks or other Intellectual Property without our prior consent. Any other blog, account on a Social Media Platform, email distribution list, or other World Wide Web or Internet-based presence which uses or displays any of our Intellectual Property must be

conducted in accordance with our Franchise System Standards.

(b) We may require you to, at your expense, operate certain aspects of the Franchised Business through E-Commerce methods that we designate from time to time, and in the manner we designate from time to time. You must follow all of our policies and procedures for the use and regulation of E-Commerce. We may restrict your use of E-Commerce, or any Client's or other person's use of E-Commerce in connection with the Product and the Services purchases, to a centralized website, portal or network or other form of E-Commerce designated by us operated by us or our designee. You recognize and agree that between you and us, we own all rights to all interest in and to any data collected via E- Commerce related to the Paterson Franchise System, the Intellectual Property and the Marks, including any Client Data, click-stream data, cookies, user data, hits and the like. All such information constitutes our Confidential Information (as defined in Section 16). We may require that Clients be provided access to certain E-Commerce activities that we designate from time to time.

(c) For purposes of this Agreement, "E-Commerce" is collectively defined as Internet, intranet system, World Wide Web, wireless technology, digital cable, use of e-names, virtual worlds, social media, portals, search engine optimization, pay-per-click advertising, home pages, bulletin boards, chat rooms, linking, framing, blogs, text messaging, on-line purchasing cooperatives, marketplaces, barter exchanges, and related technologies, methods, techniques, registrations, networking, and any electronic communication, commerce, computations, or any means of interactive electronic documents contained in a network of computers or similar devices linked by communications software.

8.3 **Client Data and Data Security**.

(a) Any information on Clients related to the Franchised Business, including information that identifies or can be used to identify, contact, locate, or be traced back to the specific person or Client to whom such information pertains, or from which identification or contact information of an individual person can be derived, including but not limited to, personally identifiable information ("Client Data") and all information, mailing lists and databases of Client Data from whatever source derived, must be used only in in accordance with this Agreement. We retain ownership of all Client Data collected or received during the Term and hereby license such Client Data back to you without charge solely for your use in connection with the operation of the Franchised Business in accordance with this Agreement.

(b) You agree to comply with all applicable laws, regulations and industry standard best practices with respect to Client Data; in addition, you agree to comply with all data privacy and security requirements we may establish from time to time and to exert your best efforts to prevent the unauthorizeduse, dissemination or publication of Client Data, subject in all instances to applicable laws. It is your responsibility to determine the data privacy laws applicable to you and your Franchise. We expressly disclaim knowledge of the data privacy laws applicable to you and your Franchise. You shall promptly notify us if you become aware of or suspect any unauthorized access to the Client Data, or if you become the subject of any governmental, regulatory or other enforcement or private proceeding relating to your data handling practices. You shall promptly carry out at your cost and expense any request from us with respect to Client Data that is reasonably necessary to allow us to comply with data privacy laws applicable to us regarding processing, storage, handling, collection, use, transfer and transmission of Client Data.

(c) We agree to comply with all applicable laws, regulations and industry standard best practices with respect to processing, storage, handling, collection, use, transfer, and transmission of Client Data. In addition, we agree to comply with all such data privacy and security requirements that we may require you to comply with from time to time pursuant to Section 8.3(b) hereto and to exert our commercially reasonable efforts to prevent the unauthorized use, dissemination or publication of Client Data, subject in all instances to applicable laws.

8.4 **PCI Compliance**. If you accept credit card payments, you are required to maintain your

credit card processing hardware and software in compliance with the Payment Card Industry ("PCI") Data Security Standard. It is your responsibility to maintain and report your PCI compliance, which encompasses operational policies and practices as well as networks and computer hardware/software used to process credit card transactions, as well as attesting that you are abiding by (i) the PCI Data Security Standard enacted by the applicable card associations (as they may be modified from time to time or as successor standards are adopted); and (ii) all other security standards and guidelines that may be published from time to time by payment card companies and/or enacted by law, and are applicable to customer credit card and debit card information. If you know or suspect a security breach, you must immediately notify both your credit card transaction acquirer and us. You assume all responsibility for providing notice of breach or compromise, along with duties and costs associated with fraudulent transactions, penalties, and ongoing fees for monitoring customer credit card histories and/or transactions for affected Clients of your Franchise.

9. INTELLECTUAL PROPERTY AND MARKS.

9.1 **Paterson Intellectual Property**.

(a) You acknowledge that we, our parent, or our affiliates are the exclusive owners of the Intellectual Property, Client Data, Franchise System Standards, and other elements of the Paterson Franchise System. You further acknowledge and agree that any modifications to the Paterson Franchise System or any substitutions or additions to the Intellectual Property suggested or developed by you shall be owned exclusively by us and may be incorporated by us or our affiliates into the Intellectual Property without any compensation to you. As such, you hereby assign and transfer to us all of your entire right, title and interest in and to any improvements, modifications, substitutions, or additions to the Intellectual Property suggested or developed by you and in and to any and all works of authorship and processes embodied therein, and in all goodwill signified thereby, and any and all intellectual property rights and any legal equivalent thereof, including the right to apply for, register, or claim priority to, patents, copyrights, trademark, trade secret and other intellectual property protection, and the right to enforce such rights, title and interest by lawsuit or otherwise. Additionally, all processes, ideas, concepts, methods, techniques or materials relating to the Franchise, whether or not constituting protectable intellectual property, and whether created by or on behalf of you or in connection with the development or operation of your Franchise (collectively, "Derivatives"), will be promptly disclosed to us. If we adopt any Derivatives as part of the Paterson Franchise System, they will be deemed to be our sole and exclusive property and part of the Paterson Franchise System and deemed to be works made for hire for us. In addition, you hereby agree and covenant from time to time to execute and deliver such other documents or agreements and to take such other action as may be necessary or reasonable for the implementation of any assignmentand the consummation of the transactions contemplated hereby. For purposes of clarity, Derivatives may be deemed our sole and exclusive property and made part of the Paterson Franchise System and deemed to be works made for hire for us only if such Derivatives derive, flow from, or are sourced, in whole or in part, from our Intellectual Property.

(b) You shall use the Paterson Franchise System, Client Data, the Marks, and the Intellectual Property strictly in accordance with the terms of this Agreement and all policies set forth from time to time in the Operations Manual. Any unauthorized use of the Paterson Franchise System, Client Data, the Marks and/or the Intellectual Property is and shall be deemed to be an infringement of our rights and our affiliates' rights and a material breach of this Agreement.

(c) Except as expressly provided in this Agreement, you shall acquire no right, title or interest to the Paterson Franchise System, Client Data, the Marks or the Intellectual Property; all goodwill associated with the Paterson Franchise System, Client Data, the Marks and the Intellectual Property used by you shall inure exclusively to our and our affiliates' benefit; and upon the termination of the Franchise, no monetary amount shall be assigned as attributable to any goodwill associated with your use of the Paterson Franchise System, Client Data, the Marks or the Intellectual Property.

(d) You acknowledge that the use of any computer or electronic medium or social networking website, including but not limited to, Facebook, LinkedIn, X (formerly Twitter), Instagram, Pinterest, TikTok, Snapchat, Yelp, Google, YouTube, Groupon or any blogs or other bulletin boards, or chat rooms, other networking and share sites in connection with your Franchise must comply with any social media policy or other use policy we prescribe from time to time. We retain ownership of the materials posted on any webpage or site that use our Marks or Intellectual Property. All postings must comply with the social media policies and other policies we prescribe from time to time, as well as the terms and conditions of the site(s).

(e) You shall at no time take any action whatsoever to contest the validity, ownership, distinctiveness or enforceability of the Marks or Intellectual Property and the goodwill associated therewith. You agree that your use of all or any part of the Paterson Franchise System or the Intellectual Property contrary to any provision of this Agreement, or your use of any confusingly similar method, format, procedure, technique, system, name, trade dress, mark, symbol, emblem, slogan, insignia, term, designation, design, diagram, promotional material or course material, during or after the Term, shall cause irreparable injury to our affiliates and us and shall constitute a material breach of this Agreement, and shall entitle our affiliates and us to obtain temporary, preliminary or permanent injunctive relief from a court or agency of competent jurisdiction, and to recover court costs, reasonable expenses of litigation, reasonable attorneys' fees, and any other appropriate remedies.

(f) We maintain the ownership rights or interest in any Client lists, and lists of potential leads or prospects compiled by you after signing this Agreement or otherwise as part of your operation of the Franchise (the "Lists"), and hereby license such Lists back to you without charge solely for your use in connection with the operation of the Franchised Business in accordance with this Agreement. Upon expiration or termination of this Agreement for any reason, we retain ownership of all Lists.

9.2 **Infringements and Claims**. You must notify us immediately in writing of any apparent infringement of or challenge to your use of any Mark or Intellectual Property, or claim by any person of any rights in any Mark or Intellectual Property or similar copyright, trade name, trademark or service mark of which you become aware. You must not communicate with anyone except us and our attorneys in connection with any such infringement, challenge or claim. We have sole discretion to take whatever action we deem appropriate. We have the sole right to control exclusively any action by or in front of the U.S. Patent and Trademark Office or U.S. Copyright Office, or any other litigation or proceeding arising out of any infringement, challenge or claim relating to any Mark or Intellectual Property. You must sign any documents, give any assistance, and do any acts that we or our attorneys believe are necessary or advisable in order to protect and maintain our interests in any litigation or proceeding related to the Marks or Intellectual Property or otherwise to protect and maintain our interests in the Marks or Intellectual Property. You may not, at any time, contest the validity or ownership of any of the Marks or Intellectual Property, or assist any other person in contesting the validity or ownership of any of the Marks or Intellectual Property.

9.3 **Discontinuance of Use**. If it becomes advisable at any time in our sole judgment for your Franchise to modify or discontinue the use of any of the Marks or for your Franchise to use additional or substitute trademarks or service marks relating to Paterson Intellectual Property, you agree, at your sole expense, to comply with our directions to modify or otherwise discontinue the use of such Mark or Intellectual Property, or use additional or substitute trademarks or service marks, within a reasonable time after our notice to you.

9.4 **Franchisee Name**. You may not use any of our Paterson or Paterson-related trademarked terms in your Business Entity's name (or any other business entity's name) without our prior written permission. You will hold yourself out to the public as an individually owned and operated business operating a Paterson Franchise. Whenever practical, you will clearly indicate on your employment related documents (e.g., employment policies, applications, disciplinary documents, identification cards), business checks, stationery, business cards, invoices, receipts, advertising, public relations and promotional

materials, website, and other written materials that you are a franchise business. If you are operating as a Business Entity, you will file for a certificate of assumed name (d/b/a) in the manner required by applicable local law so as to notify the public that you are operating the Franchise as an independent business pursuant to this Agreement. Prior to adoption of an assumed name, you shall obtain the written approval of such name from us.

9.5 **Further Reservation of Rights**. Because complete and detailed uniformity under many varying conditions may not be possible or practical, we specifically reserve the right and privilege, in our sole and unrestricted discretion and as we may deem to be in the best interests of all concerned in any specific instance, to vary standards for any franchisee or franchisees based on business potential, business practice or other factors we deem important to the successful operation of such franchise owner's business. We may grant to one (1) or more franchisees variations from standard specifications and practices as we determine in our sole and unrestricted discretion, and we shall have no obligation to grant you like or similar variations. You acknowledge that, over time, we have entered, and will continue to enter, into agreements with other franchisees that may contain provisions, conditions and obligations that differ from those contained in this Agreement. The existence of different forms of agreement does not in and of itself affect our or your duties to comply with the terms of this Agreement.

10. DUTIES AND RESPONSIBILITIES.

10.1 **Methods**. You must follow our Franchise System Standards when marketing and selling the Products and Services (including but not limited to, conducting Paterson Services and meetings) and must only market the Products and Services we have authorized you to offer and sell. You must not make any misrepresentations to prospective Clients regarding Paterson, the Products, Services, or concerning the Franchise or the Paterson Franchise System. Moreover, you must not alter, modify, change or misrepresent the Products or the Services or their marketing materials in any manner whatsoever. Accordingly, you will not disseminate any information, or represent to prospective Clients or others, any information that conflicts with any of the materials we provide you to assist in the sale of the Services or we approve for use by you in the marketing and selling of Services and Products.

10.2 **Record Keeping**. You must keep and maintain full, complete, and accurate books, records and accounts in accordance with reasonable standards required by us from time to time, including, full, complete, and accurate records of (i) your meetings, including new engagements, and Paterson Services held with Clients; and (ii) allProducts sold or provided, or Services sold or rendered and the fees charged in relation to such Products or Services. The records must include whatever information we consider necessary (and will include information relating to meetings, follow-up calls, etc.) in such format as we may prescribe in the Operations Manual. We may require you to complete and transmit to us periodic reports detailing your activities, including additional information we may request from time to time in order to ensure that you satisfy your Minimum Performance Requirements or to prepare a financial performance representation for our franchise disclosure document(s). All reports and other records or information provided to us in connection with this Agreement shall be in the English language, unless otherwise agreed by us in writing. We may require that you use our proprietary software or systems, if created, to store this information. Such books, records, and accounts shall comply in all material respects with all requirements of all applicable laws and requirements of all applicable governmental authorities, and shall be retained during the term of your Franchise (including applicable renewals and extension thereof) and for at least seven (7) years thereafter (unless otherwise required or prohibited by applicable law).

10.3 **Delegation**. Although you may delegate some of your administrative duties under this Agreement to your Personnel, you remain fully responsible for your performance and only you, as the Guide, is permitted to hold Paterson Services, meet with Clients and perform the Services. You must use your best efforts to ensure that the Personnel or other persons acting on your behalf do not cause you to breach this Agreement or fail to meet the Franchise System Standards.

10.4 **Insurance**.

(a) You are required to procure prior to providing any Guide Services to Clients, and maintain at all times during the Term and therefore, as required, at your sole cost and expense, valid, effective and collectible commercial insurance coverage for your Franchised Business that is consistent with industry standards for business coaches, with at a minimum, the types and minimum coverage amounts and on the terms set forth in this Agreement.

(b) The cost of the insurance policies may vary depending on the insurance carrier charges, terms of payment, broker commissions, risk profile, deductibles, anticipated or actual business volume, and your loss history. ***The standards and specifications for insurance coverage as set forth in this Agreement are intended as "minimum" standards and you must review your insurance coverage and policies, and you should consult with your insurance agents, brokers, attorneys or other insurance advisors, to determine if additional coverage is necessary, desired or appropriate for your Franchise in addition to the coverage and limits required by us. We do not represent or warrant that any insurance that you are required to purchase, or which we procure on your behalf, will provide adequate coverage for you. The requirements of insurance specified in this Agreement and in the Operations Manual are for our protection.*** If you believe that you should not be required to carry an identified type of insurance or otherwise comply with our minimum insurance requirements, you must submit a written waiver request and obtain a written waiver from us. Until such time as we notify you in writing of our waiver, you are obligated to comply with all minimum insurance requirements.

(c) If you fail to obtain or maintain the required insurance coverage, we may purchase it for you and require you to pay to us the premium cost and an administrative fee equal to twenty percent (20%) of the insurance policy premium for doing so. We may change or increase insurance requirements, upon reasonable notice to you, to conform to reasonable business practices. Each insurance policy required by us must contain a provision that the policy cannot be cancelled or expired without at least thirty (30) days prior written notice to us. The insurance must be primary coverage without the right of contribution from any of our insurance.

(d) Insurance policies required under this Agreement or the Operations Manual must name, as permitted by applicable law, us, our affiliates and our and their respective officers, directors, managers, partners, members, affiliates, subsidiaries, employees, and agents as additional insureds, through an endorsement or otherwise, as provided in the Operations Manual. Additional insured coverage must also be primary without the right of contribution from any of our insurance and must be as broad as the coverage provided to the franchisee as the named insured. Additional insured coverage shall include coverage for ongoing and completed operations, and shall not be limited to vicarious liability and shall extend to (and there shall be no endorsement limiting coverage for) the negligent acts, errors or omissions of us or other additional insureds.

(e) Your obligation to obtain and maintain insurance shall not be limited in any way by reason of any insurance that may be maintained by us, nor shall the existence or non-existence of any insurance relieve you of liability under the indemnification provisions set forth in this Agreement.

(f) You shall provide, annually, or more frequently if requested by us, evidence of insurance showing compliance with our insurance requirements, in the manner we provide in this Agreement, in the Operations Manual or otherwise designate from time to time. Our receipt, review or verification of certain elements of your insurance does not in any way reduce or eliminate your obligations to fully comply with all of the insurance requirements set forth in this Agreement and/or in the Operations Manual. It is your sole obligation to fully comply with these insurance requirements and it is your sole obligation to confirm with your insurance providers that your policies are in compliance.

10.5 **Compliance with Laws and Good Business Practices**. You will secure and maintain in

force all required licenses, permits, approvals and certificates relating to the operation of the Franchise including all licenses required to perform the different types of Services, including, if applicable, performing Services across jurisdictional lines (the "Required Licenses"). You must promptly and diligently do all things necessary (including providing prompt, thorough, professional and complete responses to any local, state or federal regulatory or administrative body with oversight responsibilities for any Required Licenses) to facilitate obtaining the Required Licenses prior to the commencement of business and maintain and renew such Required Licenses when needed. You must operate the Franchise in full compliance with all applicable laws, ordinances and regulations, including, all government regulations relating to occupational hazards and health, safety, privacy, worker's compensation insurance, unemployment insurance, the ADA, workplace safety, and withholding and payment of federal and state income taxes, social security taxes and sales taxes. You will, in all dealings with Clients, suppliers, us and the public, adhere to the highest standards of honesty, integrity, fair dealing and ethical conduct. You agree to refrain from any business or advertising practice which may be injurious to our business and the goodwill associated with the Paterson Franchise System, the Marks and other franchisees.

10.6 **Time to Commence Business**. You must commence operation of your Franchise within six (6) months from the Effective Date. We will reasonably extend the time to commence the operation of your Franchise for a period of up to sixty (60) days' if you are unable to (i) obtain the Required Licenses, (ii) attend Training, or (iii) otherwise complete all pre-commencement obligations under this Agreement, despite your best efforts and for reasons beyond your reasonable control. Prior to commencing operations, you must (a) furnish us with certificate(s) of insurance for all insurance policies required by Section 10.4; (b) obtain all Required Licenses; (c) complete Training to our satisfaction; (d) purchase the Materials as designated in the Operations Manual (which may be provided in the form of a start-up package); and (e) pay in full all amounts due to us and our affiliates.

10.7 **Authorized Products and Services**. You shall offer for sale all Products and Services, and participate in all programs, which we designate for the Paterson Franchise System, including any additional Services or Products we may now or in the future specify and any other ancillary products and services which we prescribe. You may offer any goods or services in addition to Paterson Services, provided however that you shall comply with such restrictive covenants, including but not limited to not altering or modifying such Paterson Services. You must comply fully and on a timely basis with any changes that we implement, including the introduction or cessation of any Services or Products.

10.8 **Operations**.

(a) You must devote best efforts to the operation of your Franchised Business.

(b) You must maintain sufficient inventory of Materials as designated in the Operations Manuals.

(c) You and other trained and licensed Guides employed by you must be the only persons providing Services to Clients for your Franchised Business.

(d) You must pay on a timely basis all fees and costs incurred in the operation of the Franchise, whether owing to us or third parties, and you are aware that failure to make prompt payment causes irreparable harm to the reputation and credit of other franchisees and the Paterson Franchise System generally.

(e) You must operate the Franchise in compliance with Franchise System Standards so as to preserve, maintain and enhance the reputation and goodwill of the System.

(f) You agree to provide the highest standard of service in connection with the provision or sale of the Services and Products to ensure complete Client satisfaction and you must also

cooperate with us to honor all refund policies that we develop from time to time.

(g) You must participate in any Client Satisfaction Program, as we may require from time to time, and any other applicable programs and as applicable in Section 10.10 below.

(h) You must adhere to our Core Values when operating your Franchised Business.

10.9 **Modification of System**. You expressly acknowledge that the Paterson Franchise System must continue to evolve in order to reflect changing market conditions and to meet new and changing customer demands. Therefore, variations and additions to the Paterson Franchise System may be required from time to time to preserve and enhance the public image of the Paterson Franchise System and to improve the continuing operating efficiency of all franchisees. Accordingly, you agree that we may from time to time, upon written notice, add to, subtract from or otherwise change the Paterson Franchise System, including, without limitation, adopting new or modified Marks, Products, Services, fees, equipment and techniques and methods relating to the sale, promotion and provision of Services or Products.

10.10 **Client Satisfaction and Other Programs**. You must institute and honor all Paterson network satisfaction, loyalty and promotional programs that we require on the terms associated with such network programs, as we may require from time to time, and verify your compliance with all such programs in writing at our request. Without limiting the generality of the foregoing, you acknowledge that Client satisfaction is essential to the Franchised Business's success as well as the reputation, standing and success of the Paterson Franchise System and other franchisees and company or affiliate owned outlets. Accordingly, you agree that:

(a) You will participate in the Client Satisfaction Program to the fullest extent permitted by applicable law. The Client Satisfaction Program requires that you will not charge any fee for any session if the Client believes the session did not provide sufficient business value to the Client and sets additional parameters for providing the Services to Clients.

(b) You will issue refunds to Clients in accordance with the Client Satisfaction Program.

(c) You will send surveys to your Clients to evaluate your performance with your Clients in such form and at such intervals as we designate in the Operations Manual.

(d) You will include the terms of the Client Satisfaction Program in any engagement agreements you sign with any Client.

(e) We reserve the right to contact your Clients directly for the purposes of determining their satisfaction with Paterson after providing you notice attempting to coordinate such contact with you.

(f) We may modify, change, eliminate or amend the terms of the Client Satisfaction Program or other network programs on thirty (30) days' notice to you.

10.11 **Payment of Debts**. You are solely responsible for selecting, retaining and paying your Personnel; the payment of all invoices for the purchase of goods for use in the Franchise; and determining whether, and on what terms, to obtain any financing or credit which you deem advisable or necessary for the conduct of the Franchise. You shall pay all current obligations and liabilities to suppliers, lessors and creditors on a timely basis and indemnify us in the event that we elect to pay any of your obligations in order to preserve the relationship between Approved Suppliers and Paterson Franchise System franchisees. You shall make prompt payment of all federal, state, international and local taxes, including individual and corporate taxes, sales and use taxes, franchise taxes, gross receipts taxes, employee withholding taxes, FICA

taxes, and personal property and real estate taxes, arising from your operation of the Franchise. You shall indemnify us in the event that we are held responsible for these taxes.

10.12 **Notification of Legal Proceedings and Crisis Management Events**.

(a) You will notify us in writing as soon as possible but in no event more than twenty-four (24) hours of the commencement of any action, suit, or proceeding, and of the issuance of any order, writ, injunction, award, or decree of any court, agency, or other governmental instrumentality, of which you become aware and which may materially adversely affect the operation or financial condition of your Franchised Business.

(b) Upon the occurrence of a Crisis Event (defined below), you will immediately inform us by telephone and email (or other electronic medium authorized by us for this purpose). You will cooperate fully with us with respect to our response to the Crisis Event. In the event of the occurrence of a Crisis Event, we may also establish emergency procedures which may require you to temporarily cease operations, in which event we shall not be liable to you for any loss or costs, including consequential damages or loss profits occasioned thereby.

For purposes of this Section, a "Crisis Event" is any event that runs the risk of (1) causing severe harm to Clients, Personnel or the public or damage to their respective property or the environment; (2) falling under close media or governmental or regulatory scrutiny; or (3) jeopardizing or materially interrupting the operation of the Franchised Business, the Marks or the System's reputation, image, products, brand, intellectual property, or management and therefore negatively impacting its future.

10.13 **Press Releases**. Any press releases or interviews regarding your Franchised Business must comply with the standards set forth and described in the Operations Manual and the Core Values. You shall not however make any public statements (including giving interviews or issuing press releases) regarding, directly or indirectly, us or our affiliates, the Paterson Franchised System, or any particular incident or occurrence related to the Franchised Business, without our prior written approval.

10.14 **Contributions and Donations**. Any contributions or donations of items, services, or money to any individual or entity, or provide any type of other benefit to any charitable, religious, political, social, civic, or other type of organization (or to any individual on behalf on any organization) that associates with any Mark must be done in compliance with the policies set forth in the Operations Manual.

10.15 **Best Efforts and Personal Conduct**. You shall refrain from committing any act or pursuing any course of conduct that may bring the Marks or Paterson Franchise System into disrepute. You shall use best efforts to promote and increase the demand for the Services and Products of the Franchise. All of your advertising and promotion shall be completely factual and shall conform to the highest standards of ethical advertising. You shall refrain from any business or advertising practice which may be injurious to the Franchise or the goodwill associated with the Marks and Paterson Franchise System.

10.16 **Minimum Performance Requirements**. Commencing twelve (12) months after you successfully complete Training, and for each rolling twelve-month period immediately thereafter (each a "Measurement Period"), you must perform the minimum number of client meetings incorporating Paterson Services and receive the minimum average rating for these Paterson Services as set forth in Section 5.3(b) ("Minimum Performance Requirements"). You must perform a minimum of one LifePlan and / or one StratOp, as applicable, in each Measurement Period. You must report each client engagement to us electronically via patersoncenter.com (patersoncenter.com/reporting), or through such other method that we may designate in writing from time to time. You must keep and maintain full, complete, and accurate records of all of your Client Session information and provide such information to us along with other periodic reports or other Client Session data we designate in accordance with Section 10.2 of this Agreement. Should you fail to meet the Minimum Performance Standards in any Measurement Period, we

reserve the right to require you attend Refresher Training at your own expense. If you fail to meet the Minimum Performance Standards during any Measurement Period following completion of Refresher Training, we reserve the right to terminate this Agreement. We reserve the right to modify the ratings descriptions set forth in the Operations Manual if we discontinue, amend or change our internal programs and systems for ratings so long as the Minimum Performance Requirements are not materially more burdensome than prior to the modification of the Minimum Performance Requirements.

10.17 **No Discrimination**. You may not discriminate in the conduct and operation of the Franchised Business against any person or group of persons because of marital status, physical or mental disability, genetic information, race, creed, color, sex, age, national origin or ancestry of such person or group of persons or any other prohibited grounds for discrimination.

11. ADVERTISING AND PROMOTION.

11.1 **Generally**. All your advertising, marketing and other promotional efforts that are in any way related to the Franchised Business and that include or otherwise identify any of the Marks, must conform to all provisions of this Agreement, the Operations Manuals, and any other of our branding guidelines and policies that we prescribe from time to time. All advertising, promotion and marketing must be completely clear and factual and not misleading and conform to the highest standards of ethical advertising, marketing and promotion policies that we prescribe from time to time. In no event may any of your promotional materials contain any statement or material which may be considered: (a) in bad taste or offensive to any group or person; (b) defamatory or discriminatory to any person or an attack on a competitor; (c) inconsistent with our public image or Core Values; or (d) not in accord with Franchise System Standards. You must promptly discontinue use of any advertising, marketing or promotional plans or materials, whether or not previously approved, on notice from us. Advertising and promotional efforts and programs include, but are in no way limited to, local advertising, national or other advertising, press releases, uses of social media platforms or other public statements, media and other promotional or public relations events, sponsorships, endorsements and online activities (to the extent permissible in this Agreement). You acknowledge that if you enter into any contract or binding arrangement to use any unapproved advertising or otherwise engage in any unauthorized advertising or promotional efforts, you are doing so at your own risk and therefore, in addition to any rights and remedies in law or in equity that we may have pursuant to this Agreement, you may be obligated to pay for advertising or promotional materials or programs which we will not allow to be used for the Franchised Business or the Paterson Franchise System.

11.2 **Grand Opening Advertising**. There is currently no requirement that you engage in a specific grand opening promotion outside of regular marketing efforts, such as through social media, email marketing, and local networking and business resources. You are not required to spend any amount on grand opening promotions.

11.3 **Local Marketing; Special Marketing or Cooperative Programs**. We do not currently require you spend any minimum amount for local marketing, however, you may wish to conduct local marketing and advertising activities and create marketing co-ops with fellow franchisees, including sponsoring local peer groups to publicize your Franchised Business. We may also establish or otherwise participate in cooperative or special marketing programs. Cooperative advertising or other special marketing programs may include select paid media or other advertising as a flat fee or minimum percentage of revenue. These cooperative or special marketing programs may vary in duration, apply on a local, regional, national or international basis, or involve clusters or groups of Franchised Businesses utilizing services on a shared basis. Examples include sales and marketing programs and client satisfaction programs. Any such programs may be optional for franchisees or we may require participation.

11.4 **Advertised Pricing**. Subject to applicable law, we may periodically set a maximum or minimum price that you may advertise for the Services and Products offered by your Franchised Business.

If we impose a maximum advertised price for any Service or Product, you may not advertise a higher price for the Service or Product than the maximum advertised price we impose. If we impose a minimum advertised price for any Service or Product, you may not advertise a lower price for such Service or Product than the minimum advertised price we impose. Further, you must comply with any advertising policy we adopt which may prohibit you from advertising any price for a Service or Product that is different than our suggested retail price.

12. RELATIONSHIP OF THE PARTIES.

12.1 **Independent Contractors**. We do not have a fiduciary relationship with you. Neither you nor we are general or special agents, representatives, joint venturers, partners or employees of the other for any purpose whatsoever. You are not entitled to workers' compensation, unemployment compensation, or any other statutory or regulatory benefit or right predicated on an employer-employee relationship. We have no obligation to carry workers' compensation coverage or pay unemployment compensation taxes or withhold any amounts from payment to you for federal income taxes or for federal social security taxes, unless otherwise required by applicable laws and regulations. We have no obligation to provide you with any employment and fringe benefits that we may provide to employees, such as health insurance, for example. The foregoing also applies to any relationship we have with your Personnel.

12.2 **Taxes**. We will have no liability for any sales, use, service, occupation, excise, gross receipts, income, payroll, property, withholding or other taxes in connection with the business you conduct (except any taxes we are required by law to collect from you with respect to purchases from us). Payment of all such taxes is your responsibility.

13. INDEMNIFICATION.

13.1 **By You**.

(a) You agree to indemnify, defend and hold harmless us, our parent, our affiliates and our, our parent's, and our affiliates' respective members, directors, officers, owners, employees, agents, contractors, advisors, successors and assignees (the "Indemnified Parties") against and to reimburse each Indemnified Party for all losses, expenses, judgments, settlements, claims, liabilities, investigations, reasonable attorneys' fees, costs (including, without limitation, expert witness fees, court costs, accountants' fees, travel and living expenses) and damages arising out of any claim directly or indirectly related to the operation of your Franchise or your Franchised Business, or arising out of a breach of this Agreement or any other agreement you sign with us or any affiliate of ours in connection with your Franchise as well as any and all of your obligations to file and pay taxes described in this Agreement; provided, however, that you shall not be required to hold harmless or indemnify us for any losses relating to any claim to the extent such losses arise out of our gross negligence or willful misconduct. This indemnity will continue in full force and effect subsequent to and notwithstanding the expiration, transfer, or termination of this Agreement. Under no circumstances will we or any other Indemnified Party be required to seek recovery from any insurer or other third party, or otherwise to mitigate our, their or your losses and expenses. You agree that a failure to pursue such recovery or mitigate a loss will in no way reduce or alter the amounts we or another Indemnified Party may recover from you.

(b) We have the right to retain counsel of our own choosing in connection with any claim, investigation or other proceeding that may give rise to a claim for indemnification from you in this Agreement. In order to protect our reputation and goodwill or the reputation or goodwill of others, we have the right to, at any time and with or without notice, take such remedial or corrective actions as we deem expedient with respect to any claim, investigation other or proceeding if, in our sole judgment, there are grounds for indemnification by you under this Agreement. You shall cooperate with us in our handling of any such claim, investigation or other proceeding. If our exercise of our rights under this Section causes your insurers to refuse to pay a third-party claim, all cause of action and legal remedies you might have

against such insurer shall automatically be assigned to us without the need for any further action on either party's part.

13.2 **By Us**. We agree to hold harmless and indemnify you against any third party claim for copyright, service mark or trademark infringement, including reasonable attorney's fees and court costs in connection with such claims, arising out of your authorized use of our materials or the Intellectual Property in accordance with this Agreement and the Operations Manuals; provided you notify us in writing within thirty (30) days, or within such shorter period as is necessary to avoid prejudice, after learning of any claim, and also provided we have the right to control any litigation or proceeding resulting from any such claim.

14. REPORTS, FINANCIAL STATEMENTS, INSPECTIONS AND AUDITS.

14.1 **Our Right to Inspect the Franchise**. To determine whether you are complying with this Agreement and all Franchise System Standards, we and our designees (which may include other franchisees) have the right at any time to:

(a) observe, photograph and videotape the operations of the Franchise and the outputs of any Services it provides or Products it sells for such consecutive or intermittent periods as we deem necessary;

(b) interview Personnel and Clients that receive Paterson Services, Services or Products from the Franchised Business; and

(c) inspect and copy, download or archive any books, records, computer data, and documents relating to your operation of the Franchise or the Franchised Business.

If you are in default of any obligations under this Agreement, we may, in addition to any other remedy we may have under this Agreement, temporarily restrict your access to any Computer System or Required Technology, or all or any part of the Paterson related data contained within the Computer System or Required Technology, until you have cured such default completely. You must immediately correct or repair any unsatisfactory conditions we specify. We assume no liability or responsibility for monitoring, tracking or tracing of your Personnel or Franchise operations. Any temporary access to your Computer System is solely for the purpose of confirming your compliance with the terms of this Agreement, Operations Manual and Franchise System Standards.

14.2 **Our Right to Audit**. We have the right at any time during your business hours, and upon five business days' prior notice to you, to inspect and audit, or cause to be inspected and audited, your business, bookkeeping, accounting and invoicing records, sales and income tax records and returns, online bank accounts, online credit card accounts and any other records related to the Franchised Business. You must segregate all Franchised Business records and agree to cooperate fully with us and our representatives to help facilitate any such audit. If our inspection or audit is made necessary by your failure to furnish reports, supporting records or other information we require, or to furnish such items on a timely basis, you agree to reimburse us for the cost of such inspection or audit, including, without limitation, the charges of attorneys, independent accountants, and employees and their travel expenses, room and board. You also must immediately pay us any shortfall in the amounts you owe us, including late fees and interest as described in Section 4. The foregoing remedies are in addition to our other remedies and rights under this Agreement and applicable law.

14.3 **Distribution of Franchisee Information**.

(a) You acknowledge and agree that we have the right to share any information about your Franchise collected by us, our parent, our affiliates or the respective agents of each, including historical performance of the Franchised Business, to any third party, including other franchisees, prospective buyers

of your or our business, lenders, and prospective franchisees (including within our franchise disclosure documents), for any legitimate business purpose, including for benchmarking purposes. This information may include, but is not limited to, historical performance information and data regarding your sales, expenses, revenues, costs, taxes, profit margins, warranty claims, or customer service survey results.

(b) Without limiting the foregoing, you hereby consent to our disclosure of personal information concerning you and the Franchised Business, namely the identity of Franchisee, address, email address and telephone number, in our franchise disclosure document, whether or not such disclosure is required by law, and other documents relating to the sale of Paterson franchises.

15. TRANSFERS.

15.1 **By Us**. This Agreement is fully transferable by us and will inure to the benefit of any transferee or other legal successor to our interests. We may assign our interest in this Agreement, directly or indirectly, by merger, public or private offering, assignment, pledge or other means, without your approval or consent; provided, however, that with respect to any assignment resulting in the subsequent performance by the assignee of the functions of Franchisor, the assignee shall assume the obligations of Franchisor under this Agreement and the assigning Franchisor shall thereafter have no liability for the performance of any obligations contained in this Agreement subject to applicable law. You expressly and specifically waive any claims, demands or damages arising from or related to the loss of any Marks (or any variation thereof) and/or the loss of association with or identification of The Paterson Center, LLC or its parent or affiliates. Nothing contained in this Agreement will require Franchisor, Franchisor's parent, or Franchisor's affiliates to offer or continue to offer franchises, whether in the event that Franchisor exercises its rights to assign or otherwise transfer its rights in this Agreement or otherwise.

15.2 **By You**. The rights and duties along with the Franchise granted in this Agreement are personal to you, and we have granted the Franchise to you in reliance upon our perceptions of your individual character, skill, aptitude, business ability and financial capacity. Accordingly, you may make no Transfer (as defined below) without our prior written approval, such approval not to be unreasonably withheld. Any purported Transfer without such approval will be null and void, will constitute a material breach of this Agreement, and will entitle us to terminate this Agreement.

15.3 **Definition of Transfer**. As used in this Agreement, the term "Transfer" means your voluntary, involuntary, direct or indirect assignment, sale, gift, pledge, mortgage, disposal or other disposition of any legal or beneficial interest in: (i) the Franchise Agreement, (ii) any material asset of the Franchised Business; or (iii) the ownership interest in the Franchised Business, whether in the form of equity or voting interest. Transfers may include any merger or consolidation of the Business Entity, the issuance of additional securities or other ownership interests of the Business Entity, and transfers resulting from proceedings under the U.S. Bankruptcy Code or any similar law, and transfers resulting from death, divorce or disability.

15.4 **Notice of Transfer**. You agree to promptly notify us in writing of any planned Transfer and provide us with any information we may reasonably request in order to permit us to evaluate the planned Transfer. You must obtain our prior written consent before transferring any interest in the assets of the Franchised Business.

15.5 **Operation and Transfers Upon Death, Disability or Other Extraordinary Circumstances.** Upon your death or disability, you or your executor, administrator, or other personal representative must within a reasonable time, not to exceed one hundred and eighty (180) days from the date of death or disability, Transfer this Agreement to a new Guide who must be approved by us. We shall have the right to manage the Franchised Business or select other trained Guides to help operate the Franchised Business during such period and charge a management fee if we feel, in our sole discretion, that the Franchised Business is not being operated properly. For purposes of this Agreement, the term

"disability" means a mental or physical disability, impairment or condition that is reasonably expected to prevent or actually does prevent the Guide from managing and operating the Franchise for an extended period of time. We recognize that our franchisees may also encounter other extraordinary circumstances that may require extended time away from their Franchised Business. We may also in our reasonable discretion create a policy that is intended to provide franchisees with an ability to request a leave of absence or hiatus for those extraordinary circumstances that may or may not qualify as a disability. Leaves of absence or other hiatuses, as applicable, may be granted on a case-by-case basis, in our sole discretion, subject to applicable law. Pending the transfer to a new Guide as provided above or return from a leave of absence or hiatus, as the case may be, if, in our judgment, the Franchise is not being managed properly, we have the right, but not the obligation, to manage your Franchise or to designating another Guide to provide Guide Services on your or our behalf during any such period. All expenses of the Franchise, including compensation, other costs and travel and living expenses of our personnel charged with overseeing the Franchise, will be charged to the Franchised Business. Operation of the Franchise during any such period will be on your behalf, provided, that we only have a duty to utilize commercially reasonable efforts and will not be liable to you for any debts, losses or obligations incurred by the Franchise or to any of your creditors for any products, materials, supplies or services the Franchise purchases during any period it is managed by our appointed manager. A failure to timely Transfer this Agreement to a new Guide within such 180-day period or to timely return from a granted leave of absence or hiatus constitutes a material breach of this Agreement. Any Transfer of this Agreement as a result of your death or disability, including, without limitation, Transfers by bequest or inheritance, will be subject to all of the terms and conditions applicable to Transfers contained in this Section.

15.6 **Effect of Consent to Transfer**.

(a) Our consent to a Transfer of this Agreement and the Franchise or any interest therein shall not constitute a waiver of any claims we may have against you, nor shall it be deemed a waiver of our right to demand compliance with the terms of this Agreement. Further, our consent to a Transfer of this Agreement and the Franchise or any interest in you does not constitute a representation as to the fairness of the terms of any contract between you and the transferee, a guarantee of the prospects of success of the Franchise or transferee or a waiver of any claims we may have against you or of our right to demand the transferee's exact compliance with any of the terms or conditions of this Agreement.

(b) You further acknowledge that a Transfer will not relieve you of any of your obligations contained in this Agreement unless expressly released by us in writing. Accordingly, you will remain jointly and severally responsible with your transferee for any obligations arising or accruing in connection with your operation of the Franchised Business, including with respect to any indemnification obligations under this Agreement and any obligations to provide us information and cooperation related to the Franchise, which shall survive such Transfer and the execution by the transferee of any new franchise agreement for all purposes. For purposes of Section 16 of this Agreement, such Transfer shall be deemed a termination of this Agreement for purposes of determining your post-Transfer obligations therein.

(c) Subject to Section 15.8(b) above, upon the consummation of a Transfer approved by us, you will not have any liability under this Agreement for any claim, debt, liability, cause of action or other obligation that accrues as a result of your transferee's operation of the Franchised Business.

15.7 **Waiver of Interference Claims**. You acknowledge that we have legitimate reasons to evaluate the qualifications of potential transferees and to analyze and critique the terms of their purchase contracts with you. You also acknowledge that our contact with potential transferees for the purpose of protecting our business interests will not constitute wrongful conduct, including without limitation, unlawful interference with your business or contracts. You expressly authorize us to investigate any potential transferee's qualifications, to analyze and critique the proposed purchase terms with the transferee, and to withhold consent to economically questionable transactions. Without limitation of the foregoing, you waive any claim that any action we take in relation to a proposed Transfer to protect our business interests

constitutes tortious interference with contractual or business relationships and you shall indemnify us, hold us harmless from, and defend us against any and all claims by your transferee in connection with any such action we take in relation to a proposed Transfer to protect our business interests, including claims for tortious interference with contractual or business relationships.

16. RESTRICTIVE COVENANTS.

16.1 **Confidential Information**. During the Term, we will give you, and you will have access to, a variety of information concerning us, our affiliates and the Paterson Franchise System including: the Operations Manual; Franchise System Standards; Services; methods for operating, managing, developing, performing, or coordinating any aspect of the Franchised Business; equipment or supplies, including, without limitation, those used in the provision of the Services; recruitment, training, marketing or compensation methods; Client and prospective Client information and lists; referral sources; billing and collection methods; financial information; pricing methods, business plans and other information about us, our affiliates and information about our approved suppliers; strategic partners, vendors, employees, and independent contractors and any other information we deem confidential (collectively, the "Confidential Information"). We consider the Confidential Information to be confidential and our trade secrets. You acknowledge that we have expended and continue to expend great amounts of time, money and effort in devising and processing the Confidential Information.

16.2 **Restrictions On Use**. You will use your best efforts and diligence both during and after the Term to protect the Confidential Information and our goodwill. You will not, directly or indirectly, use (for yourself or others) or disclose any of the Confidential Information to any other person or entity except as is necessary for the operation of your Franchise in accordance with our Franchise System Standards.

16.3 **Mandatory Requests For Information**. If you or anyone to whom you transmit or make available the Confidential Information becomes legally compelled (by court order, interrogatories, discovery requests for information or documents, subpoenas, civil investigative demands or similar process) to disclose any Confidential Information, you must immediately notify us in writing so that we may seek a protective order or other remedy. You shall reasonably cooperate with us in our efforts to seek such protective order or other remedy. In any event, you will furnish only that portion of the Confidential Information which is legally required and exercise your best efforts to obtain reliable assurance that confidential treatment will be accorded to the Confidential Information.

16.4 **Return**. Upon termination, expiration, Transfer or non-renewal, or any other time at our request, you must promptly deliver to us, or destroy at our request, any and all documents or other materials (including documents or notes created by you and information embodied in intangible form, e.g., in computer memory) in your possession or control relating, directly or indirectly, to any Confidential Information and all copies of it without retaining any copies, duplicates, extracts or portions of it. You shall certify, within five (5) days of our request, as to the return or destruction of all such information.

16.5 **Non-Disparagement**. You agree not to take any action or make any statement, either directly or indirectly, and shall ensure that your Personnel or others associated with your Franchised Business do not take any action or make any such statement, including through social media, the effect of which would be to directly or indirectly impair our goodwill or our rights to our Intellectual Property or the goodwill of the Paterson Franchise System, our affiliates, or be materially detrimental to us, our affiliates, or our franchisees or other Franchises, including, but not limited to any action or statement intended, directly or indirectly, to benefit any of our competitors. The foregoing however shall not apply to any judicial, arbitration or other dispute resolution process in connection with any litigation, mediation, arbitration or administrative or other judicial proceeding arising under any claim brought in connection with this Agreement, or when compelled to testify under oath by subpoena, regulation or court order. This provision survives forever.

16.6 **Equitable Relief**. Due to our interest in the Confidential Information and Client goodwill, you agree that damages cannot fully compensate us if you breach this Section 16 of this Agreement. Thus, if you breach Section 16 of this Agreement, we are entitled to an injunction restraining you from any further breach and other equitable relief. We may obtain the injunction without bond and without notice. Your only remedy if such an injunction is issued is its dissolution, if warranted, upon an appropriate hearing. You waive any claims for damages as a result of the obtaining of any such injunction.

16.7 **Extension of Time Period**. The time period during which you are to refrain from the activities described in this Section 16, will be extended by any length of time during which you are in breach of the relevant provisions of this Section 16.

16.8 **Modification of Provision**. If any court determines that any of the covenants set forth in this Section 16, or any part thereof, is unenforceable because of the duration or geographic scope of such provision, such court shall have the power to reduce the duration or scope of such provision, as the case may be, and, in its reduced form, such provision shall then be enforceable. Furthermore, if any of the restrictions set forth in Section 16.5 or Section 16.6 are deemed entirely unenforceable or invalid under any local, state or federal law, rule , regulation, administrative decision or finding, then you will not be bound by such unenforceable or invalid provision(s), as the case may be, but you shall continue to be bound by all other provisions of these Sections which are valid and enforceable.

17. TERMINATION.

17.1 **By Franchisee**. If you are in full compliance with this Agreement, then subject to the other provisions of this Agreement, including those in this Section 17.1, you may terminate this Agreement:

(a) at any time prior to registering for Training, with at least ten (10) days' prior written notice to us; or

(b) at any other time, with at least (60) days' prior written notice to us provided, that, you must continue to pay your Membership Fees through your termination date. By exercising your right to terminate this Agreement pursuant to this Section 17.1, you acknowledge that you will not be entitled to any refunds of any portion of the Initial Franchise Fee, the Training Fee, or any Membership Fees or any other fees or amounts paid to us or our affiliates under this Agreement in connection with such termination, and further provided that any such termination shall be conditioned on you signing a general release effective as of your termination date in the form set forth on Exhibit A attached hereto (or any other form required by or acceptable to us), in any case to the fullest extent allowed under applicable law, in favor of us and our affiliates, and our and our affiliates' respective members, owners, officers, directors, employees, consultants, advisors, agents, successors and assigns (in their corporate and individual capacities), for all claims arising out of or related to this Agreement or your Franchise.

If you provide a notice of termination pursuant to this Section 17.1, we may in our discretion, subject to applicable law, accept or otherwise accelerate such termination as of a date earlier than the end of the notice period, in which case such termination shall be deemed effective as of such earlier date.

17.2 **By Franchisor – Non-Curable Defaults**. We may, at any time, terminate this Agreement effective immediately upon written notice if you:

(a) are convicted by a trial court of, plead no contest or enter into a consent decree in connection with any violation of the rules or regulations of franchise laws, federal or state securities laws, or any felony or any other crime or offense that is likely to adversely affect your reputation, our reputation or otherwise involving any fraud or breach of trust, or to any crime or offense that may adversely affect the reputation of the goodwill associated with the Marks or the Paterson Franchise System;

(b) engage in any misconduct which unfavorably affects your reputation or the goodwill associated with the Marks or the Paterson Franchise System (including, but not limited to, child abuse or other mistreatment, theft of Customer property, health or safety hazards, drug or alcohol problems, sexual harassment, discrimination or allowing unlawful activities or unauthorized or illegal items to be used or distributed in connection with the Franchise);

(c) make any direct or indirect Transfer in violation of Section 15 of this Agreement;

(d) become insolvent or make a general assignment for the benefit of creditors; if a petition in bankruptcy is filed by you or such a petition is filed against and not opposed by you; are adjudicated bankrupt or insolvent; if a bill in equity or other proceeding for the appointment of a receiver of you or other custodian for your Franchise or assets is filed and consented to by you; if a receiver or other custodian (permanent or temporary) of your assets or property, or any part thereof, is appointed by any court of competent jurisdiction; if proceedings for a composition with creditors under any state or federal law should be instituted by or against you; if a final judgment remains unsatisfied or of record for thirty (30) days or longer (unless a superseding bond is filed); if you are dissolved; if execution is levied against your Franchise or property; if suit to foreclose any lien or mortgage against the premises or equipment is instituted against you and not dismissed within thirty (30) days; or if the real or personal property of the Franchise shall be sold after levy thereupon by any sheriff, marshal, or constable;

(e) fail to meet the Minimum Performance Requirements during the Measurement Period following completion of Refresher Training;

(f) breach Section 16 of this Agreement;

(g) knowingly fail to accurately report payments to us, any affiliate, and/or any supplier/creditor of ours or you commit any act or omission constituting fraud, misrepresentation or similar act or omission, whether with respect to us, any related entities and/or any third party;

(h) default, on three (3) or more separate occasions within any term of your Franchise, on any of your material obligations to us or an affiliate, whether or not cured (including failure to adhere to any of our Core Values), and/or other third parties, the Operations Manual or otherwise;

(i) fail to commence operation of the Franchise within the time prescribed in Section 10.6 of this Agreement; or

(j) make any misrepresentation on your franchise application or supporting documentation.

17.3 **By Franchisor – Curable Defaults**. The occurrence of any of the following events shall constitute a curable default under this Agreement. You may cure such default by taking appropriate remedial action within the prescribed time set forth below. Unless you cure such default before the end of the indicated remedial period, we may terminate this Agreement or take any other actions as this Agreement permits.

(a) You fail to timely remit the monthly Membership Fee under Section 4.2 hereof which is not cured within ten (10) days after written notice from us.

(b) You fail to remit any other payments immediately when due to us or our affiliates and fail to cure such breach within ten (10) days after written notice from us.

(c) You fail to remit any payments immediately when due to a supplier, vendor, broker, landlord, or other third party owed by the Franchise and fail to cure such breach within thirty (30)

days after written notice from us.

(d) You make any unauthorized use of the Marks or you otherwise violate any of the provisions of Section 9 hereof which is not cured within five (5) business days of written notice from us.

(e) You breach Section 10.4 and fail to cure such breach within five (5) business days after written notice from us.

(f) You breach Section 10.11 and fail to cure such breach within fifteen (15) days after written notice from us.

(g) You fail to timely and successfully complete Training or any other mandatory training and fail to cure such breach by attending the next available training session.

(h) You fail to pay any taxes when due and fail to cure such breach within thirty (30) days.

(i) You breach any other obligation, covenant or representation under this Agreement (other than the non-curable defaults described in Section 17.2 above or those with shorter cure periods described in Section 17.3(a) through (f) above) and fail to remedy such breach within thirty (30) days after written notice from us specifying the breach alleged to have occurred and the action to be taken by you curing the same, whether or not such breach is outlined in the Operations Manuals, including but not limited to your: (i) failure to operate the Franchise in accordance with the Operations Manuals and/or other manuals, (ii) failure to conform to our Franchise System Standards, or failure in any other way to maintain our standards of quality in the operation of the Franchise, or (iii) taking for your own personal use any assets or property of the Franchise.

17.4 **Cross Defaults, Non-Exclusive Remedies, Etc**. Any default by you under this Agreement may be regarded as a default under any other agreement between us (or any affiliate of ours) and you. Any default by you under any other agreement between us (or any of our affiliates) and you, and any default by you under any obligation to us (or any of our affiliates) may be regarded as a default under this Agreement. Any default by you (or any person/company affiliated with you) under any loan agreement, security agreement, lease, supply or service agreement or otherwise and that was signed in connection with the operation of your Paterson Franchise, whether with us, any of our affiliates and/or any third party which is not cured by the time period specified in such agreement may be regarded as a default under this Agreement and/or any other agreement between us (or any of our affiliates) and you (or any of your affiliates). In each of the foregoing cases, we (and any of our affiliates) will have all remedies allowed at law, including termination of your rights (and/or those of any person/company affiliated with you) and our (and/or our affiliates') obligations. No right or remedy which we may have (including termination) is exclusive of any other right or remedy provided under law or equity and we may pursue any rights and/or remedies available.

17.5 **Rights upon Default**.

(a) If you breach or default any provision of this Agreement, we may (but have no obligation to) take any action to cure the default on your behalf, without any liability to you. You shall reimburse us for our costs and expenses (including the allocation of any internal costs) for such action, plus up to 10% of such costs and expenses as an administrative fee.

(b) Except in the case of your death or disability which is governed by Section 15.4 hereof, if we determine in our sole judgment that the operation of your Franchise is in jeopardy, or if you are in default under this Agreement, then, in addition to our other remedies, to the fullest extent permitted by applicable law and without waiving your obligations under this Agreement, we may discontinue sales of any products and provision of other services to you, until you cure the default. In addition, in order to

prevent an interruption of the Franchise which would cause harm to the Paterson Franchise System and thereby lessen its value, you authorize us to operate your Franchise for as long as we deem necessary and practical, which may include designating another Guide to provide Guide Services on your or our behalf, and without waiver of any other rights or remedies which we may have under this Agreement ("Step-In Rights"). In the event of the exercise of the Step-In Rights by us, you agree to hold harmless us, our designees, and our representatives for all actions occurring during the course of such temporary operation. You agree to pay all of our reasonable fees and costs incurred as a consequence of our exercise of our Step-In Rights including wages and personnel costs which are payable on demand out of Franchised Business proceeds. Nothing contained herein shall prevent us from exercising any other right, which we may have under this Agreement, including, without limitation, termination.

17.6 **Obligations Upon Termination/Expiration**. Upon any expiration or termination of this Agreement for any reason, you must, at your cost and expense:

(a) immediately cease to use any of the Confidential Information, the Intellectual Property and the Marks;

(b) immediately return to us (or destroy upon our request) all of your copies of any materials containing any of the Confidential Information or any materials bearing the Intellectual Property or the Marks and all copies and records of the Lists and Client Data;

(c) upon our request, cooperate in assigning to us or to a person or entity designated by us any and all vendor agreements or sales or service contracts for the Products or the Services with Clients of your Franchise, which will be automatic at our option as a result of the termination or expiration;

(d) immediately cease all use of our Marks and Intellectual Property including any of our marketing materials and brochures and stop holding yourself out to the public as associated with us in any way including the removal of all trade dress;

(e) immediately terminate your access to our Computer Systems, any Required Technology, any E-Commerce activities we designate, and any other applicable Paterson systems to which you had access as a franchisee, and immediately remove any Franchise related proprietary software from your computer(s);

(f) immediately pay us all unpaid fees and pay us, our affiliates, and our approved and designated suppliers and vendors, all other monies owed thereto; and

(g) comply with the post-termination covenants set forth in Section 16 hereof and elsewhere in this Agreement, all of which will survive the transfer, termination or expiration of this Agreement and cease any and all contact with Clients, suppliers, vendors, employees or our agents without our prior written consent.

Alternatively, we may elect in our sole discretion, to undertake the obligations set forth in subsections (a) through (f) above and charge you for our costs and expenses incurred therewith. You hereby appoint us as your duly appointed agent and attorney in fact with the absolute right (but not the obligation) to perform the acts specified in this Section at your sole cost and expense. The appointment of us as your agent and attorney in fact for the purposes set forth herein is declared and acknowledged to be coupled with an interest and is irrevocable. The grant of power of attorney herein shall include full powers of substitution.

17.7 **Right to Purchase Assets**. If (i) this Agreement expires or is terminated by either party for any reason whatsoever, or (ii) you at any time cease to do business as an Paterson Franchise, then, for purposes of maintaining business continuity, we have the right, but not the obligation, to purchase your Franchise, including the then-usable supplies, inventory, and all other assets owned by you in your

Franchise and to acquire your lease or other contract rights (hereinafter referred to in this provision as the "Franchise Assets") as determined by us in our sole discretion, at book value (cost less depreciation) without considering any value for goodwill associated with the name "Paterson". We will have the right, but not the obligation, to purchase any or all of the Franchise Assets from you for cash within thirty (30) days after the event triggering this second right of first refusal occurs. Nothing in this provision may be construed to prohibit us from enforcing the terms and conditions of this Agreement, including the covenants not to compete contained in Section 16.

18. NOTICES. All notices, requests, consents and other communications required hereunder shall be in writing and shall be duly given if hand delivered and a signed receipt obtained, sent by registered or certified mail, postage prepaid, return receipt requested, sent by overnight express type service, or sent by electronic mail with confirmed delivery, addressed:

If to us:

The Paterson Center, LLC
PO Box 5386
Mooresville, NC 28117
email to: guidesupport@patersoncenter.com

If to you:

To the address set forth on the signature page below.

In the alternative, notice shall be sent to such other address as you or we shall specify in a written notice given to the other party. Each such notice shall be deemed delivered (a) on the date delivered, if by personal delivery; (b) on the date delivered, if by overnight express type service; (c) on the date of transmission by email with confirmed delivery; and (d) on the first occurring of (i) three (3) business days after mailing, postage prepaid, or (ii) the date upon which the return receipt is signed or delivery is refused or the notice is designated by the postal authorities as not deliverable, as the case may be, if mailed. Any notice provided by email or other electronic method shall be confirmed by one of the delivery methods listed under subsection (a), (b), or (d) although this shall not affect the time notice is deemed given hereunder.

Notwithstanding anything to the contrary contained in this Section 18, any notices Franchisor is required or authorized to deliver to Franchisee in order to advise Franchisee of alleged violations of Franchisee's covenants or other agreements contained in this Agreement (but for the avoidance of doubt, a form of non-electronic delivery shall accompany any termination notices provided under this Agreement) shall be deemed to have been duly given or served upon Franchisee by Franchisor if provided by email (without any need for non-electronic delivery) to the email address provided on the signature page below; provided a copy of such email is also provided to the Paterson email address then on file, if different, which may be updated from time to time pursuant to the terms of this Section 18).

19. BUSINESS ENTITY. You may, but are not required, with our prior written consent, such consent not be unreasonably withheld, to form a business organization (i.e., corporation, limited liability company or partnership) (a "Business Entity") to operate your Franchised Business in whole or in part. If you form a Business Entity, you agree and represent that:

(a) Unless waived by us in writing, you must own at least fifty one percent (51%) of the equity interests of the Business Entity throughout the remainder of the Term;

(b) The provisions of this Agreement that apply to you individually in this Agreement shall apply equally to your Business Entity, and that your Business Entity must execute a joinder to this Agreement in such form required by or acceptable to us, agreeing to be bound by the terms and conditions

of this Agreement;

(c) The Business Entity is duly organized or formed and validly existing and remains in good standing under the laws of the state of your incorporation or formation throughout the Term; and

(d) Unless waived by us in writing, such Business Entity is newly organized for purposes of operating the Franchised Business and will only conduct the Franchised Business and no other business.

20. DISPUTE RESOLUTION.

20.1 **Governing Law**. Except to the extent this Agreement or any particular dispute is governed by the U.S. Trademark Act of 1946 (Lanham Act, 15 U.S.C. §1051 and the sections following it) or other federal law, this Agreement and the Franchise shall be enforced and governed by and under the substantive law of the State of Delaware, without regard to choice of law rules, unless otherwise provided herein.

20.2 **Jurisdiction**. Except as otherwise set forth herein, the exclusive venue and exclusive forum for all disputes between the parties shall be any state or federal court of general jurisdiction located in the state and county where we are headquartered at the time such dispute arises. Our headquarters are currently in the State of North Carolina, County of Iredell. The parties to this Agreement hereby waive any and all objections with regard to personal jurisdiction and/or venue.

20.3 **Internal Dispute Resolution**. Prior to the initiation of formal dispute resolution procedures, you must first attempt to resolve any dispute with us or our affiliates informally in accordance with the following internal dispute resolution procedure ("IDR"):

(a) You must notify us in writing of any dispute in accordance with Section 18;

(b) You and a member of our management team with decision making authority will then meet as often, for a duration and as promptly as the parties deem necessary, to discuss the dispute and negotiate in good faith to resolve the dispute. The specific format for such discussions will be left to the discretion of the parties.

Formal proceedings for the resolution of a dispute may not be commenced until the earlier of: (i) the good faith determination by either party that amicable resolution through continued negotiation of the matter does not appear likely; or (ii) sixty (60) days following the date of your initial written notice to us. This agreement to first attempt resolution of disputes internally through IDR will survive termination or expiration of this Agreement.

20.4 **Mediation**. At our sole discretion, any disputes and claims arising out of or relating to this Agreement, the rights and obligations of the parties hereto, third-party beneficiaries, and/or any guarantors and/or transferees of this Agreement, or any claims between any of the above parties, or any other claims or causes of action relating to the making, interpretation, or performance of either party under this Agreement or that is in any way related to your Franchise, will be submitted to non-binding mediation conducted before a sole neutral mediator referred by the American Arbitration Association ("AAA") in accordance with its Commercial Mediation Procedures. Mediation will be conducted in the county and state that our headquarters are in at the time any such dispute or claim arises. We are currently headquartered in the State of North Carolina, County of Iredell. Franchisor and Franchisee shall each bear all of their own costs of mediation; provided, however, the fees of the mediator shall be divided equally between you and us. The mediator will be disqualified as a witness, expert or counsel for any party with respect to the dispute and any related matter. Mediation is a compromise negotiation and will constitute privileged communications under the law governing this Agreement. This means that the entire mediation process will be confidential and the conduct, statements, promises, offers, views and opinions of the mediator and the

parties will not be discoverable or admissible in any legal proceeding for any purpose; provided, however, that evidence which is otherwise discoverable or admissible will not be excluded from discovery or admission as a result of its use in the mediation. We will notify you of our election to submit any dispute to non-binding mediation within thirty (30) days of receiving written notice of a dispute, claim, or alleged cause of action from you or at the time we provide you with notice of a dispute, claim, or alleged cause of action, as applicable.

20.5 **Arbitration**. At our sole discretion, any disputes and claims arising out of or relating to this Agreement, the rights and obligations of the parties hereto, third-party beneficiaries, and/or any guarantors and/or transferees of this Agreement, or any claims between any of the above parties, or any other claims or causes of action relating to the making, interpretation, or performance of either party under this Agreement or that is in any way related to your Franchise, may be resolved by submission to binding arbitration by and before a neutral franchise attorney referred by AAA and selected by the parties in accordance with the then-existing Commercial Arbitration Rules of the AAA. All hearings and other proceedings will take place in the state and county where we are headquartered at the time such dispute or claim arises. We are currently headquartered in the State of North Carolina, County of Iredell. We will notify you of our election to submit any dispute to arbitration (i) within thirty (30) days of receiving written notice of a dispute, claim, or alleged cause of action from you; or (ii) within thirty (30) days of a non-binding mediation determination pursuant to Section 20.4 above; or (iii) at the time we provide you with notice of a dispute, claim, or alleged cause of action, as applicable.

(a) The following shall supplement and, in the event of a conflict with any law or rule, including but not limited to the AAA Commercial Arbitration Rules, shall govern any dispute submitted to arbitration. The parties shall select one (1) arbitrator from the proposed list of neutral arbitrators provided by the AAA who has at least five (5) years' experience in franchise and distribution law. If the parties are unable to agree upon an arbitrator, each party to the dispute shall have fifteen (15) days from the transmittal date of the proposed list in which to strike names objected to, number the remaining names in order of preference, and return the list to the AAA. If a party does not return the list within the time specified, all persons named therein shall be deemed acceptable. From among the persons who have been approved on both lists, and in accordance with the designated order of mutual preference, the AAA shall invite the acceptance of an arbitrator to serve. If the parties fail to agree on any of the persons named, or if acceptable arbitrators are unable to act, or if for any other reason the appointment cannot be made from the submitted lists, the process of submitting lists shall continue until a suitable arbitrator is selected. In all aspects of conducting the arbitration and in rendering his or her decision, the arbitrator shall enforce and apply the substantive laws of the State of Delaware for interpretation of this Agreement, without regard to choice of law rules. The parties may conduct one (1) seven-hour discovery deposition of the opposing party. Any party wishing to take such a deposition must describe with reasonable particularity, in the notice of deposition, the matters to be inquired into at the deposition, and where we are the party being deposed, we must designate at least one designated representative who consents to testify on our behalf. No other discovery depositions shall occur, unless the arbitrator finds such additional depositions to be necessary after written request and an opportunity to be heard. Each party shall be permitted up to ten (10) interrogatories and reasonable requests for production of documents. Each party shall be entitled to file a motion to dismiss, a motion for summary judgment and reasonable motions in limine. The arbitrator shall permit a responding party a reasonable period of time to respond in writing to any such motions. The arbitrator shall apply the Federal Rules of Evidence at the hearings. The arbitrator's award shall include an award of pre-hearing interest from the date upon which any damages were incurred, and from the date of the award until paid in full, at a rate to be fixed by the arbitrator, but in no event less than one and one-half percent (1.5%) per month, or part of a month (unless a lower rate is required by law). The prevailing party shall be entitled to recover from the non-prevailing party all costs of arbitration, including, without limitation, the arbitrator's fee, interest, and costs of investigation pursuant to Section 20.14 below. In addition, the prevailing party shall be entitled to an award of its reasonable and necessary attorneys' fees. The arbitration hearings shall be completed within one hundred and fifty (150) days of the filing of the

arbitration demand, unless the arbitrator, for good cause, must extend this deadline.

(b) The arbitrator shall have no authority to amend or modify the terms of the Agreement. To the extent permitted by applicable law, no issue of fact or law shall be given preclusive or collateral estoppel effect in any arbitration hereunder, except to the extent such issue may have been determined in another proceeding between the parties. Judgment upon the award of the arbitrator shall be submitted for confirmation to the United States District Court for the District of North Carolina or any other court of general jurisdiction located in North Carolina, County of Iredell, provided however, that the jurisdiction shall be updated to the county and state that our headquarters are in at the time the underlying dispute or claim arises and, if confirmed, may be subsequently entered and/or docketed, including as a judgment, in any court having competent jurisdiction. Similarly, any appeals from and/or relating to any arbitration which may be brought in accordance with this Section 20.5 shall be heard before the United States District Court for the District of North Carolina, or any other court of general jurisdiction located in North Carolina, provided however, that the jurisdiction shall be updated to the county and state that our headquarters are in at the time the underlying dispute or claim arises.

(c) The arbitration provisions of this Agreement shall survive any termination or expiration of this Agreement.

20.6 **Injunctive Relief**. Nothing contained in this Agreement shall prevent us from applying to and/or obtaining from any court having competent jurisdiction, a writ of attachment, injunctive relief, including without limitation a temporary injunction or preliminary injunction, and/or other emergency relief available to safeguard and protect our interests. We are entitled to seek this relief without the posting of any bond or security and, if a bond is nevertheless required by a court of competent jurisdiction, the parties expressly agree that the sum of One Thousand Dollars ($1,000) is a sufficient bond.

20.7 **Third Party Beneficiaries**. Our affiliates, and the Brand Fund (as applicable) and their respective officers, directors, members, agents, representatives, affiliates, and/or employees are express third party beneficiaries of the provisions of this Agreement, including the mediation and arbitration provision set forth in this Section 20, each having authority to specifically enforce the right to mediate/arbitrate/litigate claims asserted against such person(s) by you or asserted in relation to this Agreement.

20.8 **Prior Notice of Claims**. As a condition precedent to commencing an action for damages or for our violation or breach of this Agreement, you must notify us within ninety (90) days after the occurrence of the violation or breach, and failure to timely give such notice will preclude any claim for damages.

20.9 **Cumulative Remedies**. The remedies available to any party if the other party breaches this Agreement are cumulative. The exercise of any remedy will not limit any other remedies that may be available. Both parties will also be entitled to any and all remedies available under applicable law.

20.10 **Waiver of Punitive Damages**. WITHOUT LIMITING YOUR OBLIGATIONS TO INDEMNIFY US PURSUANT TO THIS AGREEMENT, BOTH PARTIES EACH WAIVE, TO THE FULLEST EXTENT PERMITTED BY LAW, ANY RIGHT TO, OR CLAIM OF, ANY PUNITIVE OR EXEMPLARY DAMAGES AGAINST THE OTHER. YOU AND WE ALSO AGREE THAT, IN THE EVENT OF A DISPUTE BETWEEN YOU AND US, THE PARTY MAKING A CLAIM WILL BE LIMITED TO RECOVERY OF ANY ACTUAL DAMAGES IT SUSTAINS AND ANY OTHER DAMAGES AWARD SPECIFICALLY REFERENCED IN THIS AGREEMENT.

20.11 **Limitations of Claims**. ANY AND ALL CLAIMS ARISING OUT OF THIS AGREEMENT OR THE RELATIONSHIP BETWEEN AND/OR AMONG YOU AND US MUST BE MADE BY WRITTEN NOTICE TO THE OTHER PARTY WITHIN ONE (1) YEAR FROM THE

OCCURRENCE OF THE FACTS GIVING RISE TO SUCH CLAIM (REGARDLESS OF WHEN IT BECOMES KNOWN); EXCEPT FOR CLAIMS ARISING FROM: (A) INDEMNIFICATION; OR (B) UNAUTHORIZED USE OF THE MARKS, INTELLECTUAL PROPERTY OR CONFIDENTIAL INFORMATION. HOWEVER, THIS PROVISION DOES NOT LIMIT THE RIGHT TO TERMINATE THIS AGREEMENT IN ANY WAY.

20.12 **Waiver of Jury Trial**. BOTH PARTIES IRREVOCABLY WAIVE TRIAL BY JURY IN ANY ACTION, PROCEEDING OR COUNTERCLAIM, WHETHER AT LAW OR IN EQUITY, BROUGHT BY EITHER YOU OR US.

20.13 **Waiver of Class Actions**. Each of the parties hereby irrevocably waives the right to litigate on a class action basis, in any action, proceeding, or counterclaim, whether at law or in equity, brought by any party.

20.14 **Arbitration/Litigation Expenses**. In any action or dispute, at law or in equity, that may arise under or otherwise relate to the terms of this Agreement, the prevailing party shall be entitled to full reimbursement of its arbitration or litigation expenses from the other party. Litigation or arbitration expenses include reasonable attorneys' fees, arbitrator's fee, defense costs, witness fees including expert witness fees and costs and other related expenses including paralegal fees, administrative costs, investigative costs, court reporter fees, sales and use taxes, if any, travel and lodging expenses, court or arbitration costs, and all other charges billed by the attorneys to the prevailing party. Reimbursement is due within thirty (30) days of written notice of an award or other notice of the expenses due. If we engage legal counsel for your failure to pay when due any monies owed under this Agreement or to submit when due any reports, information or supporting records, or for any failure otherwise to comply with this Agreement, you must reimburse us on demand for all of the above-listed expenses we incur.

21. MISCELLANEOUS.

21.1 **Severability**. If any of the provisions of this Agreement are held invalid for any reason, then that provision shall be modified to the minimum extent necessary to make it enforceable, unless that modification is not permitted by law, in which case that provision will be disregarded, and if an unenforceable provision is modified or disregarded, then the rest of this Agreement will not be affected and will remain in full force and effect in accordance with its terms; provided, however, if we determine that a finding of invalidity adversely affects the basic consideration of this Agreement, we have the right to, at our option, terminate this Agreement.

21.2 **Waivers**. Waiver of any provision of this Agreement will not be valid unless in writing and signed by the person against whom it is sought to be enforced. The failure by either party to insist upon strict performance of any provision will not be construed as a waiver or relinquishment of the right to insist upon strict performance of the same provision at any other time, or any other provision of this Agreement.

21.3 **Entire Agreement**. This Agreement, including any schedules, amendments, addenda, and exhibits comprise the entire Agreement between the parties relating to its subject matter, and supersedes all prior agreements, proposals, representations and commitments, oral or otherwise; provided, however, that nothing in this or any related agreement is intended to disclaim the representations made by us in the Disclosure Document that was furnished to you by us. This Agreement may only be amended by an instrument signed by the authorized officers of both parties.

21.4 **Counterparts**. This Agreement may be executed in two (2) or more counterparts, each of which shall be deemed an original, but all of which together shall constitute one (1) and the same instrument. Counterparts may be delivered via facsimile, electronic mail (including pdf or any electronic signature complying with the U.S. federal ESIGN Act of 2000, e.g., www.docusign.com) or other transmission method and any counterpart so delivered shall be deemed to have been duly and validly delivered and be

valid and effective for all purposes.

21.5 **Timing**. Time is of the essence of this Agreement. However, whenever the time for the performance of any action or condition contained in this Agreement falls on a Saturday, Sunday or legal holiday, such time will be extended to the next business date. Indications of time of day mean time in the time zone that we are headquartered in at such time.

21.6 **Multi-State Addendum**. Attached as Exhibit C to this Agreement (the "Multi-State Addenda") and incorporated herein by reference, as applicable, are additional terms and conditions applicable to franchisees based in certain states within the United States of America. Each provision of the Multi-State Addenda shall be effective only to the extent that the jurisdictional requirements of the applicable state law are met independent of the Multi-State Addenda. To the extent the Multi-State Addenda shall be deemed to be inconsistent with any terms or conditions of this Agreement (including its exhibits or attachments thereto (other than the applicable Multi-State Addenda)), the terms of the Multi- State Addenda shall control. When you sign this Agreement, we may ask that you also sign your state's Multi-State Addendum, if applicable.

21.7 **Construction**. The headings of sections are for convenience only and do not define, limit or construe the contents of such sections. All words used in this Agreement, regardless of the number or gender in which they are used, will be construed to include any other number, singular or plural, in any other gender, masculine, feminine or neuter, as the context of this Agreement may require. All fees and charges payable under this Agreement are expressed in US Dollars.

21.8 **Further Assurances**. Franchisor and Franchisee will each execute and deliver, or cause the execution and delivery of, such further instruments, contracts, forms or other documents, and will perform such further acts, as may be necessary or desirable to perform or complete any term, covenant or obligation contained in this Agreement.

21.9 **Compliance with Anti-Terrorism Laws**. You agree to comply, and to assist us to the fullest extent possible in our efforts to comply with Anti-Terrorism Laws. "Anti-Terrorism Laws" mean Executive Order 13224 issued by the President of the United States (see Section 21.15 below), the USA PATRIOT Act, and all other present and future federal, state, and local laws, ordinances, regulations, policies, lists, and other requirements of any governmental authority addressing or in any way relating to terrorist acts and acts of war. Any violation of the Anti-Terrorism Laws by you, or any blocking of your assets under the Anti-Terrorism Laws, shall constitute good cause for immediate termination of this Agreement.

21.10 **Survival**. All obligations under this Agreement (whether yours or ours) which expressly or by their nature survive the expiration or termination of this Agreement will continue in full force and effect after and notwithstanding the expiration or termination of this Agreement until such provisions are satisfied in full or by their nature expire.

21.11 **Notice of Potential Franchisor and Affiliate Profit**. You acknowledge that we and our affiliates will make available to you products and/or services for use in the Franchised Business on term which we and our affiliates will make a profit. We further advise you that we and our affiliates periodically may receive consideration from suppliers and manufacturers respecting sales of products or services to you or in consideration for services provided or rights granted or licensed to suppliers or manufacturers Therefore, you acknowledge that we and our affiliates are entitled to retain such profits and/or consideration to the fullest extent permitted by applicable law.

21.12 **Force Majeure**. Whenever a period of time is provided in this Agreement for either party to perform any act, except for Franchisee's payment of monies to Franchisor or any Franchisor affiliate, neither party shall be liable nor responsible for any delays due to strikes, lockouts, casualties, acts of God,

war, terrorism, governmental regulation or control or other causes beyond the reasonable control of Franchisor and Franchisee, and the time period for the performance of such act shall be extended for the amount of time of the delay. This clause shall not result in an extension of the Term.

21.13 **Interpretation**.

(a) Whenever this Agreement provides that we have a certain right, that right is absolute and the parties intend that our exercise of that right will not be subject to any limitation or review. We have the right to operate, administrate, develop, and change the Paterson Franchise System in any manner that is not specifically precluded by the provisions of this Agreement, although this right does not modify any express limitations set forth in this Agreement.

(b) Subject to applicable law, whenever in this Agreement we are permitted or required to act, make a decision or determination, or provide an approval or consent (i) in our "good faith determination", "good faith discretion", "determination in good faith", "reasonable determination", "reasonable discretion", "acting reasonably" or under another express reasonableness type standard, then we will act under such standard exercising our reasonable business judgment; and (ii) in our "determination", "sole determination", "discretion" or "sole discretion", then we make decisions in our sole determination considering such interests and factors as we deem appropriate. Our decisions or actions will be deemed to be the result of reasonable business judgment, even if other reasonable or even arguably preferable alternatives are available, if our decision or action is intended, in whole or significant part, to promote or benefit the Paterson Franchise System generally even if the decision or action also promotes our interests. In either case, we may make determinations or exercise our discretion differently due to varying circumstances.

(c) Each of the parties agrees that they have been or have had the opportunity to have been represented by their own counsel throughout the negotiations and at the signing of this Agreement and all of the other documents signed incidental to this Agreement. None of the parties can, while this Agreement is effective or after its termination or expiration, assert that any provisions of this Agreement or any of the other documents should be construed against the drafter of this Agreement or any of the other documents.

(d) Definitions for defined terms used in this Agreement are set forth throughout this Agreement. In this Agreement, unless a clear contrary intention appears: (i) the singular number includes the plural number and vice versa; (ii) reference to any person includes such person's heirs, successors and assigns but, if applicable, only if such heirs, successors and assigns are not prohibited by this Agreement, and reference to a person in a particular capacity includes such person in any other applicable capacity or individually; (iii) reference to any gender includes each other gender; (iv) reference to any agreement, document or instrument means such agreement, document or instrument as amended or modified and in effect from time to time in accordance with the terms thereof; (v) reference to any law, means such law, as amended, modified, codified, replaced or reenacted, in whole or in part, and in effect from time to time, including rules and regulations promulgated thereunder, and reference to any section or other provision of any law means that provision of such law, from time to time, in effect and constituting the substantive amendment, modification, codification, replacement or reenactment of such section or other provision; (vi) "hereunder," "hereof," "hereto," "herein" and words of similar import shall be deemed references to this Agreement as a whole and not to any particular Section or other provision of this Agreement; (vii) "including" (and with correlative meaning "include") means including without limiting the generality of any description preceding such term; (viii) "or" is used in the inclusive sense of "and/or"; (ix) with respect to the determination of any period of time, "from" means "from and including" and "to" means "to but excluding"; (x) references to a governmental authority also refer to any regulatory body that succeeds the function of such authority; (xi) references to documents, instruments or agreements shall be deemed to refer as well to all addenda, exhibits, schedules or amendments thereto; and (xii) references to any right under this Agreement which a party "may" exercise shall imply that such party shall in no way be deemed

obligated to exercise such right.

(e) The parties agree that this Agreement is drafted in the English language. Each party accepts and approves the English version of the Agreement signed by all parties as controlling in any dispute among the parties arising from or related to the Agreement.

21.14 **Currency**. Unless otherwise specified, all dollar figures disclosed in our Franchise Disclosure Document and referenced in this Agreement are in United States Dollars, and do not include any applicable taxes, which such taxes are your responsibility in accordance with Section 4.13 above. Accordingly, unless otherwise specified, the word "dollar" and the "$" sign refer to United States Dollars, and all amounts to be advanced, paid, tendered or calculated under this Agreement are to be advanced, paid, tendered or calculated in United States Dollars. However, from time to time, we may calculate amounts to be paid under this Agreement, and we may require or allow you to advance, pay or tender such amounts, in currency other than the United States Dollar, which may be your local currency. By way of example, if you attend a conference or another event outside of the United States, those conference or registration fees may be calculated and charged in the currency where the conference or event takes place, which may not be in United States Dollars and also may be different from your local currency. To the extent we calculate or require you to pay any amount in a currency other than the United States Dollar, we will provide you notice of the US Dollar equivalent for such amount, which may be in the form of an invoice.

21.15 **Acknowledgment**. You acknowledge and represent that:

We have made no promise or representation to you as to the renewal of this Agreement or the grant of a new franchise after the end of the Initial Term set forth in Section 2 hereof.	INITIAL HERE _____
Our Franchise Disclosure Document, or "FDD", has been in your possession for at least fourteen (14) days before you signed this Agreement and before your payment of any monies to us, refundable or otherwise, and that any unilateral, material changes to this Agreement were memorialized in writing in this Agreement for at least seven (7) days before you signed this Agreement, or as otherwise required by state law.	INITIAL HERE _____
The restrictive covenants in Section 16 of this Franchise Agreement are fair and reasonable, and will not impose any undue hardship on you, since you have other considerable skills, experience, and education that afford you the opportunity to derive income from other endeavors.	INITIAL HERE _____
There are no "side-deals", "side letters" or similar arrangements that are different from the understandings expressly contained in this Agreement.	INITIAL HERE _____
Other franchisees of ours have or will be granted franchises at different times and in different situations, and that the provisions of such franchises may vary from those contained in this Agreement.	INITIAL HERE _____

You acknowledge that neither we nor any of our officers, directors, shareholders, employees, or agents have made any representation that: (a) we may purchase any or all products made, produced, fabricated, or modified by you; (b) we guarantee that you will derive income from the Franchised Business; (c) we guarantee that we will refund all or part of the Initial Franchise Fee or any other fees or amounts if you are not satisfied with the Franchise; or (d) we will provide a sales program or marketing program that will enable you to derive income from the Franchised Business.	INITIAL HERE _____
You further acknowledge that the President of the United States of America has issued Executive Order 13224 (the "Executive Order") prohibiting transactions with terrorists and terrorist organizations and that the United States government has adopted, and in the future may adopt, other anti-terrorism measures. Franchisor therefore requires certain certifications that the parties with whom it deals are not directly involved in terrorism. For that reason, you hereby certify that neither you nor any of your employees, co-owners (if any), Business Entity (if any), agents or representatives, nor any other person or entity associated with you, is or will be at any time during the Term (i) a person or entity listed in the Annex to the Executive Order; (ii) a person or entity otherwise determined by the Executive Order to have committed acts of terrorism or to pose a significant risk of committing acts of terrorism; (iii) a person or entity who assists, sponsors, or supports terrorists or acts of terrorism; or (iv) owned or controlled by terrorists or sponsors of terrorism.	INITIAL HERE _____

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

[*Signatures on following page*.]

IN WITNESS WHEREOF, the parties hereto have duly signed this Agreement to be effective as of the Effective Date.

FRANCHISEE:

By: _____

Print Name: _____

Date: _____

FRANCHISOR:

The Paterson Center, LLC

By: _____

Print Name: _____

Date: _____

Title: _____

NOTE: IF A RESIDENT OF THE STATE OF OHIO, PLEASE SEE NOTICE OF CANCELLATION PROVIDED IN THE OHIO STATE ADDENDUM, ATTACHED AS EXHIBIT B.

NOTE: FOR MINNESOTA, WASHINGTON AND MARYLAND FRANCHISEES, PLEASE ALSO SIGN YOUR STATE ADDENDUM ATTACHED AS EXHIBIT B.

Franchisee Notice Information (for Section 18)

Address: _____

_____

Email Address: _____

Telephone Number: _____

Exhibit A

General Release

This General Release (the "Release") is made by each of the undersigned Paterson Franchisee ("Releasor") for the benefit of and in favor of The Paterson Center, LLC a Delaware limited liability company (the "Franchisor"), its affiliates and each of the other Released Parties (defined below).

RECITALS

WHEREAS, Releasor owns and operates an Paterson Franchise (the "Franchise") under that Franchise Agreement dated_____, as it may have been amended (the "Franchise Agreement");

WHEREAS, Releasor desires to (check one), in accordance with the Franchise Agreement:

1. Make a Transfer pursuant to Section 15 of the Franchise Agreement (as applicable, a "Transfer");

2. Renew the Franchised Agreement pursuant to Section 2.3 of the Franchise Agreement ("Renewal"); or

3. Terminate the Franchise Agreement pursuant to Section 17.1 of the Franchise Agreement ("Termination"); and

WHEREAS, all capitalized terms not defined in this Release shall have the meaning given to them in the Franchise Agreement.

NOW, THEREFORE, in consideration of the consent by Franchisor to the proposed Transfer or Renewal, or acceptance by Franchisor of a notice of Termination, as applicable, and for other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged:

2. Releasor hereby, to the fullest extent permitted by applicable law, absolutely and forever releases and discharges Franchisor from any and all claims, demands, damages, debts, liabilities, accounts, costs, expenses, liens, losses, charges, actions, suits, proceedings and causes of action of every kind and nature whatsoever (collectively, the "Released Matters"), whether now known or unknown, suspected or unsuspected, which Releasor now has, owns or holds, or at any time heretofore ever had, owned or held, or could, shall or may hereafter have, own or hold, pertaining to, arising out of or in connection with the Franchise Agreement, any related agreements or the franchisor-franchisee relationship in connection therewith or the operation of the Franchise, including, without limitation, claims arising under federal, state, international and local laws, rules and ordinances.

3. Releasor hereby understands and agrees that this Release shall extend to and be binding upon any and all of Releasor's attorneys, officers, members, directors, co-owners, employees, agents, representatives, heirs, spouses, estate executors, administrators, successors, affiliates, associates and assigns, and their respective insurers and underwriters. If more than one party shall execute this Release, the term "Releasor" shall mean all parties executing this Release, and all parties shall be bound by its terms.

4. Releasor hereby understands and agrees that this Release shall extend to and inure to the benefit of

Franchisor, its affiliates, and each of Franchisor's and its affiliates' shareholders, members, managers, attorneys, officers, directors, owners, employees, agents, representatives, legal representatives, successors, affiliates, associates and assigns, and its and their respective insurers and underwriters (parent and affiliated entities), and its and their officers, directors, shareholders, members, managers, employees, representatives and agents (whether acting in an agency capacity or in their individual capacities), and their respective heirs, successors, beneficiaries and assigns, as applicable, each of whom is intended as a beneficiary of this Release (collectively, with Franchisor, the "Released Parties").

5. For California Residents Only - Releasor expressly waives and relinquishes any and all released claims and likewise waives to the fullest extent permitted by law, the provisions, rights and benefits of Section 1542 of the California Civil Code, which provides:

> "GENERAL RELEASE; EXTENT. 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. Releasor hereby understands and agrees that this Release supersedes any prior agreement, oral or written, with respect to its subject matter. Releasor further understands and agrees that no representations, warranties, agreements or covenants have been made with respect to this Release, other than those set forth in this Release, and that in executing this Release, Releasor is not relying upon any representations, warranties, agreements or covenants not set forth in this Release.

7. Releasor covenants not to sue or to assert, prosecute or maintain, directly or indirectly, in any form, any claim or cause of action against any Released Party with respect to any matter, cause, omission, act, or thing whatsoever, occurring in whole or in part on or at any time prior to the date of this Release, and which is subject to such release provided for in this Release.

8. Releasor represents and warrants that Releasor has not filed nor made any claims, charges, complaints, or actions of any type, whether legal, equitable, or administrative, against any Released Party.

9. This Release shall not apply with respect to claims arising under the Washington Franchise Investment Protection Act, RCW 19.100, and the rules adopted thereunder.

This Release and all acts and transactions under it shall in all respects be interpreted, enforced and governed by the internal laws of the State of Delaware.

If the releases provided herein are inconsistent with applicable law, including, as provided in the Multi-State Addenda set forth in Exhibit B of the Franchise Agreement, then you agree to execute a release of comparable scope that is legal and enforceable.

This Release may be executed in two or more counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same instrument. Counterparts may be delivered via facsimile, electronic mail (including pdf or any electronic signature complying with the U.S. federal ESIGN Act of 2000, e.g., www.docusign.com) or other transmission method and any counterpart so delivered shall be deemed to have been duly and validly delivered and be valid and effective for all purposes.

[*Signatures on following page.*]

IN WITNESS WHEREOF, the undersigned hereto have executed this Release effective as of the date below.

RELEASOR

By: _____

Print Name: _____
Date: _____

RECEIVED:

The Paterson Center, LLC

By:_____

Print Name: _____
Title: _____
Date:_____

DO NOT SIGN

Exhibit B

Form of
Confidentiality Agreement

THIS CONFIDENTIALITY AGREEMENT (the "Agreement") is made effective as of the date of the last signature below (the "Effective Date") by and between The Paterson Center, LLC, LLC, a Delaware limited liability company, with principal address at PO Box 5386, Mooresville, NC 28117 ("Paterson") and _____, a(n) _____, with an address at _____(the "Franchisee").

RECITALS

WHEREAS, Paterson wishes to disclose information to the Franchisee for purposes of considering a potential transaction between Paterson and the Franchisee (the "Transaction"); and

WHEREAS, the parties are entering into this Agreement as a condition of Paterson disclosing certain Confidential Information, as defined below, to the Franchisee and to set forth their mutual understanding and agreement regarding the restrictions on the disclosure and use of such Confidential Information.

AGREEMENT

NOW, THEREFORE, in consideration of the mutual agreements contained herein, and for other good and valuable consideration, the receipt and adequacy of which are hereby acknowledged, the parties hereto, intending to be legally bound, hereby agree as follows:

1. **Recitals**. The recitals above are true and correct and are hereby incorporated by reference.

2. **Confidential Information**. For purposes of this Agreement, "Confidential Information" shall mean all information relating to, or derived from, Paterson or its Affiliates, as defined below (collectively, the "Discloser") to which the Franchisee or its Affiliates (collectively, the "Recipient") is given access in connection with its consideration of the Transaction. Confidential Information includes, without limitation, business information, processes, product or services workflows, business models, pricing formulas, all methods and systems, software, technical information, research reports, designs and specifications, new product and service developments, customers and customer lists, pricing information, trademarks or service marks, and other information, data, documents, technology, know how, processes, trade secrets, contracts, proprietary information, financial and operating data, now or hereafter existing or previously developed or acquired by the Discloser, regardless of whether or not any such information, data or documents qualify as "trade secrets" under applicable law. Confidential Information includes the fact that Confidential Information has been furnished to the Recipient, the fact that the Recipient is evaluating the Confidential Information, the existence or terms of this Agreement or any actual or proposed terms of any other agreement related to the Transaction, all information developed by the Recipient in connection with its evaluation of the Transaction, and all discussions and correspondence related to the Confidential Information and/or Transaction between Recipient and Discloser or their respective Representatives (as defined below). Confidential Information shall include any third party information received by Recipient in confidence. Confidential Information shall not include information that: (a) the Recipient can demonstrate by competent proof to have been in its possession prior to disclosure of such information by the Discloser or its Representatives to the Recipient; (b) information that has been furnished to the

Recipient by a third party as a matter of right without restriction and which was not received directly or indirectly from the Discloser or its Representatives; (c) information which is or becomes part of the public domain by publication or otherwise through no breach of this Agreement by the Recipient; and (d) information which is developed by the Recipient without access to or use of the Discloser's Confidential Information and such can be proven by competent evidence. As used herein, the term "Affiliate" for purposes of the Recipient means a person or entity that directly or indirectly controls, is controlled by, or is under common control with, the Recipient and, for purposes of Paterson means any corporation, partnership or other business entity that controls, is controlled by, or is under common control with, Paterson.

3. **Limited Use and Disclosure of Confidential Information**. Any Confidential Information which the Discloser discloses or makes available to the Recipient (a) shall not be, directly or indirectly, disclosed or used by the Recipient for any purpose in its business activities or for any other purpose whatsoever, but shall be used solely in connection with the Transaction, (b) shall be kept in strict confidence by the Recipient, and (c) shall not be disclosed by the Recipient, other than as permitted herein, to any other person or entity without the Discloser's prior written consent. Recipient may reveal such information to (1) its Affiliates, and its Affiliates' officers, directors, employees, accountants, attorneys, agents, consultants, advisors, and financing sources (collectively, its "Representatives") who (i) need to know or be aware of the Confidential Information in connection with the Transaction, (ii) are informed of the confidential nature of the Confidential Information, and (iii) are subject, as a result of their employment or engagement by the Recipient, to an obligation no less restrictive in nature and scope than this Agreement, which prohibits such party from disclosing or using the Confidential Information furnished to them; (2) to the extent required by applicable law, rule, or regulation, subject to compliance with Section 11, if applicable; and (3) otherwise with Discloser's prior written consent. The Recipient shall be responsible for any breach of this Agreement by any of its Representatives.

4. **Term**. This Agreement shall remain in effect for a period of two (2) years following the expiration or termination of the Transaction. Notwithstanding the foregoing, in the event the Agreement is terminated or expires, the rights and obligations created hereunder with respect to Confidential Information shall continue for a period of three (3) years from the date of the applicable disclosure. The obligations created hereunder with respect to Confidential Information consisting of personally identifiable information protected under applicable privacy law or trade secrets shall remain in effect in perpetuity.

5. **Confidential Information is Proprietary**. The Recipient hereby agrees and acknowledges that all Confidential Information supplied hereunder is confidential, and, where applicable, proprietary, and of the highest value to the Discloser and that no licenses or rights are granted in such Confidential Information hereunder except for the limited right for the Recipient to review the Confidential Information for purposes of the Transaction.

6. **Return of Confidential Information**. Upon the Discloser's written request, all Confidential Information, including, without limitation, all copies of all documents and other materials which the Recipient has received (excluding any computer back-up copies of Confidential Information retained in order to comply with its internal record retention policies and procedures for legal, regulatory, and compliance purposes, which Confidential Information, for the avoidance of doubt, shall continue to be subject to the terms of this Agreement for the term described in Section 4 above), shall be either destroyed or returned to the Discloser (at Discloser's option), along with a certificate signed by the Recipient that all such information has been either destroyed or returned, respectively, and that none of the Confidential Information has been retained by the Recipient in any form except as otherwise permitted hereunder.

7. **No Reliance on Confidential Information**. Neither the Discloser nor any of its principals, officers, directors, employees or agents makes any express or implied representation or warranty as to the

accuracy or completeness of the Confidential Information, and no such person shall have any liability relating to the Confidential Information or for any errors therein or omissions therefrom. The Recipient may not rely on the accuracy or completeness of the Confidential Information, but solely on such representations and warranties as may be included in any definitive agreement with respect to the Transaction, if any, subject to such limitations and restrictions as may be contained therein. This Section 7 shall survive the expiration or termination of this Agreement for any reason.

8. **Indemnification.** The Recipient agrees to indemnify and hold the Discloser harmless from and against any and all losses and liabilities (including without limitation, attorney's fees and costs) based upon, arising out of or otherwise in respect of any breach or violation of this Agreement by Recipient or any of its Representatives and any enforcement of this Agreement against Recipient or any of its Representatives.

9. **Injunction**. Recipient acknowledges that the Discloser cannot be made whole or have its interests completely protected solely by a monetary award of damages. Accordingly, Recipient agrees that if it breaches or threatens to breach any of the terms of this Agreement, the Discloser shall have the right to seek a petition for a temporary and/or permanent injunction by any court of competent jurisdiction and such injunction filing shall not require the posting of any bond. This remedy is in addition to any other rights or remedies available to the Discloser.

10. **Mandatory Disclosure**. In the event that the Recipient is legally compelled under any applicable law, rule or regulation or in any civil or criminal legal proceeding, regulatory proceeding or similar process, to disclose Confidential Information of the Discloser, it shall, to the extent legally permissible, provide the Discloser, prior to disclosure, prompt written notice of such requirements and a draft of the statements for review and comment. Recipient agrees to furnish only that portion of the Confidential Information which it is legally required to disclose and to exercise reasonable efforts to obtain assurance that confidential treatment will be accorded to any disclosed Confidential Information (at the sole expense of the Discloser).

11. **Miscellaneous**.

(a) This Agreement contains the entire agreement between the parties hereto regarding the matters contained herein, and supersedes all prior agreements and understandings, whether oral or written, between the parties hereto regarding the matters contained herein.

(b) This Agreement may not be amended or modified in any respect except by a writing executed by both of the parties hereto.

(c) This Agreement shall be governed by and construed and interpreted in accordance with the laws of the State of Delaware, without regard to its conflict of laws provisions. Notwithstanding the foregoing, and in accordance with Section 9, above, the non-breaching party may seek a petition for a temporary and/or permanent injunction by any court of competent jurisdiction and such injunction shall not require the posting of any bond.

(d) All notices and all other communications provided for in this Agreement shall be in writing and shall be deemed to have been duly given when delivered in person, three business days after being mailed by certified mail, return receipt requested, or upon delivery by a recognized overnight delivery service to a party at the address specified at the beginning of this Agreement. A party may change the address below by providing written notice to the other party; provided, however, that no notice of a change of address shall be effective until actual receipt of such notice.

(e) If any provision (or part thereof) of this Agreement is held to be invalid, illegal or unenforceable in any respect, such invalidity, illegality or unenforceability shall not affect any other provision (or part) hereof and all such other provisions shall remain in full force and effect and this Agreement shall be interpreted to maintain the original intent of the parties to the extent possible while maintaining its validity.

(f) Neither party may assign or otherwise transfer this Agreement without the written consent of the other. This Agreement shall be binding upon and inure to the benefit of the parties hereto, and to each party's successors, and permitted assigns.

(g) Notwithstanding any other provision of this Agreement, this Agreement shall be effective whether or not a relationship is consummated or a definitive agreement completed in connection with the Transaction. The failure of any party hereto at any time or times to require performance hereunder shall in no way affect such party's right at a later time to require such performance. No waiver by any party hereto of any condition, or of the breach of any term contained herein, by conduct or otherwise, in any one or more instances, shall be deemed to be or construed as a further or continuing waiver of such condition or breach or a waiver of any other condition or breach of any other term of this Agreement.

(h) This Agreement may be executed in counterparts, each of which shall be deemed an original and both of which together shall constitute a single agreement. All parties acknowledge that a facsimile copy of this Agreement may be executed and shall have the same binding force and effect, and in such case each party agrees to execute the appropriate original agreement thereafter if requested. Additionally, each party hereto (i) acknowledges an electronic signature is effective, (ii) agrees it will not dispute the legally binding nature, validity or enforceability of the Agreement based on the fact that the terms were accepted with an electronic signature and (iii) shall ensure that its electronic signature vendor shall comply with the confidentiality obligations of the Agreement.

(i) Each signatory hereto has the requisite entity power and authority to enter into, execute and deliver this Agreement and this Agreement constitutes a legal, valid, and binding obligation, enforceable against each party.

(j) The relationship of the parties is that of independent contractors, and not of agency, partners, joint venturers, or the like.

(k) Each party will perform its obligations under this Agreement in compliance with all applicable law, national, state, and local laws and regulations of any applicable jurisdiction.

(l) Recipient acknowledges that it is familiar with applicable laws and regulations concerning the export or re-export of information and technology, or the direct product thereof, to unauthorized destinations and persons and Recipient agrees to abide by all such regulations in respect of all information or technology supplied by the Discloser under this Agreement. Recipient further agrees not to export, directly or indirectly, the Discloser's technology or information to any restricted or prohibited destination under such applicable laws and regulations unless a request to do so has been submitted by the Discloser and until such request is approved in writing by the appropriate government agency, if required by law.

[Signature Page Follows.]

IN WITNESS WHEREOF, the parties hereto have executed this Confidentiality Agreement as of the Effective Date.

THE PATERSON CENTER, LLC

By: _____

Name: _____

Title: _____

Date: _____

[FRANCHISEE]

By: _____

Name: _____

Title: _____

Date: _____

Exhibit C

Multi-State Addenda to the Franchise Agreement

FOR THE STATE OF CALIFORNIA

In recognition of the requirements of the California Franchise Investment Law, Cal. Corp. Code §§31000-3516 and the California Franchise Relations Act, Cal. Bus. And Prof. Code §§20000-20043, the Franchise Agreement for The Paterson Center, LLC is amended as follows:

1. Termination and Non-Renewal. The California Franchise Relations Act and the California Franchise Relations Act, Cal. Bus. And Prof. Code provide rights to franchisees concerning termination or non-renewal of a franchise agreement that may supersede provisions in the Franchise Agreement, specifically those in Sections 2.3, 17.

2. Bankruptcy. Section 17.2(d), which terminates the Franchise Agreement upon the bankruptcy of Franchisee, may not be enforceable under federal bankruptcy law (11 U.S.C. Section 101, et seq.).

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

4. Governing Law and Venue. The Franchise Agreement requires litigation to be conducted in a court located outside of the State of California. This provision might not be enforceable for any cause of action arising under California law. The Franchise Agreement requires application of the laws of a state other than California. This provision might also not be enforceable under California law.

5. Arbitration. Sections 20.4 and 20.5 of the Franchise Agreement may require you to mediate or submit to binding arbitration. The mediation and arbitration will occur at the forum indicated in Sections 20.4 and 20.5 with the costs of arbitration being borne by the non-prevailing party. Prospective franchisees are encouraged to consult with legal counsel to determine the applicability of California and federal laws (such as Business and Professions Code Section 20040.5, Code of Civil Procedure Section 1281, and the Federal Arbitration Act) to any provisions of the Franchise Agreement restricting venue to a forum outside of the State of California.

6. Interest Rates. Any interest rate charged to a California franchisee shall comply with the California Constitution. The interest rate shall not exceed either (a) 10% annually or (b) 5% annually plus the prevailing interest rate charged to banks by the Federal Reserve Bank of San Francisco, whichever is higher.

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

In all other respects, the Franchise Agreement will be construed and enforced with its terms.

FOR THE STATE OF CONNECTICUT

If Franchisor fails to deliver the products or supplies or fails to render the services necessary to begin substantial operation of the Franchised Business within forty-five days of the delivery date stated in the Franchise Agreement, you may notify Franchisor in writing and demand that Franchise Agreement be cancelled. Further, any provision of the Franchise Agreement which limits your right to a refund shall be qualified by the foregoing in the event you exercise this right to cancel the Franchise Agreement.

In all other respects, the Franchise Agreement will be construed and enforced with its terms.

FOR THE STATE OF HAWAII

In recognition of the requirements of the Hawaii Franchise Investment Law, Hawaii Revised Statutes, Title 26, Chapter 482E et seq., the Franchise Agreement for The Paterson Center, LLC is amended as follows:

1. Termination; Non-Renewal and Transfers. The Hawaii Franchise Investment Law provides rights to Franchisee concerning non-renewal, termination and transfer of the Franchise Agreement. If the Agreement, and more specifically Sections 2.3 and 17, contains a provision that is inconsistent with the Hawaii Franchise Investment Law, the Hawaii Franchise Investment Law shall control.

2. General Release. Sections 2.3 and 15.5(f) require Franchisee to sign a general release as a condition of renewal or transfer of the franchise and Section 17.1 requires Franchisee to sign a general release as a condition to exercising its right to terminate the Franchise Agreement; each such release shall exclude claims arising under the Hawaii Franchise Investment Law.

3. Bankruptcy. Section 17.2(d), which terminates the Franchise Agreement upon the bankruptcy of Franchisee, may not be enforceable under federal bankruptcy law (11 U.S.C. Section 101, et seq.).

In all other respects, the Franchise Agreement will be construed and enforced with its terms.

FOR THE STATE OF IDAHO

In recognition of the requirements of the Idaho Code, Title 29, Chapter 1, Section 29-110 (Limitations on Right to Sue – Franchise Agreement), the Franchise Agreement for The Paterson Center, LLC is amended as follows:

1. Jurisdiction and Venue. Notwithstanding any provision in the Franchise Agreement to the contrary, in the event Franchisee is a business entity organized under the laws of the state of Idaho or is an individual resident of Idaho, jurisdiction and venue for court litigations shall be in Idaho, and any provision in the Franchise Agreement that designates jurisdiction or venue in a forum outside the State of Idaho is void.

2. Limitations of Claims. Notwithstanding any provision in the Franchise Agreement to the contrary, in the event Franchisee is an individual resident of Idaho, any provision in the Franchise Agreement which limits the time frame in which either party may enforce its rights is void.

3. No Limitations on Rights. Notwithstanding any provision in the Franchise Agreement to the contrary, in the event Franchisee is an individual resident of Idaho, any provision in the Franchise Agreement which restricts either party from enforcing its rights under this

Agreement by the usual proceedings in ordinary tribunals is void.

In all other respects, the Franchise Agreement will be construed and enforced with its terms.

FOR THE STATE OF ILLINOIS

In recognition of the requirements of the Illinois Franchise Disclosure Act, the Franchise Agreement for The Paterson Center, LLC is amended as follows:

1. General Release. No general release shall be required as a condition of renewal, transfer or termination that is intended to require Franchisee to waive compliance with the Illinois Franchise Disclosure Act, 815 ILCS 705.

2. Governing Law. Section 20.1 of the Franchise Agreement is amended to provide that any provision that designates governing law to be other than Illinois is void under the Illinois Franchise Disclosure Act of 1987.

3. Jurisdiction and Venue. In conformance with Section 4 of the Illinois Franchise Disclosure Act, any provision in the Franchise agreement that designates jurisdiction and venue in a forum outside of the State of Illinois is void. However, the Franchise Agreement may provide for arbitration or mediation to take place outside of Illinois.

4. Termination and Non-Renewal. The conditions under which the Franchise Agreement can be terminated and Franchisee's rights upon termination or non-renewal, as well as the application by which Franchisee must bring any claims, may be governed by the Illinois Franchise Disclosure Act, 815 ILCS 705/19 and 705/20.

5. No Limitations on Rights. In conformance with Section 41 of the Illinois Franchise Disclosure Act, any condition, stipulation or provision purporting to bind any person acquiring any franchise to waive compliance with the Illinois Franchise Disclosure Act or any other law of Illinois is void. This Section shall not prevent any person from entering into a settlement agreement or executing a general release regarding a potential or actual lawsuit filed under any of the provisions of the Illinois Franchise Disclosure Act, nor shall it prevent the arbitration of any claim pursuant to the provisions of Title 9 of the United States Code.

6. Limitations of Claims. No action for liability under the Illinois Franchise Disclosure Act shall be maintained unless brought before the expiration of three (3) years after the act or transaction constituting the violation upon which it is based, the expiration of one (1) year after Franchisee becomes aware of facts or circumstances reasonably indicating that he may have a claim for relief in respect to conduct governed by the Act, or ninety (90) days after delivery to Franchisee of a written notice disclosing the violation, whichever shall first expire.

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

In all other respects, the Franchise Agreement will be construed and enforced with its terms.

FOR THE STATE OF INDIANA

In recognition of the requirements of the Indiana Deceptive Franchise Practices Law, IC 23-2.2.7

and the Indiana Franchise Disclosure Law, IC 23-2-2-2.5, the Franchise Agreement for The Paterson Center, LLC is amended as follows:

1. Governing Law. The laws of the State of Indiana supersede any provision of the Franchise Agreement or Delaware Law if such provisions are in conflict with Indiana law. The Franchise Agreement will be governed by Indiana law.

2. General Release. Sections 2.3 and 15.5(f) require Franchisee to sign a general release as a condition of renewal or transfer of the franchise and Section 17.1 requires Franchisee to sign a general release as a condition to exercising its right to terminate the Franchise Agreement; such release shall exclude claims arising under the Indiana Deceptive Franchise Practices Law or the Indiana Franchise Disclosure Law.

3. Termination. Section 17 of the Franchise Agreement is amended to prohibit unlawful unilateral termination of a franchise unless there is a material violation of the Franchise Agreement and termination is not in bad faith.

4. Franchisee Indemnification. The Franchise Agreement is amended to provide that Franchisee shall not be required to indemnify Franchisor for any liability imposed upon Franchisor as a result of Franchisee's reliance upon or use of procedures or products that were required by Franchisor, if such procedures or products were utilized by Franchisee in the manner required by Franchisor.

5. Governing Law. Section 20.1 of the Franchise Agreement is amended to provide that in the event of a conflict of law, the Indiana Franchise Disclosure Law, IC 23-2-2.5, and the Indiana Deceptive Franchise Practices Law will prevail.

6. Jurisdiction and Venue. The Franchise Agreement is amended to provide that Franchisee may commence litigation in Indiana for any cause of action under Indiana law. Choice of forum for litigation will not be limited to the state that Franchisor is headquartered in.

7. Arbitration. The Franchise Agreement is amended to provide that arbitration between Franchisor and Franchisee shall be conducted in Indiana or a site mutually agreed upon.

In all other respects, the Franchise Agreement will be construed and enforced with its terms.

FOR THE STATE OF MARYLAND

In recognition of the requirements of the Maryland Franchise Registration and Disclosure Law, Md. Code Ann., Bus. Reg. §§14-201-14-233, the Franchise Agreement for The Paterson Center, LLC is amended as follows:

1. General Release. Sections 2.3 and 15.5(f) require Franchisee to sign a general release as a condition of renewal or transfer of the franchise and Section 17.1 requires Franchisee to sign a general release as a condition to exercising its right to terminate the Franchise Agreement; such release shall exclude claims arising under the Maryland Franchise Registration and Disclosure Law.

2. Dispute Resolution. The following language is added to Section 20 of the Franchise Agreement:

"Franchisee may bring a lawsuit in Maryland for claims arising out of the Maryland Franchise Registration and Disclosure Law. All claims arising under the Maryland Franchise Registration and Disclosure Law (Md. Code Bus. Reg., Sections 14-201 through 14-233) shall be commenced within three (3) years after the grant of the franchise."

3. Bankruptcy. Section 17.2(d), which terminates the Franchise Agreement upon the bankruptcy of Franchisee, may not be enforceable under federal bankruptcy law (11 U.S.C. Section 101, et seq).

4. Governing Law. The Franchise Agreement requires that the Franchise be governed by the laws of the State of Delaware; however, in the event of a conflict of laws to the extent required by the Maryland Franchise Registration and Disclosure Law, the laws of the State of Maryland shall prevail.

5. Jurisdiction and Venue. The Franchise Agreement requires litigation to be conducted in the state and county where Franchisor is headquartered, which is currently the State of North Carolina, County of Iredell; the requirement shall not limit any rights Franchisee may have under the Maryland Franchise Registration and Disclosure Law to bring suit in the State of Maryland.

6. Arbitration. The Franchise Agreement requires arbitration to be conducted in the state and county where Franchisor is headquartered, which is currently the State of North Carolina, County of Iredell; the requirement shall not limit any rights Franchisee may have under the Maryland Franchise Registration and Disclosure Law to bring suit in the State of Maryland.

7. Limitations of Claims. Any Section of the Franchise Agreement or any questionnaire requiring Franchisee to assent to any release, estoppel or waiver of liability as a condition of purchasing the Franchise 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. Any claims arising under the Maryland Franchise Registration and Disclosure Law may be brought within three (3) years after the grant of the Franchise.

In all other respects, the Franchise Agreement will be construed and enforced with its terms.

FOR MARYLAND FRANCHISEES ONLY (PLEASE SEE SECTION 21.6 OF THE FRANCHISE AGREEMENT):

ACKNOWLEDGED AND AGREED:

FRANCHISOR:	FRANCHISEE:
THE PATERSON CENTER, LLC	
By:_____	By:_____
Name:_____	Print Name: _____
Title: _____	Date: _____
Date:_____	

FOR THE STATE OF MINNESOTA

In recognition of the Minnesota Franchise Law, Minn. Stat., Chapter 80C, Sections 80C.01 through 80C.22, and the Rules and Regulations promulgated pursuant thereto by the Minnesota Commission of Securities, Minnesota Rule 2860.4400, et. seq., the parties to the attached Franchise Agreement agree as follows:

1. Termination By Franchisor. The Franchise Agreement is amended to add that with respect to franchises governed by Minnesota Law, Franchisor shall comply with Minnesota Statutes, Section 80C.14, Subd. 3-5, which requires, (except in certain specified cases) (1) that Franchisee be given 90 days' notice of termination (with 60 days to cure) and 180 days' notice of non-renewal of the Franchise Agreement; and (2) that consent to the transfer of the franchise will not be unreasonably withheld.

2. General Release. Sections 2.3 and 15.5(f) require Franchisee to sign a general release as a condition of renewal or transfer of the franchise and Section 17.1 requires Franchisee to sign a general release as a condition to exercising its right to terminate the Franchise Agreement; such release shall exclude claims arising under the Minnesota Franchise Law. Minn. Rule 2860.4400D prohibits a franchisor from requiring a franchisee to assent to a general release.

3. Franchisor Indemnification. The Minnesota Department of Commerce requires Franchisor to indemnify Minnesota franchisees against liability to third parties resulting from claims by third parties that the Franchisee's use of the tradename infringes trademark rights of the third party. Franchisor will protect the Franchisee's right granted hereby to use the Marks or will indemnify the Franchisee from any loss, costs or expenses arising out of any claim, suit or demand regarding the use of the Marks. Specifically, Franchisor indemnifies Franchisee against the consequences of Franchisee's use of the tradename in accordance with the requirements of the license, and, as a condition to indemnification, Franchisee must provide notice to Franchisor of any such claims within ten (10) days and tender the defense of the claim to Franchisor. If Franchisor accepts the tender of defense, Franchisor has the right to manage the defense of the claim including the right to compromise, settle or otherwise resolve the claim, and to determine whether to appeal a final determination of the claim.

4. Transfers. Franchisor will comply with Minn. Stat. Sec. 80C.14, Subds. 3, 4, and 5 which require (except in certain specified cases) that Franchisor's consent to the transfer of the franchise not to be unreasonably withheld.

5. Equitable Relief; Bonds Generally. Franchisor may seek injunctive relief, without bond if determined by the court of competent jurisdiction that a bond is not required, against Franchisee restraining the unauthorized use of any Mark or Copyrighted Materials, or the unauthorized use or disclosure of Franchisor's confidential information.

6. Limitations of Claims. No action may be commenced pursuant to the Franchise Agreement more than three (3) years after the cause of action accrues in accordance with Minnesota Statutes, Section 80C.17, Subd. 5.

7. Jurisdiction and Venue. Minnesota Statutes, Section 80C.21 and Minnesota Rules 2860.4400(J) prohibit Franchisor from requiring litigation to be conducted outside Minnesota, requiring waiver of a jury trial, or requiring Franchisee to consent to liquidated damages, termination penalties or judgment notes. In addition, nothing in the Disclosure Document or Franchise Agreement can abrogate or reduce (1) any of 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.

8. Injunctive Relief. Section 20.6 is hereby deleted in its entirety and replaced with the following "Nothing contained in the Franchise Agreement shall prevent Franchisor from seeking from any court having competent jurisdiction, a writ of attachment, injunctive relief, including without limitation a temporary injunction or preliminary injunction, and/or other emergency relief available to safeguard and protect Franchisor's interests. Franchisor is entitled to seek this relief without the posting of any bond or security if determined by the court of competent jurisdiction that a bond is not required."

9. Waiver of Jury Trial. Section 20.12 of the Franchise Agreement is hereby deleted in its entirety and replaced with "[Intentionally omitted.]"

In all other respects, the Franchise Agreement will be construed and enforced with its terms.

FOR MINNESOTA FRANCHISEES ONLY (PLEASE SEE SECTION 21.6 OF THE FRANCHISE AGREEMENT):

ACKNOWLEDGED AND AGREED:

FRANCHISOR:	FRANCHISEE:
THE PATERSON CENTER, LLC	
By:_____	By:_____
Name:_____	Print Name: _____
Title: _____	Date: _____
Date:_____	

FOR THE STATE OF NEW YORK

In recognition of the requirements of the General Business Laws of the State of New York, Article 33, §§ 680 through 695, the Franchise Agreement for The Paterson Center, LLC is amended as follows:

1. General Release. Sections 2.3 and 15.5(f) require Franchisee to sign a general release as a condition of renewal or transfer of the franchise and Section 17.1 requires Franchisee to sign a general release as a condition to exercising its right to terminate the Franchise Agreement; such release shall exclude claims arising under the New York State General Business Law and the regulations issued thereunder.

2. Franchisor Assignment. Franchisor shall not transfer and assign its rights and obligations under the Franchise Agreement unless the transferee is able to perform the Franchisor's obligations under the Franchise Agreement, in Franchisor's good faith judgment, so long as it remains subject to the New York State General Business Law and the regulations issued thereunder.

3. Franchisee Indemnification. Franchisee shall not be required to indemnify Franchisor for any liability imposed upon Franchisor as a result of Franchisee's reliance upon or use of procedures or products that were required by Franchisor, if such procedures or products were utilized by Franchisee in the manner required by Franchisor.

4. Franchisee Termination. Franchisee may terminate the Franchise Agreement upon any grounds available at law.

5. Governing Law. Section 20.1 of the Franchise Agreement requires that the franchise be governed by the laws of the State of Delaware, such a requirement will not be considered a waiver of any right conferred upon the Franchisee by Article 33 of the New York State General Business Law and the regulations issued thereunder.

In all other respects, the Franchise Agreement will be construed and enforced with its terms.

FOR THE STATE OF NORTH CAROLINA

If the seller fails to deliver the product(s), equipment or supplies necessary to begin substantial operation of the business within 45 days of the delivery date stated in your contract, you may notify the seller in writing and demand that the contract be cancelled.

In all other respects, the Franchise Agreement will be construed and enforced with its terms.

FOR THE STATE OF NORTH DAKOTA

The North Dakota Securities Commission requires that certain provisions contained in the Agreement be amended to be consistent with North Dakota Law, including the North Dakota Franchise Investment Law, North Dakota Century Code Addendum, Chapter 51-19, Sections 51-19-01 et seq. Such provisions in the Agreement are hereby amended as follows:

1. General Release. Sections 2.3 and 15.5(f) require Franchisee to sign a general release as a condition of renewal or transfer of the franchise and Section 17.1 requires Franchisee to sign a general release as a condition to exercising its right to terminate the Franchise Agreement; such release shall exclude claims arising under the North Dakota Franchise Investment Law.

2. Covenant Not to Compete. Covenants not to compete upon termination or expiration of the Franchise Agreement are generally unenforceable in the State of North Dakota except in limited

instances as provided by law.

3. General Release. Any provision in the Franchise Agreement which requires the Franchisee to sign a general release upon renewal of the Franchise Agreement is hereby deleted from any Franchise Agreement issued in the State of North Dakota.

4. Waiver of Damages. Any provision in the Franchise Agreement which requires the Franchisee to consent to a waiver of exemplary and punitive damages is hereby deleted from any Franchise Agreement issued in the State of North Dakota.

5. Limitations of Claims. Any provision in the Franchise Agreement which requires the Franchisee to consent to a limitation of claims within one year is hereby amended to read the statute of limitations under North Dakota Law will apply in any Franchise Agreement issued in the State of North Dakota.

6. Dispute Resolution. Sections 20.4 and 20.5 of the Franchise Agreement are amended to provide that the site of arbitration or mediation is to be agreeable to all parties and may not be remote from the Franchisee's place of business.

7. Governing Law; Jurisdiction and Venue. The laws of the State of North Dakota supersede any provisions of the Franchise Agreement, the other agreements or Delaware law if such provisions are in conflict with North Dakota law. Any provision in the Franchise Agreement which designates jurisdiction or venue, or requires the Franchisee to agree to jurisdiction or venue, in a forum outside of North Dakota, is deleted from any Franchise Agreement issued in the State of North Dakota.

8. Waiver of Jury Trial. Section 20.12 of the Franchise Agreement is hereby deleted in its entirety and replaced with "[Intentionally omitted.]"

In all other respects, the Franchise Agreement will be construed and enforced with its terms.

FOR THE STATE OF OHIO

The Ohio Business Opportunity Plan Law requires that certain provisions contained in the Agreement be amended to be consistent with Ohio Law. Such provisions in the Agreement are hereby amended as follows:

1. Governing Law. In the event of a conflict of laws, Ohio law shall prevail.
2. Jurisdiction and Venue. Any action may be brought in the appropriate state or federal court in Ohio.
3. Limitations of Claims. The statute of limitations under Ohio Law shall apply.
4. Revocation Period.

Ohio Notice of Cancellation
(FOR OHIO FRANCHISEES ONLY)

_____(Enter date of transaction)

You may cancel this transaction, without penalty or obligation, within five business days from the above date. If you cancel, any payments made by you under the agreement, and any negotiable instrument executed by you will be returned within ten business days following the seller's receipt of your cancellation

notice, and any security interest arising out of the transaction will be cancelled. If you cancel, you must make available to the seller at your business address all goods delivered to you under this agreement; or you may if you wish, comply with the instructions of the seller regarding the return shipment of the goods at the seller's expense and risk. If you do make the goods available to the seller and the seller does not pick them up within twenty days of the date of your notice of cancellation, you may retain or dispose of them without further obligation. If you fail to make the goods available to the seller, or if you agree to return them to the seller and fail to do so, then you remain liable for the performance of all obligations under this agreement. To cancel this transaction, mail or deliver a signed and dated copy of this cancellation notice or any other written notice, or send a telegram, to The Paterson Center, LLC, at PO Box 5386, Mooresville, NC 28117, not later than midnight of (enter date).

I hereby cancel this transaction.

_____ _____

(Date) (Purchaser's signature)

In all other respects, the Franchise Agreement will be construed and enforced with its terms.

FOR THE STATE OF RHODE ISLAND

In recognition of the requirements of The Rhode Island Franchise Investment Act §19-28.1-14, the Franchise Agreement for The Paterson Center, LLC is amended as follows:

1. General Release. Sections 2.3 and 15.5(f) require Franchisee to sign a general release as a condition of renewal or transfer of the franchise and Section 17.1 requires Franchisee to sign a general release as a condition to exercising its right to terminate the Franchise Agreement; such release shall exclude claims arising under The Rhode Island Franchise Investment Act.

2. Governing Law. The laws of the State of Rhode Island supersede any provisions of the Franchise Agreement with respect to a claim otherwise enforceable under The Rhode Island Franchise Investment Act.

3. Jurisdiction and Venue. With respect to a claim otherwise enforceable under The Rhode Island Franchise Investment Act, any provision in the Franchise Agreement which designates jurisdiction or venue, or requires the Franchisee to agree to jurisdiction or venue, in a forum outside of Rhode Island, is deleted.

In all other respects, the Franchise Agreement will be construed and enforced with its terms.

FOR THE STATE OF SOUTH CAROLINA

If the seller fails to deliver the product, equipment or supplies necessary to begin substantial operation of the business within forty-five days of the delivery date stated in your contract, you may notify the seller in writing and demand that the contract be cancelled.

In all other respects, the Franchise Agreement will be construed and enforced with its terms.

FOR THE COMMONWEALTH OF VIRGINIA

In recognition of the requirements of Virginia Retail Franchising Act, the Franchise Agreement for The Paterson Center, LLC is amended as follows:

1. Bankruptcy. Section 17.2(d), which terminates the Franchise Agreement upon the bankruptcy of Franchisee, may not be enforceable under federal bankruptcy law (11 U.S.C. Section 101, et seq).

2. Cross-Defaults. Section 17.4 of the Franchise Agreement will not be applicable to the Franchise Agreement signed by the Virginia franchisee entering into the Franchise Agreement.

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

4. Undue Influence. Pursuant to Section 13.1-564 of the Virginia Retail Franchising Act, it is unlawful for a franchisor to use undue influence to induce a franchisee to surrender any right given to him under the franchise. If any provision of the Franchise Agreement involves the use of undue influence by the franchisor to induce a franchisee to surrender any rights given to him under the franchise, that provision may not be enforceable.

In all other respects, the Franchise Agreement will be construed and enforced with its terms.

FOR THE STATE OF WASHINGTON

In recognition of the requirements of the Washington Franchise Investment Protection Act, Washington Rev. Code §§19.100.010 – 19.100.940, the Franchise Agreement for The Paterson Center, LLC is amended as follows:

1. Termination and Non-Renewal. The Washington Franchise Investment Protection Act provides rights to Franchisee concerning non-renewal and termination of the Franchise Agreement. If the Agreement contains a provision that is inconsistent with the Act, the Act shall control. There may also be court decisions which may supersede the Franchise Agreement in your relationship with Franchisor including the areas of termination and renewal of your franchise.

2. General Release. Sections 2.3 and 15.5(f) of the Franchise Agreement require Franchisee to sign a general release as a condition of renewal or transfer of the franchise and Section 17.1 requires Franchisee to sign a general release as a condition to exercising its right to terminate the Franchise Agreement; such release shall exclude claims arising under the Washington Franchise Investment Protection Act or any rule or order thereunder except when executed pursuant to a negotiated settlement after the agreement is in effect and where the parties are represented by independent counsel. Provisions such as those which unreasonably restrict or limit the statute of limitations period for claims under the Act, or rights or remedies under the Act such as a right to a jury trial, may not be enforceable.

3. Governing Law. In the event of a conflict of law, the provisions of the Washington Franchise Investment Protection Act, Chapter 19.100 RCW shall prevail.

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

5. Limitations of Claims. Provisions such as those that unreasonably restrict or limit

the statute of limitations period for claims under the Act, or which unreasonably restrict other rights or remedies available to a franchisee under the Act, such as a waiver of the right to a jury trial may not be enforceable.

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

7. Non-Competes. Pursuant to RCW 49.62.020, a noncompetition covenant is void and unenforceable against an employee, including an employee of Franchisee, unless the employee's earnings from the party seeking enforcement, when annualized, exceed $100,000 per year (an amount that will be adjusted annually for inflation). In addition, a noncompetition covenant is void and unenforceable against an independent contractor of Franchisee under RCW 49.62.030 unless the independent contractor's earnings from the party seeking enforcement, when annualized, exceed $250,000 per year (an amount that will be adjusted annually for inflation). As a result, any provisions contained in the Franchise Agreement or elsewhere that conflict with these limitations are void and unenforceable in Washington.

8. Anti-Poaching Provisions. RCW 49.62.060 prohibits Franchisor from restricting, restraining, or prohibiting Franchisee from (i) soliciting or hiring any employee of a franchisee of the same franchisor or (ii) soliciting or hiring any employee of the franchisor. As a result, any such provisions contained in the Franchise Agreement or elsewhere are void and unenforceable in Washington.

9. General Releases. A release or waiver of rights executed by a 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.

10. Notice of Potential Franchisor and Affiliate Profit. Section 21.11 of the Franchise Agreement does not apply in the State of Washington.

11. Acknowledgment. Section 21.15 of the Franchise Agreement does not apply in the State of Washington.

12. Fee Deferral. The Washington Securities Division has imposed a fee deferral condition, which requires that we defer the collection of all initial fees from Washington franchisees until we have completed all of our pre-opening obligations and you are open for business.

In all other respects, the Franchise Agreement will be construed and enforced with its terms.

FOR WASHINGTON FRANCHISEES ONLY (PLEASE SEE SECTION 21.6 OF THE FRANCHISE AGREEMENT):

ACKNOWLEDGED AND AGREED:

FRANCHISOR:	FRANCHISEE:
THE PATERSON CENTER, LLC	
By:_____	By:_____
Name: _____	Name: _____
Title: _____	Title: _____
Date:_____	Date:_____

FOR THE STATE OF WISCONSIN

The Wisconsin Fair Dealership Law Title XIV-A Ch. 135, Sec. 135.01-135.07 shall supersede any conflicting terms of the Franchise Agreement.

In all other respects, the Franchise Agreement will be construed and enforced with its terms.

FOR THE TERRITORY OF PUERTO RICO

In recognition of the requirements of the Puerto Rico Dealers Act known as Law 75, the Franchise Agreement for The Paterson Center, LLC is amended as follows:

1. Termination and Non-Renewal. Law 75 makes it unlawful for a franchisor to cancel or not renew a franchise without just cause. If any grounds for default, termination or non- renewal stated in the Franchise Agreement does not constitute "just cause," as that term may be defined by Law 75 or the laws of Puerto Rico, that provision may not be enforceable.

2. Jurisdiction and Venue. The Franchise Agreement is amended to state that restricting jurisdiction or venue to a forum outside the territory of Puerto Rico or requiring the application of the laws of another state is void with respect to a claim otherwise enforceable under Law 75. In the event of a conflict of laws, the provisions of Law 75 shall prevail.

3. Limitations of Claims. Provisions such as those that unreasonably restrict or limit the statute of limitations period for claims under Law 75, or which unreasonably restrict other rights or remedies available to a franchisee under Law 75, such as a waiver of the right to a jury trial may not be enforceable.

In all other respects, the Franchise Agreement will be construed and enforced with its terms.

EXHIBIT B

Financial Statements

THE PATERSON CENTER, LLC

FINANCIAL STATEMENTS

The Paterson Center, LLC

Financial Statements

As of December 31, 2023, and for the Year Then Ended

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DJJCPA

DJJCPA, LLC

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INDEPENDENT AUDITOR'S REPORT

Partners
The Paterson Center, LLC

Opinion

We have audited the accompanying financial statements of The Paterson Center, LLC, which comprises of the balance sheet as of December 31, 2023, and the related statement of income, members' equity, and cash flows for the year then ended, and the related notes to the financial statements.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of The Paterson Center, LLC as of December 31, 2023, and the results of its operations and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

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

Responsibilities of Management for the Financial Statements

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

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

Auditor's Responsibility for the Audit of the Financial Statements

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

In performing an audit in accordance with GAAS, we:

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

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

DJJCPA, LLC
Denver, Colorado
June 28, 2024

The Paterson Center, LLC
Balance Sheet
Year Ended December 31, 2023

	2023
Assets	
Current assets	
Cash and cash equivalents	$ 412,334
Accounts receivable	61,40
Total current assets	473,73
Total assets	473,739
Liabilities and members' equity	
Current liabilities	
Accounts payable	32,69
Total current liabilities	32,69
Total liabilities	32,691
Members' equity	
Contributions from members	400,000
Distributions paid to members	(99,707)
Retained earnings	140,755
Total members' equity	441,048
Total liabilities and members' equity	$ 473,739

See notes to the financial statements

The Paterson Center, LLC
Statement of Income
Year Ended December 31, 2023

	2023
Net sales	$ 242,251
Cost of sales	43,11(
Gross profit	199,14
Operating expenses	
Selling, general and administrative	58,38(
Total operating expenses	58,38(
Net Income	$ 140,755

See notes to the financial statements

The Paterson Center, LLC
Statement of Changes in Members' Equity
Year Ended December 31, 2023

Ending Balance, December 31, 2022	$ -
Contributions	400,000
Distributions	(99,707)
Net income	140,75
Ending Balance, December 31, 2023	$ 441,04

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See notes to the financial statements

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The Paterson Center, LLC
Statement of Cash Flows
Year Ended December 31, 2023

	2023
Cash flows from operating activities:	
Net income	$ 140,755
Changes in assets and liabilities:	
Accounts receivable	(61,405)
Accounts payable	32,691
Net cash provided by in operating activities	112,041
Cash flows from financing activities:	
Contributions from members	400,000
Distributions paid to members	(99,707)
Net cash provided by financing activities	300,293
Net change in cash	412,334
Cash, beginning of period	-
Cash, end of period	$ 412,334

See notes to the financial statements

The Paterson Center, LLC
Notes to the Financial Statements
For the year ended December 31, 2023

1. Organization and Nature of Business General Overview

The Paterson Center, LLC (the Company) is a Delaware limited liability company formed on March 16, 2023. The Company offers a franchised business model centered around intellectual property (IP) consulting. It provides entrepreneurial training, leadership, and business development products and services to business owners, executives, and leadership teams. These services are delivered through the Company's proprietary platforms, Paterson "LifePlan" and "StratOp," which include tools, products, facilitation materials, methods, techniques, practices, procedures, and processes that have demonstrated success over 40 years.

The Company is wholly owned by its parent company, Paterson Holdings, LLC, which owns and operates businesses similar to those franchised by the Company. The Company's operations are supported by its parent company. The Company's executive team includes individuals with extensive experience in strategic leadership, business facilitation, and entrepreneurial training.

The Company began offering Paterson franchises on July 17, 2023. Franchisees are required to purchase certain educational and instructive materials from the Company.

2. Significant Accounting Policies Basis of Presentation

The Company's financial statements have been prepared using the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America ("GAAP").

Use of Estimates and Assumptions

The preparation of financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the dates of the financial statements and the reported amounts of revenues and expenses during the reporting periods. Actual results may differ from those estimates.

Cash and Cash Equivalents

Cash and cash equivalents consist of cash on hand, time deposits and liquid debt instruments such as commercial paper with maturities of three months or less from the date of purchase. As of December 31, 2023, the cash balance was $412,334.

2. Significant Accounting Policies (Continued) Accounts Receivable

The carrying value of accounts receivable approximates fair value due to their short-term nature and historical collectability. Trade receivables are periodically evaluated for collectability based on management's assessment of the collectability of the customer accounts and the aging of accounts receivable. The Company uses the allowance method to account for uncollectible accounts receivable. As of December 31, 2023, Company management determined that all accounts receivable were fully collectible, accordingly, no allowance for doubtful accounts was reported. For the year ending December 31, 2023, the accounts receivable balance was $61,405.

Concentration of Credit Risk

The Company periodically has a cash balance which may exceed depository insurance limits. The Company has not experienced any losses in such accounts and management believes it is not exposed to any significant risk related to uninsured funds.

Revenue Recognition

In May 2014, the FASB issued ASU No. 2014-09, Revenue Recognition (Topic 606), Revenue from Contracts with Customers (ASU 2014-09), The Company recognizes revenue in an amount that reflects the consideration that is expected to be received when its performance obligations are satisfied. ASC 606 defines a five-step process to recognize revenue that requires judgment and estimates, including identifying the contract with the customer, identifying the performance obligations in the contract, determining the transaction price, allocating the transaction price to the performance obligations in the contract and recognizing revenue when or as the performance obligation is satisfied.

The Company enters into franchise agreements with certain consultants, allowing them access to the Company's intellectual property and consulting methodologies. As the intellectual property and consulting methodologies are available to be utilized by the consultant-franchisee during the franchise period, the Company recognizes revenue ratably over the life of the license.

Company management sets franchise fees based on their estimate of the total services to be provided under the engagement. Estimates of total engagement revenue and the cost of services are monitored during the term of the engagement. Franchisees are invoiced for services based on the contractual agreement, which may include monthly, quarterly, or annual billing terms.

Revenue from reimbursable expenses, such as travel and out-of-pocket expenses, is included in net sales. An equivalent amount of reimbursable expense is recognized in the cost of services. Company management has elected the practical expedient that provides an optional exemption

2. Significant Accounting Policies (Continued) Revenue Recognition (Continued)

from disclosing remaining performance obligations related to contracts with an original expected duration of one year or less. The Company does not assess whether a contract has a significant financing component if the expectation at the contract's inception is that the period between franchisee payment and the transfer of promised services will be less than one year.

Franchise Fees

The Company complies with Accounting Standards Codification (ASC) 952, Accounting for Franchise Fee Revenue, which indicates the basis for recognition, presentation, and disclosure of franchise fee revenue.

Under the guidance, the Company has identified that the performance obligation in recognizing revenue. Franchise fee revenues arise from the franchise agreement between the Company and each franchisee. The franchise agreement requires the Company to provide assorted services to support the Paterson brand, which include training and access to proprietary tools and materials. These activities are interrelated with the franchise license and represent a single performance obligation, which entails the transfer of the franchise license and intellectual property.

The franchise agreement specifies that the initial franchise fees are not refundable. Total franchise fees recognized during the year ended December 31, 2023, totaled $153,000.

The franchise fee, which varies based on the type of training program selected by the franchisee (LifePlan, StratOp, or both), is recognized as revenue upon the completion of training and the granting of the franchise license.

Membership Fees

Membership fees are annual payments required from franchisees based on their Type of license (LifePlan, StratOp, or both). These fees provide franchisees access to ongoing support, training, and development opportunities. The membership fees are recognized as revenue over the period they cover.

Royalty Fee Income

Royalty fee income is derived from royalties earned from franchisees based on the revenue generated by Paterson's proprietary processes and intellectual property. We are not currently charging a royalty fee. Any changes to the royalty fee in subsequent years will be communicated in advance and recognized as revenue when earned.

2. Significant Accounting Policies (Continued) Brand Development Fund Contributions

Although the Brand Development Fund is not currently established, the Company reserves the right to implement it in the future. If established, the contributions, which will not exceed $100 per month initially, will be used for international, national, and regional advertising, publicity, and promotion of the Paterson brand. These contributions will be recognized as revenue when received.

Fair Value Measurements

The carrying amounts of financial instruments, including cash, accounts receivable, accounts payable, and accrued and other current liabilities are of approximate fair value due to the short-term nature of these assets and liabilities. The carrying value of the line of credit and lease liability is considered to approximate fair value because interest accrues on the outstanding balance at market rates.

Income Taxes

The Company is a limited liability company and has elected to be treated as a partnership for income tax purposes. The Company's taxable income or loss is reportable by the members on their personal income tax returns. Accordingly, no taxes payable or deferred tax assets or liabilities are reflected in these financial statements. The Company's federal and state income tax returns are subject to possible examination by the taxing authorities until the expiration of the related statutes of limitation on those tax returns. In general, the federal and state income tax returns have a three-year statute of limitation.

Credit Losses

The Company adopted ASC 326, Financial Instruments-Credit Losses, as of January 1, 2023, with the cumulative-effect transition method with the required prospective approach. The measurement of expected credit losses under the current expected credit loss ("CECL") methodology is applicable to financial assets measured at amortized cost, which include trade receivables, contract assets and non-current receivables. An allowance for credit losses under the CECL methodology is determined using the loss-rate approach and measured on a collective (pool) basis when similar risk characteristics exist. Where financial instruments do not share risk characteristics, they are evaluated on an individual basis. The CECL allowance is based on relevant available information, from internal and external sources, relating to past events, current conditions, and reasonable and supportable forecasts. The allowance for credit losses as of December 31, 2023, and change in the allowance for credit losses during the year then ended, was not material to the financial statements.

3. Related-Party Transactions

During the period ended December 31, 2023, the Company distributed $99,707 of capital to The Paterson Group, LLC.

4. Subsequent Events

Subsequent events are transactions occurring after the balance sheet date but before financial statements are issued. The Company recognizes events that provide additional evidence about conditions existing at the balance sheet date in its financial statements. Events that arose after the balance sheet date are not recognized. No such events have been identified through June 28, 2024.

The Paterson Center, LLC

Financial Statements

As of December 31, 2024 and 2023, and for the Years Then Ended

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DJJCPA

DJJCPA, LLC

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INDEPENDENT AUDITOR'S REPORT

Members
The Paterson Center, LLC

Opinion

We have audited the financial statements of The Paterson Center, LLC, which comprise the balance sheets as of December 31, 2024 and 2023, and the related statements of income, changes in members' equity, and cash flows for the years then ended, and the related notes to the financial statements.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of The Paterson Center, LLC as of December 31, 2024 and 2023, and the results of its operations and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

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

Responsibilities of Management for the Financial Statements

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

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

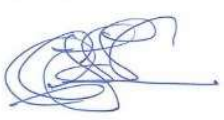
Auditor's Responsibilities for the Audit of the Financial Statements

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

In performing an audit in accordance with GAAS, we:

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

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



DJJCPA, LLC
Denver, Colorado
April 8, 2025

The Paterson Center, LLC
Balance Sheets
As of December 31, 2024 and 2023

	2024	2023
Assets		
Current Assets		
Cash and Cash Equivalents	$ 379,968	$ 412,334
Accounts Receivable	-	61,405
Accounts Receivable - Related Party	130,728	-
Total Current Assets	510,696	473,739
Total Assets	510,696	473,739
Liabilities and Members' Equity		
Current Liabilities		
Accounts Payable	55,297	32,691
Total Current Liabilities	55,297	32,691
Total Liabilities	55,297	32,691
Members' Equity		
Contributions	400,000	400,000
Distributions	(99,707)	(99,707)
Retained Earnings	155,106	140,755
Total Members' Equity	455,399	441,048
Total Liabilities and Members' Equity	$ 510,696	$ 473,739

See Accompanying Notes to the Financial Statements

The Paterson Center, LLC
Statements of Income
For the Years Ended December 31, 2024 and 2023

	2024	2023
Revenue		
Franchise Fees	$ 329,851	$ 153,000
Training Fees	163,750	88,101
Other Service Fees	15,200	1,150
Total Revenue	508,801	242,251
Cost of Sales	151,121	45,854
Gross Profit	357,680	196,397
Operating Expenses		
Selling, General and Administrative	342,992	54,806
Total Operating Expenses	342,992	54,806
Other Income (Expenses)		
Other Income	500	-
Interest Expense	(837)	(836)
Total Other Income (Expenses)	(337)	(836)
Net Income	$ 14,351	$ 140,755

See Accompanying Notes to the Financial Statements

The Paterson Center, LLC
Statements of Changes in Members' Equity
For the Years Ended December 31, 2024 and 2023

Ending Balance, December 31, 2022	$ -
Contributions	400,000
Distributions	(99,707)
Net Income	140,755
Ending Balance, December 31, 2023	441,048
Distributions	-
Net Income	14,351
Ending Balance, December 31, 2024	$ 455,399

See Accompanying Notes to the Financial Statements

The Paterson Center, LLC
Statements of Cash Flows
For the Years Ended December 31, 2024 and 2023

	2024	2023
Cash Flows from Operating Activities:		
Net Income	$ 14,351	$ 140,755
Changes in Assets and Liabilities:		
Accounts Receivable	61,405	(61,405)
Accounts Receivable - Related Party	(130,728)	-
Accounts Payable	22,606	32,691
Net Cash Provided by Operating Activities	(32,366)	112,041
Cash flows from Financing Activities:		
Contributions from Members	-	400,000
Distributions Paid to Members	-	(99,707)
Net Cash Used by Financing Activities	-	300,293
Net Change in Cash	(32,366)	412,334
Cash, Beginning of Period	412,334	-
Cash, End of Period	$ 379,968	$ 412,334

See Accompanying Notes to the Financial Statements

1. Organization and Nature of Business

General Overview

The Paterson Center, LLC (the Company) is a Delaware limited liability company formed on March 16, 2023. The Company offers a franchised business model centered around intellectual property (IP) consulting. It provides entrepreneurial training, leadership, and business development products and services to business owners, executives, and leadership teams. These services are delivered through the Company's proprietary platforms, Paterson "LifePlan" and "StratOp," which include tools, products, facilitation materials, methods, techniques, practices, procedures, and processes that have demonstrated success over 40 years.

The Company is wholly owned by its parent company, Paterson Holdings, LLC, which owns and operates businesses similar to those franchised by the Company. The Company's operations are supported by its parent company. The Company's executive team includes individuals with extensive experience in strategic leadership, business facilitation, and entrepreneurial training.

The Company began offering Paterson franchises on July 17, 2023. Franchisees are required to purchase certain educational and instructive materials from the Company.

2. Significant Accounting Policies

Basis of Presentation

The Company's financial statements have been prepared using the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America ("GAAP").

Use of Estimates and Assumptions

The preparation of financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the dates of the financial statements and the reported amounts of revenues and expenses during the reporting periods. Actual results may differ from those estimates.

Concentration of Credit Risk

The Company periodically has a cash balance which may exceed depository insurance limits. The Company has not experienced any losses in such accounts and management believes it is not exposed to any significant risk related to uninsured funds.

Cash and Cash Equivalents

Cash and cash equivalents consist of cash on hand, time deposits and liquid debt instruments such as commercial paper with maturities of three months or less from the date of purchase. As of December 31, 2024 and 2023, the cash balances were $379,968 and $412,334, respectively.

2. Significant Accounting Policies (Continued)

Accounts Receivable

The carrying value of accounts receivable approximates fair value due to their short-term nature and historical collectability. Trade receivables are periodically evaluated for collectability based on management's assessment of the collectability of the customer accounts and the aging of accounts receivable. The Company uses expected credit losses to account for uncollectible receivable. As of December 31, 2024, Company management determined that all accounts receivable were fully collected, accordingly, no expected credit losses were reported. For the years ending December 31, 2024 and 2023, the accounts receivable balances were $0 and $61,405.

Credit Losses

The Company adopted ASC 326, Financial Instruments-Credit Losses, as of January 1, 2023, with the cumulative-effect transition method with the required prospective approach. The measurement of expected credit losses under the current expected credit loss ("CECL") methodology is applicable to financial assets measured at amortized cost, which include trade receivables, contract assets and non-current receivables. An allowance for credit losses under the CECL methodology is determined using the loss-rate approach and measured on a collective (pool) basis when similar risk characteristics exist. Where financial instruments do not share risk characteristics, they are evaluated on an individual basis. The CECL allowance is based on relevant available information, from internal and external sources, relating to past events, current conditions, and reasonable and supportable forecasts. The allowance for credit losses as of December 31, 2024, and change in the allowance for credit losses during the year then ended, was not material to the financial statements.

Revenue Recognition

In May 2014, the FASB issued ASU No. 2014-09, Revenue Recognition (Topic 606), Revenue from Contracts with Customers (ASU 2014-09), The Company recognizes revenue in an amount that reflects the consideration that is expected to be received when its performance obligations are satisfied. ASC 606 defines a five-step process to recognize revenue that requires judgment and estimates, including identifying the contract with the customer, identifying the performance obligations in the contract, determining the transaction price, allocating the transaction price to the performance obligations in the contract and recognizing revenue when or as the performance obligation is satisfied.

The Company enters into franchise agreements with certain consultants, allowing them access to the Company's intellectual property and consulting methodologies. As the intellectual property and consulting methodologies are available to be utilized by the consultant-franchisee during the franchise period, the Company recognizes revenue ratably over the life of the license.

Company management sets franchise fees based on their estimate of the total services to be provided under the engagement. Estimates of total engagement revenue and the cost of services are monitored during the term of the engagement. Franchisees are invoiced for services based on the contractual agreement, which may include monthly, quarterly, or annual billing terms.

2. Significant Accounting Policies (Continued)

Revenue Recognition (Continued)

Revenue from reimbursable expenses, such as travel and out-of-pocket expenses, is included in other service fees. An equivalent amount of reimbursable expense is recognized in the cost of services. Company management has elected the practical expedient that provides an optional exemption from disclosing remaining performance obligations related to contracts with an original expected duration of one year or less. The Company does not assess whether a contract has a significant financing component if the expectation at the contract's inception is that the period between franchisee payment and the transfer of promised services will be less than one year.

Franchise License Fees

Under the guidance, the Company has identified that the performance obligation in recognizing revenue. Franchise fee revenues arise from the franchise agreement between the Company and each franchisee. The franchise agreement requires the Company to provide assorted services to support the Paterson brand, which include training and access to proprietary tools and materials. These activities are interrelated with the franchise license and represent a single performance obligation, which entails the transfer of the franchise license and intellectual property.

The franchise agreement specifies that the initial franchise license fees are not refundable. Total fees recognized during the years ended December 31, 2024 and 2023, totaled $329,851 and $153,000.

The franchise fee, which varies based on the type of training program selected by the franchisee (LifePlan, StratOp, or both), is recognized as revenue upon the completion of training and the granting of the franchise license.

Membership Fees

Membership fees are annual payments required from franchisees based on their membership tier (Basic or Select) and the type of license (Restricted or Unrestricted). These fees provide franchisees access to ongoing support, training, and development opportunities. The membership fees are recognized as revenue over the period they cover.

Royalty Fee Income

The Company has the ability to derive royalties earned from franchisees based on the revenue generated by Paterson's proprietary processes and intellectual property. The Company is not currently collecting royalties as of December 31, 2024 and 2023. Any changes to the royalty fee in subsequent years will be communicated in advance and recognized as revenue when earned.

Brand Development Fund Contributions

Although the Brand Development Fund is not currently established, the Company reserves the right to implement it in the future. If established, the contributions, which will not exceed $100 per month initially, will be used for international, national, and regional advertising, publicity, and promotion of the Paterson brand. These contributions will be recognized as revenue when received.

2. Significant Accounting Policies (Continued)

Fair Value Measurements

The carrying amounts of financial instruments, including cash, accounts receivable, accounts payable, and accrued and other current liabilities are of approximate fair value due to the short-term nature of these assets and liabilities. The carrying value of the line of credit and lease liability is considered to approximate fair value because interest accrues on the outstanding balance at market rates.

Income Taxes

The Company is a limited liability company (LLC) and, as such, is treated as a pass-through entity for federal and state income tax purposes. Under this structure, the Company's income, deductions, and tax credits are passed through to the members and reported on their individual tax returns. Accordingly, no provision for income taxes has been made in the accompanying financial statements. The Company is subject to state and local taxes in jurisdictions that impose taxes on LLCs. These taxes are reported as an expense in the statement of income. Management evaluates the Company's tax positions in accordance with accounting standards related to uncertainty in income taxes. As of the reporting date, there are no significant uncertain tax positions that would require recognition or disclosure in the financial statements for the period ending December 31, 2024.

3. Related-Party Transactions

During the periods ended December 31, 2024 and 2023, the Company distributed capital of $0 and $99,707, respectively, to The Paterson Group, LLC.

4. Subsequent Events

Subsequent events are transactions occurring after the balance sheet date but before financial statements are issued. The Company recognizes events that provide additional evidence about conditions existing at the balance sheet date in its financial statements. Events that arose after the balance sheet date are not recognized. No such events have been identified through April 8, 2025.

DJJCPA

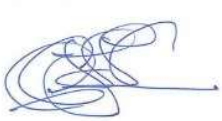
DJJCPA, LLC

1660 Lincoln Street, Suite 2620
Denver, CO 80264

303.346.2600
Fax 720.542.9628
www.djjcpa.com

Auditor's Consent

DJJCPA, LLC consents to the use in the Franchise Disclosure Document issued by The Paterson Center, LLC ("franchisor") as of April 8, 2025, relating to the financial statements of Franchisor for the period ending December 31, 2024.



DJJCPA, LLC
1660 Lincoln Street, Suite 2620
Denver, Colorado 80264

April 8, 2025

The Paterson Center LLC
Balance Sheet
As of July 31, 2025

	Total
ASSETS	
Current Assets	
Bank Accounts	
1072 Bill.com Money Out Clearing	0.00
Paterson Group Checking	0.00
PC Checking	23,683.31
Total Bank Accounts	**$ 23,683.31**
Accounts Receivable	
ACCOUNTS RECIEVABLE	30,362.50
Total Accounts Receivable	**$ 30,362.50**
Other Current Assets	
Due From Paterson Group	758,281.91
Payments to deposit	4,750.00
Total Other Current Assets	**$ 763,031.91**
Total Current Assets	**$ 817,077.72**
TOTAL ASSETS	**$ 817,077.72**
LIABILITIES AND EQUITY	
Liabilities	
Current Liabilities	
Accounts Payable	
ACCOUNTS PAYABLE	1,391.53
Total Accounts Payable	**$ 1,391.53**
Credit Cards	
Bank of America Credit Card	
Betty Credit Card	0.00
Sam Credit Card	0.00
Total Bank of America Credit Card	**$ 0.00**
Betty PC Credit Card	0.00
PC Credit Card Master Acct	0.00
Sam PC Credit Card	0.00
Total Credit Cards	**$ 0.00**
Other Current Liabilities	
Due to Paterson Group	334,873.47
Other Current Liabilities	0.00
Total Other Current Liabilities	**$ 334,873.47**
Total Current Liabilities	**$ 336,265.00**
Total Liabilities	**$ 336,265.00**
Equity	
Additonal Paid In Capital	123,494.22
Distributions	-194,273.27
Member Capital	417,261.08
Opening balance equity	0.00
Retained Earnings	-113,628.29

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

Net Income		247,958.98
Total Equity	**$**	**480,812.72**
TOTAL LIABILITIES AND EQUITY	**$**	**817,077.72**

Friday, Sep 05, 2025 12:56:38 PM GMT-7 - Accrual Basis

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Profit and Loss
The Paterson Center LLC
January 1-July 31, 2025

Distribution account	Total
Income	
FRANCHISE	0.00
Franchise Events	2,500.00
Franchise License Fees	174,902.00
Franchise Training	193,125.00
Total for FRANCHISE	**$370,527.00**
Services	4,500.00
Total for Income	**$375,027.00**
Cost of Goods Sold	
Cost of labor	0.00
Cost of labor - Playbook Transcription	38,253.11
Cost of Labor - Podcasts	6,855.60
Total for Cost of labor	**$45,108.71**
Summit Expenses	0.00
Summit Materials Expense	1,600.00
Total for Summit Expenses	**$1,600.00**
Total for Cost of Goods Sold	**$46,708.71**
Gross Profit	**$328,318.29**
Expenses	
Bank Charges	116.26
Dues & Subscriptions	12,057.11
Office Rent	13,120.00
Professional Fees	104,963.99
Payroll Expenses	112,116.02
QuickBooks Payments Fees	9,670.19
Software & Technology	1,328.82
Travel	17,510.34
Auto	16.33
Total for Travel	**$17,526.67**
Total for Expenses	**$288,425.73**
Net Operating Income	**$39,892.56**
Other Income	
Other Expenses	
Net Other Income	**0.00**
Net Income	**$39,892.56**

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EXHIBIT C

State Administrators

California California Department of Financial Protection and Innovation 320 West 4th St., Suite 750 Los Angeles, CA 90013-2344 Toll Free #: 1-866-275-2677 Website: www.dfpi.ca.gov E-mail: Ask DFPI@dfpi.ca.gov	**Michigan** Consumer Protection Division Michigan Department of Attorney General 670 Law Building Lansing, MI 48913 (517) 373-7117	**South Dakota** Department of Labor and Regulation Division of Securities 124 S Euclid, Suite 104 Pierre, SD 57501
Connecticut Department of Banking, Securities Investment Division 260 Constitution Plaza Hartford, CT 06103	**Minnesota** Minnesota Dept. of Commerce 85 7th Place East, Suite 280 St. Paul, MN 55101-3165 (651) 539-1500	**Texas** Secretary of State Statutory Documents Section P.O. Box 12887 Austin, TX 78711-2887
Florida Florida Department of Agriculture And Consumer Services P.O. Box 6700 Tallahassee, FL 32399-6700	**New York** NYS Department of Law Investor Protection Bureau 28 Liberty St., 21St Floor New York, NY 10005 (212) 416-8222	**Utah** Department of Commerce 160 East 300 South SM Box 146704 Salt Lake City, UT 84114-6704
Hawaii Business Registration Div. Dept. of Commerce & Consumer Affairs 335 Merchant Street, Room 203 Honolulu, Hawaii 96813 (808) 586-2722	**Nebraska** Department of Banking and Finance 1230 "0" Street Suite 400 PD. Box 95006 Lincoln, NE 68509-5009	**Virginia** State Corporation Commission Division of Securities and Retail Franchising 1300 East Main Street Richmond, Virginia 23219 (804) 371-9051
Illinois Chief, Franchise Division Office of Attorney General 500 South Second Street Springfield, IL 62707 (217) 782-4465	**North Dakota** North Dakota Securities Department 600 East Boulevard Avenue 5th Floor, Dept. 414 Bismarck, ND 58505-0510 (701) 328-4712	**Washington** Department of Financial Institutions Securities Division P.O. Box 9033 Olympia, WA 98507-9033 (360) 902-8760

Indiana Deputy Commissioner, Franchise Division Indiana Securities Commission Secretary of State 302 W. Washington St, Room E-111 Indianapolis, IN 46204 (317) 232-6681	**Oregon** Department of Insurance & Finance Corporate Securities and Franchise Corporate Securities Section Labor and Industries Building Salem, OR 97310 (503) 378-4387	**Wisconsin** Securities and Franchise Registration Wisconsin Securities Commission P.O. Box 1768 Madison, WI 53701 (608) 266-8559
Maryland Office of the Attorney General, Securities Division, 200 St. Paul Place, Baltimore, MD 21202-2020 (410) 576-6360	**Rhode Island** Chief Securities Examiner Department of Business Regulation Securities Division Franchise Section 233 Richmond Street, Suite 232 Providence, RI 02903-4232 (401) 277-3048	

EXHIBIT D

State Agents for Service of Process

CALIFORNIA California Department of Financial Protection and Innovation 320 West 4th Street, Suite 750 Los Angeles, California 90013-2344	**MARYLAND** Maryland Securities Commissioner 200 St. Paul Place Baltimore, Maryland 21202-2020 (410) 576-6360	**RHODE ISLAND** Director of Depart. of Business Regulation Suite 232 233 Richmond Street Providence, Rhode Island 02903-4232 (401) 277-3048
CONNECTICUT Connecticut Department of Banking, Securities and Business Investments Division 260 Constitution Plaza Hartford, CT 06103	**MICHIGAN** Dept. of Commerce, Corporations & Securities Bur. 6546 Mercantile Way P.O. Box 30222 Lansing, Michigan 48910 (517) 373-7117	**SOUTH DAKOTA** Department of Labor and Regulation Division of Securities 124 S Euclid, Suite 104 Pierre, SD 57501
HAWAII Comm'r Securities of the State of Hawaii Department of Commerce & Consumer Affairs Business Registration Division Securities Compliance Branch 335 Merchant Street, Room 203 Honolulu, Hawaii 96813 (808) 586-2722	**MINNESOTA** Commissioner of Commerce 85 7th Place East, Suite 280 St. Paul, Minnesota 55101 (651) 539-1500	**VIRGINIA** Clerk of the State Corporation Commission 1300 East Main Street Richmond, Virginia 23219 (804) 371-9733
ILLINOIS Illinois Attorney General 500 South Second Street Springfield, Illinois 62706 (217) 782-4465	**NEW YORK** Secretary of State 99 Washington Avenue Albany, New York 12231	**WASHINGTON** Director of Depart. of Financial Institutions 150 Israel Road, S. W. Tumwater, Washington 98501 (360) 902-8760
INDIANA Indiana Secretary of State 201 State House Indianapolis, Indiana 46204 (317) 232-6681	**NORTH DAKOTA** North Dakota Securities Commissioner 600 Boulevard Avenue, State Capital Fifth Floor Bismarck, ND 58505-0510 (701)328-4712	**WISCONSIN** Commissioner of Securities 345 West Washington Avenue Fourth Floor Madison, Wisconsin 53703 (608) 261-9555

EXHIBIT E

State Addenda to FDD

ADDENDUM TO THE DISCLOSURE DOCUMENT UNDER THE CALIFORNIA FRANCHISE INVESTMENT LAW

1. The California Franchise Investment Law requires a copy of all proposed agreements relating to the sale of the franchise be delivered together with the Franchise Disclosure Document.

2. California Business and Professions Code 20000 through 20043 provides 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.

3. Item 3 of the Disclosure Document is amended to provide that:

> "neither the franchisor, nor any person in Item 2 of the 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. § 78(a) et seq., suspending or expelling such persons from membership in that association or exchange."

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

5. 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.

6. The Franchise Agreement requires binding arbitration. The arbitration will occur in the state and county where Franchisor is headquartered, with the costs of the arbitrators' fees and the fees payable to the American Arbitration Association being borne jointly by you and us but you must pay your own legal fees, legal expenses, transportation, and travel accommodations.

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

8. Section 31125 of the California Corporations Code requires us to give you a disclosure document, in a form containing the information that the commissioner may by rule or order require, before a solicitation of a proposed material modification of an existing franchise.

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

10. OUR WEBSITE HAS NOT BEEN REVIEWED OR APPROVED BY THE CALIFORNIA DEPARTMENT OF FINANCIAL PROTECTION AND INNOVATION. ANY COMPLAINTS

CONCERNING THE CONTENT OF THIS WEBSITE MAY BE DIRECTED TO CALIFORNIA DEPARTMENT OF FINANCIAL PROTECTION AND INNOVATION AT www.dfpi.ca.gov.

11. Your spouse will be liable for all financial obligations under the franchise agreement even though your spouse has no ownership in the franchise. This guarantee will place both your and your spouse's marital and personal assets, perhaps including your house, at risk if your franchise fails.

12. Any interest rate charged to a California franchisee shall comply with the California Constitution. The interest rate shall not exceed either (a) 10% annually or (b) 5% annually plus the prevailing interest rate charged to banks by the Federal Reserve Bank of San Francisco, whichever is higher.

13. The Antitrust Law Section of the Office of the California Attorney General views maximum price agreements as per se violations of the Cartwright Act.

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

ADDENDUM TO THE DISCLOSURE DOCUMENT UNDER THE CONNECTICUT BUSINESS OPPORTUNITY INVESTMENT ACT

DISCLOSURES REQUIREMENT BY CONNECTICUT LAW

The State of Connecticut does not approve, recommend, endorse or sponsor any business opportunity. The information contained in this disclosure has not been verified by the state. If you have any questions about this investment, see an attorney before you sign a contract or agreement.

Notwithstanding anything to the contrary in the disclosure document, the following provisions shall supersede and apply to all franchises offered and sold in the State of Connecticut:

1. If the seller fails to deliver the products or supplies or fails to render the services necessary to begin substantial operation of the business within forty-five days of the delivery date stated in your contract, you may notify the seller in writing and demand that the contract be cancelled.

2. Item 2 of the Disclosure Document is amended to provide that each seller's current address is the address of The Paterson Center, LLC which is PO Box 5386, Mooresville, NC 28117.

ADDENDUM TO THE DISCLOSURE DOCUMENT UNDER THE HAWAII FRANCHISE INVESTMENT LAW

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

2. THE FRANCHISE INVESTMENT LAW MAKES IT UNLAWFUL TO OFFER OR SELL ANY FRANCHISE IN THIS STATE WITHOUT FIRST PROVIDING TO THE PROSPECTIVE FRANCHISEE, OR SUBFRANCHISOR, AT LEAST FOURTEEN DAYS PRIOR TO THE EXECUTION BY THE PROSPECTIVE FRANCHISEE OF ANY BINDING FRANCHISE OR OTHER AGREEMENT, OR AT LEAST FOURTEEN 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.

3. 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.

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

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

5. Item 3 of the Disclosure Document is amended to provide that:

> "neither the franchisor, nor any person in Item 2 of the Disclosure Document, has within the last 10 years, been 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. § 78(a) et seq., suspending or expelling such persons from membership in that association or exchange or is subject to any currently effective order or ruling of the Federal Trade Commission or is subject to any currently effective order relating to business activity as a result of an action brought by any public agency or department."

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

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

ADDENDUM TO THE DISCLOSURE DOCUMENT UNDER THE ILLINOIS FRANCHISE DISCLOSURE ACT

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

1. Illinois law governs the Franchise Agreement.

2. In conformance with Section 4 of the Illinois Franchise Disclosure Act, any provision in a franchise agreement that designates jurisdiction and venue in a forum outside of the State of Illinois is void. However, a franchise agreement may provide for arbitration to take place outside of Illinois.

3. Your rights upon termination and non-renewal are set forth in Sections 19 and 20 of the Illinois Franchise Disclosure Act.

4. In conformance with Section 41 of the Illinois Franchise Disclosure Act, any condition, stipulation or provision purporting to bind any person acquiring any franchise to waive compliance with the Illinois Franchise Disclosure Act or any other law of Illinois is void.

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

ADDENDUM TO THE DISCLOSURE DOCUMENT UNDER THE INDIANA FRANCHISE DECEPTIVE FRANCHISE PRACTICES ACT

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

1. The laws of the State of Indiana supersede any provisions of the Franchise Agreement, the other agreements or Delaware law if such provision are in conflict with Indiana law.

2. The prohibition by Indiana Code § 23-2-2.7-1(7) against unilateral termination of the franchise without good cause or in bad faith, good cause being defined therein as material breach of the Franchise Agreement, shall supersede the provisions of Section 17 of the Franchise Agreement in the State of Indiana to the extent they may be inconsistent with such prohibition.

3. Item 12 and Section 3.1 of the Franchise Agreement are subject to Indiana Code § 23-2-2.7-1(2) and § 23-2-2.7-2(4) which prohibit us from competing unfairly with you within a reasonable area.

4. No release language set forth in the Disclosure Document or Franchise Agreement, including but not limited to Item 17 or Section thereof, respectively, shall relieve us or any other person, directly or indirectly, from liability imposed by the laws concerning franchising of the State of Indiana.

5. Section 20 of the Franchise Agreement is amended to provide that such agreement will be construed in accordance with the laws of the State of Indiana.

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

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

ADDENDUM TO THE DISCLOSURE DOCUMENT UNDER THE MARYLAND FRANCHISE REGISTRATION AND DISCLOSURE LAW

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

The following sentence is added to the end of the "Summary" section of Item 17(c) and Item 17(m):

"However, any general release required as a condition for our approval of a transfer, renewal, or assignment of your Franchise Agreement will not apply to claims arising under the Maryland Franchise Registration and Disclosure Law."

1. Item 17(c) is supplemented with the following: "Pursuant to COMAR 02.02.08.16L, 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(h) is supplemented with the following: "Section 17.2(d) of the Franchise Agreement, which terminates the Franchise Agreement upon the bankruptcy of Franchisee, may not be enforceable under federal bankruptcy law (11 U.S.C. Section 101, et seq.).

3. Item 17(v) is supplemented with the following: "A franchisee may bring a lawsuit in Maryland for claims arising under the Maryland Franchise Registration and Disclosure Law."

4. Item 17 is amended by adding the following at the end of the section: "Despite any provision in the Franchise Agreement to the contrary, any claim arising under the Maryland Franchise Registration and Disclosure Law must be commenced within 3 years from the grant of the franchise."

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

[*Signatures on the following page.*]

ACKNOWLEDGED AND AGREED:

FRANCHISOR:	FRANCHISEE:
THE PATERSON CENTER, LLC	
By: _____	By: _____
Name: _____	Name: _____
Title: _____	Title: _____
Date: _____	Title: _____

ADDENDUM TO THE DISCLOSURE DOCUMENT UNDER THE MINNESOTA FRANCHISE INVESTMENT LAW

Notwithstanding anything to the contrary set forth in the Disclosure Document or Franchise Agreement, as applicable, the following provisions shall supersede and apply to all franchises offered and sold in the State of Minnesota:

1. The following language is added to Item 13 of the Disclosure Document:

> "Minnesota considers it unfair to not protect the franchisee's right to use the trademarks. As such, the Minnesota Department of Commerce requires the Franchisor to indemnify Minnesota franchisees against liability to third parties resulting from claims by third parties that the Franchisee's use of the tradename infringes trademark rights of the third party. Franchisor indemnifies Franchisee against the consequences of Franchisee's use of the tradename in accordance with the requirements of the license, and, as a condition to indemnification, Franchisee must provide notice to Franchisor of any such claims within ten (10) days and tender the defense of the claim to Franchisor. If Franchisor accepts the tender of defense, Franchisor has the right to manage the defense of the claim including the right to compromise, settle or otherwise resolve the claim, and to determine whether to appeal a final determination of the claim."

2. Item 17 of the Disclosure Document:

> "With respect to franchises governed by Minnesota law, we will comply with Minn. Stat. Sec. 80C.14, Subds. 3, 4, and 5 which require (except in certain specified cases) (1) 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 (2) that consent to the transfer of the franchise will not be unreasonably withheld.
>
> "Pursuant to Minnesota Statutes, Section 80C.21 and Minn. Rule Part 2860-4400J, this Section shall not in any way 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.
>
> "Minnesota Statutes, Section 80C.21 and Minnesota Rules 2860.4400(J) prohibit the franchisor from requiring litigation to be conducted outside Minnesota, requiring waiver of a jury trial, or requiring the franchisee to consent to liquidated damages, termination penalties or judgment notes.
>
> "The franchisee cannot consent to the franchisor obtaining injunctive relief. The franchisor may seek injunctive relief and a court will determine if a bond is required. See Minn. Rules 2860.4400J.
>
> "You may not bring any action under Chapter 80C of the Minnesota Statutes more than three years after the cause of action accrues."

3. Minnesota Rules 2860.4400(D) prohibits a franchisor from requiring a franchisee to

assent to a general release.

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

ADDENDUM TO THE DISCLOSURE DOCUMENT UNDER THE NEW YORK FRANCHISE LAW

Notwithstanding anything to the contrary set forth in the Disclosure Document or Franchise Agreement, as applicable, the following provisions shall supersede and apply to all franchises offered and sold in the State of New York:

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

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

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

   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 any pending actions, other than routine litigation incidental to the business, which are significant in the context of the number of franchisees and the size, nature or financial condition of the franchise system or its business operations.

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

   D. No such party is subject to a currently effective injunctive or restrictive order or decree relating to the franchise, or under a Federal, State, or Canadian franchise, securities, antitrust, trade regulation or trade practice

law, resulting from a concluded or pending action or proceeding brought by a public agency; or is subject to any currently effective order of any national securities association or national securities exchange, as defined in the Securities and Exchange Act of 1934, suspending or expelling such person from membership in such association or exchange; or is subject to a currently effective injunctive or restrictive order relating to any other business activity as a result of an action brought by a public agency or department, including, without limitation, actions affecting a license as a real estate broker or sales agent.

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

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

4. The following language is added to the end of the "Summary" section of Item 17(d) titled "**Termination by franchisee**": "You may also terminate the Franchise Agreement on any grounds available by law."

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

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

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

ADDENDUM TO THE DISCLOSURE DOCUMENT UNDER NORTH CAROLINA BUSINESS OPPORTUNITY SALES LAW

Notwithstanding anything to the contrary set forth in the Disclosure Document or Franchise Agreement, as applicable, the following provisions shall supersede and apply to all franchises offered and sold in the State of North Carolina:

1. If the seller fails to deliver the product(s), equipment or supplies necessary to begin substantial operation of the business within 45 days of the delivery date stated in your contract, you may notify the seller in writing and demand that the contract be cancelled.

ADDENDUM TO THE DISCLOSURE DOCUMENT UNDER THE NORTH DAKOTA FRANCHISE LAW

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

1. Item 17(u) is deleted and is replaced by the following:

(u) Dispute resolution by arbitration or mediation	Section 20.4-20.5	The site of arbitration or mediation is to be agreeable to all parties and may not be remote from the Franchisee's place of business.

2. Item 17(v) is deleted and is replaced by the following:

(v) Choice of Forum	Section 20.1	North Dakota

3. Item 17(w) is amended by adding the following sentence in the Summary Section:

> "The laws of the state of North Dakota supersede any provisions of the Franchise Agreement, the other agreements or Delaware law if such provisions are in conflict with North Dakota law."

4. North Dakota has determined that (i) requiring a franchisee to sign a general release upon renewal of the franchise agreement; (ii) requiring a franchisee to consent to a waiver of trial by jury; and (i) requiring the franchisee to consent to a waiver of exemplary and punitive damages are unfair, unjust and inequitable within the intent of Section 51-19-09 of the North Dakota Franchise Investment Law. Accordingly, (i) all references to the Franchisee signing a general release upon renewal of the Franchise Agreement; (ii) all references to the Franchisee requiring waiver of a jury trial; and (iii) all references requiring the franchisee to consent to a waiver of exemplary and punitive damages are deleted.

5. Summary column (r) in Item 17 of the Disclosure Document and Section 16.6(a) of the Franchise Agreement prohibit you from soliciting any of your Client or the Clients of any other Paterson Franchisee to a competitive business for 1 year after termination or expiration of the Franchise Agreement. Covenants not to compete such as those mentioned above are generally considered unenforceable in the State of North Dakota. The Commissioner has held that covenants restricting competition are contrary to Section 9-08-06 of the North Dakota Century Code, and are unfair, unjust, or inequitable within the intent of Section 51-19-09 of the North Dakota Franchise Investment Law.

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

ADDENDUM TO THE DISCLOSURE DOCUMENT UNDER SOUTH CAROLINA BUSINESS OPPORTUNITY SALES ACT

Notwithstanding anything to the contrary set forth in the Disclosure Document or Franchise Agreement, as applicable, the following provisions shall supersede and apply to all franchises offered and sold in the State of South Carolina:

1. If the seller fails to deliver the product, equipment or supplies necessary to begin substantial operation of the business within forty-five days of the delivery date stated in your contract, you may notify the seller in writing and demand that the contract be cancelled.

ADDENDUM TO THE DISCLOSURE DOCUMENT UNDER THE SOUTH DAKOTA FRANCHISE LAW

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

ADDENDUM TO THE DISCLOSURE DOCUMENT UNDER THE RHODE ISLAND FRANCHISE DISCLOSURE ACT

1. Item 17(v) Summary section is amended to read:

> "We must litigate in the state and judicial district where we maintain our principal place of business except that to the extent required by applicable law, you may bring an action in Rhode Island for claims arising under the Rhode Island Franchise Investment Act."

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

ADDENDUM TO THE DISCLOSURE DOCUMENT UNDER THE VIRGINIA RETAIL FRANCHISING ACT

Notwithstanding anything to the contrary set forth in the Disclosure Document or Franchise Agreement, as applicable, the following provisions shall supersede and apply to all franchises offered and sold in the Commonwealth of Virginia:

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

The following statements are added to Item 17.h.

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

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

ADDENDUM TO THE DISCLOSURE DOCUMENT UNDER THE WASHINGTON FRANCHISE INVESTMENT LAW

Notwithstanding anything to the contrary in the disclosure document, the following provisions shall supersede and apply to all franchises offered and sold in the State of Washington.

1. If any of the provisions in the disclosure document or Franchise Agreement are inconsistent with the provisions of RCW 19.100.180 or other requirements of the Washington Franchise Investment Protection Act (the "Act"), the provisions of the Act will prevail over the inconsistent provisions of the disclosure document and Franchise Agreement with regard to any franchises sold in Washington.

2. Item 17 is amended to add the following:

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

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

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

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

"Pursuant to RCW 49.62.020, a noncompetition covenant is void and unenforceable against an employee, including an employee of a franchisee, unless the employee's earnings from the party seeking enforcement, when annualized, exceed $100,000 per year (an amount that will be adjusted annually for inflation). In addition, a noncompetition covenant is void and unenforceable against an independent contractor of a franchisee under RCW 49.62.030 unless the independent contractor's earnings from the party seeking enforcement, when annualized, exceed $250,000 per year (an amount that will be adjusted annually for inflation).

As a result, any provisions contained in the franchise agreement or elsewhere that conflict with these limitations are void and unenforceable in Washington.

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

"A provision in the Franchise Agreement which terminates the franchise upon bankruptcy of the franchise may not be enforceable under Title 11, United States Code Section 101."

3. Exhibit I (Franchisee Disclosure Acknowledgement Statement) is amended to add the following:

"The Acknowledgement Statement does not waive any liability the franchisor may have under the Washington Franchise Protection Act, RCW, 19.100, and the rules adopted thereunder."

4. The Washington Securities Division has imposed a fee deferral condition, which requires that we defer the collection of all initial fees from Washington franchisees until (a) all Washington franchisees have (i) received all initial training that they are entitled to under the Franchise Agreement or Franchise Disclosure Document, and (ii) are open for business; or (b) the Administrator issues written authorization to the contrary.

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

ADDENDUM TO THE DISCLOSURE DOCUMENT UNDER THE WISCONSIN FRANCHISE LAW

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

EXHIBIT F

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EXHIBIT G

StratOp Operations Manual - Table of Contents

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EXHIBIT H

List of Franchisees

State	Last Name	First Name	Phone Number	Email Address
AL	King	Deidre	2059190462	deidre@shalvaplanning.com
AL	Pitts	Brian	2058358363	brian@m5coaching.com
AZ	Allen	Daniel	N/A	daniel@danielallencoaching.com
AZ	Jentgen	Fred	6024000923	fred@unleashedcg.com
AZ	Marsden	Jason	5208700004	jasonfromalive@gmail.com
AZ	Townsend	Eric	4802364815	payitfd@hotmail.com
CA	Bigelow	Marcus	N/A	mbigelow@convenenow.com
CA	Carter	Shree	N/A	scarter@vanguard.edu
CA	Cline	Russ	N/A	russellcline@gmail.com
CA	Reese	Sarah	N/A	sarahreese0918@gmail.com
CA	Shepard	Cassandra	N/A	cassandra@cassandrashepard.com
CA	Smith	Dave	N/A	davidkevinsmith@gmail.com
CO	Brinkman	Kristin	9705563620	kristin.brinkman@gmail.com
CO	Ewen	Gary	3035027055	gary@pathfinderintegration.com
CO	Hansen	Brandy	9702181051	brandy@cornerstoneplans.com
CO	Hansen	Tom	9072301994	tom@thrivehound.com
CO	Hawkins	Greg	8479170751	greghawkins23@gmail.com
CO	Heckel	Lindsey	9705810605	lindsey.heckel@outlook.com
CO	Kallenberger	Bryan	3034352355	bkallenberger@gmail.com
CO	Kaya	Rod	6193419194	rkthestratlife@gmail.com
CO	Lucas	Jeff	9702319819	jeff20only@me.com
CO	Milburn	Stephen	N/A	stephen.c.milburn@gmail.com

CO	Miller	Doug	N/A	douglasomiller@mac.com
CO	Orphan	Mark	N/A	morphan68@gmail.com
CO	Richardson	Pearce	3036535787	pearcerichardson@patersoncenter.com
CO	Seale	Bob	9702186323	bob.seale@topography.consulting
CO	Stewart	Bekah	7208414998	bekah@stewartlifeplanning.com
CO	Stewart	Chad	7208414112	chad@stewartlifeplanning.com
CO	Walton	Brad	3034825907	brad.walton85@gmail.com

CO	Warnock	Brooke	N/A	Tony.brooke@sbcglobal.net
CO	Zadeh	Reza	9702183109	rezazadeh@outlook.com
DC	Bailey	Jeff	N/A	jeff.bailey@mac.com
FL	Cole	Kadi	5613157114	kadi@kadicole.com
FL	Entsminger	Deb	8137873624	Navgirladventures@gmail.com
FL	Johnson	Kim	8503847951	leadpensacola@gmail.com
FL	Matrone	Andrew	N/A	matroneandrew@gmail.com
FL	Sapien	Callen	N/A	sapiencallen@gmail.com
FL	Steen	Matthew	2012642304	matt.steen@chemistrystaffing.com
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IA	Baumann	Jeremy	5153146023	jeremybaumann@hotmail.com
IA	Clegg	Tom	5157787799	tom@tomclegg.com
IA	Shelton	Jim	2109138150	jshelton@scci.com
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IL	Warren	Mark	N/A	markwarren848@comcast.net
IN	Reddy Jr.	Michael	N/A	mreddy@keystoneinsgrp.com

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MI	Hidalgo	Jay	N/A	jayhidalgo@jayhidalgo.com
MI	Nibbe	Rich	N/A	rich@strategyone.org
MI	Richardson	Ian	N/A	ian@foxcrowgroup.com
MI	Roefer	Dana	N/A	dana.roefer@gmail.com
MO	Adams	Jeff	8167289086	jeff@drjeffadams.com
MO	Messner	Michael	4176317602	mike@mobiusgp.com
MO	Nikkel	Natasha	N/A	natashanikkel@gmail.com

NC	McGurty	Bob	4175697810	bengalibob@gmail.com
NC	Putnam	John	7045761099	john@johnputnam.com
NC	Zile	Diane	N/A	diane@jerapartnerships.com
NE	Gilmore	Andre	N/A	agilmore@connectwise.com
NE	Sorensen	Laurie	7125791974	lsorensen@scci.com
NH	Fellman	Eric	8174120663	fellman.eric@gmail.com
OH	Halcombe	Rich	6146576351	rich@leaderincrease.com
OK	Lamke	Michael	4056640555	michaellamke@gmail.com
OR	Allen	Daniel	8655662424	daniel@danielallencoaching.com
OR	Clements	Van	5415152329	vanc@mywillamette.com
OR	Lundquist	Benjamin	N/A	benjaminkeithlundquist@gmail.com
PA	Greening	Scott	8473408593	scott@buildingmomentum.info
PA	Pickreign	Michael	N/A	mpickreign@gmail.com
PA	Yakelis	Jason	7178779027	jason@clarity.guide
SC	Fast	Robbie	N/A	rharnois@gsrarch.com
SD	Capaldo	Jim	N/A	jim@convergeheartland.org

TN	Buehring	Dave	N/A	dave@lionshare.org
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TX	Patterson	Josh	N/A	jrp@thevillagechurch.net
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TX	Smith	Eddy	3256653674	eddysmith@tharseogroup.com
TX	Zarko	Matt	N/A	zarkomatthew@gmail.com
VA	Clubb	Brett	N/A	clubbhouse2@gmail.com
VT	Hodges	Jason	7817083197	jasonevanhodges@gmail.com
VT	Hodges	Rachel	N/A	funfamilyhodges@gmail.com
WA	Daniels	Amanda	N/A	amanda@impactforgoodinstitute.com
WA	Wade	Mary	N/A	mary.wade@patersoncenter.com

EXHIBIT I

Franchisees Who Have Left The System

If you buy this franchise, your contact information may be disclosed to other buyers when you leave the franchise system.

During the last fiscal year (2024), three franchisees have had their franchise terminated, cancelled, not renewed or otherwise voluntarily or involuntarily ceased to do business under a Franchise Agreement:

Gary Ewen
Kittredge, CO
gary@pathfinderintegration.com

Richard Anderson
Minneapolis, MN
randerson@scci.com

Deborah Entsminger
Bradenton, FL
navgirladventures@gmail.com

During the current fiscal year (2025), two franchisees have had their franchise terminated, cancelled, not renewed or otherwise voluntarily or involuntarily ceased to do business under a Franchise Agreement:

Callen Sapien
Tampa, FL
sapiencallen@gmail.com

Stephen Milburn
Denver, CO
Stephen.c.milburn@gmail.com

EXHIBIT J

Franchise Disclosure Acknowledgement Statement

This Questionnaire does not apply to franchises who intend to operate the franchised business in the State of California.

As you know, The Paterson Center, LLC (the "Franchisor", "we", us", or "our") and you are preparing to enter into a Paterson Franchise Agreement (the "Franchise Agreement") for the establishment and operation of a Paterson franchised business (the "Franchised Business"). The purpose of this Franchisee Disclosure Acknowledgment Statement (this "Questionnaire") is to for us to confirm certain factual information related to the offer and sale of the Franchised Business to you.

In the event that you are intending to purchase an existing Franchised Business from an existing franchisee, you may have received information from the transferring franchisee, who is not an employee or representative of the Franchisor. The questions below do not apply to any communications that you had with the transferring Franchisee.

Further, to the extent you spoke with other franchisees about their experiences with us and the Paterson franchise system, those franchisees are not our employees or representatives and are not authorized to speak on our behalf. Information any such franchisee may have shared is based on their views and experiences alone, and should not be attributed to the Franchisor or its employees or representatives in any way.

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

As a reminder, we strongly encourage each franchisee to speak with an attorney, accountant and/ or other trusted advisors before signing a Paterson franchise agreement.

Please review each of the following questions and statements carefully and provide honest and complete responses to each.

1. I signed the Franchise Agreement on_____.

2. I acknowledge that no agreement, including any addendum, is effective until signed and dated by the Franchisor and until I pay the Initial Franchise Fee.

3. Did you receive a copy of our Franchise Disclosure Document (the "Disclosure Document") at least 14 calendar days before signing the Franchise Agreement (including the exhibits, addenda, attachments and related agreements like the franchise agreement) and at least 14 calendar days before you paid the Initial Franchise Fee or any other money to us?

   Yes____ No____

4. Did you sign a receipt (Exhibit M to the Disclosure Document) indicating the date you received it?

   Yes____ No_____

5. Is the name of any Paterson employee or representative (including for this purpose, any broker) who was involved in offering you this franchise opportunity not listed on the receipt you signed (or

on any updated receipt we provided to you)?

Yes____ No_____

If you answered "No" to questions 3 or 4 or "Yes" to question 5, please provide a full explanation of each answer in the following blank lines, including for question 4, the names of each other individual not listed on the receipt you signed (or on any updated receipt we provided to you), that you believe acted as a franchise seller in connection with the offering of the franchise to you.

_____

_____

_____

_____

_____

_____

(Attach additional pages, if necessary, and refer to them below, identifying ***specifically*** which questions the additional explanations apply to).

The undersigned has executed this Questionnaire effective as of the date of the Franchise Agreement.

_____
Signature

_____
Printed Name

EXHIBIT K

Minimum Insurance Requirements for LifePlan Guides (United States)

Type of Insurance	Minimum Limits of Not Less Than	Additional Insured Endorsement	Required Coverage	Additional Information
Commercial General Liability: Each Occurrence Annual General Aggregate	 $250,000 USD $250,000 USD	Yes See section above titled "***Franchisor Named Additional Insured***"	***Must be referenced in the "Additional Remarks" section of the Insurance Certificate*** • Primary/Non-Contributory • Blanket contractual liability (including broadest contractual liability coverage available for franchisee's indemnification obligations under the franchise agreement) • Ongoing and completed operations • May not combine coverages with non-EOSW franchise operations	Should provide coverage on an occurrence form basis and include coverage for alleged or actual bodily injury, property damage, personal and advertising injury. Should provide defense and indemnity coverage for occurrences, wrongful acts, claims and lawsuits covered or potentially covered that happen or have effect anywhere in the world. ***Note: CGL can often include Hired and Non-Owned automobile coverage for a small additional premium.***
Professional (Errors & Omissions) Liability Each Occurrence Annual General Aggregate	 $250,000 USD $250,000 USD	Yes See section above titled "***Franchisor Named Additional Insured***"	***Must be referenced in the "Additional Remarks" section of the Insurance Certificate*** • Primary/Non-Contributory • Blanket contractual liability (including broadest contractual liability coverage available for franchisee's indemnification obligations under the franchise agreement) • Ongoing and completed operations • May not combine coverages with non-EOSW franchise operations	Should provide coverage for loss or liability due to any ***alleged or actual act, error, omission, or negligence*** of franchisee and its employees, agents and representatives in connection with any services provided in connection with the franchise agreement

If you believe that you should not be required to carry an identified type of insurance or otherwise comply with our minimum insurance requirements, you must submit a written waiver request and obtain a written waiver from Franchisor. Until such time as we notify you in writing of our waiver, you are obligated to comply with all minimum insurance requirements

Minimum Insurance Requirements for StratOp Guides and

StratOp and LifePlan Guides(United States)

Type of Insurance	Minimum Limits of Not Less Than	Additional Insured Endorsement	Required Coverage	Additional Information
Commercial General Liability: Each Occurrence Annual General Aggregate	$1,000,000 USD $1,000,000 USD	Yes See section above titled "***Franchisor Named Additional Insured***"	***Must be referenced in the "Additional Remarks" section of the Insurance Certificate*** • Primary/Non-Contributory • Blanket contractual liability (including broadest contractual liability coverage available for franchisee's indemnification obligations under the franchise agreement) • Ongoing and completed operations • May not combine coverages with non-EOSW franchise operations	Should provide coverage on an occurrence form basis and include coverage for alleged or actual bodily injury, property damage, personal and advertising injury. Should provide defense and indemnity coverage for occurrences, wrongful acts, claims and lawsuits covered or potentially covered that happen or have effect anywhere in the world. ***Note: CGL can often include Hired and Non-Owned automobile coverage for a small additional premium.***
Professional (Errors & Omissions) Liability Each Occurrence Annual General Aggregate	$1,000,000 USD $1,000,000 USD	Yes See section above titled "***Franchisor Named Additional Insured***"	***Must be referenced in the "Additional Remarks" section of the Insurance Certificate*** • Primary/Non-Contributory • Blanket contractual liability (including broadest contractual liability coverage available for franchisee's indemnification obligations under the franchise agreement) • Ongoing and completed operations • May not combine coverages with non-EOSW franchise operations	Should provide coverage for loss or liability due to any ***alleged or actual act, error, omission, or negligence*** of franchisee and its employees, agents and representatives in connection with any services provided in connection with the franchise agreement

If you believe that you should not be required to carry an identified type of insurance or otherwise comply with our minimum insurance requirements, you must submit a written waiver request and obtain a written waiver from Franchisor. Until such time as we notify you in writing of our waiver, you are obligated to comply with all minimum insurance requirements.

EXHIBIT L

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

State	Effective Date
California	Pending.
Illinois	Pending.
Indiana	Pending.
Maryland	Pending.
Michigan	Pending.
Minnesota	Pending.
New York	Pending.
North Dakota	Pending.
Rhode Island	Pending.
South Dakota	Pending.
Virginia	Pending.
Washington	Pending.
Wisconsin	Pending.

Other states may require registration, filing, or exemption of a franchise under other laws, such as those that regulate the offer and sale of business opportunities or seller-assisted marketing plans.

EXHIBIT M

Receipts (Paterson Copy)

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

If The Paterson Center, LLC offers you a franchise, it must provide this Disclosure Document to you fourteen (14) calendar days before you sign a binding agreement with, or make a payment to, the franchisor or an affiliate in connection with the proposed franchise sale.

New York requires that we give you this Disclosure Document at the earlier of the first personal meeting or ten (10) business days before the execution of the franchise or other agreement or the payment of any consideration that relates to the franchise relationship. Michigan requires that we give you this Disclosure Document at least ten (10) business days before the execution of any binding franchise or other agreement or the payment of any consideration, whichever occurs first.

If The Paterson Center, LLC does not deliver this Disclosure Document on time or if it contains a false or misleading statement, or a material omission, a violation of federal law and state law may have occurred and should be reported to the Federal Trade Commission, Washington, D.C. 20580 and the state agency listed on Exhibit C.

The franchisor is The Paterson Center, LLC, with principal address at PO Box 5386, Mooresville, NC 28117. Its telephone number is 336-345-3932. The following individuals may act as The Paterson Center, LLC's representative in connection with the offering of this franchise: Jason Baker, Zach Miller, Stacey Pearson, and DeAnza Jarrett.

Issuance Date: April 8, 2025.

The Paterson Center, LLC authorizes the agents listed on Exhibit D to receive service of process in the respective states. I received a Disclosure Document dated July 17, 2023, that included the following Exhibits:

A. Form of Franchise Agreement
B. Financial Statements
C. State Administrators
D. State Agents for Service of Process
E. State Addenda to FDD
F. LifePlan Operations Manual Table of Contents
G. StratOp Operations Manual Table of Contents
H. List of Franchisees
I. Franchisees Who Have Left the System
J. Franchisee Disclosure Acknowledgement Statement
K. Minimum Insurance Requirements
L. State Effective Dates
M. Receipts

_____
Date Received (Do Not Leave Blank)

_____
Prospective Franchisee Signature

_____
Prospective Franchisee Printed Name

Indicate the date on which you received this Disclosure Document, sign, indicate the date you signed this Receipt, and promptly return one completed copy of this receipt to The Paterson Center, LLC by mail at PO Box 5386, Mooresville, NC 28117, or by electronic delivery of the signed and dated receipt to The Paterson Center, LLC at guidesupport@patersoncenter.com.

Receipts (Your Copy)

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

If The Paterson Center, LLC offers you a franchise, it must provide this Disclosure Document to you fourteen (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.

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M. Receipts Table of Contents

_____ _____

Date Received (Do Not Leave Blank) Prospective Franchisee Signature

_____

Prospective Franchisee Printed Name

Indicate the date on which you received this Disclosure Document, sign, indicate the date you signed this Receipt, and promptly return one completed copy of this receipt to The Paterson Center, LLC by mail at PO Box 5386, Mooresville, NC 28117, or by electronic delivery of the signed and dated receipt to The Paterson Center, LLC at guidesupport@patersoncenter.com.