

**FRANCHISE DISCLOSURE DOCUMENT**  
**ADVANTAGE COLLEGE PLANNING FRANCHISING, INC.**  
a North Carolina corporation  
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The franchisee will own and operate an educational consulting business that guides students through career planning, college selection, college application, and financial aid processes. Franchisor, ADVANTAGE COLLEGE PLANNING FRANCHISING, INC., provides services to franchisees including assistance with training, operations, advertising, purchasing and promotional techniques.

The total investment necessary to begin operation of an ADVANTAGE COLLEGE PLANNING franchise is between \$70,515 and \$100,775. This includes between \$40,000 and \$50,000 that must be paid to us or our affiliates.

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, 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.**

The terms of your contract will govern your franchise relationship. Don't rely on the disclosure document alone to understand your contract. Read all of your contract carefully. Show your contract and this disclosure 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](http://www.ftc.gov) for additional information. Call your state agency or visit your public library for other sources of information on franchising.

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

Issuance Date: April 11, 2024

## How to Use This Franchise Disclosure Document

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

| QUESTION   | WHERE TO FIND INFORMATION  |
|--|--|
| <b>How much can I earn?</b>  | 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 Exhibits B-1 and B-2. |
| <b>How much will I need to invest?</b>   | 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.   |
| <b>Does the franchisor have the financial ability to provide support to my business?</b> | Item 21 or Exhibit C includes financial statements. Review these statements carefully.   |
| <b>Is the franchise system stable, growing, or shrinking?</b>                            | Item 20 summarizes the recent history of the number of company-owned and franchised outlets.   |
| <b>Will my business be the only ADVANTAGE COLLEGE PLANNING business in my area?</b>      | Item 12 and the "territory" provisions in the franchise agreement describe whether the franchisor and other franchisees can compete with you.  |
| <b>Does the franchisor have a troubled legal history?</b>                                | Items 3 and 4 tell you whether the franchisor or its management have been involved in material litigation or bankruptcy proceedings.   |
| <b>What's it like to be an ADVANTAGE COLLEGE PLANNING franchisee?</b>                    | Item 20 or Exhibits B-1 and B-2 list current and former franchisees. You can contact them to ask about their experiences.  |
| <b>What else should I know?</b>  | These questions are only a few things you should look for. Review all 23 Items and all Exhibits in this disclosure document to better understand this franchise opportunity. See the table of contents.  |

## What You Need To Know About Franchising *Generally*

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

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

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

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

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

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

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

## Some States Require Registration

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

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

## Special Risks to Consider About *This Franchise*

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

1. **Out-of-State Dispute Resolution.** The franchise agreement requires you to resolve disputes with the franchisor by mediation and arbitration only in North Carolina. Out-of-state mediation or arbitration may force you to accept a less favorable settlement for disputes. It may also cost more to mediate or arbitrate with the franchisor in North Carolina than in your own state.
2. **Financial Condition.** The franchisor's financial condition, as reflected in its financial statements (see Item 21), calls into question the franchisor's financial ability to provide services and support to you.
3. **Spousal Liability.** Your spouse must sign a document that makes your spouse liable for all financial obligations under the franchise agreement even though your spouse has no ownership interest in the franchise. This guarantee will place both your and your spouse's marital and personal assets, perhaps including your house, at risk if your franchise fails.
4. **Mandatory Minimum Payment.** You must make minimum royalty, advertising, and other 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.

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

### **THE FRANCHISOR**

To simplify the language in this Disclosure Document, “we,” “ADVANTAGE COLLEGE PLANNING,” “our,” or “us” means ADVANTAGE COLLEGE PLANNING FRANCHISING, INC. “You” means the person or company that buys the franchise, including, if any, such company’s owners, partners, members, shareholders, and guarantors. We are a North Carolina corporation, on February 20, 2020. We use the name “ADVANTAGE COLLEGE PLANNING FRANCHISING, INC.” and “ADVANTAGE COLLEGE PLANNING.” Our principal business address is 3675 Green Level Road West, Suite 202 Apex, NC 27523. Exhibit E lists our agent for service of process in your state.

Our sole business since inception is selling ADVANTAGE COLLEGE PLANNING franchises and providing training and other goods and services to ADVANTAGE COLLEGE PLANNING franchisees. We began selling ADVANTAGE COLLEGE PLANNING franchises in 2020. We are not currently engaged in any other business activities and have never offered franchises in any other line of business. We have never operated an ADVANTAGE COLLEGE PLANNING center, although affiliates of ours do.

Our registered agent is Brooke Daly located at 3675 Green Level Road West, Suite 202, Apex, NC 27523. Exhibit E identifies the names and addresses of our agents for service of process in certain states that require we appoint them upon our registration there. Use of the term “affiliate” means an entity’s subsidiary or parent and an entity controlled by, controlling, or under common control with, another entity.

### **PARENTS, PREDECESSORS, AND AFFILIATES**

We have no predecessors or parents.

Our affiliate, ADVANTAGE COLLEGE PLANNING, LLC, a North Carolina limited liability company was formed on January 6, 2009. ADVANTAGE COLLEGE PLANNING, LLC has as its principal place of business 3675 Green Level Road West, Apex, NC 27523. ADVANTAGE COLLEGE PLANNING, LLC has operated an ADVANTAGE COLLEGE PLANNING center since 2009 and continues to operate the business within the Raleigh, North Carolina metropolitan area. The office location of the affiliate business has changed over the years and at times our affiliate has operated from multiple offices within the same market. ADVANTAGE COLLEGE PLANNING, LLC does not offer and has never offered franchises in this or any line of business. ADVANTAGE COLLEGE PLANNING, LLC shares certain employees with us.

Our affiliate, ADVCP IP, INC., a North Carolina limited liability company was formed on March 11, 2020. ADVCP IP, INC. has as its principal place of business 3675 Green Level Road West, Suite 202, Apex, NC 27523. ADVCP IP, INC. owns all the intellectual property used in the operation of ADVANTAGE COLLEGE PLANNING centers and has granted us a worldwide license to offer ADVANTAGE COLLEGE PLANNING franchises. ADVCP IP, INC. does not operate a business of the type being offered and does not offer, and has never offered, franchises in this or any line of business.

## **THE FRANCHISE OFFERED**

As an ADVANTAGE COLLEGE PLANNING franchisee, you will own and operate an educational consulting business that guides students through career planning, college selection, college application, and financial aid processes (a “Center”). You will help drive the process forward, acting as a college counselor and project manager, and ensuring students are on track and hitting the appropriate college planning milestones along the way. As educational consultants and college advisors, our philosophy is that there is a good-fit college out there for everyone. ADVANTAGE COLLEGE PLANNING franchisees alleviate stress and worry from both college bound students and their parents.

The ADVANTAGE COLLEGE PLANNING Centers are characterized by a unique system that includes specifically designed consulting services and education materials, color scheme, unique hardware and software programs, standards, specifications, procedures for operations, training and assistance, and advertising and promotional programs; all of which we may improve, amend, and further develop from time to time. You will be required to operate using our Marks and in accordance with our confidential manuals, including our Brand Standards Manual, and other proprietary manuals we may loan to you (collectively, the “Brand Standards Manual”), standards and specifications, marketing and sales programs, and other research and development connected with the establishment and operation of an ADVANTAGE COLLEGE PLANNING Center (collectively, the “System”), which we may modify from time to time as we deem appropriate in our sole discretion. The typical ADVANTAGE COLLEGE PLANNING Center is operated in leased space (freestanding or otherwise) located on or near main thoroughfares.

We offer qualified franchisees the opportunity to sign a unit Franchise Agreement. We have the right to accept your location and designate the Territory associated with the location applying our current standards for site selection and Territory designation. Your Territory will be one of three tiers: a Tier 1 Territory has a population of over 1,000,000, a Tier 2 Territory has a population of 500,000 to 999,999, and a Tier 3 Territory has a population of up to 499,999. You will select which Tier of Territory you would like to purchase, subject to our approval.

You will compete with other ADVANTAGE COLLEGE PLANNING centers owned by our franchisees or our affiliate, school counselors, tutoring services, educational consultants, and other similar businesses. These include national and regional chains, as well as local operations. Your ability to succeed with this franchise will in part be determined by your ability to compete with these other establishments. The market for educational consulting is fragmented and developing. The target market for the services are parents of youth in high school.

There are no regulations known to us specific to the operation of an educational consulting business. We have not researched state or federal laws to determine their applicability to your Center. You should consult with your own attorney to ensure that the laws of the state where your ADVANTAGE COLLEGE PLANNING Center is located permits you to provide the approved products and services we require. It is your sole responsibility to investigate any regulations in your area, including those related to the establishment and operation of an ADVANTAGE COLLEGE PLANNING Center generally. You alone are responsible for complying with all applicable laws and regulations, despite any advice or information that we may give you.

## **ITEM 2. BUSINESS EXPERIENCE**

| <b>Name</b> | <b>Position</b>          | <b>Principal Occupation During the Past 5 Years</b>   |
|-------------|--------------------------|---|
| Brooke Daly | Co-Founder and President | Since our founding, Brooke has served as our President and Co-founder in the Raleigh, North Carolina metropolitan area. Additionally, Brooke has co-owned and operated our affiliate's Center since January 2009, which is operated in the Raleigh, North Carolina metropolitan area. From June 2017 to June 2020, Brooke served as the Board President of the Higher Education Consultants Association (HECA). The Higher Education Consultants Association is a nationwide membership association of independent higher education consultants headquartered in Spokane, Washington. |
| Travis Daly | Co-Founder               | Since our founding, Travis has served as our Co-founder in the Raleigh, North Carolina metropolitan area. From January 2011 to March 2021, Travis was founder and software engineer for CollegePlannerPro. CollegePlannerPro was based in Raleigh, North Carolina until the company was acquired by ArborBridge Group and moved to Los Angeles, California in March 2016.   |

## **ITEM 3. LITIGATION**

No litigation is required to be disclosed in this Item.

## **ITEM 4. BANKRUPTCY**

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

## **ITEM 5. INITIAL FEES**

The initial fee to open an ADVANTAGE COLLEGE PLANNING Center varies based upon the size of the Territory ("Initial Franchise Fee"). For a Tier 1 Territory, which has a population of over 1,000,000, the Initial Franchise Fee is Fifty Thousand Dollars (\$50,000). For a Tier 2 Territory, which has a population of 500,000 to 999,999, the Initial Franchise fee is Forty-Five Thousand Dollars (\$45,000). For a Tier 3 Territory, which has a population of up to 499,999, the Initial Franchise Fee is Forty Thousand Dollars (\$40,000).

The Initial Franchise Fee is due in lump sum when you sign the franchise agreement. The Initial Franchise Fee includes the cost of training. Except as provided for in this Item, all fees mentioned were uniformly applied to our franchisees in the last fiscal year. Except as otherwise stated, these fees are non-refundable and deemed earned upon payment.

## **ITEM 6. OTHER FEES**

### **OTHER FEES**



| <b>Name of Fee<sup>1</sup></b> | <b>Amount</b>   | <b>Due Date</b>   | <b>Remarks</b>   |
|--------------------------------|---|---|--|
| Royalty                        | <p>The greater of 7% of Gross Revenues or the following minimum royalty for each year of the term:</p> <ul style="list-style-type: none"> <li>• Year 1 (months 1 to 12): No minimum</li> <li>• Year 2 (months 13 to 24): \$7,500 per Full-Time Equivalent (“FTE”) consultant working for your Center, whether as owner, employee, or contractor<sup>2</sup></li> <li>• Year 3 (months 25 to 36): \$9,000 per FTE consultant working for your Center, whether as owner, employee, or contractor</li> <li>• Year 4 through end of term (month 37 onward): \$11,000 per FTE consultant working for your Center, whether as owner, employee, or contractor</li> </ul> | Monthly; via ACH on the 5 <sup>th</sup> of each month based on the Gross Revenue you derive in the immediately preceding calendar month | <p>Gross Revenues means the total of gross revenue that you derive from the operation of the Center, including, but not limited to, revenue from services rendered by the Center and from the sale of products, whether for cash or credit and regardless of the collection thereof. Sales taxes collected and remitted to the taxing authority are excluded.</p> <p>See Note 2 for a discussion of FTE.</p> |
| Brand Fund Contribution        | 1% of Gross Revenues per month, subject to increase to a maximum of 2% of Gross Revenues.   | Monthly; Payable the 5 <sup>th</sup> of each month  | Brand Fund Contributions are paid directly to the Brand Fund. We may reallocate all or a portion of this fee to a regional advertising program if one is established in your region.   |

| <b>Name of Fee<sup>1</sup></b>                            | <b>Amount</b>   | <b>Due Date</b>                                    | <b>Remarks</b>   |
|---|---|--|--|
| Local Advertising, Marketing and Promotional Expenditures | Minimum of \$1,500 per year   | Monthly; As incurred by you; Measured annually     | Funds are to be spent on approved local advertising. We have the right to require you to spend your required minimum local advertising amount with specific suppliers and on specific services or products. We have the right to require you to pay this amount to us or our affiliate to use on your behalf.  |
| Technology Fee  | Currently \$150 per month, plus \$100 per month per user            | Monthly; Payable the 5 <sup>th</sup> of each month | We have the right to increase the fee based on supplier pricing increases and introduction of new technology. This fee includes payment for the use of our approved supplier's CollegePlannerPro software.   |
| Essay Review Services                                     | Currently \$30 to \$60 per draft; typically about \$600 per student | As incurred  | We require you to use our approved third-party provider for essay review services. Our approved supplier currently charges about \$30 to \$60 per draft depending on the length of the essay. Our affiliate location typically spends about \$600 per student for this service. We have the right to change our approved supplier or to start providing this service to you through us or our affiliates. This fee is subject to change at any time. |

| <b>Name of Fee<sup>1</sup></b>                                  | <b>Amount</b>  | <b>Due Date</b>   | <b>Remarks</b>   |
|---|--|---|--|
| College Kickstart Platform                                      | \$60 per student per year  | Monthly;<br>Payable the 5 <sup>th</sup> of each month for students enrolled during the previous month | We require you to purchase access for each of your students to access a college admissions tracking and planning platform from our approved supplier, which is currently College Kickstart. You will pay a fee of \$60 per student per year to provide your students with access to the platform and we will remit payment to College Kickstart on your behalf. We have the right to change our approved supplier or to start providing this service to you through us or our affiliates. This fee is subject to change at any time. |
| Reimbursement for Essay Review Services and Assessment Services | Any amounts you incur to use these services with your clients  | As incurred   | When you or your clients use these services, we will be billed. You are responsible for reimbursing us each month for the amounts we expend on behalf of your Center.  |
| Renewal Fee   | 25% of the then current initial franchise fee;<br>Subject to minimums of<br><br>Tier 1: \$12,500<br>Tier 2: \$11,250<br>Tier 3: \$10,000 | Upon signing a then-current form of franchise agreement   | Payable in immediately available funds.  |

| <b>Name of Fee<sup>1</sup></b>  | <b>Amount</b>  | <b>Due Date</b>                                       | <b>Remarks</b>  |
|---|--|---|---|
| Transfer Fee<br><br>(a) All transfers except as provided in (b) below.<br><br>(b) Transferee is an entity controlled and owned by current Franchisee. | 50% of the then current initial franchise fee;<br>Subject to minimums of<br><br>Tier 1: \$25,000<br>Tier 2: \$22,500<br>Tier 3: \$20,000<br><br>No charge. | The transfer fee is paid upon application to transfer | Fee must be deposited with us on a non-refundable basis upon notification to us of a proposed transfer and prior to our undertaking any review, drafting of documents, training, or other activities. If we do not approve the transfer, the transfer fee will be returned minus our expenses incurred (including legal fees) for review and consideration of the transfer. |
| Audit Fee   | Costs and expenses   | As incurred   | Audit Fee is paid by you if the difference in reported royalties is 2% or greater.  |
| Relocation Fee  | Costs and expenses; minimum of \$5,000   | As incurred   | Payable to us to defray our costs associated with evaluating and approving/rejecting your relocation proposal.  |
| Interest <sup>3</sup>   | Lower of 1.5% per month or highest rate allowed by law   | As incurred   | Interest accrues from the original due date until payment is received in full.  |
| Insufficient Funds Fee  | \$50 per violation   | As incurred   | Failure to have sufficient funds available for payments to us.  |
| Testing or Supplier Approval Fee  | Costs and expenses   | Upon request  | If requested by you, you will pay all fees and costs incurred by us to obtain the necessary information and evaluate suppliers, products, or services prior to giving approval for new suppliers, services, and products.   |

| <b>Name of Fee<sup>1</sup></b>               | <b>Amount</b>   | <b>Due Date</b>                                       | <b>Remarks</b>   |
|--|---|---|--|
| Additional Training                          | Currently \$500 per trainee per week plus expenses incurred by the trainer  | As incurred prior to beginning of additional training | We have a current policy that there is no charge if you attend an already scheduled training class. In addition, you remain responsible for paying your and your employees' lodging, transportation, and food expenses incurred for additional training. You may request additional training, or we may determine that additional training is necessary. |
| Legal fees and expenses                      | Costs and expenses, including but not limited to attorneys' fees for any failure to pay amounts when due or failure to comply in any way with the Franchise Agreement   | As incurred   | Loser pays winner's fees and costs to discourage meritless litigation. We could have to pay your fees.   |
| Indemnification                              | Any and all types of damages, liabilities, losses, costs, and expenses we incur as a result of third parties claims or from your ownership and operations of the Center | As incurred   | You, your owners, and your guarantors must indemnify us and related parties for a broad range of claims related to your actions, omissions, ownership, and operations of the Center.   |
| Post-Termination or Post-Expiration Expenses | Costs and expenses  | As incurred   | You must pay all costs and expenses related to de-identifying the Center or otherwise complying with your post-termination or post-expiration obligations.   |
| Refurbishment Fee                            | Our costs, plus an administrative fee of 15% of the total expenses incurred by us.  | As incurred   | This is applicable only if you delay, refuse, or fail to make repairs or modifications to the Premises or the Center that we require and we do this work for you.  |

| <b>Name of Fee<sup>1</sup></b>    | <b>Amount</b>   | <b>Due Date</b>   | <b>Remarks</b>  |
|-----------------------------------|---|---|---|
| Continuing Operation Fee          | Greater of \$1,000 or 150% of the Royalty due for the same week for every week of month-to-month operations after expiration of Franchise Agreement | As incurred   | This is applicable only if you continues to operate as an ADVANTAGE COLLEGE PLANNING Center after the expiration of the Franchise Agreement. This fee in no way limits our rights to obtain other damages We may recover against you under the Franchise Agreement. |
| Inventory, Supplies, and Services | Varies  | Upon invoicing.   | We and our affiliate(s) reserve the right to become the supplier of any items or services that you are recommended or required to use in your Center.   |
| Conferences and Conventions       | Varies  | Upon invoicing.   | We reserve the right to charge you an attendance fee for conferences and conventions. In addition, you remain responsible for paying your and your employees' lodging, transportation, and food expenses incurred for attending the conference or convention.       |
| Fines                             | Up to \$1,000 per occurrence  | Upon notice of infraction. Will be collected by EFT.  | Fines for failing to operate in accordance with operating standards, including selling unauthorized products or services, failure to timely report, or conducting unauthorized advertising.   |
| Insurance Premium Reimbursement   | Varies according to plan and provider   | Varies according to plan and provider. If we purchase, reimbursement to us due immediately on notice. | You must purchase the insurance we require. If you do not purchase the insurance we require, we may purchase it on your behalf and you must reimburse us.   |

| <b>Name of Fee<sup>1</sup></b>     | <b>Amount</b>  | <b>Due Date</b> | <b>Remarks</b>   |
|------------------------------------|--|-----------------|--|
| Third Party Supplier Charges       | Your share of any charges billed to us on behalf of your business. | As incurred.    | Sometimes it may be in the best interest of the ADVANTAGE COLLEGE PLANNING brand for suppliers to bill us a network-wide charge for a product or service. We will then divide the invoice among our franchisees and charge you for your share.   |
| Data Inspections and Reimbursement | Varies.  | As incurred.    | If you repeatedly violate the required data privacy and security obligations under the Franchise Agreement, we reserve the right to charge you our costs and expenses to inspect your business. Additionally, you are responsible for our costs and expenses that arise from your non-compliance or a security breach caused by you or your personnel. |
| Quality Control Review Services    | Costs and expenses.  | As incurred.    | If we implement a quality control program, you will pay your share of the costs and expenses of the program.   |
| Legal Expenses                     | Costs and expenses.  | As incurred.    | If we incur legal expenses while providing assistance to you, including in legal compliance or negotiation circumstances, we may require you to reimburse us for the legal expenses we incur.  |
| Early Termination Damages          | Our damages, costs, and expenses                                   | Upon demand.    | If the Franchise Agreement is terminated early, we have the right to seek damages from you.  |

| <b>Name of Fee<sup>1</sup></b> | <b>Amount</b>                        | <b>Due Date</b>                                       | <b>Remarks</b>   |
|--------------------------------|--------------------------------------|---|--|
| Advertising Cooperative        | Amount determined by cooperative     | As incurred; as determined by advertising cooperative | No local advertising cooperatives are currently established but they may be in the future. Each franchisee and each company-owned Center would be entitled to one vote in any cooperative. The amount will be determined by the majority vote of the members. If Centers owned by us or our affiliate/s have controlling voting power, they cannot impose a fee of more than 2% of Gross Revenues. |
| Default Damages                | Damages, costs, losses, and expenses | As incurred.  | You must promptly reimburse us for any damages, costs, losses, and expenses, including reasonable attorneys' fees, we incur as a result of any default under this the Franchise Agreement  |
| Client Complaint Fee           | Varies, our costs and expenses.      | Upon demand.  | If a client complains to us and you fail to satisfactorily remedy the complaint, you will pay us our costs to respond to the complaint.  |

Note 1. All fees and expenses described in this Item 6 are non-refundable and, unless otherwise indicated in this Item, are imposed uniformly by, collected by, and are payable to, us. In our last fiscal year, we allowed two franchisees to negotiate limitations on the legal fees expenses and indemnification obligations and two franchisees to pay the minimum Royalty over time pursuant to a payment plan. Otherwise, all fees mentioned above were applied uniformly to all of our franchisees in our last fiscal year. Unless we have noted differently, we may increase these amounts based upon changes in market conditions such as inflation or our cost of providing services and future policy changes, but we have no present plans to increase any fees.

Note 2. For purposes of determining how many "Full-Time Equivalent" employees you have, we will combine the total number of hours all of your consultants work (including your owners, if they act as consultants) during a given year, and divide it by 2,000. For purposes of calculating the minimum royalty you must pay to us, we will not count any increase in your FTE count until you have retained that increase in FTE count for at least 12 months. For illustration purposes only, if you already have 2 FTE consultants and you add an additional full-time consultant who works



2,000 hours a year, we will not count that third consultant's hours in calculating the minimum Royalty until you have had 3 FTE consultants for at least 12 months. For the avoidance of doubt, the FTE is based on the total hours worked by all consultants of the Center and does not depend on continuity of employment for any individual consultant. The minimum Royalty calculation and 12-month timeline in the previous example would not change if the third consultant left at any time before or after that 12-month period and was replaced by a new full-time employee.

Note 3. The maximum interest rate in California is 10% annually.

## **ITEM 7. ESTIMATED INITIAL INVESTMENT**

### **YOUR ESTIMATED INITIAL INVESTMENT <sup>1</sup>**

| <b>Type of Expenditure</b>  | <b>Estimated Amount</b> |             | <b>Method of Payment</b> | <b>When Due</b>                   | <b>To Whom Payment is Made</b>   |
|---|-------------------------|-------------|--------------------------|-----------------------------------|----------------------------------|
|   | <b>Low</b>              | <b>High</b> |                          |                                   |                                  |
| Initial Franchise Fee <sup>2</sup>  | \$40,000                | \$50,000    | Lump sum                 | At signing of Franchise Agreement | Us                               |
| Construction, Leasehold Improvements, Furniture and Fixtures <sup>3</sup> | \$650                   | \$3,950     | As incurred              | Before opening                    | Contractor/Third-party providers |
| Equipment <sup>4</sup>  | \$600                   | \$1,300     | Lump sum                 | Before opening                    | Third-party providers            |
| Signage (interior and exterior) <sup>5</sup>                              | \$0                     | \$200       | As incurred              | Before opening                    | Third-party providers            |
| Technology Fee <sup>6</sup>   | \$1,050                 | \$1,350     | As incurred              | After opening                     | Us                               |
| Computer Hardware and Software <sup>7</sup>                               | \$1,965                 | \$3,975     | Lump Sum                 | Before opening                    | Third-party providers            |
| Opening Inventory <sup>8</sup>  | \$0                     | \$0         | As incurred              | Before opening                    | Third-party providers            |
| Rent Deposits <sup>9</sup>  | \$900                   | \$4,500     | As incurred              | Before opening                    | Landlord                         |
| Utility Deposits <sup>10</sup>  | \$0                     | \$200       | As incurred              | Before opening                    | Utility providers                |
| Insurance Deposits and Premiums <sup>11</sup>                             | \$800                   | \$1,500     | As arranged              | Before opening                    | Insurance company                |
| Pre-opening Travel Expense <sup>12</sup>                                  | \$700                   | \$3,200     | As incurred              | Before opening                    | Airline, hotel, restaurants      |
| Grand Opening Advertising <sup>13</sup>                                   | \$3,000                 | \$3,000     | As incurred              | Prior to opening                  | Third parties                    |

| Type of Expenditure   | Estimated Amount |                  | Method of Payment | When Due       | To Whom Payment is Made |
|---|------------------|------------------|-------------------|----------------|-------------------------|
|   | Low              | High             |                   |                |                         |
| Professional Fees and Associations <sup>14</sup>            | \$3,600          | \$5,100          | As arranged       | Before opening | Attorneys, accountants  |
| Business Permits and Licenses <sup>15</sup>                 | \$100            | \$500            | As incurred       | Before opening | Licensing Authorities   |
| Printing, Stationery and Office Supplies <sup>16</sup>      | \$1,800          | \$2,000          | As incurred       | Before opening | Third-party providers   |
| Assessments <sup>17</sup>                                   | \$150            | \$200            | As incurred       | After opening  | Third-party providers   |
| Additional funds – 3 Months (Working Capital) <sup>18</sup> | \$15,200         | \$19,800         | As incurred       | After opening  | Various                 |
| <b>Total</b>  | <b>\$70,515</b>  | <b>\$100,775</b> |                   |                |                         |

Note 1. All fees and payments are non-refundable unless otherwise noted or allowed by third-party vendors. The above table represents your estimated initial investment through the third month of operation of your business. Neither we nor our affiliate offer financing for your initial franchise fee or for any other payments you must make or costs you must incur in starting and operating your business.

Note 2. As described in Item 5, your Initial Franchise Fee will vary based upon the size of your Territory.

Note 3. The low estimate assumes you will be improving a leased space that is approximately 200 to square feet to accommodate 1 to 2 consultants. The high estimate assumes you will be improving leased space that is approximately 1,000 square feet to accommodate 3 consultants. The estimates assume that you will have desks, chairs, and filing equipment in your Center. You may choose to operate your Center in a shared services location. You cannot utilize a home office. You must lease or provide a suitable facility for the operations of the franchised ADVANTAGE COLLEGE PLANNING Center. You may choose a larger facility, but it will increase your operating costs. Your cost to lease or purchase space is difficult to quantify because there are many factors that will impact what you pay. These factors include the ADVANTAGE COLLEGE PLANNING Center's location, its square footage, cost-per-square foot, renovation costs and any required maintenance fees. Your landlord, developer, or builder may refund your security deposit or other fees paid, but most will not refund rental payments or other payments made. You should ask your leasing agent or landlord about their refund policy before you sign a lease agreement. Our estimates are based upon the historical experience of our affiliate.

Note 4. The equipment you will be required to purchase include a computer projector and cellular phone. We assume you will be purchasing, not leasing, your equipment. Our estimated costs do not include transportation or set up charges.

Note 5. Your costs for signage will vary depending on the size of your façade. Our low estimate assumes that your Center will be in a shared services location with the door sign provided. Our estimates include wall signage for the exterior of the building, interior signage such as logo graphics for windows, and interior brand identification such as wall graphics.

Note 6. The Technology Fee will include the costs for your right to use the approved software, which is currently CollegePlannerPro.

Note 7. The computer equipment you must purchase includes an Apple computer or laptop and other specified hardware and software. See Item 11 for a complete list of the hardware and software you will need for your Center.

Note 8. You will not purchase any inventory to operate your Center.

Note 9. These estimates represent the costs for three months of rent. These estimates assume you will have free rent until you open your Center for operation. The low estimate represents leasing a 200 square foot shared services space. The high estimate assumes 1,000 square feet at eighteen dollars (\$18) per square foot. Both estimates represent a site in a suburban location.

Note 10. These estimates are based on historical experience of our affiliate's Center but will vary based on municipality and service provider.

Note 11. These estimates represent three months of premiums. These estimates are based on the experience of our affiliate and may vary based on your location, insurance provider, and other factors.

Note 12. These estimates represent travel and lodging expenses for two people to attend our five-day training in Apex, North Carolina. These estimates do not include any labor costs.

Note 13. You are required to spend \$3,000 on grand opening advertising following a marketing plan that we approve. The grand opening period is 30 days before your Center opens and 60 days after. You may choose to spend more.

Note 14. These estimates represent fees for initial reviews and advisory services for an attorney and an accountant. You may incur greater costs if you engage an accountant or attorney to perform other or additional services or if you use service providers who charge high fees. These estimates also include the fees you must pay to join the required associations. Currently, we estimate these fees to be about \$600 to join either the Higher Education Consultants Association (HECA) or Independent Educational Consultants Association (IECA), \$100 to join the Association for College Admission Counseling (ACAC), and \$400 to join your local Chamber of Commerce.

Note 15. The licenses you are required to obtain include a local business license and building permits. You may need to obtain other licenses and permits, and you are responsible for determining whether you need to do so.

Note 16. To operate your Center, you will need to print certain materials and acquire certain forms and supplies. Specifically, you will need a reference library, Corsava cards, business cards, consultation folders, brochures, flyers, and consultation information sheets.

Note 17. These estimates represent expenses for personality, science, or other assessments your students will take.

Note 18. You should have a three-month cash reserve to cover the operations of the ADVANTAGE COLLEGE PLANNING business. Our estimates for the cash reserve you should have on hand include our estimates for three months' of rent, utilities, insurance, initial staffing, software, royalties, Brand Fund contributions, and advertising expenses, offset by the revenues we estimate you will collect in the first three months of operation. Our estimates do not include any other charges or expenses, including finance charges, interest or debt service obligations or any other expenses. Your costs, and the amount you should have in reserve, will be affected by factors in the local market, your technical, marketing and general business skills, local economic conditions, local competition, local cost factors and where your Center is located. You may need to have more or less money in your cash reserve than what we have estimated. You should speak with a financial advisor to get a more accurate estimate of the amount you should have in reserve. The operating costs for which you may use the cash reserve are typically non-refundable, but you should ask about refund policies before you patronize any vendor. The amounts shown in these and all other estimates in Item 7 are based on the experience of our affiliate and our first franchisees.

## **ITEM 8. RESTRICTIONS ON SOURCES OF PRODUCTS AND SERVICES**

Required Vendors, Products, and Services. You must purchase certain software, membership in certain organizations, essay review services, consultation folders and information sheets, and student evaluation materials, and other supplies, equipment, goods, and services you use in the Center from the vendors we approve or designate, which may include us or our affiliates, in strict conformance with our Brand Standards Manuals, proprietary guidelines, and standards and specifications issued to you. Where we have designated an approved supplier, you must use that supplier. Not purchasing your business's computer hardware and software, memberships, essay and test services, supplies, equipment, computer hardware and software, or any other items where we have designated an approved supplier would put you in violation of the Franchise Agreement. We reserve the right to revoke approval for any item or supplier for any reason, and you must cease to use the item or supplier upon 30 days' notice from us. We reserve the right to modify the standards and specifications for all the software, membership in certain organizations, essay review services, consultation folders and information sheets, student evaluation materials, and other supplies, equipment, goods, and services you use with your Center. Such standards and modifications, and any changes to them, will be provided to you in the Brand Standards Manuals or in other written communication from us. You must comply with the changes after receiving notice from us.

You are required to purchase an accounting system, as specified in the Brand Standards Manuals, from an approved vendor and such related hardware and other software as we require from an approved supplier. You are also required to use our required payroll provider. We reserve the right to change the accounting or payroll system or vendor you are required to use. We may require you to use a proprietary accounting system.

You are required to purchase and use other software or software-as-a-service, including video conferencing and collaboration tools, from approved vendors.

We also require you to purchase certain assessments to use with your students. These assessments currently include personality and aptitude tests from our preferred vendors. The cost for these assessments are not incurred until your first client accesses them. You must purchase the essay review services, and student evaluation materials we approve from the vendors we approve.

You are required to purchase membership to certain professional associations. We currently require you to purchase memberships to the HECA or IECA, the ACAC, and your local Chamber of Commerce.

You must purchase consulting software from our approved supplier, which is currently CollegePlannerPro. You will pay your fee to use the software to us as part of the Technology Fee and we will remit payment to CollegePlannerPro on your behalf. Neither we nor our affiliate is the supplier of CollegePlannerPro, though Travis Daly created the software initially.

You must purchase access for each of your students to access a college admissions tracking and planning platform from our approved supplier, which is currently College Kickstart. You will pay a fee of \$60 per student per year to provide your students with access to the platform and we will remit payment to College Kickstart on your behalf. Neither we nor our affiliate is the supplier of College Kickstart.

You are also required to purchase all furniture, signage, décor, and any items bearing our Marks from vendors we approve.

If you do not own your business premises, we must accept the lease of your ADVANTAGE COLLEGE PLANNING space. It is your responsibility to select your own location. We have the right to require you and your landlord to provide in the lease that we will have the right at our option and without compensation to you to take assignment of the lease should you materially default under the lease or should your franchise terminate or not be renewed for any reason.

Neither we nor our affiliates are currently approved or designated suppliers. We reserve all rights to become or select our affiliates to become approved or designated suppliers in the future.

Insurance. You are obligated to obtain and maintain at your own expense the types and amounts of insurance that we designate in our Brand Standards Manual or otherwise in writing. All policies (except any workers' compensation insurance) must name us as an additional insured and all shall contain a waiver of all subrogation rights against us and our successors and assigns. In addition to any other insurances that may be required by applicable law or by your landlord, you must currently procure:

- (a) Commercial general liability insurance with the following coverages:
  - i. General Aggregate with limits of at least \$2,000,000
  - ii. Each Occurrence with limits of at least \$1,000,000
  - iii. Products Liability with limits of at least \$2,000,000
  - iv. Person and Advertising Liability Injury with limits of at least \$1,000,000
  - v. Damage to Rented Premises with limits of at least \$100,000;

- (b) Automobile liability insurance with a combined single limit of at least \$500,000;
- (c) Employer practices insurance with a limit of at least \$500,000;
- (d) Worker's compensation insurance that complies with the statutory requirements of the state in which your business is located.

The Franchise Agreement also outlines other terms and conditions of insurance coverage required for your Center, including, but not limited to, standards for underwriters of policies providing required insurance coverage; our protection and rights under such policies as an additional named insured; required or impermissible insurance contract provisions; periodic verification of insurance coverage that must be furnished to us; our right to obtain insurance coverage at your expense if you fail to obtain required coverage; our right to defend a claim; and similar matters. If a lease or any other contract you enter into requires more insurance than listed above, you must purchase and maintain such additional insurance, but you must never have less insurance than that listed above. The cost of this coverage will vary depending on the insurance carrier's charges, terms of payments and your history. We make changes to the required insurance types and levels and you must comply with the changes.

Method of Approving Suppliers and Vendors. If you want to use goods, services, or suppliers that we have not approved, you must first submit to us certain information, including product or service specifications, product or service components, product or service performance history, product samples, supplier information, and any other relevant information. We will evaluate the proposed good, service, or supplier based upon certain criteria and determine if you are approved to use it. We do not make the criteria available to you. If the criteria is met, you may use the good, service, or supplier. We do inform you that we generally evaluate technical and performance properties of the item, including design, appearance, product reliability, durability, the manufacturer's warranties, quality control methods, financial ability of the product's producers and distributors, supplier history and reputation, and supplier capacity. Our review is generally completed in 90 days. If we do not approve the good, service, or supplier within 120 days, then that good, service, or supplier is deemed not approved and you must not use that good, service, or supplier. We will advise you in writing of our decision. We impose these restrictions to safeguard the integrity of both the System and our Marks. We reserve the right to revoke approval for any good, service, or supplier for any reason, and you must cease to use the good, service, or supplier upon 30 days' notice from us. If you request that we evaluate a good, service, or supplier, you will pay all fees and costs incurred by us to obtain the necessary information and to conduct the evaluation.

Required Purchase Percent of Revenue. The cost of the items that you must purchase from us, our affiliates or from suppliers designated by us, represents between 50% and 70% of your total purchases in connection with the establishment of your Center. The cost of the items that you must purchase from us, our affiliates or from suppliers designated by us represents between 10% and 15% of your total purchases in operating your Center.

Revenue Derived. In the last fiscal year (January 1, 2023 to December 1, 2023), neither we nor our affiliates received any revenue, rebates, or other material consideration from our franchisees' required purchases or leases. In the future, we and they may derive revenue, rebates, and other consideration from the products and services you are required to purchase or lease from us or from other vendors and suppliers.

Interest in Suppliers. Our owners, Brooke Daly and Travis Daly, own an interest in us and our affiliates, which entities may be approved to supply you with certain goods and services. Otherwise, none of our officers own any interest in any approved supplier of goods or services to our franchisees. We reserve the right to become, or approve our affiliates to become, approved suppliers in the future or receive benefits from your required purchases that we do not currently receive.

Cooperatives. Currently you are not required to participate in a local purchasing or distribution cooperative. However, we have the right to require you to participate in a local purchasing or distribution cooperative in the future.

Miscellaneous. We may negotiate purchase agreements with suppliers, including price terms, for the benefit of the franchisees; however, we are not required to do so. We do not provide franchisees with any material benefits based upon a franchisee's use of approved suppliers. We reserve the right to receive rebates from the required or approved suppliers and we have no obligation to share these rebates with you.

## **ITEM 9. FRANCHISEE'S OBLIGATIONS**

### **FRANCHISEE'S OBLIGATIONS**

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

| <b>OBLIGATION</b>                                      | <b>SECTION IN AGREEMENT</b>  | <b>DISCLOSURE DOCUMENT ITEM</b> |
|--|--|---------------------------------|
| a. Site selection and acquisition/lease                | Franchise Agreement §§ 1, 2(b)(viii), 2(b)(ix), and 10; Attachment 1 (Franchise Rider)   | Items 7, 8, and 11              |
| b. Pre-opening purchases/leases                        | Franchise Agreement §§ 4, 10, 11, and 12; Attachment 2 (Lease Rider)   | Item 8                          |
| c. Site development and other pre-opening requirements | Franchise Agreement §§ 2(b)(ix), 7, 8(a)(i), 8(e), 9, 10, 11(a)(ii), 11(b), 11(c), 11(i), 12(a)-(b) and Attachment 2 (Lease Rider) | Items 7, 11                     |
| d. Initial and ongoing training                        | Franchise Agreement §§ 4(a)(iii), 11(a)(ii) and 11(c)  | Item 11                         |
| e. Opening   | Franchise Agreement §§ 1, 3, 4 and 8(a)(i)   | Items 5, 7, 11                  |

| <b>OBLIGATION</b>  | <b>SECTION IN AGREEMENT</b>   | <b>DISCLOSURE DOCUMENT ITEM</b> |
|--|---|---------------------------------|
| f. Fees  | Franchise Agreement §§ 2(b)(vi), 2(e), 3, 8, 11(c), 11(p), 13(d)(viii), 21, Attachment 1 (Franchise Rider), Attachment 5 (Nondisclosure and Noncompetition Agreement) and Attachment 6 (Nondisclosure and Non-Solicitation Agreement) | Items 5, 6, 7, and 17           |
| g. Compliance with standards and policies/Brand Standards Manual | Franchise Agreement §§ 2(b)(ii), 4; 11; and Brand Standards Manual  | Items 13 and 15                 |
| h. Trademarks and proprietary information                        | Franchise Agreement §§ 7 and 11(b); Brand Standards Manual  | Items 13 and 14                 |
| i. Restrictions on products/services offered                     | Franchise Agreement §§ 11(b), 11(d) and 12  | Items 8 and 16                  |
| j. Warranty and customer service requirements                    | Franchise Agreement §§ 11(k), 11(l), 11(m), and 17(c)(iv)   | Item 15                         |
| k. Territorial development and sales quotas                      | Not Applicable  | Not Applicable                  |
| l. Ongoing product/service purchases                             | Franchise Agreement § 12  | Not Applicable                  |
| m. Maintenance, appearance and remodeling requirements           | Franchise Agreement §§ 10, 11(b) and 11(d)  | Item 8 and 11                   |
| n. Insurance   | Franchise Agreement § 16  | Item 8                          |
| o. Advertising   | Franchise Agreement §§ 8 and 10(b)  | Items 6 , 7, and 11             |
| p. Indemnification   | Franchise Agreement § 19(b)   | Item 6                          |
| q. Owner's participation/management/staffing                     | Franchise Agreement § 11(a), 11(e), 11(f), 11(g) and 11(v)  | Item 15                         |
| r. Records/reports   | Franchise Agreement § 11(o)   | Items 6 and 17                  |
| s. Inspections/audits  | Franchise Agreement §§ 11(o) and 11(p)  | Item 6                          |
| t. Transfer  | Franchise Agreement §§ 13 and 14  | Item 17                         |
| u. Renewal   | Franchise Agreement § 2(b) and 2(c)   | Item 17                         |



| <b>OBLIGATION</b>               | <b>SECTION IN AGREEMENT</b>  | <b>DISCLOSURE DOCUMENT ITEM</b> |
|---------------------------------|--|---------------------------------|
| v. Post-termination obligations | Franchise Agreement §§ 7(d), 11(h), 14, 15, 17, 18, 19 and Attachment 5 (Nondisclosure and Noncompetition Agreement) and Attachment 6 (Nondisclosure and Non-Solicitation Agreement) | Item 17                         |
| w. Non-competition covenants    | Franchise Agreement §§ 11(h), 14, 15, 18, Attachment 5   | Item 17                         |
| x. Dispute resolution           | Franchise Agreement §§ 19 and 21   | Items 6 and 17                  |

## **ITEM 10. FINANCING**

Neither we nor any of our affiliates offer financing. Neither we nor any of our affiliates will guarantee your lease, note, or other obligations.

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

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

Pre-Opening Assistance:

After you sign your Franchise Agreement, but before you open your Center:

1. Initial Training. We will offer you a training program as described in more detail below.
2. Brand Standards Manual. We will lend you our Brand Standards Manual.
3. Site Selection. It is your responsibility to select and outfit your own location. We are not required to assist you in locating a site or obtaining your Center premises. We do not own the premises you will lease. You must obtain our acceptance of your site. You must submit your first site to us within 30 days after signing the Franchise Agreement. Your site must be at least 200 square feet of commercial office space and be conducive to client visits. Your Center can be located at a shared services office facility. Operation of your Center from a home office is not permitted. Generally, we accept or reject a site within thirty (30) days of receiving the request. We consider, among other factors, the general location and neighborhood, traffic patterns, parking, size, physical characteristics of the surrounding buildings, and lease terms in our review. In the event we do not accept a proposed site within said thirty (30) days such site shall be deemed rejected by us. We must accept the lease if you do not own the premises. It is your responsibility to ensure that your premises conforms to local ordinances and building codes and our required standards. You are solely responsible for remodeling and decorating the premises, as applicable. It is your responsibility to obtain any required permits. If you fail to execute a lease or purchase contract for the site within a reasonable amount of time after our acceptance of the site, we reserve

the right to refer it to another franchise applicant or develop it as a company-owned business. If you fail to select a site that we accept and begin operations within four months, you will be in default under the franchise agreement and we may, in our sole discretion: (1) allow more time; or (2) terminate your franchise agreement without any refund to you. (Franchise Agreement Sections 1, 4, and 10.)

4. List of Approved Vendors and Suppliers, Standards, and Specifications. Before you open your location and to the extent we have specifications, standards, or approved suppliers, we will provide you with a copy of our list of approved vendors and suppliers, or the standards and specifications, for required or recommended student assessments, essay review services, test preparation courses, supplies, equipment, signage, décor and other goods and services. You will be responsible for obtaining all goods and services necessary to operate your Center. We do not deliver or install any of the goods.

5. Other Advice. We are not required to provide you other supervision, assistance or services prior to the opening of the Center. (Franchise Agreement Section 4.) However, if requested, we will advise on additional topics related to the opening of your Center, including but not limited to purchasing consulting materials. We do not provide assistance with hiring or training your employees.

During the operation of the Center under your Franchise Agreement:

1. Advice. We will provide advice and consult you from time to time and give you recommendations on how to address operating problems you encounter and how to improve and develop your business. We can establish and reserve the right to modify systems for administration, bookkeeping, accounting, and inventory control. We do not assist you in hiring your employees. If you request advice or consulting that requires us to make our staff present at your Center or that is greater than what we offer to other franchisees, we may charge you our additional training fee.

2. Advertising. We will make available to you from time to time advertising materials we prepare for use by ADVANTAGE COLLEGE PLANNING franchisees generally. We have also established a Brand Fund, as described below.

3. System Improvements. We will make available to you from time to time all improvements and additions to the System and the goods and services offered by Centers to the same extent and in the same manner as they are made available to ADVANTAGE COLLEGE PLANNING franchisees generally. These improvements may include opportunities to offer new goods and services. There is no limit to the maximum amount required to be spent on improvements. (Franchise Agreement Section 4.)

4. Additional Training. We may offer additional training as we see fit or as you request. We will charge you our then-current additional training fee. You must pay for it at the time of the training, unless alternative billing arrangements are agreed to. Also, you bear all indirect training costs and expenses, such as salary expenses of your employees and all expenses of travel, lodging, meals and other living expenses you and your designee incur. While most additional training is optional, you may be required to attend the additional training and pay our associated fee.

5. Conferences and Conventions. While we are not required to do so, from time to time we may offer conferences and other training courses relating to our industry and to the conduct of the Center. Franchisees are required to attend all conferences and other required training courses. These courses may be conducted by our employees and/or by other trainers and will address various aspects of our business and other topics of interest to franchisees. We have the right to charge you a tuition fee for each attendee, whether or not the attendee is required to attend. Additionally, you will be responsible for all transportation, lodging, food and other costs incurred by any of your attendees in attending such seminar.

6. Online Presences and Email. We will maintain a website. We may also develop and maintain any other type of online, internet, virtual, or digital presence (each an “Online Presence”) as we see fit. An “Online Presence” includes (1) the brand website, other webpages, URLs, or domain names; (2) accounts, pages, or profiles on social media sites; social networking sites; news sites; online, internet, or digital directories; video, photography, and messaging services; blogs; or forums; (3) e-commerce sites or accounts; (4) digital or online advertising and marketing content and services; (5) mobile applications; (6) virtual reality platforms; (7) any identifiers of an Online Presence; or (8) a presence on any other type of online, internet, virtual, or digital tool, good, or service that may be developed. We will have the sole right to control all aspects of each Online Presence, including its design, content, functionality, links to any other Online Presence, legal notices, and policies and terms of usage. We will also have the right to discontinue operation of any Online Presence at any time without notice to you. We will not be liable to you for any downtime that may occur to any Online Presence, whether such downtime is a result of our or a third-party’s actions. You may not establish or operate an Online Presence that in any way concerns, discusses, or alludes to us, the System, or your Center without our written consent, which we can revoke. The Marks may not be used as part of, in conjunction with, to establish, or to operate any Online Presence, except as specifically approved by us. You must follow our policies with the establishment and use of any Online Presence. You may not establish or permit or aid anyone else to establish any links to any Online Presence we create. We may require that you maintain and utilize a specific e-mail account in connection with the Center.

You may not post, and must take such steps as necessary to ensure that your employees and independent contractors do not post, any information on an Online Presence relating to us, the System, the Marks, or the Center that (a) does not comply with our brand, social media, or Online Presence guidelines; (b) is derogatory, disparaging, or critical of us, the System, or the Proprietary; (c) is offensive, inflammatory or indecent; or (d) harms the goodwill and/or public image of the System and/or the Marks.

For any Online Presence or email address you are approved to create, use, or maintain, we reserve the right to be exercised at our option to have the Online Presence or email address directly owned by us or to require it to be transferred to us after the expiration or termination of the Franchise Agreement. We have the right to require that any Online Presence or email address we permit you to create, use, or maintain be registered in our name. Upon request, you must provide us with any login credentials for any Online Presence or email address you are authorized to create, use, or maintain. We have the right to access any Online Presence to take corrective action if any content or post on the Online Presence is in violation of our policies.

We may, but are not required to, provide you with access to social media groups or pages that we control. We will not be responsible to you for content posted within such social media groups or

on such social media pages, and we have the right to restrict access by you or any other franchisees at any time, or delete comments, links, or photos you or other franchisees post to such pages or within such groups, in our sole discretion.

Upon the termination, non-renewal, or expiration of the Franchise Agreement for any reason or a default under the Franchise Agreement for any reason, we may cease to make any Online Presence available to you, and we may cease to provide you with any services related to any Online Presence.

7. Computer Systems. You are required to use the hardware and software approved by us and as discussed later in this Item 11. We reserve the right to require you use other technologies we introduce for the brand.

8. Pricing. Generally, you will have the right to set prices for the goods and services you offer and sell at your Center. We will offer you our recommendations and advice about setting prices for your goods and services. If the law in your jurisdiction permits us to do so, we reserve the right to establish minimum or maximum prices, to implement system wide promotional pricing, and to establish specific prices for specific goods and services.

## **DEVELOPMENT SCHEDULE**

You must submit your first site to us for acceptance within 30 days after signing the Franchise Agreement. We anticipate that most franchisees will open their Centers within about 60 days after signing the Franchise Agreement. We have the right to terminate the Franchise Agreement, without providing you with any refund, if you fail to open within four months after you sign the Franchise Agreement. The factors that may impact this timeline are the availability to secure a lease and financing.

## **FRANCHISE ADVISORY COUNCIL**

While we are not required to do so, we reserve the right to form a Franchise Advisory Council (“FAC”). The FAC would provide advice to us on various matters, including advertising. The FAC would serve in an advisory capacity only and would have no operational or decision-making power. We would appoint the members of the FAC and have the power to change or dissolve it at any time.

## **TRAINING**

The initial pre-opening training program will be approximately 46 hours, covered over the course of five days, Monday through Friday, at our affiliate’s Center in the Raleigh, North Carolina metropolitan area (Apex, North Carolina specifically). During this time, the franchise owner(s) and/or a general manager will spend time learning the day-to-day operations and management of the business according to ADVANTAGE COLLEGE PLANNING standards. We will train up to two (2) people as part of this pre-opening training program for new franchise owners/managers. An owner must complete training to our satisfaction in order to be approved to open your Center. There is no additional charge for the initial training program but you will be responsible for all the travel, lodging, food, and wage expenses associated with your trainees.

Brooke Daly will oversee this training. Brooke has more than 11 years of experience operating a business of the type being offered. She has been with us since our founding in 2020. We typically schedule training 4 to 6 times a year, approximately every 8 to 12 weeks. We expect new franchise owners to start initial training between four and six weeks after signing the Franchise Agreement. Prior to scheduling training, key pre-opening tasks must be completed such as locating your office, signing a lease and procuring business-related licenses. Trainees are expected to read and have completed a thorough review of the Brand Standards Manual prior to attending training as this is the basis of instructional material. Supplemental training will be provided in a review of the material along with hands-on, observational, and visual instruction on our daily procedures and best practices for operating the business.

The training program covers the following information:

### TRAINING PROGRAM

| <b>Training: Part 1</b>  | <b>Hours<br/>Classroom<br/>Training</b> | <b>Hours<br/>On-The-<br/>Job<br/>Training</b> | <b>Location</b> |
|--|---|---|-----------------|
| Welcome & Overview: Our Brand History, Mission, Vision and Motto, college consulting industry overview   | 2                                       | 0   | Apex, NC        |
| Pre-opening Networking, Marketing & Researching Area Colleges/Universities   | 2                                       | 0   | Apex, NC        |
| Personnel: Recruiting and Management   | 2                                       | 0   | Apex, NC        |
| Setting Up and Using Hive and CollegePlannerPro  | 3                                       | 2   | Apex, NC        |
| Financial Management: Billing, Franchise Reporting and Royalties   | 1                                       | 0   | Apex, NC        |
| Marketing Strategy: community connections, seminars, webinars, email marketing, social media   | 4                                       | 8   | Apex, NC        |
| <b>Training: Part 2</b>  |   |   |                 |
| Operations: The client lifecycle, keeping notes, record keeping  | 5                                       | 0   | Apex, NC        |
| Sales: the initial consultation  | 1                                       | 1   | Apex, NC        |
| College Planning Curriculum: personality assessments, assessing academic profile, creating a standardized testing plan, creating a college list, the college admission process | 5                                       | 8   |                 |
| Planning Your Market Launch and Starting Operations  | 2                                       | 0   | Apex, NC        |
| <b>HOURS</b>   | <b>27</b>                               | <b>19</b>                                     |                 |
| <b>TOTAL HOURS</b>   | <b>46</b>                               |   |                 |

Following completion of pre-opening training, we evaluate business readiness and authorize the business launch or identify additional training required. We evaluate pre-opening marketing, launch plan, daily operations, an understanding of our process and procedures, client relationship management, billing, and payment processing.

In addition to the pre-opening training, we will provide one to two days of support in your Center at a mutually agreed upon time following your opening. During this time, we will review your initial operations and provide general assistance as you launch for Center.

## **BRAND STANDARDS MANUAL**

The Brand Standards Manual contain mandatory and suggested specifications, standards, and procedures. They are confidential and remain our property. Your employees are to see them only on a need-to-know basis, subject to confidentiality agreements. We may modify this material from time to time and its modified terms are binding on you. The Brand Standards Manual currently contains a total of 140 pages. The table of contents for our Brand Standards Manual is in Exhibit K. (Franchise Agreement Section 11(h).)

## **ADVERTISING**

You must use only advertising materials we have approved for your use. (Franchise Agreement Section 8(e).) You may develop marketing materials for your own use at your own cost. We encourage franchisees to share marketing ideas and materials. We require you to submit marketing and promotional materials to us in advance and to obtain our approval before using them. If we do not approve of your marketing materials within 20 days after you submit them to us, then they are deemed disapproved, and you may not use such materials. You can only advertise your Center on Online Presences approved in advance by us. You are required to follow our instructions in connection with any marketing or promotional materials we provide for your use. (Franchise Agreement Section 8(d).)

Brand Fund. The Brand Fund program is supported by a fee paid by franchisees. The fee is currently 1% of your Gross Revenues, but may be raised to be as much as 2% of your Gross Revenues.

We have the sole discretion to determine how and where the Brand Fund contributions will be spent to promote, enhance, or further the growth of the ADVANTAGE COLLEGE PLANNING brand, the Centers, and the System. The ways in which the Brand Fund can be spent include, but are not limited to: research; promotional marketing, public relations, and advertising expenses to promote the brand; hiring marketing, public relations and advertising agencies, or technology companies, or paying the salaries of in-house personnel, to assist in developing the ADVANTAGE COLLEGE PLANNING brand name; developing, evaluating, or using technologies that we believe may benefit the brand, the clients, the franchisees, or the brand's reputation; developing new services and franchisee revenue sources; expenses associated with listings on websites, contest registrations, digital marketing content, influencer marketing, radio, billboards, TV, print, or internet advertising, and events and promotions designed to garner media attention and promote the brand name; expenses associated with conducting market research; travel expenses in connection with promotions and marketing meetings, training, development of trademarks and trademarked materials; production of marketing, public relations, or digital or social media

content, including, but not limited to, advertisements, coupons, and other promotional materials; expenses incurred in developing and maintaining non-franchise sales portion of any Online Presence; development of any Online Presence; and expenses incurred in using search engine optimization, pay-per-click, or other digital marketing software, services, or companies to help promote the brand. While we do not anticipate that any part of Brand Fund contributions will be used for advertising which is principally a solicitation for franchisees, we reserve the right to use the Brand Fund for public relations or recognition of the ADVANTAGE COLLEGE PLANNING brand, for the creation and maintenance of a website, a portion of which can be used to explain the franchise offering and solicit potential franchisees, and to include a notation in any advertisement indicating “Franchises Available” or similar language.

We may occasionally provide for placement of advertising on behalf of the entire franchise system, including franchisees; however, we are more likely to provide you with advertising content to use in your local territory or on a regional basis with other franchisees in an advertising cooperative. You will be responsible for implementing any promotional or public relations programs or placing any advertising content we create, at your own expense. If we create any advertising content, which we are not obligated to do, you will receive one sample of the advertising content at no charge. You must pay for the duplication and distribution of the content.

Currently, the Brand Fund fees are payable to us. We have the right to establish in the future a nonprofit corporation or other business entity to collect Brand Fund contributions from our franchisees. The Brand Fund is currently administered by our personnel under our direction. The Brand Fund is not audited. The Brand Fund is not a trust fund. We and our affiliates have no fiduciary duty to you or any franchisee in connection with the collection or use of the Brand Fund monies. We are not required to spend any brand or advertising funds in your specific area or territory. Unless required by state law, we are not required to provide you with a detailed accounting of the expenditures of the Brand Fund. We are required by Maryland law to provide franchisees subject to Maryland law with an opportunity to obtain an accounting. Those franchisees may do so once yearly by contacting our President in writing with at least 30 days’ notice. We will not use your Brand Fund contributions to defray any of our operating expenses, except for any reasonable administrative costs and overhead, including the salaries of personnel, that we may incur in administering or directing the Brand Fund. Brand Fund monies not spent in the fiscal year in which they accrue are carried forward to cover marketing expenses in future years. Although the Brand Fund is intended to be perpetual, we may terminate it at any time. We will not terminate the Brand Fund, however, until all money in the Brand Fund has been spent for marketing or promotional purposes or returned to the contributors of the Brand Fund on the basis of their respective contributions. (Franchise Agreement Section 8(b).) We may have the Brand Fund borrow from us or other lenders to cover any Brand Fund deficits. We may have the Brand Fund invest any surplus for the Brand Fund’s future use. Centers owned by us or our affiliate/s have the option but not the obligation to contribute to the Brand Fund on the same basis as franchisees. Other franchisees’ Brand Fund contributions may be calculated at a different rate or on a different basis. We have the sole discretion to settle or forgive any accrued and unpaid Brand Fund contributions owed by a franchisee.

We did not expend any funds from the Brand Fund in the prior year (January 1, 2023 to December 31, 2023); instead the funds were left to accumulate in the Brand Fund for use in a future year.

Local Advertising Requirement. We require that you spend at least \$1,500 per year on local advertisement. This requirement begins the date your Center opens. We will require that you submit documentation at least annually to us to verify to us that you are meeting this requirement. In the event that you spend less than the required amount on local advertisement, we will require that you pay the Brand Fund the difference between the required contribution and the amount you actually spent on local advertising.

You must spend at least \$3,000 on grand opening advertising, marketing, promotional items, and giveaways during the time period that begins 30 days before you open for business and ends 60 days after. This amount will not count toward the \$1,500 you must spend on local advertising per year, nor will it count toward your required Brand Fund contribution. You must submit a grand opening marketing plan to us and receive approval. You may choose to spend more money. (Franchise Agreement Section 8(a).)

Each year, you must attend and speak at a minimum number of parent groups and related seminars and events, which minimum number we will specify in our Brand Standards Manual. Currently we require you to attend and participate in at least 25 of these events per year. You must attend these events at your sole cost and expense.

Local Advertising Cooperatives. While we have not yet established any local advertising cooperatives, we have the right to require that advertising cooperatives be formed, changed, dissolved, or merged. We generally anticipate that any cooperative would be established by geographic region. Each local advertising cooperative would be required to adopt written governing documents that would be available to members. Each cooperative would determine its own voting procedures; however, each franchisee and each company-owned ADVANTAGE COLLEGE PLANNING Center would be entitled to one vote in any local advertising cooperative. The members and their elected officials would be responsible for administration of the cooperative. All members of the cooperative will contribute amounts according to the rules established by the members of the cooperative. Advertising cooperatives would be required to prepare quarterly and annual financial statements prepared by an independent CPA which would be required to be made available to all franchisees in the advertising cooperative. Any cooperative formed is not a trust fund. We and our affiliates would have no fiduciary duty to you or any franchisee in connection with the collection or use of the cooperative monies or any aspect of the operation of the cooperative. There is no minimum or maximum amount that can be required to be contributed to a local advertising cooperative, but the amount will be determined by the majority vote of the members of the cooperative. If Centers owned by us or our affiliate/s have controlling voting power, they cannot impose a fee of more than 2% of Gross Revenues. (Franchise Agreement Section 8(c).)

## **COMPUTER SYSTEM**

You must obtain and use the Computer Systems we require from time to time. “Computer Systems” means hardware; electronics; computer systems; mobile devices; applications; software, online services, and cloud-based systems; communications links, systems, providers, and applications; scheduling systems; security systems; robotics; automation; and other technologies available now or developed in the future. We may modify specifications for and components of the Computer Systems. Our modification of specifications for the Computer Systems might require you to purchase, lease, and/or license new or modified Computer Systems and to obtain service



and support for the Computer Systems. There are no limitations on the frequency or cost of your obligations to change, upgrade, and update your Computer Systems. We have no obligation to provide ongoing maintenance, repairs, upgrades, or updates to your Computer Systems.

Currently, the required equipment consists of an Apple computer or laptop, an all-in-one printer/scanner/copier/fax machine, projector, and smart phone. Details are outlined in the Brand Standards Manual. We currently require you to purchase and use the following software: QuickBooks (\$30 per month), QuickBooks Payroll (\$50 per month), Zoom video conferencing (\$15 per month), and Slack Collaboration Software, (\$15 per month). Additionally, you must purchase student assessment software: You Science aptitude assessment (\$10 per student beginning with first client) and Do What You Are personality assessment (\$25 per student beginning with first client). We require you to purchase access for each of your students to the College Kickstart platform (\$60 per student per year beginning with the first client). Finally, we require you to use CollegePlannerPro software. The current CollegePlannerPro Terms of Use are set forth in Exhibit L of this Disclosure Document. The cost of the software is currently included in your monthly Technology Fee, which is \$150 per month, plus \$100 per user. We estimate the annual expenses of your required hardware and software, including your Technology Fees, will be about \$5,000 to \$6,500. We estimate that the initial cost to purchase the software and hardware is between \$1,965 and \$3,975, plus the monthly Technology Fees. Currently the types of data generated and stored on the required Computer Systems includes client information, transaction information, financial information, operations and managerial information, communications with clients and staff, scheduling information, and substantive consulting materials.

Computer Systems requirements are also updated from time to time in the Brand Standards Manual. You may be required to upgrade or update your Computer Systems at your expense. We have no obligation to upgrade your Computer Systems or to pay for the upgrades. There is no limit on our right to require you to update and implement new Computer Systems. We estimate that the annual cost to maintain your Computer Systems is approximately \$1,000 per year, which costs are in addition to any required subscriptions to the software. We have the free, unfettered right to independently retrieve any data and information from your Computer Systems as we, in our sole discretion, deem appropriate. This data will typically include client, sales, and financial information. There are no contractual limitations on our right to access such data and information. (Franchise Agreement Section 11(q).)

We may develop additional proprietary or non-proprietary Computer Systems. Accordingly, we may require that you enter into a license agreement with us or our affiliate, which may require you to pay us fees and/or enter into license agreements directly with suppliers. Additionally, if we enter into a license agreement with a supplier and sublicense the Computer Systems to you, we may charge you for all amounts we pay to the supplier based on your use, plus a reasonable amount to compensate us for the services that we or our affiliate provide. We have the right to impose a monthly maintenance for such proprietary software. (Franchise Agreement Section 11(q).)

We recommend that you back up your data locally, which may require you to purchase a “back-up” subscription service. We are not responsible under any circumstances for any malfunction or “crash” of the Computer Systems we require, recommend, provide, or approve, including for any Center data lost as a result of that malfunction or “crash.”

Despite the fact that you must buy, use, and maintain the Computer Systems according to our standards and specifications, you will have sole and complete responsibility for: (1) the acquisition, operation, maintenance, and upgrading of the Computer Systems; (2) the manner in which your Computer Systems interface with our and any third party's technology; and (3) any and all consequences if the Computer Systems are not properly operated, maintained, and upgraded.

You will grant us and we will have access to the information collected by your Computer Systems. We will require you to provide us with 24/7, unlimited, and remote access to your Computer Systems and data. There are no other contractual limitations on our right to access your Computer Systems for this information and data. You must disclose to us any passwords or codes associated with the Computer Systems. We have the free and unfettered right to independently retrieve any data and information from your Computer Systems as we, in our sole discretion, deem appropriate.

## **ITEM 12. TERRITORY**

We will grant to you a protected territory ("Territory"). We have three Tiers of Territory that are based upon population size, according to the latest U.S. Census or other data we deem reliable. The Territory will be defined by zip codes but could also be impacted by natural boundaries such as mountain ranges, rivers, etc. The Territory Tiers are described in this chart:

|        |                               |
|--------|-------------------------------|
| Tier 1 | 1,000,000 or more population  |
| Tier 2 | 500,000 to 999,999 population |
| Tier 3 | Up to 499,999 population      |

We reserve the right to grant you a Territory with a smaller or greater population, as mutually agreed upon by you and us. Your Territory is protected only to the extent that no one may locate a brick-and-mortar ADVANTAGE COLLEGE PLANNING Center within its geography as long as you are not in default under your Franchise Agreement. Other franchisees or company-owned ADVANTAGE COLLEGE PLANNING Centers may offer services to clients who live in your Territory, and we are not obligated to compensate you or require the franchisee or company-owned Center to compensate you in such a situation.

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.

Out of Territory Operations. You may not sell products or provide services to anyone outside your Territory, unless (1) we grant you prior written permission to do so or (2) the contact is initiated by the out-of-Territory client through a referral of another means. In situations where you are permitted to provide services to the out-of-Territory client, no compensation will be given to the franchisee who owns the Territory where the client resides. Likewise, if other franchisees or company-owned ADVANTAGE COLLEGE PLANNING Centers offer services to clients who live in your Territory because they have received our permission or because they have received a referral, we are not obligated to compensate you or require the franchisee or company-owned Center to compensate you in such a situation.

If you obtain our prior written permission to engage in out-of-Territory operations, you must follow our policies regarding any out-of-Territory activity. If we grant you permission to sell goods and services outside of your Territory, you do not gain any territory or exclusivity rights. We have

the right to terminate or suspend our approval to conduct any out-of-Territory activities. You may not advertise, market, or conduct seminars outside your Territory.

Operations. The Center is to be operated solely as an educational consulting business at a physical, permanent center we accept within the Territory. You shall have no right and you agree that you will not sell your goods and services by another channel of distribution other than sales to patrons at your specific business location or at approved off-site events. We reserve all rights to other channels of distribution. Such other channels of distribution may include retail locations, schools, museums, mail order catalog sales, wholesale, computer, telemarketing, electronic platforms and e-commerce services, software, delivery sales, mobile application, events within your Territory, and/or internet marketing or by any other fashion.

Rights Reserved by Us: Regardless of either proximity to your Territory or your Center or any actual or threatened impact on sales of your Center, we retain all rights not expressly granted to you, including, among others, to: (a) use the Marks and System in connection with establishing and operating ADVANTAGE COLLEGE PLANNING businesses at any location outside the Territory; (b) use the Marks or other marks in connection with selling or distributing any goods (including branded merchandise or product) or services anywhere in the world (including within the Territory), whether or not you also offer them, through channels of distribution other than a brick-and mortar ADVANTAGE COLLEGE PLANNING center, including, for example, other permanent or temporary retail locations, schools, museums, mobile units, catalogs, mail order, or the Internet, software, or other electronic means; (c) acquire, establish or operate, without using the Marks, any business of any kind at any location anywhere in the world (including within the Territory); (d) use and license to any party to use, our or our affiliate's (i) intellectual property and/or (ii) software, anywhere in the world (including within the Territory), but these licenses shall not include the right to use the Marks in connection with an ADVANTAGE COLLEGE PLANNING-branded brick and mortar center operating using the Marks and the System in the Territory; (e) use the Marks in connection with soliciting or directing advertising or promotional materials to clients anywhere in the world (including within the Territory); (f) use and distribute, in any way, to any party, within or outside your Territory, the Client List and contact lists and information generated by your ADVANTAGE COLLEGE PLANNING business or any other ADVANTAGE COLLEGE PLANNING business, subject to applicable laws and regulations; and (g) use the Marks and System to directly, or through another party we authorize, which may be another ADVANTAGE COLLEGE PLANNING franchisee or a third party, provide goods and services to clients that live in the Territory.

If we decide to exercise these rights, we will not be obligated to compensate you for such sales, solicitations, or orders made inside or outside your Territory. Although we do not presently sell products, services, or franchises under different trademarks, we have the right to do so.


Miscellaneous: You may not establish more than one ADVANTAGE COLLEGE PLANNING business in your Territory without entering into a separate Franchise Agreement. We do not grant under this disclosure document any option, right of first refusal, or similar right to acquire additional franchises. You may not relocate the business premises without our written approval. Except in cases of emergency, you must occupy the new premises and open your business in the new premises before vacating your original premises. Your rights to the Territory granted under the Franchise Agreement are not contingent upon achieving a certain sales volume, market penetration, nor any other contingency and cannot be altered during the term of the Franchise

Agreement, unless you breach the Franchise Agreement. In the event of breach under the Franchise Agreement, we have the right to modify your Territory and its protections.

### ITEM 13. TRADEMARKS

Our affiliate, ADVCP IP, INC. owns all of the trademarks used by us and our franchisees. By a license agreement effective March 18, 2020, ADVCP IP, INC has granted us the license to use and sublicense all of ADVCP IP, INC’s intellectual property that is or may be associated with the system or the proprietary marks (“License Agreement”), which license continues until either side terminates by delivering written notice to the other or an earlier breach occurs. Upon termination of the License Agreement, existing franchise agreements would be automatically assigned to ADVCP IP, INC. and remain in force. The trademarks and service marks listed below and any additional trademarks and service marks are referred to herein as the “Marks.” The License Agreement grants us the right to sublicense the Marks to franchise locations. All rights in and goodwill from the use of the Marks ultimately accrue to ADVCP IP, INC. as the trademark owner. Other than this license agreement with ADVCP IP, INC., no other license agreements limit our rights to use or license you to use the Marks. The License Agreement is for one-year terms that automatically renew and may be canceled or modified upon mutual agreement or if we breach our obligations. There are no other agreements currently in effect that significantly limit our rights to use or license the use to franchisees of the trademarks in any manner material to you.

Upon execution of our Franchise Agreement, we will sublicense to you the limited right to use the following Marks, which have been registered with (or for which we have sought registration on) the Principal Register of the United States Patent and Trademark Office (“USPTO”):

| REGISTRATION NO. | REGISTRATION DATE | MARK   |
|------------------|-------------------|--|
| 85733775         | March 11, 2014    |  |
| 7320715          | March 05, 2024    | COLLEGE PLANNING<br>SIMPLIFIED   |

All necessary affidavits of use and renewal applications have been or will be timely filed when they become due. There are no currently effective material determinations of the USPTO, the Trademark Trial and Appeal Board, or the Trademark Administrator of any state or any court; nor are there any pending infringement, opposition, or cancellation proceedings or material litigation, involving the above Marks. We know of no superior rights or infringing uses of the marks that could materially affect your use of the Marks.

A federal or state trademark or service mark registration does not necessarily protect the use of the concerned mark against a prior user in a given relevant market area. Prior to entering into the Franchise Agreement, you should check and be sure that there are no existing uses of our marks or names or any marks or names confusingly similar to any of them within the market area where you want to do business. If you find any similar names or marks, you must immediately notify us. Any action to be taken in that event is strictly within our discretion. We are not aware of any

infringing uses or superior uses that could materially affect your use of the Marks.

Your right to use the Marks is derived solely from Franchise Agreements entered into between you and us for the purpose of operating an ADVANTAGE COLLEGE PLANNING Center. You must follow our rules and regulations with respect to the use of the Marks. You may not use any Mark in connection with any business or activity, other than the business conducted by you according to Franchise Agreements entered into between you and us, or in any other manner not explicitly authorized in writing by us. You cannot use any of the Marks or any other marks, names, or indicia of origin that are or may be confusingly similar to the Marks as part of a corporate name or other legal name. After the termination, non-renewal, or expiration of the Franchise Agreement, you may not, except with respect to the Centers operated by you according to Franchise Agreements granted by us, at any time or in any manner identify yourself or any business as a franchisee or former franchisee of, or otherwise associated with, us or use in any manner or for any purpose any Mark or other distinguishing signs of our Centers or any colorable imitation of same.

You must immediately notify us of any unauthorized use of the Marks, any challenge to the validity of the Marks, any claim of apparent infringement or challenge to your use of any Marks, or any challenge to our ownership of, right to use and to license others to use, or your right to use, the Marks. You may not communicate with any person other than us and our counsel in connection with any such infringement, challenge or claim. We or our affiliate has the right to direct and control any administrative proceeding or litigation involving the Marks, including any settlement. We or our affiliate has the right, but not the obligation, to take action against uses by others that may constitute infringement of the Marks. We may but are not obligated to participate in your defense in infringement proceedings and we are not obligated to protect your rights or defend you against claims of infringement or unfair competition related to use of the Marks. We will indemnify and reimburse you for damages obtained by a third party based on your use of the Marks provided you have at all times fully complied with the Franchise Agreement. However, you would be responsible for any rebranding expenses. If there is any litigation relating to your use of the Marks, you must sign all documents and do all things as may be necessary to carry out a defense or prosecution, including becoming a nominal party to any legal action.

If you comply with the Franchise Agreement, we must indemnify you against, and reimburse you for, all damages for which you are held liable in any proceeding in which your use of any Mark in compliance with the Franchise Agreement is held to constitute trademark infringement or unfair competition. We have the right but not the obligation to participate in the defense in such trademark infringement or unfair competition claims.

We reserve the right to substitute different proprietary marks for use in identifying the System and the business operating under it if we, in our sole discretion, determine that substitution of different marks as Marks will be beneficial to the System. You must comply with such change, revision, or substitution and bear all expenses associated with them.

#### **ITEM 14. PATENTS, COPYRIGHTS, AND PROPRIETARY INFORMATION**

You do not receive the right to use an item covered by a patent, patent application, or copyright registration. You can use the proprietary information we make available to you.

Although we have filed no applications for a copyright registration for the Brand Standards Manual, we claim a copyright. There are no material determinations of any administrative body or court, no pending proceedings in any administrative body or court, nor any agreements that limit our ability to license to you the copyrights. We do not know of any copyright infringement that could materially affect you.

You must strictly limit your employees' access to our trade secrets, proprietary information, and confidential information (collectively, "Confidential Information"). We claim proprietary rights in the Confidential Information, which includes our business processes, know-how, code, and trade secrets. You must share Confidential Information with them only to the extent they have a "need to know" to perform their jobs. You must use or disclose the Confidential Information only in the manner we require. You must fully and strictly comply with all security measures required by us for maintaining the confidentiality of the Confidential Information.

If you or your owners, officers, managers, or employees conceive, invent, create, design and/or develop any ideas, techniques, methods, processes, software, procedures, designs, formulae, products, packaging, services, or other concepts and features relating to ADVANTAGE COLLEGE PLANNING operations, business practices or the marketing or sale of consulting services, or related goods and services ("Innovations"), you (or they) will be deemed to have assigned all of your (or other) rights, title and interests in the Innovations, including any intellectual property rights, to us. You and your owners, officers, managers and employees also must cooperate with us in connection with protecting the Innovations, including executing any and all instruments and do any and all acts necessary to establish our ownership of the Innovations.

You will not have the exclusive right to use the Innovations or any of our patents or patent applications, copyrights or Confidential Information, nor will you acquire, by use or otherwise, any right, title or interest in or to the Innovations, the copyrights or the Confidential Information, other than as expressly contained in, and limited by, the Franchise Agreement. Your right to use the Innovations, the claimed subject matter of any patents or patent applications, the copyrights and the Confidential Information is limited and temporary. Upon expiration, non-renewal, or termination of the Franchise Agreement for any reason, you may not, directly or indirectly, use the Innovations, the claimed subject matter of any patents or patent applications, the copyrights or the Confidential Information in any manner or for any purpose whatsoever.

You must immediately notify us of any conduct that could constitute infringement of or challenge to the Innovations, the patents or patent applications, the copyrights, and the Confidential Information. We or our affiliate will decide, in our sole discretion, whether to institute any affirmative action in connection with infringement of or challenge to the Innovations, the patents or patent applications, the copyrights and the Confidential Information and will control any proceedings and litigation. Neither we nor our affiliate are required to protect or defend your right to use the Innovations, the patents or patent applications, the copyrights, or the Confidential Information nor are we required to participate in any defense related to them. We will not indemnify you for losses arising out of use or misuse of the Innovations, patents or patent applications, copyrights, or Confidential Information.

We may, in our sole discretion, modify or discontinue use of the Innovations, the claimed subject matter of any patents or patent applications, the copyrights, and the Confidential Information and/or use other information and/or rights in their place. If we decide to modify or discontinue use

of the Innovations for any reason, you must do so also, at your expense.

You must maintain, to the extent collected, a current list of the names, addresses, e-mail addresses, purchase history, and telephone numbers of the clients who supply you this information (“Client List”). You must provide the Client List to us upon request. The Client List will be our property at all times, and you must not disclose the Client List without our express written consent. You cannot sell the Client List.

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

We require an owner to personally involved with the operations of the Center, though you may delegate daily operations and on-site supervision of the Center to a manager. The manager must successfully complete our initial training program before assuming any managerial responsibility. At least one owner and any manager must have completed and passed our training. We may require that your manager have experience as a college admissions counselor or high school guidance counselor. We do not require that your managers have any equity in the franchisee entity or receive any percentage of your revenues or profits.

We prefer to select franchisees who favor and appear committed to a “hands on” and well-informed approach to the business. We strongly recommend that you devote a substantial amount of time to your ADVANTAGE COLLEGE PLANNING business, whether or not you hire a manager. Franchisees who do not devote their full time and efforts to the establishment and operation of their businesses may have lower gross revenues, higher operating costs and lesser name recognition in their areas than those franchisees who do devote their full efforts to the business.

The people you retain to work in your Center will be your agents and employees. They are not our agents or employees, and we are not a joint employer of such persons. You will be solely responsible for recruiting and hiring the persons you employ to operate the Center and must determine whom to hire, how many people to hire, retain, and train, and how you will compensate such persons. You are responsible for your employees’ and agents’ training, wages, taxes, benefits, safety, schedules, work condition, assignments, discipline, hours, workplace health and safety, supervision, assignment, and termination. You will be responsible for the work rules and directions regarding the manner, means, or methods of work performance. You must comply with all applicable employment laws. We will not operate your Center, direct your employees, or oversee your employment policies or practices.

You must keep your ADVANTAGE COLLEGE PLANNING Center open to the public during the hours we designate in the Brand Standards Manual.

Each individual who has any ownership interest in your business, directly or indirectly, and his or her spouse must sign the guaranty and the nondisclosure, non-solicitation, and noncompetition agreements. We also require any manager to whom you delegate responsibility for the daily operations of the business to sign the nondisclosure, non-solicitation, and noncompetition agreements.

## **ITEM 16. RESTRICTIONS ON WHAT THE FRANCHISEE MAY SELL**

Under the Franchise Agreement, you must offer and sell all products and services required by us and only products and services we authorize. This prohibits you from offering any other services and merchandise without first obtaining our written permission. We impose these requirements to control the quality and uniformity of the services and goods you and other franchisees may offer through use of our Marks. We have the right to add and delete items from the list of approved and required services and products. There are no limits on our right to make these changes.

An ADVANTAGE COLLEGE PLANNING franchise relates to the operation of a single Center at a specified location. You may not distribute at wholesale our products or merchandise. You may not sell any items through telemarketing, computer marketing, internet sales, mobile applications, mail order catalogs, delivery, trucks or carts, or any other such system. You may not sell products or provide services to anyone outside your Territory, unless we grant you prior written permission to do so or unless the contact is initiated by the out-of-Territory client through a referral of another means.

You will be obligated to offer and sell those new products and services and to participate in all local, regional, and promotional program initiatives and campaigns, including membership programs and loyalty programs, adopted by us in which we require you to participate. There is no limit on the number of promotions you may be required to offer during a year or on the amount you would be required to spend. You will not receive any credits or offsets for campaign participation. We have the right to designate which of our franchisees may, or will be required to, participate in new product or service tests, new or modified product or service offerings and other programs and initiatives that we may, from time to time, develop. If we designate you for participation in any such program, initiative or campaign, you must participate when and as required by us. There are no limits on rights to require you to offer and sell those new products or to participate in those programs, initiatives and campaigns.

## **ITEM 17. RENEWAL, TERMINATION, TRANSFER, AND DISPUTE RESOLUTION**

### **THE FRANCHISE RELATIONSHIP**

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

| <b>PROVISION</b>                    | <b>SECTION IN AGREEMENT</b> | <b>SUMMARY</b>   |
|-------------------------------------|-----------------------------|--|
| a. Length of the franchise term     | Franchise Agreement § 2(a)  | Initial term is 10 years from the date that you sign your Franchise Agreement. |
| b. Renewal or extension of the term | Franchise Agreement § 2(b)  | One 10-year renewal term provided you remain a franchisee in good standing.    |



| <b>PROVISION</b>                                  | <b>SECTION IN AGREEMENT</b>                    | <b>SUMMARY</b>  |
|---|--|---|
| c. Requirements for franchisee to renew or extend | Franchise Agreement § 2(b)                     | You must be in good standing and exercise your option within a window of time. You must agree to the terms of the Franchise Agreement then being offered, make required upgrades to your Center, secure a sufficiently long lease term, sign a release, and pay your renewal fee of 25% of the then current franchise fee, subject to certain minimums based upon your Territory Tier. On renewal, you may be asked to sign a contract with materially different terms and conditions than your original contract. The royalty rate and protected Territory could be different from the Territory and royalty rate you had under your original contract.  |
| d. Termination by franchisee                      | Franchise Agreement §§ 2(c) and 17(e)          | For cause, if we breach a material provision of the contract and fail to cure 90 days after written notice, then you can terminate if you are compliant with the terms of your agreement. Also upon expiration of the franchise term if you do not exercise your option to renew.   |
| e. Termination by franchisor without cause        | Not applicable.                                | We cannot terminate except for cause.   |
| f. Termination by franchisor with cause           | Franchise Agreement §§ 17(a), 17(b), and 17(c) | Section 17(a) describes events that trigger our right to automatically terminate the franchise agreement without providing you with notice or opportunity to cure. Section 17(b) describes causes for termination that warrant a notice but not an opportunity to cure. Section 17(c) describes causes for default, for which you can be terminated if you do not cure the defaults within 15 days of receiving notice.<br>The laws of your state may provide additional rights to you concerning termination of a franchise. If the Franchise Agreement contains a provision that is inconsistent with the law, the law will control.<br>A default under any Franchise Agreement will be a default under all Franchise Agreements with us. |

| PROVISION                                       | SECTION IN AGREEMENT                   | SUMMARY   |
|---|--|---|
| g. "Cause" defined— defaults which can be cured | Franchise Agreement § 17(c)            | Failure to timely commence operations; non-payment; unauthorized transfer; public health or safety risk; unauthorized use of Marks or System; false books, records, or reports; understating amounts owed or inaccurate records; failure to maintain a good credit rating; failure to have sufficient funds; use of unauthorized suppliers or failure to use authorized suppliers; repeated client complaints; misuse of Computer Systems; failure to appoint an Operations Manager that meets Franchisor's requirements for the position or failure to have an Operations Manager; other non-compliance. Unless otherwise specified or unless the default is not curable, you have 15 days to totally cure after we deliver you a notice of default.   |
| h. "Cause" defined non-curable defaults         | Franchise Agreement §§ 17(a) and 17(b) | Bankruptcy, receivership, attachment, insolvency and the like; abandonment of the business; loss of right to do business or loss of the premises; unauthorized transfer; conviction or proof of a crime; failure to timely transfer after death or incapacity; two or more defaults in a 12 month period or three or more defaults in a three year period; failure to comply with covenants; misrepresentations or breach of warranty; intentionally keeping or submitting false books and records; impair value of Marks and System; dishonesty with employees and clients; loss of required license; acts of abuse or unlawful activities; liability for discrimination; committing the same default within six months; failure to comply with pre-opening requirements; use of unauthorized trademark; opening without permission.<br>A provision in the Franchise Agreement that terminates the franchise upon the bankruptcy of the franchise may not be enforceable under Title 11, U. S. Code Section 101. |

| <b>PROVISION</b>  | <b>SECTION IN AGREEMENT</b>                  | <b>SUMMARY</b>   |
|---|--|--|
| i. Franchisee's obligations on termination/ non-renewal                 | Franchise Agreement §§ 11(h), 14, 15, and 18 | Cease operations; cease using our Confidential Information and System; cease using our Marks; return our property, including the Brand Standards Manual; cancel assumed names; pay all sums owed to us; pay us damages and expenses associated with termination; at our option, assign us the telephone numbers, directory listings, email addresses, and Online Presences associated with your Center; comply with covenants; cooperate with our lease assignment and purchase rights; unless we take over the Center, remove all signs with Marks immediately; cease representing self as a present or past ADVANTAGE COLLEGE PLANNING franchisee; comply with our instructions about your Computer Systems. We will have a security interest in certain business assets to secure payment of sums, damages, and expenses. |
| j. Assignment of contract by franchisor                                 | Franchise Agreement § 13(a)                  | We may freely assign our rights and duties under the Franchise Agreement.  |
| k. "Transfer" by franchisee - definition                                | Franchise Agreement § 13(b) - (g)            | Broadly defined to include sales, assignments, gifts, pledges, mortgages, encumbrances, or transfer by operation of law.   |
| l. Franchisor's approval of transfer by franchisee                      | Franchise Agreement § 13(c)(ii)              | Except for limited circumstances, our prior written approval is required for all transfers. We have a right of first refusal to purchase your business. The franchise can be terminated for non-compliance with the transfer requirements in the Franchise Agreement.  |
| m. Conditions for Franchisor's approval of transfer                     | Franchise Agreement § 13(d)                  | You must be in compliance with the Franchise Agreement, refurbish the business, and execute a general release. Transferee must have a credit rating, moral character, reputation and business qualifications satisfactory to us, and must meet all then current requirements of new franchisees. Transferee must attend and successfully complete our initial training, and execute the Franchise Agreement and collateral agreements in the then-current form, including personal guarantees. If a sale is involved, you must offer us a 45-day right of first refusal and a transfer fee of 50% of the then-current franchise fee, subject to certain minimums based upon your Territory Tier.   |
| n. Franchisor's right of first refusal to acquire franchisee's business | Franchise Agreement § 13(c)                  | 45 days. We may assign it to another. We may substitute value for cash.  |

| <b>PROVISION</b>  | <b>SECTION IN AGREEMENT</b>                           | <b>SUMMARY</b>   |
|---|---|--|
| o. Franchisor's option to purchase franchisee's business                | Franchise Agreement: § 13(c), § 18(h),18(j) and 18(k) | We have an option to purchase all or a portion of your Center's assets upon termination, expiration, or non-renewal of the Franchise Agreement.<br><br>Upon termination, expiration, or non-renewal, you may have to assign your lease, phone numbers, listings, and Online Presences to us without compensation.  |
| p. Franchisee's death or disability                                     | Franchise Agreement § 13(f)                           | Your interest must be transferred to an heir or approved buyer within 9 months after your death or disability.   |
| q. Non-competition covenants during the term of the franchise           | Franchise Agreement § 14(a) and 14(b)                 | You must not own or otherwise engage in any business that derives 25% or more of its revenue from the sale of educational consulting services or college planning services. There are separate confidentiality and non-solicitation covenants as well  |
| r. Non-competition covenants after the franchise is terminated/ expires | Franchise Agreement § 14(c) and 14(d)                 | For 2 years after termination, non-renewal, or expiration of the Franchise Agreement, you must not own or engage in any business that derives 25% of its revenue from the sale of educational consulting services or college planning services, located within 10 miles of your Center or any other ADVANTAGE COLLEGE PLANNING business. There are separate confidentiality and non-solicitation covenants as well |
| s. Modification of the agreement  | Franchise Agreement § 11(n) and 23(e)                 | We reserve the right to amend the Franchise Agreement if a change is agreed to by 70% of the then-current franchisees. Otherwise, no modifications to the Franchise Agreement other than in writing.   |
| t. Integration/ merger clause   | Franchise Agreement § 23(c)                           | Only the terms of the Franchise Agreement are binding (subject to state law). Any representations or promises outside of the disclosure document and Franchise Agreement may not be enforceable.   |
| u. Dispute resolution by arbitration or mediation                       | Franchise Agreement § 21(a) and 21(b)                 | Except for certain claims, all disputes not first settled informally or by mediation must be arbitrated in Raleigh, North Carolina. We can also seek injunctions for certain claims in courts having jurisdiction in Raleigh, North Carolina. This provision is subject to state law.  |

| <b>PROVISION</b>   | <b>SECTION IN AGREEMENT</b>            | <b>SUMMARY</b>   |
|--------------------|--|--|
| v. Choice of forum | Franchise Agreement §§ 21(a) and 21(b) | Arbitration services in Raleigh, North Carolina. This provision is subject to state law. |
| w. Choice of law   | Franchise Agreement § 21(h)            | North Carolina law. This provision is subject to state law.                              |

Refer to the state law addendums in Exhibit D for information specific to the laws of your state.

## **ITEM 18. PUBLIC FIGURES**

We use no public figures to promote the franchise.

## **ITEM 19. FINANCIAL PERFORMANCE REPRESENTATIONS**

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

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 our CEO, in writing at 3675 Green Level Road West, Suite 202, Apex, NC 27523, (919) 890-3731, the Federal Trade Commission, and the appropriate state regulatory agencies.

## **ITEM 20. OUTLETS AND FRANCHISEE INFORMATION**

**Table 1**  
**Systemwide Outlet Summary**  
**For Years 2021, 2022, and 2023**

| <b>OUTLET TYPE</b>   | <b>YEAR</b> | <b>OUTLETS AT THE START OF THE YEAR</b> | <b>OUTLETS AT THE END OF THE YEAR</b> | <b>NET CHANGE</b> |
|----------------------|-------------|---|---------------------------------------|-------------------|
| <b>Franchised</b>    | 2021        | 0                                       | 0                                     | 0                 |
|                      | 2022        | 0                                       | 2                                     | +2                |
|                      | 2023        | 2                                       | 4                                     | +2                |
| <b>Company Owned</b> | 2021        | 1                                       | 1                                     | 0                 |
|                      | 2022        | 1                                       | 1                                     | 0                 |
|                      | 2023        | 1                                       | 1                                     | 0                 |

| OUTLET TYPE   | YEAR | OUTLETS AT THE<br>START OF THE YEAR | OUTLETS AT THE<br>END OF THE YEAR | NET<br>CHANGE |
|---------------|------|-------------------------------------|-----------------------------------|---------------|
| Total Outlets | 2021 | 1                                   | 1                                 | 0             |
|               | 2022 | 1                                   | 3                                 | +2            |
|               | 2023 | 3                                   | 5                                 | +2            |

**Table 2**  
**Transfers from Franchisees to New Owners (Other than Franchisor)**  
**For Years 2021, 2022, and 2023**

| STATE          | YEAR | NUMBER OF<br>TRANSFERS |
|----------------|------|------------------------|
| North Carolina | 2021 | 0                      |
|                | 2022 | 0                      |
|                | 2023 | 0                      |
| Totals         | 2021 | 0                      |
|                | 2022 | 0                      |
|                | 2023 | 0                      |

**Table 3**  
**Status of Franchised Outlets**  
**For Years 2021, 2022, and 2023**

| STATE      | YEAR | OUTLETS<br>AT<br>START<br>OF YEAR | OUTLETS<br>OPENED | TERM-<br>INATIONS | NON-<br>RENEWALS | OUTLETS<br>REACQUIRED<br>BY<br>FRANCHISOR | CEASED<br>OPERATIONS—<br>OTHER<br>REASONS | OUTLETS<br>AT END<br>OF THE<br>YEAR |
|------------|------|-----------------------------------|-------------------|-------------------|------------------|---|---|-------------------------------------|
| California | 2021 | 0                                 | 0                 | 0                 | 0                | 0   | 0   | 0                                   |
|            | 2022 | 0                                 | 0                 | 0                 | 0                | 0   | 0   | 0                                   |
|            | 2023 | 0                                 | 1                 | 0                 | 0                | 0   | 0   | 1                                   |
| Florida    | 2021 | 0                                 | 0                 | 0                 | 0                | 0   | 0   | 0                                   |
|            | 2022 | 0                                 | 1                 | 0                 | 0                | 0   | 0   | 1                                   |
|            | 2023 | 1                                 | 0                 | 0                 | 0                | 0   | 0   | 1                                   |
| Maine      | 2021 | 0                                 | 0                 | 0                 | 0                | 0   | 0   | 0                                   |
|            | 2022 | 0                                 | 0                 | 0                 | 0                | 0   | 0   | 0                                   |
|            | 2023 | 0                                 | 1                 | 0                 | 0                | 0   | 0   | 1                                   |
| New York   | 2021 | 0                                 | 0                 | 0                 | 0                | 0   | 0   | 0                                   |
|            | 2022 | 0                                 | 1                 | 0                 | 0                | 0   | 0   | 1                                   |
|            | 2023 | 1                                 | 0                 | 0                 | 0                | 0   | 0   | 1                                   |
| Totals     | 2021 | 0                                 | 0                 | 0                 | 0                | 0   | 0   | 0                                   |
|            | 2022 | 0                                 | 2                 | 0                 | 0                | 0   | 0   | 2                                   |
|            | 2023 | 2                                 | 2                 | 0                 | 0                | 0   | 0   | 4                                   |

**Table 4**  
**Status of Company-Owned Outlets**  
**For Years 2021, 2022, and 2023\*\*\***

| STATE             | YEAR        | OUTLETS<br>AT START<br>OF YEAR | OUTLETS<br>OPENED | OUTLETS<br>REACQUIRED<br>FROM<br>FRANCHISEE | OUTLETS<br>CLOSED | OUTLETS SOLD<br>TO<br>FRANCHISEE | OUTLETS<br>AT END OF<br>THE YEAR |
|-------------------|-------------|--------------------------------|-------------------|---|-------------------|----------------------------------|----------------------------------|
| North<br>Carolina | 2021        | 1                              | 0                 | 0   | 0                 | 0                                | 1                                |
|                   | 2022        | 1                              | 0                 | 0   | 0                 | 0                                | 1                                |
|                   | 2023        | 1                              | 0                 | 0   | 0                 | 0                                | 1                                |
| <b>Totals</b>     | <b>2021</b> | <b>1</b>                       | <b>0</b>          | <b>0</b>                                    | <b>0</b>          | <b>0</b>                         | <b>1</b>                         |
|                   | <b>2022</b> | <b>1</b>                       | <b>0</b>          | <b>0</b>                                    | <b>0</b>          | <b>0</b>                         | <b>1</b>                         |
|                   | <b>2023</b> | <b>1</b>                       | <b>0</b>          | <b>0</b>                                    | <b>0</b>          | <b>0</b>                         | <b>1</b>                         |

\*\*\* At times the affiliate has operated from one or more offices in the Raleigh, North Carolina metropolitan area, each of which has been or is located within an area that would be considered the same Tier 1 territory if our affiliate were operating as a franchisee. For purposes of Items 19 and 20, we count all offices operated by our affiliate in the same territory as a single unit.

**Table 5**  
**Projected Openings as of December 31, 2023**  
**For Year 2024**

| STATE          | FRANCHISE<br>AGREEMENTS<br>SIGNED BUT<br>OUTLET NOT<br>OPENED | PROJECTED NEW<br>FRANCHISED<br>OUTLETS IN THE<br>NEXT FISCAL<br>YEAR | PROJECTED<br>NEW COMPANY-<br>OWNED<br>OUTLETS IN<br>THE NEXT<br>FISCAL YEAR |
|----------------|---|--|---|
| Colorado       | 0   | 1  | 0   |
| North Carolina | 0   | 1  | 0   |
| <b>TOTALS</b>  | <b>0</b>  | <b>2</b>   | <b>0</b>  |

Exhibit B-1 Listing of Current Franchisees lists the names of all current franchisees and the addresses and telephone numbers of their outlets as of the Effective Date.

Exhibit B-2 Listing of Certain Past Franchisees lists the name, city, state, and the current business telephone number (or, if unknown, the last known home telephone number) of every franchisee who had an outlet terminated, canceled, not renewed, or otherwise voluntarily or involuntarily ceased to do business under the franchise agreement during our most recently completed fiscal year or who has not communicated with us within 10 weeks of the issuance date of this FDD. If you buy this franchise, your contact information may be disclosed to other buyers when you leave the franchise system.

There are no franchisee organizations we have created, sponsored, or endorsed or any independent organizations that have been asked to be included in this disclosure document.

Within the past three years, we have not signed any confidentiality agreements with our franchisees limiting their communication with you.

## **ITEM 21. FINANCIAL STATEMENTS**

Attached as Exhibit C are our audited financial statement for the periods ending December 31, 2023, December 31, 2022, and December 31, 2021. Our fiscal year ends December 31.

## **ITEM 22. CONTRACTS**

A copy of the following contracts or documents are also attached as Exhibits hereto:

Exhibit A      ADVANTAGE COLLEGE PLANNING Franchise Agreement with Attachment 1 (Franchise Rider), Attachment 2 (Lease Rider), Attachment 3 (Internet, Social Media, and Telephone Assignment), Attachment 4 (Guaranty), Attachment 5 (Nondisclosure and Noncompetition Agreement), and Attachment 6 (Nondisclosure and Non-Solicitation Agreement)  
Exhibit F      Sample General Release Agreement  
Exhibit G      ACH Transfer Agreement  
Exhibit L      CollegePlannerPro Terms of Service

## **ITEM 23. RECEIPT**

You will find copies of a detachable receipt in Exhibit M at the very end of this disclosure document. Please sign both acknowledging receipt of this disclosure document and return one of them to us for our files.



**EXHIBIT A**  
**FRANCHISE AGREEMENT**

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Attachment 1 Franchise Rider

Attachment 2 Lease Rider

Attachment 3 Internet, Social Media, and Telephone Assignment

Attachment 4 Guaranty

Attachment 5 Nondisclosure and Noncompetition Agreement

Attachment 6 Nondisclosure and Non-Solicitation Agreement

**ADVANTAGE COLLEGE PLANNING FRANCHISING, INC.**  
**FRANCHISE AGREEMENT**  
**LOCATION FRANCHISE**

**THIS FRANCHISE AGREEMENT** (“Agreement”) is made and entered into as of \_\_\_\_\_ by and between ADVANTAGE COLLEGE PLANNING FRANCHISING, INC., a North Carolina corporation (“Franchisor”) and \_\_\_\_\_, a \_\_\_\_\_ (“Franchisee”). If the Franchisee is a corporation, partnership, limited liability company or other legal entity, certain provisions to this Agreement also apply to its owners, including members, shareholders, and partners (“Owners”).

**RECITALS:**

**A.** Franchisor has expended time, money and effort to develop a unique system for operating an educational consulting company that guides students through career planning, college selection, college application, and financial aid processes. (The methods of operation, know how, experience and form of operation acquired, devised and/or established by Franchisor are referred to herein as the “System”; the chain of current and future ADVANTAGE COLLEGE PLANNING Centers are referred to herein as the “Chain.”)

**B.** The distinguishing characteristics of the System include the name “ADVANTAGE COLLEGE PLANNING,” specifically designed consulting programs and materials, unique software, equipment, distinctive design, color scheme, hardware, standards, specifications, procedures for operations, training and assistance, and advertising and promotional programs all of which may be improved, amended and further developed by Franchisor from time to time.

**C.** Franchisor identifies its goods and services with certain service marks, trade names and trademarks, including, but not limited to, the “ADVANTAGE COLLEGE PLANNING” trademark as well as certain other trademarks, service marks, slogans, logos and emblems which have been and which may hereafter be designated by Franchisor for use in connection with the System (“Marks”).

**D.** Franchisee desires to obtain a license from Franchisor for use of the Marks and the System solely for the operation of a business at the location listed below (“Center”), and Franchisee desires to use the Marks, System, and other benefits derived from this franchise relationship strictly in accordance with the provisions set forth below.

NOW, THEREFORE, in consideration of the recitals and the mutual agreements set forth below and other good and valuable consideration, the receipt and sufficiency of which are acknowledged, the parties agree as follows:

**1. Grant.**

Franchisor hereby grants to Franchisee, on the terms and conditions contained in this Agreement, and Franchisee accepts from Franchisor, a license (“License”) to establish, own, and operate under the System, one Center at the location (“Location”) specified in the Franchise Rider (“Franchise Rider”) attached hereto as Attachment 1. Franchisee agrees to identify the Center and

all of the items Franchisee sells or offers for sale only by the Marks. Franchisee has no right to use the System or the Marks for any purpose other than as expressly provided herein.

Pursuant to this grant, Franchisee, at its own expense, shall construct or remodel, and equip, staff, open and operate the Center at the Location, in accordance with this Agreement. Unless otherwise agreed in a writing executed by Franchisor, Franchisee shall commence operating the Center within four (4) months after the execution of this Agreement, and shall diligently operate such business in accordance with this Agreement for the Initial Term stated herein. Failure to timely open the Center shall constitute an event of default under the Agreement. In such foregoing event to timely open the Center, Franchisor in its sole discretion: (i) may allow more time; or (ii) terminate this Agreement without any refund to Franchisee.

Franchisor and Franchisor's affiliates reserve any and all rights not expressly granted to Franchisee under this Agreement, including, without limitation, the right to sell anywhere (including within the protected Territory) products and services (including to Franchisee's clients) under the "ADVANTAGE COLLEGE PLANNING" name, or under any other name, through any channel of distribution other than a traditional brick-and-mortar ADVANTAGE COLLEGE PLANNING Center in the protected Territory.

For the purposes of this Agreement, the use of the term "affiliate" shall mean an entity's subsidiary or parent and an entity controlled by, controlling, or under common control with, another entity.

Franchisee covenants that it will at all times faithfully, honestly and diligently perform its obligations under this Agreement, and that it will continuously exert its best efforts to promote and enhance the business of the Center and other franchised businesses established and operated by Franchisee under the System.

## **2. Term, Expiration, and Additional License Period.**

**(a) Initial Term.** The initial term of this Agreement shall commence upon the execution of this Agreement, and shall expire at midnight on the day preceding the tenth (10<sup>th</sup>) annual anniversary date of the execution of this Agreement ("Initial Term"), unless this Agreement has been sooner terminated in accordance with the terms and conditions herein.

**(b) Additional License Period.** Upon expiration of the Initial Term, Franchisee will have the right to be granted a renewal of the License for one (1) additional consecutive period of ten (10) years from the date of expiration of the Initial Term ("Renewal Term"), provided the following conditions have been met:

**(i) Notice.** Franchisee has given Franchisor written notice of its intent to renew the Franchise not less than nine (9) months nor more than twelve (12) months prior to the expiration of the Initial Term

**(ii) Compliance.** Franchisee is not in default of any of the provisions of this Agreement both at the time Franchisee gives notice of its intent to exercise its rights under the terms of this Section 2(b) and at the commencement of the Renewal Term;

(iii) **Debts Current.** All debts and obligations of Franchisee under this Agreement shall be current, including but not limited to Franchisee's obligations to make contributions to the Brand Fund (as defined herein) and each Cooperative (as defined herein) of which Franchisee is a member;

(iv) **Notice of Default.** Franchisee has not received more than three (3) notices of default during any consecutive twelve-month (12) month period during the Initial Term;

(v) **Renewal Agreement.** Franchisee executes and delivers to Franchisor, within thirty (30) days after delivery to Franchisee, the then-current ADVANTAGE COLLEGE PLANNING Franchise Agreement, including all exhibits and Franchisor's other then-current ancillary agreements, which agreements shall supersede this Agreement in all respects, and the terms, conditions, obligations, rights, and other provisions of which may substantially differ from those in this Agreement (including, for example, different performance standards, fee structures, increased fees, and/or reduced territory protections) (collectively, the "Renewal Agreement");

(vi) **Renewal Fee.** Franchisee has paid to Franchisor a renewal fee equal to the greater of Twenty-Five Percent (25%) of Franchisor's then-current initial franchise fee or the applicable Minimum Renewal Fee. The "Minimum Renewal Fee" shall be: (i) Twelve Thousand Five Hundred Dollars (\$12,500) for a Territory that has a population of at least One Million (1,000,000) people at the time of renewal; (ii) Eleven Thousand Two Hundred Fifty Dollars (\$11,250) for a Territory that has a population of at least Five Hundred Thousand (500,000) but less than One Million (1,000,000) people at the time of renewal; or (iii) Ten Thousand Dollars (\$10,000) for a Territory that has a population of less than Five Hundred Thousand (500,000) people at the time of renewal.

(vii) **Release.** Franchisee; Owners; guarantors of the Franchisee; for themselves and on behalf of their respective predecessors, parents, affiliates, subsidiaries, shareholders, members, partners, officers, directors, managers, employees, agents, representatives, attorneys, accountants, personal representatives, heirs, executors, administrators, successors, and assigns (collectively, "Releasors") execute and deliver to Franchisor a general release, in the form prescribed by Franchisor, releasing, to the fullest extent permitted by law, all claims that Releasors may have against Franchisor; Franchisor's predecessors, parents, affiliates, and subsidiaries; and their respective shareholders, members, partners, officers, directors, managers, employees, agents, representatives, attorneys, accountants, guarantors, successors, and assigns, in both their corporate and individual capacities;

(viii) **Renovation.** Franchisee shall make or provide for in a manner satisfactory to Franchisor, such renovating, upgrading, or re-equipping of the Center as Franchisor may require, including, without limitation, renovation or replacement of signs, equipment, consulting materials, furnishings, Computer Systems (as defined below), fixture, colors and decor, to reflect the then-current standards and image of the System; and

(ix) **Continued Possession.** Franchisee presents satisfactory evidence that Franchisee has the right to remain in possession of the Premises (as defined below) for the duration of the renewal term, unless Franchisor determines that the location of Franchisee's

business is no longer viable for the operation of Franchisee's Center, in which case Franchisor may condition Franchisee's right to renew on Franchisee's obtaining a new site for Franchisee's Center that Franchisor accepts.

(c) **Failure.** If Franchisee fails to perform any of the acts set forth in subsections (i) through (ix) of Section 2(b) in a timely fashion, such failure will be deemed an election by Franchisee not to exercise its right to renew, and will cause Franchisee's right to renew to expire without further notice or action by Franchisor.

(d) **Expiration.** Renewal of the License after the Initial Term shall not constitute a renewal or extension of this Agreement, but shall be conditioned upon satisfaction of the above provisions and shall, upon expiration of the Initial Term, be governed by the Renewal Agreement. If Franchisee fails to meet any of the conditions under Section 2(b) with respect to renewal of the License, then the License shall automatically expire at the end of the Initial Term. Subject to the requirements of this Section 2, Franchisee may only be granted a maximum of one (1) Renewal Term. Franchisee will have no further rights to operate the Center following the expiration of the final Renewal Term unless Franchisor grants Franchisee another franchise or agrees to further renewals, in Franchisor's sole discretion. As necessary, the renewal franchise agreement may be amended to reflect this provision. If this Agreement is a renewal agreement, the renewal provisions in Franchisee's original franchise agreement will dictate the length of the term of this Agreement as well as Franchisee's remaining renewal rights, if any.

(e) **Continued Operation Following Expiration.** Unless Franchisee exercises its option to renew the License granted under this agreement in accordance with this Section, Franchisee has no right to continue to operate the Center after the expiration date. If Franchisor permits Franchisee to continue to operate the Center after the expiration date, but before the execution by Franchisee of a Renewal Agreement for a new term as required by Section 2(b) above, then the temporary continuation of the operations of the Center will be structured as a month-to-month extension of this Agreement and all of its terms, and will be terminable at Franchisor's will by giving Franchisee written notice of termination at least thirty (30) days before the termination is effective. If Franchisor allows Franchisee to continue to operate the Center on a month-to-month extension of this Agreement and all of its terms, then Franchisee must pay to Franchisor weekly an additional fee equal to the greater of One Thousand Dollars (\$1,000) or One Hundred Fifty Percent (150%) of the Royalty due for the same week for every week of month-to-month operation after the expiration date, up to Franchisor's then-current initial franchise fee, which fee shall be in addition to Royalty, Brand Fund contributions, and any other payments due to Franchisor under this Agreement. If applicable law requires a longer notice period, the thirty (30) day period will be deemed modified to be the shortest notice period required by such laws.

### **3. Required Franchise Fees and Payments.**

(a) **Initial Franchise Fee and Royalties.** In consideration of Franchisor's execution of this Agreement and the services that Franchisor will perform, Franchisee agrees to pay to Franchisor the following fees in such manner and such due dates (each a "Due Date") as Franchisor may from time to time designate:

(i) **Initial Franchise Fee.** An initial franchise fee in the amount set forth on Attachment 1 hereto ("Initial Franchise Fee") for the initial grant of the License and

Franchisor's associated pre-opening obligations. The Initial Franchise Fee shall primarily compensate Franchisor for Franchisor's pre-opening obligations under this Agreement. The parties recognize the value of the Initial Franchise Fee approximates the market value of the pre-opening services. The Initial Franchise Fee is non-refundable.

(ii) **Royalty**. In further consideration of the grant of the License and in consideration of Franchisor's ongoing services to Franchisee, Franchisee agrees to pay to Franchisor a continuing royalty fee ("Royalty"), as set forth on Attachment 1 attached hereto. The Royalty is due and payable in monthly installments on the fifth (5<sup>th</sup>) of each month for the revenue from the immediately preceding calendar month, or on such other date Franchisor designates with thirty (30) days' advanced written notice to Franchisee.

(iii) **Technology Fee**. Franchisee agrees to pay Franchisor's then-current technology fee for the development, implementation, and maintenance of technologies for use in the Center, including proprietary technologies ("Technology Fee"). Franchisor has the right to increase the Technology Fee with thirty (30) days' notice to Franchisee based on supplier pricing increases, modification to or upgrades of the technology used in the System, and introduction of new technology. Franchisor may alter, modify, substitute, add, or delete any technologies provided to Franchisee for the Technology Fee in Franchisor's sole discretion.

(iv) **Supplier Fees**. If Franchisor or any of its affiliates is the designated supplier for any required product or service for the Center, Franchisee shall pay Franchisor's or its affiliates' then-current rates for such products and services.

(v) **Shared Fees**. Franchisor reserves the right to have suppliers bill it or an affiliate for goods and services that benefit the network of ADVANTAGE COLLEGE PLANNING franchisees. Franchisee agrees to pay Franchisor Franchisee's pro rata share of the costs and fees of these goods and services.

(vi) **Interest**. If Franchisee fails to pay the full amount of the Royalty or any other amount due under the terms of this Agreement on the Due Date, or Franchisee has insufficient funds to cover the electronic transfer when initiated by Franchisor, Franchisee shall pay interest on the amount due and unpaid at an interest rate equal to the lower of one and one-half percent (1.5%) or the maximum interest rate allowed by law.

(b) **Franchisee's Account**. On each Due Date, Franchisor will transfer from Franchisee's bank operating account ("Account") the fees set forth above, as well as any other amounts due to Franchisor under this Agreement or any other agreement between Franchisor and Franchisee. If a transfer from Franchisee's Account is refused, an administrative fee of Fifty Dollars (\$50) will be assessed, as well as reimbursement to Franchisor of any fee its bank charges for uncollected deposit funds. If Franchisee has not reported Gross Revenues (defined in Attachment 1) to Franchisor for any fiscal period, Franchisor will transfer from the Account an amount calculated in accordance with Franchisor's estimate of the Gross Revenues during the fiscal period. If, at any time, Franchisor determines that Franchisee has underreported its Gross Revenues, or underpaid the Royalty or other amounts due to Franchisor under this Agreement, or any other agreement, Franchisor shall initiate an immediate transfer from the Account in the appropriate amount in accordance with the foregoing procedure, including interest as provided in this Agreement. Any

overpayment will be credited to the Account effective as of the first reporting date after Franchisor and Franchisee determine that such credit is due. Alternatively, Franchisor shall have the right in lieu of the Royalty report submission procedure outlined above to obtain the Gross Revenues directly by accessing Franchisee's Computer Systems or requiring Franchisee to submit reports to Franchisor from Franchisee's Computer Systems. Franchisor may require Franchisee to remit payment of the Royalty and other fees by electronic funds transfer ("EFT"). In connection with payment of the Royalty by EFT, Franchisee shall: (1) comply with procedures specified by Franchisor in the Brand Standards Manual; (2) perform those acts and sign and deliver those documents as may be necessary to accomplish payment by EFT as described in this Section; (3) give Franchisor an authorization in the form designated by Franchisor to initiate debit entries and/or credit correction entries to the Account for payments of the Royalty and other amounts payable under this Agreement, including any interest charges; (4) make sufficient funds available in the Account for withdrawal by EFT no later than the Due Date for payment thereof; and (5) maintain a single bank account to make all payments required by this Agreement. Franchisee must advise Franchisor at least fifteen (15) business days prior to any change in Franchisee's bank account or financial institution; no such change will be permitted without the prior written authorization of Franchisor. To ensure the orderly electronic transfer of the Royalties and all other fees as outlined in this Section 3, Franchisee will enter into and maintain a banking agreement with the financial institution which will be responsible for the transfer and payment of the fees owed by Franchisee to Franchisor, and a copy of that agreement will be submitted to Franchisor prior to the effective date of this Agreement. Franchisee shall not withhold any payments required to be made under this Agreement on any grounds, including any allegations of Franchisor's non-performance. Failure by Franchisee to have sufficient funds in the Account shall constitute a default of this Agreement and may subject this Agreement to termination for cause as hereinafter set forth.

**(c) Application of Fees.** If Franchisee is delinquent in the payment of any obligation to Franchisor, its affiliates or designees, then Franchisor (or such affiliates or designees), will have the right to apply any payment from Franchisee to any obligation due, including the oldest obligation due, whether under this Agreement or otherwise, notwithstanding any contrary designation by Franchisee as to such application.

**(d) Inflation Adjustments.** Franchisor and its affiliates reserve the right to increase the amount of any fee provided for hereunder, including, without limitation, the Royalty or Brand Fund payments, due Franchisor or an affiliate under this Agreement or a related agreement ("Inflation Adjustment"). An Inflation Adjustment shall be in relation to the changes in the Consumer Price Index (U.S. Average, all items) maintained by the U.S. Department of Labor, the cost-of-living-adjustment ("COLA") using the COLA factors determined by the United States Department of Labor, or such other measure determined reliable by Franchisor. Franchisor will notify Franchisee of the amount or percentage adjustment thirty (30) days prior to their effective date.

**(e) No Offset or Retention of Funds.** Franchisee may not offset or withhold payments owed to Franchisor or any of its affiliates for amounts purportedly due to Franchisee as a result of any dispute of any nature or otherwise, but will pay such amounts to Franchisor or its affiliates and only thereafter seek reimbursement. Franchisor and its affiliates will have the right to offset any amounts due to Franchisor or its affiliates from amounts that Franchisor or its affiliates may owe Franchisee or its affiliates.



#### **4. Franchisor Services.**

**(a) Franchisor Services.** During the Initial Term, Franchisor agrees to provide to Franchisee the following services:

**(i) Specifications.** To the extent Franchisor has specifications, Franchisor shall provide specifications for (1) the design of the Center and related facilities to be used in the operation of the Center and (2) fixtures, furnishings, decor, signs, equipment, Computer Systems (as defined below), products and materials to be used in the operation of the Center including but not limited to consulting materials, student resource, and software).

**(ii) Suppliers.** To the extent Franchisor has approved suppliers, Franchisor shall provide, at no expense to Franchisee, (1) a list of equipment, supplies, products and services for the Center (including but not limited to consulting materials, student resource, and software), (2) a list of recommended, approved, or required vendors or suppliers of such, provided that Franchisor reserves the right to amend and/or modify such list(s) at any time.

**(iii) Initial Training.** Franchisor shall provide Franchisee with a pre-opening training program for the Operations Manager (as defined in Section 11(a)), and such other persons as Franchisor may reasonably designate, and such other training for employees of Franchisee at the locations and for such periods as may be designated by Franchisor from time to time; provided that Franchisee shall be responsible for all expenses incurred by such persons in connection with training, including, without limitation, all cost of travel, lodging, meals and wages.

**(iv) Advice.** At Franchisee's reasonable request, Franchisor will promptly provide such advice and information as it considers reasonably appropriate to assist Franchisee with all methods and procedures associated with the System, marketing and advertising; management and administration, the use of the System or any changes to it and the use and application of products and services. Franchisee understands and agrees that such advice and information may be rendered by phone, electronically, through the Brand Standards Manual, training and/or by such other means as Franchisor deems appropriate in its sole discretion. Franchisor may, in its discretion, convene meetings of franchisees as it considers necessary or appropriate, in its discretion. If Franchisee requests advice, information, or assistance at a level greater than what is provided to other franchisees, Franchisor reserves the right to charge Franchisee its then-current training fee.

**(v) Information.** Franchisor shall communicate to Franchisee information relating to the operation of an ADVANTAGE COLLEGE PLANNING Center, and to the extent necessary or pertinent to the operation of the Center, Franchisor's know-how, new developments, techniques and improvements in the areas of Center management, employee training, marketing and service.

**(vi) Additional Training.** In Franchisor's sole discretion and/or at the request or Franchisee, Franchisor may offer additional or supplemental training, conferences, or conventions. Franchisee shall be responsible for all expenses incurred by such persons in connection with additional or supplemental training, including, without limitation, all cost

of travel, lodging, meals and wages. Franchisor also reserves the right to charge an additional fee and to require attendance at additional trainings, conferences, or conventions.

**(b) Legal Expenses.** Franchisor may in certain situations incur legal expenses while providing assistance to Franchisee with respect to, without limitation, lease negotiations, or other legal compliance issues. Such assistance may be at the request of Franchisee or required by Franchisor and may be provided by Franchisor in-house or by outside counsel; provided however, that Franchisor shall have the sole discretion as to whether or not to provide legal assistance. In the event Franchisor does incur legal expenses on behalf of Franchisee, Franchisee shall reimburse Franchisor for such expenses immediately upon notice from Franchisor. Franchisor may, at its option, be reimbursed by EFT.

**(c) Acknowledgement.** FRANCHISEE AGREES THAT FRANCHISOR IS NOT OBLIGATED TO PROVIDE ANY TRAINING OR ASSISTANCE TO FRANCHISEE'S PARTICULAR LEVEL OF SATISFACTION, BUT AS A FUNCTION OF FRANCHISOR'S EXPERIENCE, KNOWLEDGE AND JUDGMENT. FRANCHISEE ALSO ACKNOWLEDGES THAT FRANCHISOR IS NOT OBLIGATED TO PROVIDE ANY SERVICES TO FRANCHISEE THAT ARE NOT SET FORTH IN THIS AGREEMENT. IF FRANCHISEE BELIEVES FRANCHISOR HAS FAILED TO ADEQUATELY PROVIDE ANY PREOPENING SERVICES TO FRANCHISEE, FRANCHISEE MUST NOTIFY FRANCHISOR IN WRITING WITHIN THIRTY (30) DAYS FOLLOWING THE OPENING OF FRANCHISEE'S CENTER OR FRANCHISEE WILL BE DEEMED TO CONCLUSIVELY ACKNOWLEDGE THAT ALL PRE-OPENING SERVICES REQUIRED TO BE PROVIDED BY FRANCHISOR WERE SUFFICIENT AND SATISFACTORY IN FRANCHISEE'S JUDGMENT, AND COMPLIANT WITH ALL REPRESENTATIONS MADE TO FRANCHISEE. IF FRANCHISEE FAILS TO SO NOTIFY FRANCHISOR, FRANCHISEE WILL BE DEEMED TO HAVE WAIVED ALL CLAIMS RELATING TO OR ARISING FROM FRANCHISOR'S OBLIGATIONS TO PROVIDE PRE-OPENING ASSISTANCE.

## **5. Territorial Provisions.**

**(a) Territory.** Subject to the provisions of this Section 5, provided Franchisee is not in default, Franchisor agrees that during the Initial Term it will not locate nor license another to locate a brick-and-mortar ADVANTAGE COLLEGE PLANNING consulting center within the territory set forth in Attachment 1 hereto ("Territory"). Until such time as the Location is identified and agreed upon in the Franchise Rider or in the Site Selection Acceptance Letter (as defined in the Franchise Rider), no Territory will be granted to Franchisee and Franchisor shall have the right to locate other franchises anywhere Franchisor determines without interfering with any territorial rights of Franchisee. Franchisee shall not solicit business from clients outside of its Territory without receiving Franchisor's prior, written permission. Notwithstanding the foregoing, Franchisor does not warrant or represent that no other ADVANTAGE COLLEGE PLANNING Center will solicit or make any sales within the Territory, and Franchisee hereby expressly acknowledges and agrees that such solicitations or sales may occur within the Territory. Franchisor shall have no duty to protect Franchisee from any such sales, solicitations, or attempted sales. Franchisee recognizes and acknowledges that (i) it will compete with other ADVANTAGE COLLEGE PLANNING Centers which are now, or which may in the future be, located near or

adjacent to Franchisee's Territory and (ii) that such Centers may be owned by Franchisor, its affiliates, and/or third parties.

**(b) Reserved Rights.** Franchisor grants franchises and the rights to develop and operate a Center only pursuant to the express terms of written agreements and not orally. All rights that are not granted to Franchisee in this Agreement are specifically reserved to Franchisor, and Franchisor will not be restricted in any manner from exercising them nor will Franchisor be required to compensate Franchisee should Franchisor exercise them. This includes the right, directly or through others and regardless of either (a) proximity to Franchisee's Center or Territory or (b) any actual or threatened impact on sales of Franchisee's Center to:

(i) use the Marks and System in connection with establishing and operating ADVANTAGE COLLEGE PLANNING businesses at any location outside the Territory;

(ii) use the Marks or other marks in connection with selling or distributing any goods (including branded merchandise) or services anywhere in the world (including within the Territory), whether or not Franchisee also offers them, through channels of distribution other than a brick-and-mortar college consulting centers operating under the Marks and System (including, for example, other permanent or temporary retail locations, schools, museums, kiosks, mobile application, social media, mail order, catalog sales, wholesaling, telemarketing, internet, software, or other electronic means). Franchisor has the right to sell online or through other electronic means services and products that are similar to, or the same as, those offered and sold by the Center, whether under the ADVANTAGE COLLEGE PLANNING trademark or not;

(iii) acquire, establish or operate, without using the Marks, any business of any kind at any location anywhere in the world (including within the Territory);

(iv) use and license to any party to use, Franchisor's or its affiliate's (i) intellectual property and/or (ii) software, anywhere in the world (including within the Territory), but these licenses shall not include the right to use the Marks in connection with a brick-and-mortar college consulting center operating using the Marks and the System in the Territory;

(v) use the Marks in connection with soliciting or directing advertising or promotional materials to clients anywhere in the world (including within the Territory);

(vi) use and distribute, in any way, to any party, within or outside the Territory, the Client List and all related emails and other contact information generated by the Center or any other ADVANTAGE COLLEGE PLANNING business, subject to applicable laws and regulations

(vii) use the Marks and System to directly, or through another party Franchisor authorizes, which may be another ADVANTAGE COLLEGE PLANNING franchisee, Franchisor's affiliate, or a third party, provide goods and services to clients that live in the Territory.

**(c) Out-of-Territory and Off-Premises Activities.** Franchisee shall not solicit nor market to clients who are outside of its Territory, or provide goods or services to clients located outside

of its Territory or that are off-Premises, without receiving Franchisor's prior written permission. Franchisee shall follow all of Franchisor's standards, procedures, and instructions regarding any activities outside of the Territory or off-Premises. If Franchisor grants Franchisee permission to conduct any out-of-Territory or off-Premises activities, Franchisee acknowledges and agrees that Franchisee does not gain any additional territory or exclusivity rights. Franchisor has the right to terminate or suspend Franchisee's approval to conduct any out-of-Territory or off-Premises activities, and Franchisee shall immediately comply and cease operations outside of the Territory. Franchisee shall provide Franchisor with the information for any clients it has serviced outside of the Territory or off-Premises. Such out-of-Territory clients may be serviced by Franchisor, an affiliate of Franchisor, or any of Franchisor's franchisees. Franchisee shall follow all of Franchisor's standards, procedures, and instructions regarding referrals of clients, whether the clients live inside or outside of Franchisee's Territory.

**(d) No Right of First Refusal or Options.** Franchisee has no right of first refusal or other options or rights to open any additional ADVANTAGE COLLEGE PLANNING businesses.

## **6. Premises.**

Franchisee shall obtain Franchisor's acceptance of the Location. The building at the accepted Location that will serve as the premises for operations of the Center ("Premises") is subject to the following:

**(a) Leased Premises.** Franchisor is not obligated to assist Franchisee in locating a site location or in advising Franchisee in negotiating an acceptable lease. Within four (4) months after the Effective Date of this Agreement, Franchisee shall acquire or lease, at Franchisee's expense, commercial real estate that is properly zoned for the operation of the Center. Failure by Franchisee to acquire or lease a site for the Center within the time required herein shall constitute a default under this Agreement, and Franchisor, in its sole discretion, may terminate the Franchise Agreement pursuant to the terms of Section 17 of this Agreement. Franchisee is responsible for constructing, renovating or up fitting or causing to be constructed, renovated or up fitted, the Center. If Franchisee intends to lease the Premises, Franchisee shall submit to Franchisor executed copies of all such leases immediately after execution and at such other times as Franchisor may request. The term of the leases plus all options for Franchisee to renew shall together equal or exceed the Initial Term. All leases pertaining to the Premises shall also include an Addendum in the form of Attachment 2 attached hereto, or shall contain terms and conditions substantially similar to those contained in Attachment 2 which Franchisor has approved in writing. Franchisor shall not represent Franchisee in a legal capacity and advises Franchisee to seek independent legal counsel in the review and negotiation of its lease agreement.

**(b) Owned Premises.** If Franchisee intends to own the Premises, Franchisee must obtain acceptance of the Premises from Franchisor, which acceptance may be withheld at Franchisor's discretion, and shall furnish Franchisor proof of ownership prior to the date Franchisee commences any construction, build-out or remodeling of the Premises. In the event that Franchisee proposes to lease the Premises from any Owner, affiliate, guarantor, shareholder, member, manager, partner, director, or officer of Franchisee, or from any person or entity related to or affiliated with Franchisee or one (1) or more of Franchisee's Owners, guarantors, shareholders, members, partners, directors, or officers ("Related Party"), Franchisor may require the Related Party to sign this Agreement and/or separate agreements for the purpose of binding the Related Party to

applicable provisions of this Agreement, as determined by Franchisor. Franchisee shall also execute a written lease agreement accepted by Franchisor with the Related Party and deliver a copy to Franchisor. Franchisor will not accept home offices as the Premises for the Center. The terms of any such lease must comply with the terms set forth in Section 6(a).

**(c) Suitability of Premises.** Regardless of whether the Premises are owned or leased, it shall be the responsibility of Franchisee to determine that the Premises can be used, under all applicable laws and ordinances, for the purposes provided herein and that the Premises can be constructed or remodeled in accordance with the terms of this Agreement. Franchisee shall obtain all permits and licenses that may be required to construct, remodel and operate the Center. Franchisee agrees that the Premises will not be used for any purpose other than the operation of the Center in compliance with this Agreement. FRANCHISEE EXPRESSLY ACKNOWLEDGES AND AGREES THAT FRANCHISOR'S ACCEPTANCE OF A SITE FOR FRANCHISEE'S CENTER IS NOT AND SHALL NOT BE CONSTRUED AS A GUARANTEE OR ASSURANCE THAT THE BUSINESS WILL BE PROFITABLE OR THAT THE SITE IS SUITABLE FOR THE BUSINESS OR ANY OTHER PURPOSE. Franchisor's acceptance of a site indicates only that Franchisor believes the site complies with acceptable minimum criteria established by Franchisor solely for its purposes as of the time of the evaluation. Both Franchisee and Franchisor acknowledge that application of criteria that may have been effective with respect to other sites and premises may not be predictive of potential for all sites and that, subsequent to Franchisor's acceptance of a site, demographic and/or economic factors, such as competition from other similar businesses, included in or excluded from Franchisor's criteria could change, thereby altering the potential of a site or lease. Such factors are unpredictable and are beyond Franchisor's control. Franchisor shall not be responsible for the failure of a site accepted Franchisee to meet Franchisee's expectations as to revenue or operational criteria. Franchisee further acknowledges and agrees that its selection of the site is based upon its own independent investigation of the suitability of the site. If Franchisor does not accept a site proposed by Franchisee within thirty (30) days after receiving the proposal thereof, such site shall be deemed rejected by Franchisor and Franchisee shall not locate its Center at such site.

**(d) Relocation.** Franchisee shall not, without first obtaining Franchisor's written consent, which is subject to Franchisor's sole discretion: (i) relocate the Center; or (ii) renew or materially alter, amend or modify any lease, or make or allow any transfer, sublease or assignment of its rights pertaining to the Premises. If Franchisee relocates the Premises during the Initial Term, Franchisee shall pay Franchisor all costs Franchisor incurs as a result of evaluating and approving or rejecting Franchisee's relocation proposal, or a minimum payment of Five Thousand Dollars (\$5,000).

## **7. Proprietary System and Marks.**

**(a) Ownership; Use by Others.** Franchisor and its affiliates shall have and retain all rights associated with the Marks other than those expressly licensed herein, including, but not limited to the following: (a) to use the Marks in connection with selling products and services; (b) to grant licenses to others to use the Marks, in addition to those licenses already granted to existing franchisees and affiliates; (c) to develop and establish other systems using the Marks, similar proprietary marks, or any other proprietary marks, and to grant licenses or franchises thereto without providing any rights therein to Franchisee; and (d) to sell and distribute products, merchandise, accessories and other items via alternate distribution channels bearing the Marks.

Franchisee acknowledges that any unauthorized use of the System or the Marks is and shall be deemed an infringement of Franchisor's rights. Franchisee shall execute any documents deemed necessary by Franchisor, Franchisor's affiliate, or its counsel for the protection of the System and the Marks or to maintain their validity or enforceability, or to aid Franchisor or Franchisor's affiliate in acquiring rights in or in registering any of the System and the Marks or any trademarks, trade names, service marks, slogans, logos and emblems subsequently adopted by Franchisor. Franchisee shall give notice to Franchisor of any knowledge that Franchisee acquires regarding the use by others of the same or similar names or marks or of any claim or litigation instituted by any person or legal entity against Franchisee involving the System or any of the Marks. Franchisee shall cooperate with Franchisor and Franchisor's affiliate in any suit, claim or proceeding involving the System or the Marks or their use to protect Franchisor's and its affiliate's rights and interest in the System and the Marks. In the event of any settlement, award or judgment rendered in favor of Franchisor relating to the use or ownership of the System or the Marks, such settlement, award or judgment shall be the sole property of Franchisor and Franchisee shall not be entitled to or make any claim for all or any part of it. Provided Franchisee complies at all times with this Section 7 and the other provisions of this Agreement, Franchisor shall indemnify Franchisee against and reimburse Franchisee for damages assessed against Franchisee, if any, based on Franchisee's use of the ADVANTAGE COLLEGE PLANNING Mark. Otherwise, Franchisor shall not be required to indemnify Franchisee against or reimburse Franchisee for any loss or damages arising out of Franchisee's use or misuse of any Mark. Franchisor shall not indemnify Franchisee for any use or misuse of Franchisor's copyrights, patents, Client Lists, Franchised Business Data (as defined below), or indicia. Franchisee acknowledges and agrees that the restrictions set forth in this Agreement are reasonable and necessary for the protection of value of the Marks and the goodwill associated with the Marks and that any violation of this Agreement would cause substantial and irreparable injury to Franchisor, and that Franchisor would not have entered into a business relationship with Franchisee or enter into this Agreement without receiving Franchisee's unrestricted promise to use the Marks only in the manner authorized by Franchisor.

**(b) Use of Marks.** During the Initial Term or thereafter, directly or indirectly, Franchisee shall not commit any act of infringement or contest or aid in contesting the validity or ownership of the System or the Marks, or take any other action to disparage them. Franchisee shall use the Marks only in connection with the operation of the Center at the Location specified herein, and shall use them only in the manner authorized by Franchisor. Franchisee shall prominently display the Marks in the manner prescribed by Franchisor on all signs, merchandise, consulting materials, and other supplies and packaging materials designated by Franchisor. Franchisee shall not fail to perform any act required under this Agreement, or commit any act which would impair the value of the Marks or the goodwill associated with the Marks. Franchisee shall not at any time engage in any business or market any products or service under any name or mark which is confusingly or deceptively similar to any of the Marks. Franchisee shall not use any of the Marks as part of its corporate or trade name and shall not use any trademark, trade name, service mark, logo, slogan or emblem in connection with the Center that has not been authorized by Franchisor. Franchisee shall obtain such fictitious or assumed name registrations as may be required by Franchisor or applicable state law. Franchisee shall not attempt to register or otherwise obtain any interest in any Internet domain name, website or URL containing or utilizing any of the Marks or any other word, name, symbol or device which is likely to cause confusion with any of the Marks. Franchisee also acknowledges that its use of the Marks pursuant to this Agreement does not give Franchisee any ownership or other interest in or to the Marks, except the license granted by this

Agreement. Franchisee shall not use any of Franchisor's Marks in connection with employee facing labor and employment materials.

(c) **Designation as Franchisee.** Franchisee shall take such additional action as may be necessary under the laws of the state in which the Center is operated to make clear to the public that Franchisee is an independent franchisee of Franchisor and not owned by Franchisor. Franchisee shall post in a conspicuous location at the business premises, as well as on invoices, purchase orders, marketing materials and the like that "This ADVANTAGE COLLEGE PLANNING Franchise is independently owned and operated by [Franchisee entity name] under license from ADVANTAGE COLLEGE PLANNING FRANCHISING, INC."

(d) **Discontinuance of Use: Additional Marks.** Franchisor has the right to change, revise, or substitute different Marks for use in identifying the System, the Center, and the products and services sold or offered for sale through the Center, if Franchisor, in its sole discretion, determines that change, revision, or substitution of different Marks will be beneficial to the System. In such circumstances, the use of the substitute proprietary marks shall be governed by the terms of this Agreement. Franchisee shall comply with each such change, revision, or substitution and bear all expenses associated therewith. In the event that a court of competent jurisdiction should order, or if Franchisor in its sole discretion should deem it necessary or advisable, Franchisee shall modify or discontinue use of any Mark. Franchisee shall comply with Franchisor's directions regarding any such Mark within thirty (30) days after receipt of notice from Franchisor or, if such modification or discontinuance is court-ordered, immediately. Franchisor shall not be obligated to compensate Franchisee for any costs or expenses incurred by Franchisee in connection with any such modification or discontinuance. Franchisee shall also use such additional or substitute Marks as Franchisor shall direct.

(e) **Changes in Law Affecting Marks.** In the event that the trademark law is amended so as to render inapplicable any of the provisions of this Agreement, Franchisee shall sign any documents and do such other act and thing as in the opinion of Franchisor may be necessary to effect the intent and purpose of the provisions of this Agreement.

(f) **Copyrights and Patents.** Franchisee acknowledges that as between Franchisee and Franchisor, any and all present or future copyrights and patents relating to the System or the ADVANTAGE COLLEGE PLANNING concept, including, but not limited to, consulting materials, forms, student aids, the Brand Standards Manual, construction plans and specifications and marketing materials, belong solely and exclusively to Franchisor. Franchisee has no interest in Franchisor's copyrights or patents beyond the nonexclusive License granted in this Agreement.

(g) **Ideas and Innovations.** All inventions, ideas, consulting materials, forms, student aids, applications, trademarks, service marks, enhancements, modifications, improvements or other processes, methods and designs, technologies, computer software, electronic code, original works or authorship, formulas, patents, copyrights, marketing and business plans and ideas, and all improvements and enhancements thereto that Franchisee or any of its Owners, affiliates, guarantors, shareholders, members, partners, directors, officers, employees, consultants, or independent contractors may develop, invent, discover, conceive or originate, alone or in conjunction with any other person or persons during the Initial Term or any applicable Renewal Term that relate in any way, either directly or indirectly, to the Center and/or the System (collectively referred to as "Inventions and Ideas"), either in whole or in part during the Initial

Term or any applicable Renewal Term, must be promptly disclosed to Franchisor and shall be the exclusive property of Franchisor and works made-for-hire for Franchisor, and no compensation will be due to Franchisee or its Owners, guarantors, shareholders, members, partners, directors, officers, employees, consultants, or independent contractors therefor. Franchisor may incorporate such items into the System. To the extent any Invention or Idea does not qualify as a “work made-for-hire,” Franchisee and all Owners and guarantors of this Agreement hereby assign to Franchisor, without compensation, all right, title and interest in such Inventions and Ideas, and agree that they will execute any and all instruments and do any and all acts necessary or desirable to establish and perfect in Franchisor the entire right, title and interest in such Inventions and Ideas. As Franchisor may reasonably request, Franchisee and its Owners and guarantors shall, at Franchisor’s expense, take all actions reasonably necessary to assist Franchisor’s efforts to obtain or maintain intellectual property rights in any item or process related to the System, whether developed by Franchisee or not.

**(h) Client and Other Data.** Franchisee shall maintain a current list of the names, home addresses, work addresses, e-mail addresses and telephone numbers of the clients and past clients who have provided such information to the Center (“Client List”). Franchisee shall provide the Client List to Franchisor upon request. Franchisee shall also use the Computer Systems that Franchisor designates to create, store, maintain, and share the Client List. The Client List shall be the property of Franchisor and Franchisor shall have the right to use the Client List for any purposes, in Franchisor’s sole discretion. Franchisee shall not collect, use, process, store, share, or sell any information from the Client List to or with any person or entity other than Franchisor without the express written consent of Franchisor. Franchisee shall not delete any information that is in the Client List without Franchisor’s prior written consent or unless doing so is in accordance with the Data Protection and Security Policies. Likewise, other data collected by Franchisee or Franchisee’s Computer Systems in connection with the Center (Client List and the other data collectively referred to herein as “Franchised Business Data”) is deemed to be owned by Franchisor, and Franchisee agrees to furnish the Franchised Business Data to Franchisor at any time that Franchisor requests it. Franchisee shall also use the Computer Systems that Franchisor designates to create, store, maintain, and share the Franchised Business Data. Franchisor hereby grants Franchisee a limited license to use Franchised Business Data while this Agreement or a successor franchise agreement is in effect, but only in accordance with the standards, specifications, procedures, and policies that Franchisor establishes periodically and applicable law. Upon termination, non-renewal, transfer, or expiration of this Agreement for any reason, Franchisor shall be the exclusive owner of Franchised Business Data and Franchisee shall not use or disclose the Franchised Business Data in any form or manner. Franchisee shall not be due any compensation based upon Franchisor’s use of the Franchised Business Data. Franchisee may not collect, sell, disclose, share, transfer, or use Franchised Business Data for any purpose other than operating the Center. The Client List and Franchised Business Data are expressly subject to the provisions of Section 11(s) and may constitute Personal Information

## **8. Advertising.**

**(a) Contributions and Expenditures.** Recognizing the value of advertising and the importance of the standardization of advertising to the furtherance of the goodwill and public image of the System, Franchisor and Franchisee agree as follows:



**(i) Grand-Opening Advertising.** Franchisee is required to spend a minimum of Three Thousand Dollars (\$3,000) for grand-opening advertising to publicize the existence and opening of the Center, which advertising shall be in such form approved by Franchisor and which shall be conducted during the period that begins thirty (30) days prior to the opening of the Center and ends sixty (60) days after the opening of the Center. Franchisee may expend additional amounts on such advertising, provided the form and content is approved by Franchisor as provided in Section 8(e).

**(ii) Contributions and Expenditures.** During the Initial Term, Franchisee shall make the following contributions and expenditures for advertising:

**(A) Brand Fund.** Each month in which a brand development fund (“Brand Fund”) has been established, Franchisee shall contribute to the Brand Fund such amount as Franchisor may designate from time to time, which amount is currently one percent (1%) of Gross Revenues of the Center, and which shall not exceed two percent (2%) of Gross Revenues of the Center. Franchisor has the sole discretion to settle or forgive any accrued and unpaid Brand Fund contribution owed by any franchisee. Franchisee shall make its monthly contribution to the Brand Fund on the date and in the manner as Franchisor may designate from time to time. Franchisee agrees to make such contributions by EFT or in such other manner as Franchisor may require, on or before each due date based on Franchisee’s Gross Revenues from the immediately preceding month, or such other date(s) identified by Franchisor with thirty (30) days’ prior written notice.

**(B) Minimum Local Advertising Spend.** In addition to the grand opening requirements of Section 8(a)(i), Franchisee shall spend One Thousand Five Hundred Dollars (\$1,500) per year (“Minimum Local Advertising Spend”) on local advertising in accordance with Franchisor’s standards as set forth in the Brand Standards Manual. Franchisee shall submit verification of its local advertising expenditures at such times and in such form as may be requested by Franchisor from time to time. In the event that Franchisee fails to meet the Minimum Local Advertising Spend and/or fails to provide Franchisor with verification thereof, Franchisee shall pay to the Brand Fund Franchisee’s Minimum Local Advertising Spend, less the amount Franchisee actually paid for local advertising. Franchisor has the right to require Franchisee to use the Minimum Local Advertising Spend to pay for specific advertising services, from suppliers approved or designated by Franchisor. Franchisor may require Franchisee to remit the Minimum Local Advertising Spend to Franchisor or its affiliates in exchange for local advertising services Franchisor or its affiliate will provide to Franchisee. All local advertising shall either have been prepared by Franchisor or approved by Franchisor pursuant to Section 8(e).

**(C) Attendance at Events.** At Franchisee’s sole cost and expense, Franchisee must attend a minimum number of parent groups and other similar types of events and seminars, which minimum number Franchisor shall designate in its Brand Standards Manual from time to time.

**(b) Brand Fund.**

(i) **Use.** Franchisor has the sole discretion to determine where the Brand Fund contributions will be spent to promote, enhance, or further the growth of the ADVANTAGE COLLEGE PLANNING brand, Centers, and System, and may use the Brand Fund contributions for activities including, but not limited to: research; promotional marketing, public relations, and advertising expenses to promote the brand; hiring marketing, public relations and advertising agencies, technology companies, or in-house personnel to assist in developing the ADVANTAGE COLLEGE PLANNING brand name; developing, evaluating, or using technologies that Franchisor believes may benefit the brand, the clients, the franchisees, or the brand's reputation; developing new services and franchisee revenue sources; expenses associated with listings on websites, contest registrations, digital marketing content, influencer marketing, radio, billboards, TV, print, or internet advertising, and events and promotions designed to garner media attention and promote the brand name; expenses associated with conducting market research; travel expenses in connection with promotions and marketing meetings, training, development of trademarks and trademarked materials; production of marketing, public relations, or digital or social media content, including, but not limited to, advertisements, coupons, and other promotional materials; expenses incurred in developing and maintaining non-franchise sales portion of any Online Presence; developing and maintaining any Online Presence; and expenses incurred in using search engine optimization, pay-per-click, or other digital marketing software, services, or companies to help promote the brand. Sums paid by Franchisee shall not be used to defray any of Franchisor's expenses, except for such reasonable administrative costs and overhead, if any, that Franchisor may incur in activities reasonably related to the administration or direction of the Brand Fund and promotion and advertising programs for franchisees and the System, including, among other things, the cost of personnel for creating and implementing advertising, promotional, and marketing programs. As long as Franchisee is in compliance with this Section 8, Franchisee will be furnished with advertising materials which were produced by means of expenditures from the Brand Fund for distribution to franchisees of the System on the same terms and conditions as such materials are furnished to other franchisees.

(ii) **No Franchisor Obligation or Liability.** Franchisor does not undertake any obligation to ensure that expenditures from the Brand Fund in or affecting any geographic area are proportionate or equivalent to contributions to the Brand Fund by ADVANTAGE COLLEGE PLANNING Centers operating in such geographic area or that Franchisee or the Center will benefit directly or in proportion to its contribution to the Brand Fund. Neither Franchisor nor any of its respective officers, directors, agents or employees, shall be liable to Franchisee with respect to the maintenance, direction or administration of the Brand Fund, including without limitation, with respect to contributions, expenditures, investments or borrowing, except for acts constituting willful misconduct. THE BRAND FUND IS NOT A TRUST FUND. FRANCHISOR AND ITS AFFILIATES SHALL HAVE NO FIDUCIARY DUTY TO FRANCHISEE IN CONNECTION WITH THE COLLECTION OR USE OF THE BRAND FUND MONIES OR ANY ASPECT OF THE OPERATION OF THE BRAND FUND. FRANCHISEE ACKNOWLEDGES AND AGREES THAT FRANCHISOR AND ITS AFFILIATES WILL HAVE NO LIABILITY TO FRANCHISEE FOR ANY DIRECT, INDIRECT, INCIDENTAL, CONSEQUENTIAL, OR PUNITIVE DAMAGES ARISING OUT OF OR IN ANY WAY

CONNECTED TO THE BRAND FUND OR ANY ADVERTISING PROGRAMS OR FRANCHISOR'S MODIFICATION OR DISCONTINUANCE FOR ANY REASON OF THE BRAND FUND OR ANY MARKETING, BRANDING, OR ADVERTISING PROGRAMS, OR FRANCHISEE'S PARTICIPATION THEREIN.

**(iii) Administration.** For administrative convenience and at Franchisor's option, in lieu of collecting the Brand Fund percentage designated in Section 8(a)(ii)(A), Franchisor, at its option, may designate an amount certain as a monthly payment, which will be drafted instead of the variable amount. Franchisor will use commercially reasonable efforts to have the amount certain reasonably relate to the anticipated annual Brand Fund contribution which would otherwise be due if the exact percentage were calculated. Upon delivery by thirty (30) days' prior written notice by Franchisee to Franchisor, Franchisee can thereafter elect to abandon the sum certain contribution in lieu of the Brand Fund contribution percentage designated in Section 8(a)(ii)(A). Except for the permitted expenses related to Brand Fund administration, the Brand Fund and its earnings shall not otherwise inure to the benefit of Franchisor. The Brand Fund is not and shall not be an asset of Franchisor or its designee. The Brand Fund is administered by Franchisor's personnel under Franchisor's direction. The Brand Fund is not audited. Unless required by state law, Franchisor has no obligation to provide Franchisee with an accounting of the Brand Fund expenditures. The Brand Fund is not audited. At Franchisor's option, Franchisor can create a separate entity to be the recipient of Franchisee's Brand Fund contributions and Franchisee agrees, upon Franchisor's request, to tender Brand Fund payments to said entity. Franchisor, in Franchisor's sole discretion, may spend in any fiscal year an amount greater or less than the aggregate contributions to the Brand Fund in that year, and the Brand Fund may borrow from Franchisor or other lenders to cover deficits of the Brand Fund or cause the Brand Fund to invest any surplus.

**(c) Local Cooperative Advertising.** Franchisee agrees that Franchisor shall have the right, in its sole discretion, to designate from time to time a geographical area in which the Center is located for the purpose of establishing an advertising cooperative ("Cooperative"). If a Cooperative has been established applicable to the Center at the time Franchisee commences operations hereunder, Franchisee shall immediately become a member of such Cooperative. If a Cooperative applicable to the Center is established at any later time, Franchisee shall become a member of such Cooperative no later than thirty (30) days after the date on which the Cooperative commences operation. In no event shall the Center be required to contribute to more than one Cooperative. Franchisor has the sole discretion to create, change, dissolve, or merge a Cooperative. Franchisor also has the sole discretion to determine membership of a Cooperative. The following provisions shall apply to each Cooperative:

**(i)** Each Cooperative shall be organized and governed in a form and manner, and shall commence operation on a date, approved in advance by Franchisor in writing.

**(ii)** Each Cooperative shall be organized for the purposes of producing and conducting general advertising programs and activities for use in and around the applicable geographic area and developing standardized promotional materials for use by the members.

(iii) No advertising programs or materials may be used by the Cooperative or furnished to its members, and no advertising or promotional activities may be conducted by the Cooperative, without the prior written approval of Franchisor. All such programs, materials and planned activities shall be submitted to Franchisor for approval in accordance with the procedure set forth in Section 8(e).

(iv) Subject to the provisions of Section 8(a)(ii)(B), each cooperative shall have the right to require its members to make contributions to the Cooperative in such amounts as are determined by the governing body of the Cooperative. If Franchisor or its affiliates have controlling voting power in the Cooperative, they shall not be able to impose a contribution that is more than two percent (2%) of Gross Revenues.

(v) Franchisee shall make its contributions to the Cooperative on the date and in the manner designated by the Cooperative. Franchisee shall also submit such statements and reports as may be designated from time to time by the Cooperative. The Cooperative shall submit to Franchisor such statements and reports as Franchisor may designate from time to time.

(vi) Notwithstanding the foregoing, Franchisor, in its sole discretion, may, upon written request of a franchisee stating reasons supporting such request, grant to any franchisee an exemption from the requirement of membership in a Cooperative. Such an exemption may be for any length of time and may apply to one (1) or more Centers owned by such franchisee. If an exemption is granted to a franchisee, such franchisee may be required to expend on local advertising the full amount that would otherwise be payable to the Cooperative. Franchisor, in its sole discretion, may also exempt one (1) or more Centers owned or controlled by Franchisor or its affiliate from the requirement of membership in a Cooperative for such periods as Franchisor deems appropriate.

(vii) The Cooperative is not a trust fund. Franchisor and its affiliates shall have no fiduciary duty to Franchisee in connection with the collection or use of the Cooperative monies or any aspect of the operation of any Cooperative.

**(d) Supplemental Advertising.** Franchisee shall have the right to conduct, at its separate expense, supplemental advertising in addition to the expenditures specified in this Section 8. All such supplemental advertising shall either have been prepared by Franchisor or approved by Franchisor pursuant to Section 8(e).

**(e) Approval by Franchisor.** Prior to their use by the Cooperative or by Franchisee, samples of all advertising and promotional materials not prepared or previously approved by Franchisor within the ninety (90) day period preceding their intended use shall be submitted to Franchisor for approval, such approval which Franchisor may, in its sole discretion, at any time revoke. If approval is not received within twenty (20) days from the date of receipt by Franchisor of such materials, the materials shall be deemed disapproved by Franchisor. Neither the Cooperative nor Franchisee shall use any advertising or promotional materials that Franchisor has disapproved, regardless of whether any such items had been previously approved by Franchisor. The Cooperative and the Franchisee shall immediately cease use of any advertising or promotional materials for which Franchisor revokes approval.

**(f) Franchisor Advertising.** Franchisor may, from time to time expend its own funds to produce such promotional materials and conduct such advertising as it deems necessary or desirable. In any advertising conducted solely by or for Franchisor, Franchisor shall have the sole discretion to determine the products and geographical markets to be included, and the medium employed and Franchisor shall not have any duty or obligation to supply Franchisee with any advertising or promotional materials produced by or for Franchisor at its sole expense. Franchisor disclaims and Franchisee hereby acknowledges that Franchisee has not received or relied upon any warranty regarding the success of any advertising and/or promotional plans or materials recommended by Franchisor for use by Franchisee. Further, Franchisee acknowledges and agrees that all advertising and promotional plans and materials created in whole or in part by Franchisor are and remain the exclusive property of Franchisor. Franchisor shall have the right to include promotion of available franchises in all marketing and advertising materials, including, but not limited to, signage in Center, websites, print media, and TV or radio spots.

**(g) Ownership of Advertising.** Franchisor shall be the sole and exclusive owner of all materials and rights which result from advertising and marketing program produced and conducted, whether by Franchisee, Franchisor, the Cooperative or the Brand Fund. Any participation by Franchisee in any advertising, whether by monetary contribution or otherwise, shall not vest Franchisee with any rights in the Marks employed in such advertising or in any tangible or intangible materials or rights, including, copyrights, generated by such advertising. If requested by Franchisor, Franchisee shall assign to Franchisor any contractual rights or copyright it acquires in any advertising.

**(h) Online Presence and Email.** Franchisee will not, directly or indirectly, establish or operate an Online Presence that in any way concerns, discusses or alludes to Franchisor, the System or the Center without Franchisor's written consent, which Franchisor is not obligated to provide and which Franchisor can revoke in its sole discretion. An "Online Presence" includes (1) the brand website, other webpages, URLs, or domain names; (2) accounts, pages, or profiles on social media sites; social networking sites; news sites; online, internet, or digital directories; video, photography, and messaging services; blogs; or forums; (3) e-commerce sites or accounts; (4) digital or online advertising and marketing content and services; (5) mobile applications; (6) virtual reality platforms; (7) any identifiers of an Online Presence; or (8) a presence on any other type of online, internet, virtual, or digital tool, good, or service that may be developed. Further, the Marks may not be used as part of, in conjunction with, to establish or to operate any Online Presence or email address, unless specifically approved by Franchisor, which approval Franchisor is not obligated to provide and which Franchisor can revoke in its sole discretion. Franchisee will not post, and will take such steps as necessary to ensure that its employees and independent contractors do not post, any information to an Online Presence relating to Franchisor, the System, the Marks, or the Center that (a) does not comply with Franchisor's then-current brand, social media, or Online Presence guidelines described in the Brand Standards Manual or otherwise provided to Franchisee, (b) is derogatory, disparaging, or critical of Franchisor, the System or the Marks, (c) is offensive, inflammatory or indecent, or (d) harms the goodwill and/or public image of the System and/or the Marks. Franchisee shall not establish or permit or aid anyone else to establish any links to any Online Presence which Franchisor may create. Any Online Presence will be deemed "advertising" under this Agreement, and will be subject to (among other things) Franchisor's approval under this Agreement. Franchisee agrees not to transmit or cause any other party to transmit advertisements or solicitations by an Online Presence or email address without Franchisor's prior written approval of Franchisee's plan for transmitting such advertisements.

Franchisor alone has the right, but not the obligation, to establish, maintain, modify or discontinue all internet and electronic commerce activities pertaining to the System, including through any Online Presence. Franchisor shall not be liable for downtime that may occur to any Online Presence or email address, whether such downtime is caused by Franchisor or a third-party. Franchisor alone will be, and at all times remain, the sole owner of the copyrights to all material which appears on any Online Presence, including any and all material Franchisee may furnish to Franchisor for use on an Online Presence. Ownership of all URLs, email addresses, and other identifiers with any such Online Presence shall vest exclusively in Franchisor. Franchisor shall have the right, but not the obligation, to designate one (1) or more webpage(s) or other form of Online Presence to describe Franchisee and/or the Centers, and any such webpage(s) or Online Presence may be located within Franchisor's website or another Online Presence. Franchisee shall comply with Franchisor's policies with respect to the creation, maintenance and content of any such web page(s) and any other Online Presence. All content included on such an Online Presence shall be subject to Franchisor's approval. Franchisor shall have the right to refuse to post and/or discontinue posing any content and/or the operation of any webpage or Online Presence. Franchisee shall not establish a separate website, email address, or Online Presence, without Franchisor's prior written approval (which Franchisor shall not be obligated to provide and which Franchisor can revoke in its sole discretion). If approved to establish an Online Presence, Franchisee shall comply with Franchisor's policies, standards and specifications with respect to the creation, maintenance, operation, and content of any such Online Presence and email address. For any Online Presence and email address Franchisee is approved to create or use, Franchisor reserves the right, at its sole option and discretion, to have the Online Presence and/or email address directly owned by Franchisor or to require any such Online Presence and/or email address be transferred to Franchisor upon the termination, expiration, or non-renewal of this Agreement for any reason. Franchisor has the right to require that any Online Presence or email address Franchisee is permitted to create, use, or maintain be registered in Franchisor's name. Upon request, Franchisee must provide Franchisor with any login credentials for any Online Presence or email address Franchisee is authorized to create, use, or maintain. Franchisor has the right to access any Online Presence to take corrective action if any content or post on the Online Presence is in violation of Franchisor's policies. Franchisee must adhere to the Online Presence policies established from time to time by Franchisor and Franchisee will require all of Franchisee's employees to do so as well. Franchisor shall have the right to modify the provisions of this subsection relating to any Online Presence as Franchisor shall solely determine is necessary or appropriate.

#### **9. Telephone Number.**

Franchisee shall establish a local telephone number for the Center. Franchisee shall keep Franchisor notified as to the current telephone number for the Center. In no event shall Franchisee use such number for any other business. If Franchisee or its Owners use personal cellphone numbers in connection with the operation of the Center, Franchisee shall also disclose those to Franchisor. Franchisee further covenants that in the event it obtains any additional or substitute telephone service or telephone number at the Center, it will promptly notify Franchisor and such additional or substitute number shall be subject to the terms of this Section 9. If Franchisee's Owners or employees use personal cellphone numbers in connection with the operations of the Center, Franchisor has the right to require them to assign the numbers to Franchisor.

## **10. Construction, Design and Appearance; Equipment.**

**(a) Construction.** Franchisee agrees that it will construct or remodel the Premises at the accepted Location in accordance with Franchisor's standards and specifications for the construction, remodeling, layout, design, and décor for ADVANTAGE COLLEGE PLANNING businesses ("Construction Standards"). Franchisee shall purchase or lease the equipment, fixtures, and furnishings that conform with Franchisor's Construction Standards. Franchisee is solely responsible for the construction of the Premises. Franchisee shall obtain Franchisor's acceptance of Franchisee's proposed plans for construction, remodeling, layout, design, and décor for the Center. Franchisee will commence any required construction promptly after execution of a lease for or closing on the purchase of the Premises. Franchisee shall maintain continuous construction of the Premises until completion. Franchisee will complete construction in accordance with the plans for the Center Franchisor has accepted. Except as may be required to have the accepted plans changed to comply with the Applicable Law, Franchisee shall not deviate from the accepted plans without the prior approval of Franchisor. Franchisor has no obligation to include the requirements of any Applicable Law in the Construction Standards or prototypical design plan. Franchisee also acknowledges that the requirements of the Construction Plans may exceed those required under the Applicable Law. "Applicable Law" means any law, rule, regulation, code or requirement applicable to the construction, remodeling, design, layout, building, permitting, and development of the Center, including, without limitation the Americans With Disabilities Act ("ADA") or similar rules governing public accommodations for persons with disabilities. It is solely Franchisee's responsibility to make sure that the design and construction of the Center and the Premises are in compliance with all Applicable Laws. Franchisee Indemnifying Parties shall indemnify and hold Franchisor Indemnified Parties harmless against any and all claims, actions, causes of action, costs, fees, fines and penalties, of every kind and nature, should the design and/or construction of the Premises fail in any way to comply with any Applicable Laws. Franchisor has the right to require Franchisee to use an approved architect, general contractor, construction manager, or other supplier of design, engineering, construction, and related services. Franchisee agrees provide to Franchisor construction progress updates in a form approved by Franchisor at the intervals designated by Franchisor.

**(b) Signs.** Franchisee shall prominently display, at its own expense, both on the interior and exterior of the Premises, advertising signs in such form, color, number, location and size, and containing such Marks, logos and designs as Franchisor shall designate. Franchisee will be responsible for ordering any required signage, including an exterior signage for the Center. Franchisee shall obtain all permits and licenses required for such signs and shall also be responsible for ensuring that all signs comply with all laws and ordinances. Franchisee shall not display in or upon the premises any sign or advertising of any kind to which Franchisor objects.

**(c) Remodeling and Re-equipping.** Franchisor reserves the right to require Franchisee to generally refurbish the Center and/or the Premises at Franchisee's expense, in order to conform to the building design, trade dress, color schemes and presentation of the Marks in a manner consistent with the then-current image for ADVANTAGE COLLEGE PLANNING franchises, which include, without limitation, structural changes, installation of new materials and equipment, remodeling, redecoration, changing color schemes, and modifications and/or repairs to existing improvements. Such remodeling and re-equipping may include, without limitation, replacing worn out, obsolete, or dated equipment, fixtures, furnishings and signs; structural modifications, redecorating; or purchasing more efficient or improved equipment and materials. Franchisor may

require Franchisee to perform remodeling and to purchase equipment at such times as Franchisor, in its sole discretion, deems necessary and reasonable. FRANCHISEE ACKNOWLEDGES THAT EQUIPMENT, ALTERATIONS AND RENOVATIONS REQUIRED BY FRANCHISOR MAY INVOLVE SUBSTANTIAL ADDITIONAL INVESTMENT BY FRANCHISEE DURING THE INITIAL TERM. In the event of Franchisee's delay, refusal, or failure to make repairs or modifications to the Premises as specified by this Section, Franchisor or its agents may enter the Premises, without further notice and without liability for trespass or other tort and with Franchisee's complete cooperation, and remove, repair, and/or replace, at Franchisee's expense, any items which do not conform to Franchisor's then-current standards and specifications or which are not in conformity with Franchisee's obligation to maintain the Center and the Premises in the highest degree of repair and condition. In addition to any and all other remedies that Franchisor may have in law or in equity, Franchisee shall reimburse Franchisor for all out-of-pocket expenses incurred by Franchisor in connection with any refurbishing work performed by Franchisor pursuant to this Section, plus an administrative fee of Fifteen Percent (15%) of the total aggregate amount of expenses incurred by Franchisor. These remodeling and refurbishing obligations are in addition to Franchisee's general responsibility to maintain the condition and appearance of the Premises consistent with Franchisor's then-current standards. Franchisee must keep the Premises, including all of its fixtures, furnishings, equipment, materials, and supplies, in the highest degree of cleanliness, orderliness, and repair, as determined by Franchisor.

**(d) Inspection.** Franchisee hereby grants Franchisor and its agents the right to enter the Premises and/or the Center at any time prior to occupancy by Franchisee in order to inspect, photograph, and/or videotape on-going new construction or leasehold improvements, designs, purchased and installed equipment, operations and the performance of any and all services by Franchisee and/or Franchisee's employees, invitees or agents. Franchisee shall cooperate with Franchisor's representatives during those inspections by rendering whatever assistance they may reasonably request, including assistance necessary to enable Franchisor to contact and interview any architect, designer, vendor, contractor, subcontractor or Franchisee employee. Upon reasonable notice from Franchisor, and without limiting Franchisor's other rights under this Agreement, Franchisee, at its sole expense, shall take such steps as deemed to be necessary by Franchisor to immediately correct any and all deficiencies detected during any such inspection, including without limitation, correcting construction deficiencies or defects, replacing equipment and supplies, and requiring Franchisee to desist from the further use of any equipment, designs, advertising materials, products, and/or supplies that do not conform with Franchisor's then-current plans and specifications, standards or requirements.

## **11. Operations, Standards of Quality, Inspections.**

**(a) Operations Manager.** Franchisee shall designate an individual to serve as the "Operations Manager" for the Center, which may be Franchisee, an Owner of Franchisee, or another Franchisee employee. The Operations Manager shall meet the following qualifications:

**(i) Management Responsibility.** The Operations Manager shall devote full time and best efforts to the management, supervision, and conduct of the development and operation of the Center in order to ensure compliance with this Agreement and to maintain Franchisor's high standards. Management responsibility shall include, without limitation, maintaining the highest standards of service, safety, sanitation, consulting quality and consistency and supervising employees to ensure that the highest standard of service is



provided and to ensure that Franchisee's employees deal with clients, suppliers, Franchisor, and all other persons in a courteous and polite manner. Management responsibility includes the presence of the Operations Manager, manager, or an assistant manager who has successfully completed any training required by Franchisor before being designated as an Operations Manager, manager, or assistant manager at the Store during all business hours.

**(ii) Qualifications.** The Operations Manager must complete Franchisor's initial training requirements, and participate in and complete to Franchisor's satisfaction all additional training as may be reasonably required by Franchisor. The Operations Manager shall agree in writing to be bound by non-compete, non-solicitation and confidentiality provisions substantially similar to those contained in Sections 14 and 15 of this Agreement.

**(iii) Change.** If at any time for any reason the Operations Manager no longer qualifies to act as such, Franchisee shall promptly designate another Operations Manager subject to the same qualifications set forth in this Section 11. Franchisor shall receive advanced written notice of any change in the Operations Manager.

**(b) Compliance with Franchisor's Standards.** Franchisee shall operate the Center through strict adherence to Franchisor's standards, specifications and policies as they now exist, and as they may from time to time be modified. Such standards and policies include, without limitation: (i) specifications related to merchandise, consulting services and materials, products, and services; (ii) hours of operation as set forth in the Brand Standards Manual; (iii) employee uniform requirements and specifications; and (iv) use of specified emblems and Marks on consulting materials, bags, signs, and other items. Franchisee agrees to follow the instructions of Franchisor as well as Franchisor's employees, agents, and/or Franchisor's area directors or developers.

**(c) Training.** It will be solely Franchisee's responsibility to ensure that all new employees and current employees are trained to perform their duties in a proper manner at the Center and Franchisee shall implement and maintain an employee training program, at Franchisee's expense. Franchisee shall ensure that all employees have all necessary certifications and credentials as required by applicable state laws and licensing regulations, and that all employees must satisfy all continuing educational training requirements as may be specified by applicable laws and regulations. Training by Franchisor will be at reasonable times and subject to availability of Franchisor's representatives. In the event that Franchisor provides training to Franchisee's employees upon Franchisee's request, Franchisee Indemnifying Parties hereby release, indemnify and hold harmless Franchisor Indemnified Parties from all claims, causes of action, expenses, costs, debts, fees, liabilities and damages of every kind arising out of or related to the training and/or the continuing education of Franchisee's employees as set forth herein. Franchisor will offer Franchisee additional training at Franchisor's then-current training rate. Franchisor reserves the right to change the additional training fee at any time. Franchisee is solely responsible for Franchisee's and its employees' expenses during any additional training.

**(d) Compliance with Specifications and Procedures.** Franchisee acknowledges that the Brand Standards Manual is designed to protect Franchisor's Marks, brand image, goodwill, and standards and systems, and not to control the day-to-day operation of the business. Franchisee shall comply with all rules, regulations, and directives specified by Franchisor, as well as all

mandatory standards, specifications and procedures contained in the Brand Standards Manual, as amended from time to time.

**(e) Franchisee Control.** Franchisee acknowledges that it is responsible for the day-to-day operation of its Center, including hiring, setting the conditions of employment, supervision, discipline and termination of all personnel, compensation, benefits, hours of work, scheduling, workplace health and safety, work assignment, work rules and directions governing the manner, means, or methods of work performance, purchases and maintenance of equipment and supplies, preparing Franchisee's own marketing plans and funding and implementing those marketing plans, maintenance of employment records, and daily maintenance, safety, security and the achievement of compliance with the Brand Standards Manual. Franchisor's ability to approve certain matters, to inspect the Center and its operations and to enforce its rights exists only to the extent necessary to protect its interest in the System and the Marks. Neither the retention nor the exercise of these rights is for the purpose of establishing any control, or the duty to take control, over those matters that are clearly reserved to Franchisee. Franchisee expressly has control over the following for its employees: wages, benefits, and other compensation; hours of work and scheduling; hiring and discharge; discipline; workplace health and safety; supervision; assignment; and work rules and directions governing the manner, means, or methods of work performance.

**(f) Employment Matters.** Franchisee's employees are not Franchisor's agents or employees and Franchisor is not a joint employer of these individuals. Franchisee is solely responsible for performing all administrative functions at the Center, including payroll and providing workers' compensation insurance. Franchisee acknowledges that it is not economically dependent on Franchisor, and that Franchisor does not provide facilities, equipment, housing or transportation for Franchisee's employees or provide to Franchisee's employees tools or materials required for Franchisee's employees to perform services for Franchisee. Franchisee shall comply with all employment laws and regulations. At all times, Franchisee shall ensure that Franchisee and Franchisee's employees are in compliance with federal, state, and local tax laws.

**(g) Employer Acknowledgment.** Franchisee shall obtain from each of its employees an acknowledgment signed by such persons providing that such individual understands, acknowledges, and agrees that (i) he or she is an employee of Franchisee and not Franchisor and (ii) he or she shall look solely to Franchisee, and not to Franchisor or its affiliates, agents, or employees, for his or her compensation and for all other employment matters.

**(h) Brand Standards Manual.** Franchisor will provide Franchisee with one (1) or more manuals, policy and procedure statements, or other written notice of standards and specifications which shall contain (i) the mandatory and suggested specifications, standards and operating procedures prescribed from time to time by Franchisor and (ii) information relative to other obligations of Franchisee hereunder and the operation of the Center (collectively the "Brand Standards Manual"). For purposes of this Agreement "Brand Standards Manual" also includes separate manuals and alternative or supplemental communications of Franchisor such as by bulletins, emails, video, audio, and other electronic or print methods. The Brand Standards Manual shall at all times remain the sole property of Franchisor and shall promptly be returned to Franchisor upon the expiration or other termination of this Agreement. Franchisor may, from time to time, revise the contents of the Brand Standards Manual. To the extent that Franchisor shall deem it necessary or appropriate, Franchisor will provide Franchisee with policy and procedure statements or other written notice of specifications standards and procedures, policies, and other

standards and specifications contained in the Brand Standards Manual, policy and procedure statements and other written notices as issued from time to time by Franchisor. Franchisee acknowledges and agrees that all information in the Brand Standards Manual, policy and procedure statements and other notices constitute confidential information and trade secrets, and shall not be disclosed at any time by Franchisee. Franchisee shall not copy, disclose, duplicate, record or otherwise reproduce, in whole or in part, for whatever reason, the Brand Standards Manual or any other communication or information provided by Franchisor. Franchisor shall have the right to modify the policies and procedures of the Brand Standards Manual at any time, which modifications shall be binding upon Franchisee.

**(i) Variations in Standards.** Because complete and detailed uniformity under varying conditions may not be possible or practical, Franchisor specifically reserves the right, in its sole discretion and as it may deem in the best interests of Franchisee or the Chain, to vary standards within the Center or any other Center in the Chain based upon peculiarities of particular location or circumstances, including, but not limited to, density of population and other demographic factors, size of a franchisee's territory, business practices or customs, or any other condition which Franchisor deems to be of importance to the operation of such Center or the Chain. Franchisee acknowledges that because of these factors and others, there may be variations from standard specifications and practices throughout the Chain and that Franchisee shall not be entitled to require Franchisor to grant like or similar variations or privileges to Franchisee.

**(j) Compliance with Laws.** Franchisee shall at all times during the Initial Term comply with all laws, ordinances, rules and regulations of all applicable governmental bodies, and pay any and all taxes, assessments, fines and penalties arising out of the operation of the Center, including state and federal unemployment taxes and sales taxes.

**(k) Courtesy, Cooperation, Fair Dealing and Ethical Business Practices.** In all dealings with clients, suppliers, Franchisor and others, Franchisee will act according to the highest standards of honesty, integrity, fair dealing and ethical conduct. At all times and under all circumstances, Franchisee and its employees shall treat all clients and other persons, including Franchisor's agents, officers, and employees with the utmost respect and courtesy, and shall fully cooperate with Franchisor and its agents, officers, and employees in all aspects of the franchise relationship. Franchisee will operate Franchisee's business in full compliance with all applicable laws, ordinances and regulations, including all licensing requirements. Franchisee will not engage in any illegal discriminatory practices. Franchisor makes no representations as to what (if any) licenses, permits, authorizations or otherwise will be required in connection with Franchisee's establishment or operation of Franchisee's business. Franchisee is solely responsible for determining what licenses, permits, authorizations or otherwise are required and to obtain them, all at Franchisee's expense. Franchisee will refrain from any practice which may injure the goodwill associated with the Marks. Franchisee will notify Franchisor in writing within five (5) days 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, which relates to, or which may affect the operation or financial condition of, Franchisee, Franchisee's business and/or the Marks.

Franchisee agrees to comply with and/or assist Franchisor in Franchisor's compliance efforts, as applicable, with any and all laws, regulations, Executive Orders or otherwise. Franchisee agrees to comply with and assist Franchisor in Franchisor's compliance efforts, as

applicable, with any and all laws, regulations, Executive Orders or otherwise relating to anti-terrorist activities, including, without limitation, the U.S. Patriot Act, Executive Order 13224, and related U.S. Treasury and/or other regulations. In connection with such compliance efforts, Franchisee agrees not to enter into any prohibited transactions and to properly perform any currency reporting and other activities relating to Franchisee's business as may be required by Franchisor or by law. Franchisee confirms that Franchisee is not listed in the Annex to Executive Order 13224 and agrees not to hire any person so listed or have any dealing with a person so listed (the Annex is currently available at <http://www.treasury.gov>). Franchisee is solely responsible for ascertaining what actions must be taken by Franchisee to comply with all such laws, orders and/or regulations, and Franchisee specifically acknowledges and agrees that the Franchisee Indemnifying Parties' indemnification responsibilities as provided in Section 19(b) of this Agreement pertain to Franchisee's obligations hereunder.

**(l) Business Relations.** Franchisee shall at all times operate the Center in a financially sound, prudent and business-like manner and, without limiting the generality of the foregoing, pay all its bills and accounts promptly when due and shall take no action, or omit to take any action, the result of which would be to tend to disrupt, damage or jeopardize Franchisee's relationship with suppliers or clients, Franchisor's good reputation, or the good reputation of Franchisor's other licensees. Franchisee will not engage in any trade practice or other activity which is harmful to the goodwill or reflects unfavorably on the reputation of Franchisee, Franchisor, the Center, the Marks, the services and/or products sold at the Center, or constitutes deceptive or unfair competition or otherwise is in violation of any applicable laws.

**(m) Crisis Situations.** Franchisee shall notify Franchisor immediately upon the occurrence of any situation that may have a significant negative impact on Franchisee, Franchisor, the Center, or which could have a deleterious effect on the ADVANTAGE COLLEGE PLANNING brand, Marks or System (a "Crisis"). Franchisee shall follow all of Franchisor's policies, procedures, and instructions in every such situation, including, without limitation, managing public relations and communications, as directed by Franchisor or as specified in the Brand Standards Manual, whether or not Franchisee has retained outside counsel or a public relations firm to assist with such matters.

A "Crisis" includes, but is not limited to, any event that occurs at or about the Center or in connection with the Center that has or may cause harm or injury to clients or employees. Examples include, but are not limited to, injuries to employees or clients, contagious diseases, natural disasters, terrorist acts, shootings, cyber-attacks, or any other circumstance which may damage the System, Marks, or image or reputation of the Center, the System or Franchisor. Franchisee will cooperate fully with Franchisor with respect to Franchisor's response to the Crisis. In the event of the occurrence of a Crisis, Franchisor may establish emergency procedures which may require Franchisee to temporarily close the Center to the public, in which event Franchisor shall not be liable to Franchisee for any loss or costs, including consequential damages or lost profits occasioned thereby. Franchisor will have the right to take control of the management of communications if Franchisor determines that the publicity surrounding the event is likely to have a material adverse effect on the reputation or goodwill of the Center, Marks, System, or Franchisor. Franchisee will obtain Franchisor's consent before any press releases, interviews or public statements are issued by Franchisee, or anyone on its behalf, about events that are likely to receive or are receiving significant negative public attention related to the Center, Marks, System, or Franchisor.

**(n) Change in Marital Status.** If Franchisee or one of its owners or guarantors has a change in marital status during the Initial Term or any applicable Renewal Term, Franchisee shall promptly inform Franchisor of that change and Franchisee agrees that any new spouse will sign Franchisor's form guaranty, non-compete, and confidentiality agreements.

**(o) Books and Records; Financial Reporting.**

**(i) Books and Records.** Franchisee shall maintain during the Initial Term and any applicable Renewal Term, and shall preserve for at least five (5) years from the dates of their preparation, and shall make available to Franchisor at Franchisor's request and at Franchisee's expense, full, complete and accurate books, records, and accounts in accordance with generally accepted accounting principles. Franchisee shall maintain such records at the Premises, unless otherwise authorized by Franchisor. Franchisee agrees at all times to use the chart of accounts, format for financial statements, and accounting procedures established from time to time by Franchisor. Franchisor has the right to require Franchisee to grant Franchisor unlimited, remote, 24/7 access to Franchisee's books, records, and accounts that are provided through Computer Systems.

**(ii) Submission of Performance Reports.** Franchisee shall submit to Franchisor the following performance reports for review or auditing: (1) Gross Revenues reports and performance reports for the prior month; (2) monthly financial statements, including a balance sheet and income statement; and (3) such forms, reports, records, information, and data as Franchisor may designate, in the form and at the times and places required by Franchisor, including without limitation, by electronic telecommunications data transmission methods, upon request and as specified from time to time in the Brand Standards Manual or otherwise in writing. Franchisor may require Franchisee to have a certified public accountant review such statements, reports, and information, the expense of which shall be borne entirely by the Franchisee, and then submit such reviews to Franchisor. Franchisee also shall immediately notify Franchisor in writing when one (1) or more liens or judgments are filed against Franchisee, the Center and/or any of the personal guarantors (if any) under this Agreement.

**(iii) Submission of Financial Statements and Tax Returns.** Franchisee shall submit, within forty-five (45) days following the close of business of Franchisee's fiscal year, copies of a balance sheet, profit and loss statement, and cash flow report prepared and certified by a certified public accountant which cover the previous twelve (12) months of operations of the Center. The fiscal year of the Center must coincide with the calendar year. Franchisee also shall submit, within five (5) days of their filing, its federal and state tax returns for each year during the Initial Term and any applicable Renewal Term; provided, however, that if Franchisee is not a corporation or partnership, Franchisee may, at its option, submit only those schedules to its personal tax filings which reflect the revenues and expenses of the Center.

**(iv) Audit of Franchisee's Records.** Franchisor or its designated agents shall have the right at all reasonable times to examine and copy, at Franchisor's expense, the books, records, and tax returns of the Center and remove copies thereof from the Center premises. Franchisor shall also have the right at any time, at Franchisor's expense, to have an independent audit made of the Center books, records and accounts. If any inspection or

audit reveals that an underpayment exists, Franchisee shall immediately pay to Franchisor the amount owing to Franchisor, as determined by the inspection or audit. Upon discovery of an understatement of two percent (2%) or more, in addition to prompt payment of the underreported amount, Franchisee shall reimburse Franchisor for any and all expense connected with such inspections or audits, including but not limited to reasonable accounting and legal fees as well as interest as provided for in Section 3(a)(vi) of this Agreement. Such payments shall be without prejudice to any other remedies Franchisor may have under this Agreement or otherwise at law. If a discrepancy of less than two percent (2%) is revealed, Franchisor will bear the costs of the audit.

**(v) Forms.** Franchisee will use only such forms, including, without limitation, those used in and generated by the required software, as are approved by Franchisor in the Brand Standards Manual or otherwise in writing. Franchisee will obtain all forms specified by Franchisor and/or the required software, at Franchisee's expense, from suppliers approved or designated by Franchisor. Franchisor may maintain and make available to Franchisee all or a portion of such forms electronically in addition to, or in lieu of, providing hard copies to Franchisee.

**(p) Inspections.** Franchisor and its agents shall be permitted, with or without notice, to enter the Premises and/or Center before and after the Center opens in order to inspect, photograph, and/or video on-going new construction or leasehold improvements, designs equipment and operations, and the performance of any and all services provided in and around the Center and/or the Premises to ensure compliance with all requirements of this Agreement. Upon written notification from Franchisor of a scheduled inspection, Franchisee must be present during such inspection. Franchisee will cooperate with Franchisor's representatives in those inspections by rendering whatever assistance they may reasonably request, including assistance necessary to enable Franchisor to contact and interview any architect, designer, contractors, sub-contractors, vendors and suppliers, as well as Franchisee's employees, clients and former clients. Upon reasonable notice from Franchisor, and without limiting Franchisor's other rights under this Agreement, Franchisee will take such steps as may be necessary to correct the deficiencies detected during any such inspection, including without limitation immediately correcting any problems with construction or leasehold improvements, and immediately desisting from the further use of any equipment, advertising materials, products, or materials that do not conform to Franchisor's then-current plans and specifications, the Brand Standards Manual, or other standards or requirements, and to repair or replace anything in the Center that does not so conform. Franchisee acknowledges and agrees that any and all inspections by Franchisor and all demands made by Franchisor to correct deficiencies and conform to Franchisor's standards and specifications will not constitute a representation or warranty by Franchisor that the Center or its accounting practices comply with applicable laws, codes, ordinances, regulations or governmental standards.

**(q) Computer/POS System.**

**(i) Obligation to Obtain Computer Systems.** Franchisee, at its expense, shall purchase or lease and thereafter maintain such computer hardware and software, mobile application(s), cloud-based systems and/or software, smartphone(s), tablet, broadband high-speed internet service, active e-mail account, required dedicated telephone and power lines, modem(s) printer(s), point-of-sale systems, scheduling systems, electronics, communications systems, management systems, instructional systems, security systems,

robotics, automatic systems, and other computer-related or technology-related accessories or peripheral equipment as Franchisor specifies ("Computer Systems"). Franchisor's requirements for the Computer Systems will be updated from time to time as deemed necessary by Franchisor in accordance with changing technology and industry standards and may include the requirement to purchase or lease new Computer Systems at Franchisee's expense. Franchisee must periodically update, as required by Franchisor and/or the Computer Systems' manufacturers or vendors, all Computer Systems solely at the Franchisee's expense. Franchisee may be required to license proprietary Computer Systems directly from Franchisor or Franchisor's affiliates. Franchisee may be required to enter into license agreement(s) with Franchisor or other suppliers to provide all or part of the Computer Systems. Franchisor and its agents shall have the right to access all information related to the operation of the Center that is accessed or stored on the Computer Systems, whether in-person or from a remote location, without the need for Franchisee's consent, at the times and in the manner prescribed by Franchisor, which may be unlimited, remote, 24/7 access. Franchisor shall be granted access and may use data from the Computer Systems or from any source utilized by Franchisee which deviates from the Computer Systems in any way it deems fit and Franchisee agrees to furnish such data to Franchisor at any time that Franchisor requests it. Franchisor has the right to require Franchisee to connect to Franchisor's own computer systems. Franchisee shall provide Franchisor with all required passwords or login credentials to access the Computer Systems and shall grant Franchisor any permissions necessary for Franchisor to view and access the data on the Computer Systems. Data relating to the Center and/or the System that is generated by, stored on, saved to, downloaded or uploaded to, shared with the Computer Systems is part of the Franchised Business Data owned solely by Franchisor. Despite the fact that Franchisee agrees to buy, use, and maintain the Computer Systems according to Franchisor's standards and specifications, Franchisee will have sole and complete responsibility for: (1) the acquisition, operation, maintenance, and upgrading of the Computer Systems; (2) the manner in which the Computer Systems interface with Franchisor's and any third party's computer system; and (3) any and all consequences if the Computer Systems is not properly operated, maintained, and upgraded. Franchisee may not install any software, other than authorized upgrades, or make any hardware modifications to the Computer Systems that might hamper or interfere with the operation of the Computer Systems in the manner Franchisor requires. Franchisee acknowledges and agrees that Franchisor shall have no responsibility under any circumstances for any malfunction or "crash" of any Computer System provided by or approved by Franchisor, including, but not limited to, for any data lost as a result of such malfunction or "crash." Franchisor shall have unlimited, independent access to all information and data (including the Franchised Business Data) produced by or otherwise located on any of Franchisee's Computer Systems.

**(r) Credit Card Processing.** Franchisee agrees to use such credit card processing services approved by Franchisor and to purchase and maintain, at Franchisee's expense, any equipment necessary to permit such credit card processing functionality. Notwithstanding the credit card processing requirement, Franchisor does not represent, nor does it warrant, to Franchisee or Franchisee's clients that the credit card processing service approved by Franchisor is compliant, whether or not certified as such, with the PCI Data Security Standards.

**(s) Data Protection; Privacy.**

**(i) Definition of Personal Information.** As used in this Agreement, “Personal Information” shall mean (i) any information that can be used to identify, locate, or contact an individual or household, including but not limited to Franchisee’s employees and clients and (ii) information that is defined as protected, personal information under any Privacy Law.

**(ii) Data Protection and Security Policies.** Franchisee shall comply with, or, as applicable, adopt policies consistent with the then-current version of Franchisor’s data protection and security policies as may be described in Franchisor’s Brand Standards Manual (“Data Protection and Security Policies”). Such policies may govern how Franchised Business Data and Personal Information (as defined below) contained in such data shall be collected, used, stored, processed, shared, or destroyed. Franchisor has the right, but not the obligation to create such Data Protection and Security Policies. Franchisee acknowledges that Franchisor may supplement, modify, or amend the Data Protection and Security Policies from time to time in its sole discretion, and that Franchisee shall comply with such modifications or amendments within thirty (30) days of notice from Franchisor. Franchisor may require Franchisee to institute a data privacy policy for its Center. Franchisee shall not publish, disseminate, implement, revise, or rescind a data privacy policy without Franchisor’s prior written consent as to said policy.

**(ii) Privacy Laws.** Franchisee warrants and represents and covenants that it shall comply with (i) applicable prevailing industry standards concerning privacy, data protection, confidentiality and information security, including, without limitation, the then-current Payment Card Industry Data Security Standard of the PCI Security Standards Council (“PCI-DSS”), (ii) those mandatory Data Protection and Security Policies, if any, and (iii) all applicable international, federal, state, and local laws, rules, and regulations, as the same may be amended or supplemented from time to time, pertaining in any way to the privacy, confidentiality, security, management, disclosure, reporting, and any other obligations related to the possession or use of Personal Information (collectively, “Privacy Laws”).

**(iii) Marketing; Consumer Protection.** Franchisee warrants and represents not to transmit or cause any other party to transmit advertisements or solicitations by e-mail, SMS text message, or other electronic media without first obtaining Franchisor’s written consent as to: (a) the content of such e-mail, electronic, or SMS text message advertisements or solicitations; and (b) Franchisee’s plan for transmitting such advertisements. In addition to any other provision of this Agreement, Franchisee shall be solely responsible for compliance with all laws pertaining to e-mails, including, but not limited to, the U.S. Controlling the Assault of Non-Solicited Pornography and Marketing Act of 2003 (known as the “CAN-SPAM Act of 2003”), and to use of automatic dialing systems, SMS text messages, and artificial or prerecorded voice messages, including but not limited to the Telephone Consumer Protection Act of 1991 (“TCPA”), as amended from time to time. Franchisee must comply with the Fair and Accurate Credit Transactions Act (FACTA) and all other consumer protection laws and regulations.



**(iv) Security Breach.** Franchisee shall cooperate with Franchisor in any audit that Franchisor may conduct from time to time of its data storage and management systems and Franchisee's storage of Personal Information. In addition, if Franchisee becomes aware of any actual or suspected unauthorized access, processing, loss, use, disclosure, alteration, destruction, transfer, or other compromise or acquisition of or access to any Personal Information, whether such information is stored in paper or electronic form, or information that might reasonably expose Franchisor to any harm or prejudice of any type or actual or suspected intrusion by an unauthorized third party into Franchisee's or Franchisor's computers, networks, servers, IT resources, or paper files (a "Security Breach"), Franchisee shall immediately notify Franchisor's President via telephone of such matter and shall thereafter cooperate with Franchisor to investigate and remedy such matter. Except to the extent required by applicable law, no public disclosure of any instance of such unauthorized access or breach shall be made by Franchisee unless Franchisor has authorized the provision of notice and the form of such notice in writing. Franchisee shall reimburse Franchisor for all reasonable Notification and Remediation Related Costs (hereinafter defined) incurred by Franchisor arising out of or in connection with any such Security Breach that is directly or indirectly caused by Franchisee or its personnel. "Notification and Remediation Related Costs" shall include Franchisor's internal and external costs associated with addressing and responding to the Security Breach, including but not limited to: (i) preparation and mailing or other transmission of legally required notifications to affected individuals, regulators and attorneys general; (ii) preparation and mailing or other transmission of such other communications to clients, agents or others as Franchisor deems reasonably appropriate; (iii) establishment of a call center or other communications procedures in response to such Security Breach (e.g., client service FAQs, talking points and training); (iv) engagement of information technology consultants, public relations and other similar crisis management services; (v) payment of legal and accounting fees and expenses associated with Franchisor's investigation of and response to the Security Breach; and (vi) payment of costs for commercially reasonable credit reporting services that are associated with legally required notifications or are advisable under the circumstances. Franchisee agrees to hold harmless, defend and indemnify Franchisor Indemnified Parties from and against any and all losses, expenses, judgments, claims, attorney fees and damages arising out of or in connection with any claim or cause of action in which Franchisor shall be a named defendant and which arises, directly or indirectly, out of the operation of, or in connection with a Security Breach or Franchisee's or Franchisee's officers, directors, agents or employees' violation of any Privacy Law, Data Protection and Security Policies, consumer protection-related law or regulation, e-mail marketing and other marketing laws and regulations, and the PCI-DSS.

**(v) Inspection.** Franchisor, through its employees and/or any agents designated by Franchisor from time to time, may at any time during business hours, and without prior notice to Franchisee enter upon and inspect the Center premises and examine Franchisee's Computer Systems, databases, business records and other supporting records and documents in order to verify compliance with its Data Protection and Security Policies, and Privacy Laws. Any such inspection shall be made at Franchisor's expense, provided that if such inspection is necessitated by Franchisee's repeated or continuing failure to comply with the Data Protection and Security Policies, Privacy Laws, this Agreement, Franchisor may charge Franchisee for the costs of making such inspection, including

without limitation, travel expenses, room and board, and compensation of Franchisor's employees and/or agents.

**(vi) Personal Information Consent and Requests.** Franchisee is responsible for obtaining any required consent to the collection, use, storage, processing, and sharing of Personal Information from its clients, employees, and other parties from which it is required to obtain consent under the Privacy Laws or Data Protection and Security Policies. Franchisee shall retain copies of the consent and store them and share them with Franchisor in the manner Franchisor requires. Franchisee shall fully comply with Data Protection and Security Policies and Privacy Laws as they relate to a person's exercise of his or her rights under the Privacy Laws. If any person contacts Franchisee seeking to exercise any right under law pertaining to Personal Information, Franchisee shall comply with such request in accordance with the terms of this Agreement, including the Data Protection and Security Policies, the Brand Standards Manual, the Privacy Laws, and as otherwise instructed by Franchisor. If requested by Franchisor, Franchisee must cooperate or coordinate with Franchisor to provide information about the way that Franchisee has collected, used, stored, processed, and shared Personal Information.

**(vii) Use of Personal Information.** Franchisee warrants and represents and covenants that it shall not collect, use, store, process, or share Personal Information unless such action is permitted by (i) the terms of this Agreement, (ii) the terms of the Data Protection and Security Policies, (iii) the standards in the Brand Standards Manual, (iv) Privacy Laws, and if, applicable, (v) written approval of Franchisor. Franchisee shall collect, use, store, process, and share Personal Information only for purposes of operating the Center. Franchisee shall not sell Personal Information. Franchisee shall not re-identify any Personal Information that has been de-identified. If Franchisee engages any vendor that will collect, use, store, process, or share Personal Information, Franchisee must contractually bind the vendor to the data protection obligations that Franchisor requires.

**(t) Secret Shoppers; Toll-Free Number; Etc.** Franchisor may, at its sole discretion, institute various programs for verifying client satisfaction and/or Franchisee's compliance with all operational and other aspects of the System, including, without limitation, marketing research surveys, a toll-free number, client comment cards, secret shoppers, or otherwise. Franchisor will share with Franchisee the results of such programs as they pertain to Franchisee's business and Franchisee agrees to reimburse Franchisor for all costs associated with any and all such programs, which cost may be drafted by EFT at the sole discretion of Franchisor.

**(u) Franchise Advisory Council.** Franchisor may, but is not obligated to, form a Franchise Advisory Council selected by Franchisor in Franchisor's sole discretion, which shall provide Franchisor input as Franchisor may request from time to time ("FAC"). The FAC exists at Franchisor's pleasure, and Franchisor is not obligated or bound by any input provided by the FAC. The FAC will consist of franchisees in full compliance with this Agreement and/or Franchisor's representatives. Franchisor has the right to add or remove members of the FAC in Franchisor's sole discretion.

**(v) Consultants.** Franchisee is solely responsible for hiring qualified educational consultants. Consultants must follow Franchisor's standards and requirements for instruction contained in the Brand Standards Manual.

**(w) No Warranties.** FRANCHISOR, ITS AFFILIATES, AND THEIR REPRESENTATIVES, MAKE NO WARRANTY WITH RESPECT TO ANY PRODUCTS, SERVICES, EQUIPMENT, SUPPLIES OR OTHER ITEMS FRANCHISOR, ITS AFFILIATES, AND THEIR REPRESENTATIVES, APPROVE, SUPPLY, OR REQUIRE FRANCHISEE TO PURCHASE OR USE. FRANCHISOR, ITS AFFILIATES, AND THEIR REPRESENTATIVES EXPRESSLY DISCLAIM ALL WARRANTIES, EXPRESS AND IMPLIED, INCLUDING IMPLIED WARRANTIES OF MERCHANTABILITY AND FITNESS FOR A PARTICULAR PURPOSE, WITH RESPECT TO ANY SUCH PRODUCTS, EQUIPMENT, SUPPLIES, OR OTHER APPROVED ITEMS.

**(x) Client Service and Payments.** Franchisee must guaranty the satisfaction of clients. Franchisee must follow the procedures for client complaints found in the Brand Standards Manual. Resolution of client concerns may involve discounting goods or services and other such measures that affect the Gross Revenues and profits of the Center. Franchisor reserves the right to charge Franchisee for Franchisor's costs to respond and/or resolve a complaint by Franchisee's clients that Franchisee does not satisfactorily resolve. Franchisee shall comply with Franchisor's policies for client refunds. Franchisee agrees to accept the types and forms of client payment as Franchisor may require from time to time and shall not accept a type or form of payment that Franchisor has not authorized.

## **12. Products and Services.**

**(a) Products and Services.** In the operation of the Center, Franchisee shall use and sell only those products, materials, supplies, equipment, Computer Systems, technology, and services that have been specifically designated, approved, or required by Franchisor. Franchisee shall sell all goods and services required by Franchisor. To the extent that Franchisor has established designated or approved suppliers, Franchisee shall obtain all products, materials, supplies, equipment, technology, Computer Systems, and services that are used in operation of the Center from suppliers that Franchisor shall have specifically designated or approved. Franchisee may be required to purchase from Franchisor certain products or services, or Franchisor may designate an affiliate as the designated supplier of any products, materials, supplies, equipment, technology, or services used in the operation of the Center. Franchisor may designate exclusive suppliers for any products, materials, supplies, equipment and service. Franchisor or its affiliates may receive payments, discounts, or other compensation from suppliers on account of the suppliers' dealings with Franchisor, Franchisee, or other franchised businesses in the System. Franchisor may use any amounts that it receives from suppliers for any purpose that Franchisor deems appropriate. Franchisor and its affiliates may negotiate supply contracts with its suppliers under which Franchisor is able to purchase products, equipment, supplies, and services at a price lower than that at which franchisees are able to purchase the same items. Franchisor may, from time to time, amend the list of approved products and suppliers, and Franchisee must comply with any such changes within thirty (30) days after receiving notice of the change. Products and services other than those required to be obtained from Franchisor or a designated supplier may be purchased from any source provided that the particular supplier, services, and products have been approved by Franchisor. Franchisor may, from time to time, amend the list and this section of approved products and suppliers. If Franchisee requests that an alternate supplier or product be considered by Franchisor, Franchisee shall reimburse Franchisor for all costs and expenses Franchisor incurs in approving or rejecting the supplier or product. Franchisor may, from time to time, amend the list of approved products and suppliers. Further if Franchisor and its affiliates sell any goods and

services to Franchisee, Franchisor and its affiliates may make a profit. Franchisee hereby agrees that Franchisor and its affiliates are entitled to such profits, payments, discounts, or other compensation.

**(b) Pricing.** Franchisee shall have the right to set prices provided that, subject to applicable antitrust laws, such pricing: (1) complies with any minimum or maximum prices set by Franchisor; and (2) complies with any prices specified by Franchisor; and (3) conforms to any bona fide promotional or membership programs or national or regional accounts programs periodically established by Franchisor. Franchisor retains the right to modify its pricing policies from time to time in its sole discretion. Franchisor specifically reserves the right, in its sole discretion and as it may deem in the best interests of Franchisee or the Chain, to vary pricing standards and policies within the Center or any other Center in the Chain based upon peculiarities of particular location or circumstances, including, but not limited to, density of population and other demographic factors, size of a franchisee's territory, business practices or customs, cost of a franchisee's rent or mortgage payments, or any other condition which Franchisor deems to be of importance to the operation of such Center or the Chain. Franchisee acknowledges that because of these factors and others, there may be variations from standard pricing policies and practices throughout the Chain and that Franchisee shall not be entitled to require Franchisor to grant like or similar variations or privileges to Franchisee. Franchisee must provide to Franchisor a price list containing all of the prices charged for the products supplied by the Center upon request.

**(c) System Changes.** Franchisee acknowledges that the System, the services, and products offered by the Center may be modified (such as, but not limited to, the addition, deletion, and/or modification of operating procedures, products, and services) from time to time by Franchisor; and Franchisee agrees to comply, at its expense, with all such modifications, including, without limitation, all requirements needed to implement the modifications. Franchisee agrees there is no limit to Franchisor's ability to modify the System. Franchisee may be required to pay additional or increased fees to Franchisor, its affiliates, or third-party vendors, as a result of these System changes.

**(d) Technology Changes.** Franchisee acknowledges and agrees that changes to technology are dynamic and not predictable. In order to provide for inevitable but unpredictable changes to technological needs and opportunities, Franchisee agrees that Franchisor shall have the right to establish, in writing, reasonable new standards for the implementation of technology in the System; and Franchisee agrees that it will abide by those reasonable new standards established by Franchisor, at Franchisee's sole cost and expense. Franchisee may be required to pay additional or increased fees to Franchisor, its affiliates, or third-party vendors, as a result of these changes to technology.

**(e) Promotional Requirements.** Franchisor has the right to require Franchisee to participate in membership programs, loyalty programs, national, regional, and local giveaways and promotions. Franchisee may be required to provide free or discounted items or other free or discounted products or services as a result of such membership programs, loyalty programs, and giveaways or promotions. Franchisor is not required to reimburse Franchisee for Franchisee's costs and expenses incurred as a result of these membership programs, loyalty programs, giveaways and promotions.

### **13. Transfer; Franchisor's Right of First Refusal.**

**(a) Transfers by Franchisor.** This Agreement, and any and/or all of Franchisor's rights and/or obligations under it, are fully transferable by Franchisor in Franchisor's sole discretion and will inure to the benefit of any person or entity to whom Franchisor transfers it, or to any other legal successor to Franchisor's interest in this Agreement. If Franchisor transfers this Agreement, or any and/or all of Franchisor's rights and/or obligations under it, all past, current and future obligations of Franchisor to Franchisee will cease and be forever extinguished. Franchisor shall be released from all obligations and liabilities arising or accruing in connection with this Agreement after the date of such transfer or assignment, and Franchisee's obligations and duties shall be and will remain the same notwithstanding any such assignment. Franchisor may be sold and/or Franchisor may sell any or all of its assets to a competitive or other entity; or Franchisor may participate in an initial, or other, public offering or private placement of Franchisor's stock; may merge, acquire other entities and/or assets (competitive or not); may be acquired by a competitive or other entity; and/or may undertake any refinancing, leveraged buy-out and/or other transaction. Franchisee waives any and all claims, demands and/or damages with respect to any transaction or otherwise allowed under this section or otherwise.

**(b) Transfers by Franchisee.** The rights and interest of Franchisee under this Agreement are and shall remain personal to Franchisee. Franchisee recognizes that Franchisor has granted the License in reliance on the business, financial capacity, personal skill, qualifications, and representations of the Owners, and in reliance upon Section 13, 14, 15 and 23 of this Agreement and the Owners' agreement to be bound thereby. Therefore, none of Franchisee's interest, rights or privileges in the Agreement, the License, the Center, or the assets thereof, nor the Owner's interest in Franchisee or the Center, in whole or in part, voluntarily or involuntarily, by operation of law or otherwise, in any manner, may transfer except as provided in this Section 13. For purposes of this Agreement, the term "transfer" shall mean any issuance, sale, assignment, gift, pledge, mortgage or any other encumbrance (other than a lien against Franchisee's assets to secure a loan for the construction, remodeling, equipping or operation of the Center), transfer by bankruptcy, transfer by judicial order, merger, consolidation share exchange, transfer by operation of law or otherwise, whether direct or indirect, voluntary or involuntary. Any ownership or structural changes in Franchisee including but not limited to, any merger, reorganization, issuance of additional shares or classes of stock or additional partnership interests, shall constitute and be deemed a transfer and shall be subject to the provisions of Section 13(d).

### **(c) Franchisor's Right of First Refusal.**

**(i) Exercise of the Right.** If Franchisee or an Owner proposes to Transfer this Agreement or its interest herein or in the Center, in whole or in part, Franchisee must first deliver a statement to Franchisor offering to sell to Franchisor the Franchisee's or Owner's interest in this Agreement and the land, building, equipment, furniture and fixtures and any other assets or leasehold interests used in the operation of the business. If the proposed Transfer involves an offer from a third party, then Franchisee must obtain from the third-party offeror and deliver to Franchisor a statement, in writing, signed by the offeror and by Franchisee, of the binding terms of the offer. If the Transfer does not involve an offer from a third party, then the purchase price for Franchisor's purchase of assets described above will be the fair market value of the assets, but shall not include the value of any goodwill of the business, as the goodwill of the business is attributable to the Marks and the System.

If Franchisee disagrees with the value of the Center as determined by Franchisor, then Franchisee and Franchisor shall each hire an appraiser (or a single appraiser, if they so agree) to value the assets. If the appraisals are within twenty percent (20%) of each other, then the difference between the two shall be equally divided to establish the price at which Franchisor may exercise its first right and option. If the difference between the appraisals is greater than twenty percent (20%), then the issue of the fair market value of such consideration shall be determined by a third appraiser selected by the other two appraisers and whose decisions shall be final, except that it may not be lower or higher than the lowest appraisal and highest appraisal, respectively, determined by the first two appraisers. Franchisor and Franchisee will each pay one-half of the appraiser's fees and expenses. Franchisor then has forty-five (45) days from its receipt of the statement setting forth the third-party offer or the appraiser's report, as applicable (and all other information requested by Franchisor) to accept the offer by delivering written notice of acceptance to Franchisee. Franchisor will have an additional forty-five (45) days to complete the purchase if Franchisor elects to exercise its right of first refusal. Franchisor's acceptance of any right of first refusal will be on the same price and terms set forth in the statement delivered to Franchisor; provided, however (and regardless of whether the following are inconsistent with the price and terms set forth in the statement) (1) Franchisor has the right to substitute equivalent cash for any noncash consideration included in the offer, (2) Franchisor will prepare the transaction documents for the Transfer, which will be on terms customary for this type of transaction (including representations and warranties, covenants, conditions, and indemnification), and (3) Franchisor's purchase may be limited to any assets related to the business.

**(ii) Approval of Transfers.** If Franchisor decides not to exercise its right of refusal, Franchisor shall have the right to approve or disapprove the proposed transfer; provided, however, Franchisor's consent shall not be unreasonably withheld as provided in Section 13(d). If Franchisor approves the transfer in writing, Franchisee (or Owner, as applicable) may make the proposed transfer on the exact terms and conditions specified in Franchisee's notice to Franchisor within sixty (60) days after the expiration of Franchisor's right of first refusal. If the transfer is not consummated within such 60-day period, Franchisee may not thereafter transfer such interest without again complying with this Section 13.

**(d) Conditions on Transfer.** Franchisor agrees that it will not unreasonably withhold its consent to a proposed transfer if all the following conditions are satisfied:

**(i) No Exercise of Right.** Franchisor shall have decided not to exercise its right of first refusal as provided in Section 13(c).

**(ii) Compliance.** Franchisee, its Owners, and its affiliates are in full compliance with this Agreement and with any other agreement with Franchisor's affiliates, and there are no uncured defaults by Franchisee under them, and all debts and financial obligations of Franchisee under this Agreement are current, including Franchisee's obligations to the Brand Fund, each Cooperative of which Franchisee is a member, and all vendors, including but not limited to, Franchisor and any affiliate.

**(iii) Agreements.** The proposed transferee executes such documents as Franchisor may reasonably require to evidence that it has assumed the obligations of Franchisee under this Agreement, including, but not limited to, the then current version of the franchise agreement, and if required by Franchisor, the proposed transferee executes, and in appropriate circumstances, causes such other parties as Franchisor may require to execute, Franchisor's then-current ancillary agreements to this Agreement, which documents may be substantially different than those executed contemporaneously with the execution of this Agreement provided, however, that the Royalty rate, Brand Fund contribution and other advertising expenses payable by the transferee will not be increased to an amount which is greater than that which is required to be paid system-wide by Franchisor's new franchisees, the transferee will not be required to pay an additional Initial Franchise Fee, and the protected Territory of the Center, as designated in this Agreement will remain the same. This Agreement between Franchisor and Franchisee will terminate once an approved transfer is completed.

**(iv) Release.** Franchisee; Owners; guarantors of the Franchisee; and their respective predecessors, affiliates, shareholders, members, partners, officers, directors, managers, employees, agents, representatives, attorneys, accountants, personal representatives, heirs, executors, administrators, successors, and assigns execute a general release, in a form prescribed by Franchisor, releasing Franchisor; Franchisor's predecessors and affiliates; and their respective shareholders, members, partners, officers, directors, managers, employees, agents, representatives, attorneys, accountants, guarantors, successors, and assigns, in both their corporate and individual capacities from any and all claims, causes of action, demands, debts, liabilities, obligations, fees, costs and expenses, including without limitation, claims and causes of action arising under federal, state and local laws, rules, regulations and ordinances, arising prior to and including the date the transfer becomes effective.

**(v) Training.** Prior to the date of the proposed transfer, the proposed transferee's principal operator and managers undertake and complete, to the satisfaction of Franchisor, such training and instruction as Franchisor shall deem necessary;

**(vi) Qualifications.** Franchisor is satisfied that the proposed transferee, and if the proposed transferee is an entity, all owners of any interest in such entity, meets all of the requirement for Franchisor's new franchisees applicable on the date Franchisor receives notice of the proposed transfer and including, but not limited to, good reputation and character, business experience, Center management experience, and financial strength and liquidity;

**(vii) Continuing Obligations.** Any Owner transferring an interest in Franchisee acknowledges and agrees in writing that it is bound by Sections 14, 15 and 23 of this Agreement;

**(viii) Transfer Fee.** Franchisee or the Owner, as applicable, pays to Franchisor a transfer fee equal to the greater of Fifty Percent (50%) of Franchisor's then-current initial franchise fee or the applicable Minimum Transfer Fee. The "Minimum Transfer Fee" shall be: (i) Twenty-Five Thousand Dollars (\$25,000) for a Territory that has a population of at least One Million (1,000,000) people at the time of transfer; (ii) Twenty-Two Thousand

Five Hundred Dollars (\$22,500) for a Territory that has a population of at least Five Hundred Thousand (500,000) but less than One Million (1,000,000) people at the time of transfer; or (iii) Twenty Thousand Dollars (\$20,000) for a Territory that has a population of less than Five Hundred Thousand (500,000) people at the time of transfer.

**(ix) Required Documents.** The proposed transferee, and all owners of any interest in a transferee that is an entity, provide Franchisor, at least forty-five (45) days prior to the proposed transfer date, with copies of financial statements for the preceding three years, and where applicable, its certificate of incorporation and bylaws (and any amendments or modifications thereof), minutes and resolutions and all other documents, records and information pertaining to the transferee's existence and ownership;

**(x) Refurbish.** Within the time specified by Franchisor, Franchisee, at its expense, shall refurbish the Center, as necessary, to conform the Center to Franchisor's then-current standards and specifications, including, without limitation, specifications regarding, size, color, trade dress, presentation of the Marks, fixtures, flooring, carpeting, and installed equipment;

**(e) Transfer to a Wholly Owned Entity.** Notwithstanding the foregoing, if Franchisee consists of one (1) or more individual(s), Franchisee may transfer its interest under this Agreement to a corporation, limited liability company or other legal entity without payment of the transfer fee so long as: (1) the legal entity is owned entirely by all of the original individual franchisees or personal guarantors hereof; (2) each and all of the obligations of Franchisee and the new legal entity are personally guaranteed by the original individual franchisees or personal guarantors hereof; (3) Franchisor receives prior written notice of the transfer along with a complete set of the new legal entity's filed, date stamped formation documents; and (4) Franchisee and the new legal entity enter into a written assignment and assumption agreement in a form prescribed by Franchisor pursuant to which the new legal entity assumes and agrees to discharge all of Franchisee's obligations under this Agreement.

**(f) Death or Disability.**

**(i) Transfer Upon Death or Disability.** Upon the death or disability of Franchisee or any Owner, the Franchisee's or any such Owner's executor, administrator, conservator, guardian, or other personal representative must transfer the Franchisee's interest in this Agreement, or the Owner's ownership interest in Franchisee, to a third party (which may be Franchisee's or the Owner's heirs, beneficiaries, or devisees). That transfer must be completed within a reasonable time, not to exceed nine (9) months from the date of death or disability, and is subject to all of the terms and conditions in this Section 13, including the qualifications of the transferee; provided, however, that if the transferee is another Owner of Franchisee or the deceased or disabled Owner owns less than twenty-five percent (25%) of Franchisee, Franchisor's right of first refusal shall not apply and no transfer fee shall be payable. Failure to transfer Franchisee's interest in this Agreement, or the Owner's ownership interest in Franchisee, within this period is a breach 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 Franchisee or the Owner from operating the Center in the manner required by this Agreement and the Brand Standards Manual or from performing its, his, or her obligations under this Agreement and the Brand



(ii) **Operation upon Death or Disability.** During the period between death or disability of Franchisee or any Owner and the completion of the transfer described in Section 13(f)(i), the Center still must be operated in accordance with the terms and conditions of this Agreement. Upon the death or disability of Franchisee or any Owner of Franchisee, the Franchisee's or any such Owner's executor, administrator, conservator, guardian, or other personal representative must within a reasonable time, not to exceed thirty (30) days from the date of death or disability, appoint an Operations Manager (unless Franchisee or the Owner had previously appointed an Operations Manager who remains responsible for the day-to-day operation of the Center). Any new Operations Manager must complete Franchisor's standard training program at Franchisee's expense, sign Franchisor's then-current form of confidentiality, non-solicitation and non-compete agreements, and comply with any of Franchisor's then-current requirements for acceptance of an Operations Manager.

(g) **Not a Waiver.** Franchisor's consent to a Transfer of any interest in Franchisee or the Center granted through this Agreement will not constitute a waiver of any claims it may have against the transferring party, nor will it be deemed a waiver of Franchisor's right to demand exact compliance with any of the terms of this Agreement by the transferee.

#### **14. Covenants Against Unfair Competition.**

(a) **Franchisee's Covenant Against Unfair Competition– During Term.** Franchisee acknowledges it will receive valuable, specialized training and Confidential Information (as defined in Section 15) regarding the production, operational, sales, promotional, and marketing methods of educational consulting that Franchisor has developed through monetary and other resource expenditures that provide competitive advantages to Franchisor's System. During the Initial Term, Franchisee and its Owners will not, without Franchisor's prior written consent, either directly or indirectly, for themselves, or through, on behalf of, or in conjunction with any other person or entity:

(i) own, manage engage in, be employed by, advise, make loans to, or have any other interest in, as a partner, owner, officer, executive, managerial employee, director, sales person or consultant for, any business that receives Twenty-Five Percent (25%) or more of its gross revenue from the sale of educational consulting services or college planning services ("Competitive Business"); or

(ii) offer or grant franchises or license for any Competitive Business; or

(iii) become a franchisee or licensee of any Competitive Business; or

(iv) perform, directly or indirectly, any other act injurious or prejudicial to the goodwill associated with the Marks and the System.

(b) **Franchisee's Non-Solicitation Covenant – During Term.** Franchisee acknowledges it will receive client and vendor information that is considered Confidential Information of Franchisor. During the Initial Term, Franchisee and its Owners will not, without Franchisor's prior written consent for themselves, or through, on behalf of, or in conjunction with any other person or entity:

(i) solicit, divert or attempt to solicit or divert any person or party who is or was a client of the Center at any time during the Initial Term and any applicable Renewal Term, to any Competitive Business, as Franchisee agrees that all goodwill associated with Franchisee's operation under the Marks and the System, and all client information associated therewith, inure to Franchisor; or

(ii) solicit, divert, or attempt to solicit or divert, any vendor that has done business with the Center to provide supplies, products, equipment, merchandise, or services to a Competitive Business or cease to provide supplies, products, equipment, merchandise, or services to ADVANTAGE COLLEGE PLANNING businesses.

**(c) Franchisee's Covenant Against Unfair Competition – Post-Term.** In partial consideration for Franchisor allowing Franchisee to license Franchisor's Marks and Confidential Information, Franchisee and each of the Franchisee's Owners covenant and agree that for a period of two (2) years after the termination, expiration, or non-renewal of this Agreement, regardless of the reason for such termination, expiration, or non-renewal ("Restrictive Period"), Franchisee and its Owners shall not, within the Restrictive Territory (as defined in Section 14(e) below) engage in any of the following:

(i) Engage in any Competitive Business as franchisee or licensee; or

(ii) Franchise or license any Competitive Business to any person or party; or

(iii) Engage in any Competitive Business as an officer, director, employee, manager, operator, consultant, or independent contractor in any capacity in which Franchisee or its Owners would be performing or direct others to perform:

(A) Duties that are the same as or substantially similar to the work Franchisee or its Owners engaged in and/or performed as Franchisee or Owner at any time during the Initial Term, or

(B) Duties that would require or permit Franchisee to use or disclose Franchisor's Confidential information for Franchisee's or the Owner's benefit or the benefit of any person or entity other than Franchisor; or

(iv) Become interested in any such Competitive Business as an owner, partner, shareholder, or member; provided, that the purchase of a publicly traded security of a corporation engaged in such business or service shall not in itself be deemed violative of this Section 14(c) so long as Franchisee does not own themselves or through their spouses or partners more than one percent (1%) of the securities of such corporation.

**(d) Franchisee's Non-Solicitation Covenant – Post-Term.** In partial consideration for Franchisor allowing Franchisee to license Franchisor's Marks and Confidential Information, Franchisee and each of the Franchisee's Owners covenant and agree that during the Restrictive Period, Franchisee and its Owners shall not, within the Restricted Territory engage in any of the following:

(i) solicit, divert, or attempt to solicit or divert, any vendor that has done business with the Center within one (1) year of the Restrictive Period to provide supplies, products, equipment, merchandise, or services to a Competitive Business or cease to provide

supplies, products, equipment, merchandise, or services to ADVANTAGE COLLEGE PLANNING businesses; or

(ii) solicit, divert or attempt to solicit or divert any person or party that was a client of the Center during the one (1) year period prior to the expiration, termination, or non-renewal of this Agreement, to any Competitive Business.

(e) **Restrictive Territory.** For purposes of this Section 14, the term “Restrictive Territory” means the following:

(i) An area which is within a 10-mile radius of:

(A) The Location of the Center as of the date of termination, expiration, or non-renewal of this Agreement, and

(B) The location of any other ADVANTAGE COLLEGE PLANNING location owned by Franchisor or its affiliates or franchisees at the time of termination; or

(ii) Only in the event the foregoing is determined by a court of law to be too broad, (A) the Territory served by Franchisee (as defined in Attachment 1) as that Territory exists on the date of termination, expiration, or non-renewal of this Agreement, (B) the territories in which Franchisor or its affiliates operate any ADVANTAGE COLLEGE PLANNING businesses or locations as of the date of termination, expiration, or non-renewal of this Agreement, and (C) the territories of any of Franchisor’s other ADVANTAGE COLLEGE PLANNING franchisees as those territories exist as of the date of termination, expiration, or non-renewal of this Agreement; or

(iii) Only in the event the foregoing is determined by a court of law to be too broad, the Territory served by Franchisee (as defined in Attachment 1) as that Territory exists on the date of termination, expiration, or non-renewal of this Agreement.

(f) **Reasonableness.** The above post-termination covenant not to participate in a similar Competitive Business shall apply regardless of how the Agreement terminates, expires, or does not renew. The parties agree that the foregoing covenants contained in this Section 14 contain reasonable limitations as to time, geographical area, and scope of activity to be retrained and do not impose a greater restraint than is necessary to protect Franchisor’s goodwill or Franchisor’s other business interest and its franchisees and the provisions do not prevent Franchisee or its Owners from earning a living. Franchisee agrees that the scope of activities prohibited in this Section 14, and the length of the term and geographical restrictions in this Section 14, are necessary to protect the legitimate business interests and are fair and reasonable and are not the result of overreaching, duress, or coercion of any kind. Franchisee’s full, uninhibited, and faithful observance of each of the covenants in this Section 14 will not cause any undue hardship, financial or otherwise. Enforcement of each of the covenants in this Section 14 will not impair Franchisee’s or its Owners’ ability to obtain employment commensurate with Franchisee’s or its Owners’ abilities or on terms fully acceptable to Franchisee or otherwise to obtain income required for the comfortable support of Franchisee and its Owners and their families, and the satisfaction of the needs of all of Franchisee’s and its Owners’ creditors. Franchisee’s and its Owners’ special knowledge of educational consulting and college planning (and anyone acquiring this knowledge through Franchisee or its Owners) is such as it would cause Franchisor serious injury and loss if

Franchisee or its Owners (or anyone acquiring this knowledge through Franchisee or its Owners) were to use this knowledge to the benefit of a competitor or were to compete with Franchisor or its franchisees. The covenants in this Section 14 are to be construed as independent of any other covenant or provision of this Agreement. The existence of any claim Franchisee or any of its Owners may have against Franchisor or any of its affiliates (regardless of whether arising under this Agreement) is not a defense to the enforcement of these covenants against Franchisee or its Owners. In the event of any violation of the provisions of this Section 14, the Restrictive Period shall be extended by a period of time equal to the period of the violation. Franchisee and Franchisor agree that the running of the applicable post-termination Restrictive Period shall be tolled during any period of such violation.

#### **15. Trade Secrets and Confidential Information.**

Franchisee understands and agrees that Franchisor has disclosed or will hereafter disclose to Franchisee certain Confidential Information. Except as necessary in connection with the operation of the Center and as approved by Franchisor, Franchisee shall not, during the Initial Term or at any time after the expiration, non-renewal, transfer, or termination of this Agreement, regardless of the cause thereof, directly or indirectly, use for its own benefit or communicate or divulge to, or use for the benefit of any other person or entity Confidential Information. Franchisee shall disclose to its employees only such Confidential Information as is necessary to operate its business hereunder and then only while this Agreement is in effect. Franchisee will require all personnel having access to any Confidential Information from Franchisor to execute an agreement requiring them to maintain the confidentiality of information they receive in connection with their employment at the Center. Those confidentiality agreements will be in a form satisfactory to Franchisor. "Confidential Information" means the information, not generally known to the public, in any form, relating to the Center and its operations, including all trade secrets of the Center; all knowledge, know-how, standards, methods, and procedures related to the establishment and operation of the Center not generally known to the public; all records pertaining to clients, suppliers, and other service providers of, and/or related in any way to, the Center (such as all names, addresses, phone numbers, e-mail addresses for clients and suppliers; client purchase records and mail lists); curriculum and consulting materials; electronic code, designs, marketing materials, and business, sales, and marketing strategies; financial information; databases; training materials; knowledge of the franchise system; and any other data and information that Franchisor or its affiliates designates as confidential, including all information contained in the Brand Standards Manuals.

#### **16. Insurance.**

**(a) Types and Extent of Coverage.** Franchisee shall obtain and maintain throughout the Initial Term such insurance coverages with such limits as specified below (or such greater amounts of insurance as may be required by the terms of any lease or mortgage relating to the Premises, or the Brand Standards Manual, which may be amended by us at any time):

**(i)** Commercial general liability insurance with the following coverages:

**(A)** General Aggregate with limits of at least \$2,000,000;

**(B)** Each Occurrence with limits of at least \$1,000,000;

(C) Products Liability with limits of at least \$2,000,000;

(D) Person and Advertising Liability Injury with limits of at least \$1,000,000;

(ii) Automobile liability insurance with a combined single limit of at least \$500,000.

(iii) Employer practices insurance with a limit of at least \$500,000; and

(iv) Worker's compensation insurance that complies with the statutory requirements of the state in Franchisee's business is located.

**(b) Other Insurance Requirements.** Franchisee shall obtain from a nationally recognized insurance company and at all times during the Initial Term and any applicable Renewal Term maintain in force and pay the premiums for all types of insurance listed above with complete operations coverage. All policies of insurance required to be maintained hereunder shall: (i) be written as primary policy coverage and not "excess over" or contributory with any other applicable insurance, including Franchisor's insurance; (ii) shall apply separately to each insured against whom claim is made or suit is brought, except with respect to the limits of the insurer(s)' liability; (iii) shall not contain any special limitations on the scope of coverage afforded to Franchisor; (iv) shall provide that any failure by Franchisee or any of Franchisee's employees, agents, subcontractors, or suppliers, to comply with any notice, reporting, or other similar provisions of such policies shall not affect the coverage provided to Franchisor. From time to time in Franchisor's sole discretion, Franchisor may increase or modify such limits of liability or require additional types of coverage, including but not limited to cyber liability coverage, and Franchisee must increase or modify its insurance within thirty (30) days of receiving notice from Franchisor. The insurance policies shall name Franchisor and any affiliates, officers, members, owners, and employees Franchisee designates as an "additional insured" and shall expressly protect both Franchisor and Franchisee (and any other additional insured) on a primary and non-contributory basis and shall require the insurer to defend both Franchisee and Franchisor (and any other additional insured) in any action while reserving Franchisor's right to involve counsel of Franchisor's own choosing in protection of its own and system wide interests. Additionally, Franchisee's insurance policy must waive on behalf of Franchisee's insurer any right of subrogation by the insurance company against Franchisor and Franchisor's officers, owners, and employees. Franchisee understands that doing so does not necessarily furnish Franchisee with protection levels adequate to Franchisee's needs and that Franchisee's obligation to indemnify Franchisor as set forth above in this Agreement may exceed the amount of insurance Franchisee is required to obtain or does obtain. Franchisee shall comply with all levels and types of insurance required by any applicable law. At least thirty (30) days prior to the opening of the Center, Franchisee will deliver or cause to be delivered to Franchisor Certificates of Insurance evidencing the proper coverage with limits not less than those required by this Agreement and evidencing that Franchisor is named as an additional insured under such policy on a primary and non-contributory basis as required in this Agreement. At least thirty (30) days prior to expiration of any such policy, Franchisee shall deliver to Franchisor Certificates of Insurance evidencing that Franchisee has procured proper renewal or replacement coverage with limits not less than those required by this Agreement and reflecting that Franchisor and its affiliates are additional insured under the policy on a primary and non-contributory basis as required herein. All Certificates will expressly provide

that at least thirty (30) days' prior written notice will be given to Franchisor in the event of any alteration to, or cancellation of, the coverage evidenced by the Certificates of Insurance. Franchisor, or its insurer, shall have the right to participate in discussions with Franchisee's insurance company or any claimant (in conjunction with Franchisee's insurance company) regarding any claim of liability, and Franchisee agrees to adopt Franchisor's reasonable recommendations to its insurance carrier regarding the settlement of any such claims. Franchisee Indemnifying Parties' obligations to indemnify Franchisor Indemnified Parties as separate from and in addition to these insurance obligations.

(c) **Failure to Obtain.** Should Franchisee for any reason fail to procure or maintain the insurance required by this Agreement, Franchisor will have the right and authority to immediately procure such insurance deemed to be necessary and to charge the amount of the cost to procure and maintain such insurance to Franchisee, along with a reasonable fee for Franchisor's expenses in procuring the insurance, Franchisor is authorized to collect from Franchisee all insurance related expenses paid on behalf of Franchisee through automatic EFT as provided for in Section 3 of this Agreement.

## **17. Default; Termination.**

(a) **Automatic Termination.** Franchisee shall be in default under this Agreement, and this Agreement and all rights granted to Franchisee herein shall automatically terminate without notice to Franchisee in the event that (i) Franchisee makes a general assignment for the benefit of creditors or a petition in bankruptcy is filed by Franchisee or an Owner; (ii) a petition in bankruptcy is filed against and not opposed by Franchisee or an Owner; (iii) Franchisee or an Owner is adjudicated as bankrupt or insolvent; (iv) a bill in equity or other proceeding is filed for the appointment of a receiver or other custodian for Franchisee's business or assets if filed and consented to by Franchisee; (v) a receiver or other custodian (permanent or temporary) of Franchisee's assets or property, or any part thereof, is appointed by any court of competent jurisdiction; (vi) proceeding for a composition with creditors under any state or federal law should be instituted by or against Franchisee; (vii) a final judgment remains unsatisfied or of record for thirty (30) days or longer (unless an appeal or supersedeas bond is filed); (viii) Franchisee is dissolved; (ix) any portion of Franchisee's interest in the Center becomes subject to an attachment, garnishments, levy or seizure by any credit or any other person claiming against or in the rights of Franchisee; (x) execution is levied against Franchisee's business or property; or (xi) the real or personal property of Franchisee's Center shall be sold after levy thereupon by any sheriff, marshal, or constable.

(b) **Termination without Opportunity to Cure.** Franchisee shall be in default and Franchisor may, at its option, terminate this Agreement and all rights granted herein, without affording Franchisee any opportunity to cure the default, effective upon the date the notice is deemed received pursuant to Section 22 and in no event longer than five (5) days after Franchisor sent the notice, upon the occurrence of any of the following events:

(i) Franchisee at any time ceases to operate or otherwise abandons the Center without Franchisor's prior written permission;

(ii) Franchisee forfeits the right to do or transact business in the jurisdiction where the Center is located or loses the right to possession of the Premises for a period of three

(3) days; provided, however, that if any such loss of possession results from the governmental exercise of the power of eminent domain, or if, through no fault of Franchisee the Premises are damaged or destroyed, then Franchisee shall have forty-five (45) days after either such event in which to apply for Franchisor's approval to relocate or reconstruct the premises (which approval shall not be unreasonably withheld), provided, Franchisee shall either relocate or commence and diligently pursue reconstruction of the Center within sixty (60) days after the event;

(iii) Except as otherwise permitted in this Agreement, any Owner of more than five percent (5%) interest in Franchisee transfers all or part of such interest, or Franchisee transfers any interest in the Center, a material portion of the assets of the Center or Franchisee;

(iv) Franchisee or an Owner of more than twenty-five percent (25%) of Franchisee is convicted of, or pleads guilty or no contest to, (A) a felony, (B) a crime involving moral turpitude, (C) a crime harming children, (D) fraudulent conduct, (E) theft, or (F) any other crime or offense that is reasonably likely to have an adverse effect on the Chain, the Marks or the goodwill associated therewith, or Franchisee or an Owner is proven to have engaged in any of the above; provided, that if the act or conviction involves an Owner, Franchisor will not terminate this Agreement if Franchisee notifies Franchisor promptly after it learns of the event constituting the default, and within fifteen (15) days of the date of the notice, either (a) the person or entity that committed the wrongful act divests his or its entire interest in Franchisee, or (b) Franchisee obtains Franchisor's consent for such Owner to maintain its ownership interest;

(v) An approved transfer is not effected within nine (9) months of the death or disability of any individual Franchisee; or the death or disability of any Owner of an interest in Franchisee;

(vi) Twice within a twelve (12) month period or three (3) times within a three (3) year period, Franchisee is given notice of being in default under any of the terms or requirements of this Agreement, whether or not such defaults are timely cured after notice;

(vii) Franchisee fails to comply with any of the covenants of Franchisee set forth in this Agreement;

(viii) Franchisee, an Operations Manager, or an Owner makes any misrepresentation to Franchisor or breaches any warranty of representation made to Franchisor, whether in this Agreement or otherwise;

(ix) Franchisee knowingly or intentionally maintains false books or records or submits any false records, statement or report to Franchisor;

(x) Franchisee, an Operations Manager, or an Owner by act or omission, impairs the value of, or the goodwill associated with, the Chain, any of the Marks or the System;

(xi) Franchisee, an Operations Manager, or an Owner takes, withholds, misdirects, or appropriates for its own use any funds from Franchisee's employees' wages for

employees' taxes, FICA, insurance or benefits, or generally fails to deal fairly and honestly with Franchisee's employees or clients;

(xii) Franchisee loses or is denied any federal, state or local license that Franchisee must possess in order to operate the Center;

(xiii) Franchisee, an Owner, or an Operations Manager commits acts of abuse, uses illegal drugs or abuses alcohol, engages in cheating or other academically dishonest conduct; or permits unlawful activities at Franchisee's business;

(xiv) Franchisee, after curing a default pursuant to this Section 17 of this Agreement, commits the same act of default again within six (6) months;

(xv) Any of the following occur prior to the opening date: (a) any representations or warranties of Franchisee, any of the Owners, and/or the Operations Manager, prove to be inaccurate or false, (b) Franchisee, an Owner and/or Operations Manager fails to take or pass any of Franchisor's required training, (c) the Operations Manager and/or Franchisee or an Owner fails to pass any credit or character check performed by or on behalf of Franchisor, and/or (d) Operations Manager and/or Franchisee fail to timely or diligently perform any duties or obligations during the period prior to the opening date;

(xvi) Franchisee operates under any trademark not approved by Franchisor or otherwise uses any trademark not approved by Franchisor in the operation of the Center;

(xvii) Franchisee fails to obtain Franchisor's prior written permission to commence operations of the Center.

(xviii) Franchisee, Operations Manager, or any Owner engages in any other act or omission which cannot be cured.

(c) **Termination with Opportunity to Cure.** Except for those defaults provided for under Sections 17(a) or 17(b), Franchisee shall be in default hereunder for any failure to maintain or comply with any of the terms, covenants, specifications, standards, procedures or requirements imposed by this Agreement or in any Brand Standards Manual, policy and procedure statement or other written document provided by Franchisor, or to carry out the terms of this Agreement in good faith. For such defaults, Franchisor will provide Franchisee with written notice and fifteen (15) days to cure or, if a default cannot reasonably be cured within fifteen (15) days, to initiate within that time substantial and continuing action to cure such default and to provide Franchisor with evidence of such actions. If the defaults specified in such notice are not cured within the fifteen (15) day period, if substantial and continuing action to cure has not been initiated, or if the default is not curable, Franchisor may, at its option, terminate this Agreement upon written notice to Franchisee. Such defaults shall include, without limitation, the occurrence of any of the following events:

(i) Franchisee fails to construct or remodel or to commence operating the Center in accordance with this Agreement or Franchisee fails to provide prior to opening a commitment letter from a financial institution representing sufficient working capital within the range identified in Item 7 of the Franchise Disclosure Document provided to Franchisee;



(ii) Franchisee fails, refuses, or neglects to promptly pay any monies owing to Franchisor, its affiliates or the Brand Fund contribution when due or to submit the financial or other information required under this Agreement;

(iii) Any Owner of five percent (5%) or less of Franchisee makes a transfer of such interest in violation of this Agreement; provided, however, that Franchisee's right to cure such a default shall be conditioned upon Franchisee immediately notifying Franchisor of the improper transfer and taking all actions necessary to either (a) obtain Franchisor's approval thereof, or (b) if approval is not desired or the transfer or transferee is not approved by Franchisor, to re-acquire the interest so transferred;

(iv) A threat or danger to public health or safety results from the construction, maintenance, or operation of the Center;

(v) Franchisee, the Operations Manager, or any Owner or employees misuses or makes any unauthorized use of the System or the Marks;

(vi) Franchisee maintains false books or records, or submits any false reports to Franchisor;

(vii) Franchisee submits to Franchisor on two (2) or more separate occasions at any time during the Initial Term and any applicable Renewal Term, any reports or other data, information or supporting records which understate the Gross Revenues of the Center, the Royalties and/or any other sums owed to Franchisor for any period of, or periods aggregating, three (3) or more weeks;

(viii) Franchisee fails to maintain a good credit rating by failing to make prompt payment of undisputed bills, invoices or statements from suppliers of products and services or Franchisee fails to pay undisputed invoices to approved suppliers timely;

(ix) Franchisee fails to have sufficient funds in the Account;

(x) Franchisee fails to use an approved good, service, or supplier where required, or uses an unauthorized good, service, or supplier;

(xi) Franchisor receives repeated client complaints about the Center;

(xii) Franchisee breaches any agreements associated with the Computer Systems or misuses any Computer System; or

(xiii) Franchisee appoints an Operations Manager who fails to meet Franchisor's requirements for the position or fails to have an Operations Manager at all times during the Initial Term and any applicable Renewal Term.

Franchisee hereby authorizes Franchisor to notify any lender, creditor, client, supplier or landlord of Franchisee or the Center upon the occurrence of any default under this Section, or any event or circumstances which the giving or notice or passage of time or both would constitute an event of default under this Section, and to otherwise communicate with such lenders, creditors, clients, suppliers or landlords with respect to any such default, or any such event or circumstance.

**(d) Relief in Equity.** Franchisee agrees that neither termination of this Agreement nor an action at law, nor both, would be an adequate remedy for a breach or default by Franchisee, or by any other persons bound by this Agreement, in the performance of any obligation relating to Franchisor's Marks or indicia, the trade secrets revealed to Franchisee in confidence pursuant to this Agreement or the obligations of Franchisee and such other persons upon and after termination of this Agreement. The parties therefore agree that in the event of any such breach or default, in addition to all other remedies provided elsewhere in this Agreement or by law, Franchisor shall be entitled to relief in equity from a judge or arbitrator, at its option, (including a temporary restraining order, temporary or preliminary injunction and permanent mandatory or prohibitory injunction) to restrain the continuation of any such breach or default or to compel compliance with such provisions of this Agreement.

**(e) Termination by Franchisee.** If Franchisor fails to perform any material obligation imposed upon it by this Agreement, and such failure is not cured within ninety (90) days after Franchisee delivers written notice of such failure to Franchisor, then, provided Franchisee is otherwise compliant with Franchisee's obligation under this Agreement and any other agreement with Franchisor, Franchisee may terminate this Agreement at any time thereafter by delivering thirty (30) days' written termination notice to Franchisor. If Franchisee terminates this Agreement under this provision, Franchisee must follow the post-termination procedures as set forth in Section 18.

**(f) Limitation of Services or Benefits; Territory Modification.** Franchisor shall have the right, but not the obligation, to temporarily or permanently limit or remove certain services or benefits provided or required to be provided to Franchisee hereunder in lieu of exercising its right to terminate this Agreement pursuant to the terms hereof, including, without limitation, eliminating Franchisee's right to use any of Franchisor's Online Presences free of charge, restricting or removing Franchisee's right to purchase products directly or indirectly from Franchisor or its affiliates, limiting Franchisor's advertising and promotional assistance, and restricting or removing Franchisee's right to use any Computer Systems which are provided by or are proprietary to Franchisor or its affiliate. If Franchisee defaults under this Agreement, Franchisor has the right to modify Franchisee's Territory and the protections described in Section 5. Nothing in this Section constitutes a waiver of any other right or remedy of Franchisor under this Agreement. Franchisee acknowledges that Franchisor's exercise of its rights pursuant to this Section shall not be deemed a constructive termination. Any services, Territory protections or benefits removed or limited pursuant to this Section may be reinstated at any time in Franchisor's sole discretion.

**(g) Cross-Defaults.** Any default by Franchisee (or any Owner or affiliate of Franchisee) under this Agreement shall be a default under any other agreement between Franchisor (or any affiliate of Franchisor) and Franchisee (or any Owner or affiliate of Franchisee). Any such default under any other agreement or any other obligation between Franchisor (or any affiliate of Franchisor) and Franchisee (or any Owner or affiliate of Franchisee) shall be a default under this Agreement. Any default by Franchisee (or any Owner or affiliate of Franchisee) under any lease, sublease, loan agreement, or security interest may be regarded as a default under this Agreement, regardless of whether or not any such agreements are between Franchisee (or any Owner or affiliate of Franchisee) and Franchisor (or any affiliate of Franchisor).

**(h) Extended Cure Period.** Notwithstanding anything to the contrary in this Agreement, Franchisor reserves the right to grant to Franchisee in Franchisor's sole discretion an extended

cure period for any breach. Franchisee acknowledges that Franchisor's decision to grant such an extended cure period shall not operate as a waiver of any of Franchisor's rights and that Franchisor can choose to condition such an extension upon the signing of a general release by Franchisee; Owners; guarantors of the Franchisee; and their respective predecessors, affiliates, shareholders, members, partners, officers, directors, managers, employees, agents, representatives, attorneys, accountants, personal representatives, heirs, executors, administrators, successors, and assigns. If any law applicable to this Article requires a longer notice period prior to termination of this Agreement than is specified in this Agreement, a different standard of "good cause," or the taking of some other action not required under this Agreement, the prior notice, "good cause" standard, and/or other action required by such law will be substituted for the comparable provisions in this Agreement.

(i) **Noncompliance.** Without waiving Franchisor's rights that Franchisor may have, and in Franchisor's sole discretion, Franchisor may elect not to terminate this Agreement as a result of a default. In the event a default occurs, Franchisor may elect to give written notification (a "Notice of Noncompliance") to Franchisee that its Center is not in compliance with the terms and conditions of this Agreement. Such Notice of Noncompliance shall state a period for Franchisee to cure the noncompliance, which shall be a period not less than thirty (30) days. For a period of six months from and after the date of such Notice of Noncompliance, Franchisee shall reimburse Franchisor for reasonable costs that Franchisor incurs with respect to the Center, including without limitation the costs of any audit or inspection of the Center in excess of Franchisor's normal audit program, any mystery shopping for the Center during such six (6) month period in excess of Franchisor's normal mystery shopping program applied to all franchised businesses, additional training that Franchisor determines is required to bring the Center up to Franchisor's standards, and any personnel costs incurred by Franchisor at the Center to ensure the proper management and operation of the Center. Nothing in this section shall limit Franchisor's termination rights as otherwise set forth in this Agreement, which Franchisor reserves the right to exercise at any time.

(j) **Damages.** Franchisee shall promptly reimburse Franchisor upon request for any damages, costs, losses, and expenses, including reasonable attorneys' fees, incurred by Franchisor as a result of any default under this Agreement.

## **18. Obligations upon Termination or Expiration.**

Upon termination, expiration, or non-renewal of this Agreement for any reason, all rights granted hereunder to Franchisee shall terminate and revert to Franchisor, and Franchisee shall have the following obligations:

(a) **Cease Operations.** Franchisee shall immediately cease to operate the business licensed under this Agreement, and shall not thereafter, directly or indirectly, represent to the public or hold itself out as an ADVANTAGE COLLEGE PLANNING franchisee with respect to such business.

(b) **Cease to use Information.** Franchisee shall immediately and permanently cease to use, in any manner whatsoever, all trade secrets, Confidential Information, methods, procedures and techniques used by or associated with the System, and the proprietary mark "ADVANTAGE COLLEGE PLANNING" and all other Marks and distinctive forms, slogans, signs, symbols, logos and devices associated with the ADVANTAGE COLLEGE PLANNING Chain.

(c) **Cease to Use Marks and Trade Dress.** Franchisee shall immediately and permanently cease to use, in any manner whatsoever, the Mark “ADVANTAGE COLLEGE PLANNING” and all other Marks and distinctive forms, slogans, signs, symbols, logos, trade dress, décor, branding materials, and devices associated with the ADVANTAGE COLLEGE PLANNING Chain and System.

(d) **Return Property.** Franchisee shall immediately return to Franchisor any property held or used by Franchisee which is owned by Franchisor, including the Client Lists and Franchised Business Data, and shall cease to use, and either destroy or convey to Franchisor, all signs, advertising materials, displays, stationery, forms and any other materials that bear or display the Marks. Franchisee shall deliver to Franchisor all login credentials associated with any Online Presence, including any directory, marketing, website, point-of-sale, social media, and all other accounts and systems affiliated with the Center. Franchisee shall immediately deliver to Franchisor all Brand Standards Manual, policy and procedure statements, instructions, and other materials related to operating the Center, including, without limitation, consulting materials, brochures, charts and any other materials provided by Franchisor and all copies thereof, and shall neither retain nor convey to another any copy or record of any of the foregoing.

(e) **Cancel Assumed Names.** Franchisee shall take such actions as may be necessary to cancel any assumed name or similar registration which contains the mark ADVANTAGE COLLEGE PLANNING or any other Marks of Franchisor, and Franchisee shall furnish Franchisor with evidence satisfactory to Franchisor of compliance with its obligation within thirty (30) days after termination, non-renewal, or expiration of this Agreement.

(f) **Sums Owed.** Franchisee shall promptly pay all sums owed to Franchisor upon request. Such sums shall include all damages, costs, losses, and expenses, including reasonable attorneys’ fees, incurred by Franchisor as a result of any default under, or termination of, this Agreement. Any outstanding obligations to Franchisor shall give rise to and remain, until paid in full, a lien in favor of Franchisor against any and all of the personal property, furnishings, equipment, signs, fixtures and inventory owned by Franchisee located on the Premises on the date this Agreement is terminated, expires, or does not renew.

(g) **Subsequent Sums Owed.** Franchisee shall promptly pay to Franchisor all damages, costs and expenses including reasonable attorneys’ fees, incurred by Franchisor subsequent to the termination or expiration of this Agreement in obtaining injunctive or other relief for the enforcement of any term, covenant or provision of this Agreement.

(h) **Cooperate with Franchisor’s Assumption Rights.** Franchisor shall have the option, to be exercised within thirty (30) days of termination, non-renewal, or expiration of this Agreement, to assume Franchisee’s assumed name or equivalent registration and business licenses, telephone numbers (including personal cellphone numbers used in connection with the Center), telephone directory listings and advertisements (whether in print or part of an Internet directory), e-mail addresses, and/or any other Online Presence, including Internet domain names which contain the Mark of Franchisor or its affiliates, and Franchisee shall sign all documents necessary to permit Franchisor to assume Franchisee’s rights in such items. If Franchisor elects not to exercise this option, Franchisee shall take all action necessary to cancel each of the items listed above and shall furnish Franchisor with evidence satisfactory to prove its compliance within fifteen (15) days after receiving notice of Franchisor’s termination or expiration of this Agreement and

the expiration of the option granted herein. In the event Franchisee fails to timely do so, Franchisor shall have the right, for which purpose Franchisee hereby appoints Franchisor as its attorney-in-fact, to obtain such cancellation on Franchisee's behalf and at Franchisee's expense.

(i) **Comply with Covenants.** Franchisee shall comply with the covenants contained in this Agreement, including, but not limited to, the covenants not to compete or solicit and the covenants not to disclose trade secrets or confidential information.

(j) **Leased Premises.** Franchisee shall, if Franchisor so requests, assign to Franchisor or its designee any interest which Franchisee has in any lease for the Premises or any other agreement related to the Premises. Franchisee will do whatever is necessary to effectuate and complete the assignment.

(k) **Owned Premises.** Franchisee shall, if Franchisor so requests and if Franchisee owns the real property on which the Center is located, lease the Premises to Franchisor on substantially the same terms and conditions contained in Franchisee's lease for the Premises, or if no lease exists or if the existing lease is not commercially reasonable, then on commercially reasonable terms. The lease shall be for an initial five (5) year term, with two (2) five (5) year renewal terms (at Franchisor's option). If the parties cannot agree on the rent to be charged under the lease within thirty (30) days after the expiration, termination, or non-renewal of the Agreement, the rent will be determined by a qualified independent appraiser. Franchisee and Franchisor shall each present their proposed rent, and the independent appraiser will select the most commercially reasonable rent from the two proposals. The independent appraiser's determination will be binding on the parties. If the parties are not able to agree on an independent appraiser within forty-five (45) days of the termination, non-renewal, or expiration of this Agreement, each party will select an independent appraiser. The independent appraisers chosen will then select a third independent appraiser whose determination will be binding on the parties. The parties agree to select their respective appraisers within fifty-five (55) days after the termination, non-renewal, or expiration of this Agreement and the two appraisers chosen are obligated to appoint the third appraiser within fifteen (15) days after the date on which the last of the two party-appointed appraisers is appointed. Franchisor and Franchisee will bear the cost of their own appraisers and share equally the reasonable fees and expenses of the third appraiser. The parties will take reasonable actions to cause the third appraiser to complete his or her appraisal within fifteen (15) days after the third appraiser's appointment. During the period when the parties are determining the rent and having the appraisal, Franchisor shall have the right to occupy the Premises. Promptly after the determination of the rent, Franchisor shall pay the rent due for the time it occupied the Premises while the rent was being determined.

(l) **Purchase Rights.** If Franchisor requests, Franchisee shall sell to Franchisor any assets used in connection with the operation of Franchisee's Center. Franchisor has the right, but not the obligation, to exercise this right by providing Franchisee written notice of Franchisor's election within sixty (60) calendar days after the termination, non-renewal, or expiration of this Agreement and paying Franchisee the book value for such assets within sixty (60) calendar days of such notice. For purposes of this paragraph, "book value" means the amount Franchisee actually paid for the assets less depreciation (calculated by using the straight-line depreciation method on a ten (10) year depreciation schedule irrespective of the depreciation method or schedule Franchisee uses for accounting purposes). Notwithstanding the foregoing, to the extent that Franchisor exercises Franchisor's right to purchase any assets that is subject to a lease or finance agreement, the

purchase price of such assets shall equal the amount of Franchisee's remaining obligations under the lease or finance agreement, as applicable. Franchisor shall be entitled to offset the purchase price by the amount of money owed by Franchisee to Franchisor for any payments necessary to acquire clear title to property or for any other debt. If Franchisor exercises Franchisor's option to purchase, pending the closing of such purchase, Franchisor has the right to appoint a manager to maintain operation of the Center, or Franchisor may require that Franchisee close the Center during such period without removing any assets. Franchisee is required to maintain in force all insurance policies required under this Agreement until the date of such closing. Franchisor has the unrestricted right to assign this option to purchase the Center and its assets. Franchisor will be entitled to all customary warranties and representations in connection with Franchisor's purchase of Franchisee's assets, including, without limitation, representations and warranties as to ownership and condition of and title to the assets; liens and encumbrances on the assets; validity of contracts and agreements; and liabilities affecting the assets, contingent or otherwise. Franchisor may purchase all or only a portion of the assets of the Center and may exclude from its purchase any assets or cash, for any reason, in Franchisor's sole discretion. Franchisor shall have the right to set off and apply any amounts due to Franchisee pursuant to this subsection against any and all other amounts which may be due from Franchisee to Franchisor.

**(m) Computer Systems and Client Information.** Franchisee shall comply with Franchisor's instructions relating to the Computer Systems, Franchised Business Data, and Client List.

**(n) De-Identify.** In the event Franchisor does not elect to exercise its option to acquire any lease for the Premises or does not otherwise exercise its purchase rights, Franchisee shall, within ten (10) days of notice from Franchisor, make such modifications and alterations to the Premises as may be necessary to distinguish the appearance of the Premises from that of other ADVANTAGE COLLEGE PLANNING locations and shall make such specific additional changes thereto as Franchisor may reasonably request.

In the event Franchisee does not comply with the above requirements, Franchisor may enter the Premises, without being guilty of trespass and without incurring any liability to Franchisee, to undertake these post-termination obligations, including removing all signs, trade dress, equipment, and other items identifying the Premises as an ADVANTAGE COLLEGE PLANNING Center and to make such other modifications as are reasonably necessary to protect the Marks and the ADVANTAGE COLLEGE PLANNING System and to distinguish the Premises from ADVANTAGE COLLEGE PLANNING Centers.

## **19. Independent Contractor; Indemnification.**

**(a) Independent Contractor.** It is understood and agreed by the parties that this Agreement creates only a contractual relationship between the parties subject to the normal rule of contract law. This Agreement does not create a fiduciary relationship between the parties and Franchisee is and shall remain an independent contractor. Franchisee agrees to hold itself out to the public as an independent contractor, separate and apart from Franchisor. Franchisee agrees that it shall not make any contract, agreement, warranty, or representation on Franchisor's behalf without Franchisor's prior written consent, and Franchisee agrees that it shall not incur any debt or other obligation in Franchisor's name. This Agreement shall not be deemed to confer any rights or benefits to any person or entity not expressly named herein.

**(b) Indemnification.**

**(i) Franchisee's Obligation to Indemnify.** Franchisee, Owners and guarantors ("Franchisee Indemnifying Parties") agree to fully protect, indemnify, defend, reimburse, and hold Franchisor; Franchisor's predecessors, and affiliates; and their respective shareholders, members, partners, officers, directors, managers, employees, agents, representatives, attorneys, accountants, guarantors, successors, and assigns, in both their corporate and individual capacities (collectively, "Franchisor Indemnified Parties") harmless from and against all liabilities, losses, obligations, claims, demands, damages (consequential or otherwise), penalties, fines, costs, and expenses (including attorneys' fees) of any nature whatsoever (collectively, "Losses") incurred in connection with any action, suit, proceeding, claim, demand, judgment, investigation, inquiry, assessment, or formal or informal inquiry (regardless if reduced to judgment), or any settlement of the foregoing, of whatsoever nature (collectively, "Action"), arising from any of the following: (1) Franchisee Indemnifying Parties' actual or alleged violation of any law, rule, regulation, or ordinance; (2) damage to property; (3) injury to or death or disability of any person; (4) negligence, recklessness, misconduct, or criminal conduct by the Franchisee Indemnifying Parties', the Operations Manager, or any of Franchisee's employees or agents; (5) data breaches; (6) Franchisee Indemnifying Parties' breach of this Agreement or any representations and warranties they make herein; (7) infringement of any intellectual property rights; (8) product and equipment recalls; (9) any failure to warn or give instructions related to any products or services provided by Franchisor Indemnified Parties or by Franchisee; (10) any labor or employment law disputes relating to the Premise or the Center or claims arising out of Franchisee's employment practices, including claims that any of Franchisor Indemnified parties are the employer, joint employer, or co-employer of Franchisee or Franchisee's agents, employees, or contractors; (11) any third party claim that arises from or is connected that explicitly or implicitly is premised on Franchisor's direct and vicarious liability or arises from Franchisee's employment and personnel decisions, including wrongful termination, wage and hour violations, and employee harassment and discrimination; (12) any acts, errors, or omissions of the Center, the Franchisee Indemnifying Parties, and their employees, contractors, and agents; and (13) any third party claim that arises from or is connected with the ownership, establishment, use, non-use, possession, condition, operation, closure, or maintenance of the Premises and the Center. Franchisee Indemnifying Parties agree that this obligation to indemnify is regardless of the cause or concurrent or contributing fault or negligence of Franchisor Indemnified Parties. Franchisee Indemnifying Parties hereby waive all claims against Franchisor Indemnified Parties arising from any of the foregoing. Franchisor Indemnified Parties shall not be liable for any act or omission of Franchisee Indemnifying Parties or their employees, contractors, or agents connected to or arising from the ownership, establishment, use, non-use, possession, condition, operation, or maintenance of the Premises and the Center.

**(ii) Indemnification Procedures.** Franchisee will also notify Franchisor by telephone of any Action within forty-eight (48) hours after such Action is initiated and in writing within four (4) days after such Action is initiated. Franchisor Indemnified Parties shall have the right, in their sole discretion, and at Franchisee's expense and risk, to: (1) retain counsel of their own choosing to represent them with respect to any claim; and (2) control the response thereto and the defense thereof, including the right to enter into

settlements or take any other mitigating, remedial, corrective, or other actions they deem appropriate. Franchisee Indemnifying Parties must reimburse Franchisor Indemnified Parties for all of Franchisor Indemnified Parties' costs, expenses, and all attorneys' fees immediately upon Franchisor Indemnified Parties' request. Franchisee Indemnifying Parties shall not, without the prior written consent of Franchisor Indemnified Party, (A) settle or compromise any claim or consent to the entry of any judgment with respect to any claim which does not include a written release from liability of such claim for Franchisor Indemnified Parties, or (B) settle or compromise any claim in any manner that may adversely affect Franchisor Indemnified Parties. Franchisee Indemnifying Parties agree to give their full cooperation to Franchisor Indemnified Parties in assisting with the defense of any such claim. Franchisor Indemnified Parties' undertaking of defense and/or settlement will in no way diminish Franchisee Indemnifying Parties' obligations to indemnify Franchisor Indemnified Parties and to hold Franchisor Indemnified Parties harmless. Under no circumstance will Franchisor Indemnified Parties be required to seek recovery from any insurer or other third party or otherwise mitigate Franchisor Indemnified Parties' or the third parties' losses to maintain a claim for indemnification against Franchisee Indemnifying Parties. Franchisee Indemnifying Parties agree that any failure to pursue recovery from third parties or mitigate loss will in no way reduce the amounts recoverable by Franchisor Indemnified Parties from Franchisee.

**(iii) Survival.** Any and all of the Franchisee Indemnifying Parties' indemnification obligations under this Agreement shall survive the expiration, non-renewal, or sooner termination of this Agreement.

**(c) Payment of Taxes.** Franchisee shall promptly pay to Franchisor an amount equal to all taxes levied or assessed, including, but not limited to, unemployment taxes, sales taxes, use taxes, withholding taxes, excise taxes, personal property taxes, intangible property taxes, gross receipt taxes, taxes on Royalties, any similar taxes or levies, imposed upon or required to be collected or paid by Franchisor or Franchisor's affiliates by reason of the furnishing of products, intangible property (including trademarks and trade names) or services by Franchisor to Franchisee through the sale, license, or lease of property or property rights provided by this Agreement other than taxes on Franchisor's net income.

## **20. Franchisee Representations.**

(a) EVEN THOUGH THIS AGREEMENT CONTAINS PROVISIONS REQUIRING FRANCHISEE TO OPERATE THE CENTER IN COMPLIANCE WITH FRANCHISOR'S SYSTEM: (1) FRANCHISOR OR FRANCHISOR'S AFFILIATES DO NOT HAVE ACTUAL OR APPARENT AUTHORITY TO CONTROL THE DAY-TO-DAY CONDUCT AND OPERATION OF FRANCHISEE'S BUSINESS OR EMPLOYMENT DECISIONS; AND (2) FRANCHISEE AND FRANCHISOR DO NOT INTEND FOR FRANCHISOR OR FRANCHISOR'S AFFILIATES TO INCUR ANY LIABILITY IN CONNECTION WITH OR ARISING FROM ANY ASPECT OF FRANCHISOR'S SYSTEM OR FRANCHISEE'S USE OF THE FRANCHISOR SYSTEM OR THE OPERATION OF THE CENTER WHETHER OR NOT IN ACCORDANCE WITH THE REQUIREMENTS OF THE BRAND STANDARDS MANUAL.



(b) IF FRANCHISEE IS A CORPORATION, A LIMITED LIABILITY COMPANY OR A PARTNERSHIP, FRANCHISEE MAKES THE FOLLOWING REPRESENTATIONS AND WARRANTIES: (1) FRANCHISEE IS DULY ORGANIZED AND VALIDLY EXISTING UNDER THE LAWS OF THE STATE OF ITS FORMATION; (2) FRANCHISEE IS QUALIFIED TO DO BUSINESS IN THE STATE OR STATES IN WHICH THE CENTER IS LOCATED; (3) EXECUTION OF THIS AGREEMENT AND THE DEVELOPMENT AND OPERATION OF THE CENTER IS PERMITTED BY ITS GOVERNING DOCUMENTS; AND (4) FRANCHISEE'S ARTICLES OF INCORPORATION, ARTICLES OF ORGANIZATION OR WRITTEN PARTNERSHIP AGREEMENT SHALL AT ALL TIMES PROVIDE THAT FRANCHISEE'S ACTIVITIES ARE LIMITED EXCLUSIVELY TO THE DEVELOPMENT AND OPERATION OF THE CENTER.

(c) IF FRANCHISEE IS AN INDIVIDUAL, OR A PARTNERSHIP COMPRISED SOLELY OF INDIVIDUALS, FRANCHISEE MAKES THE FOLLOWING ADDITIONAL REPRESENTATIONS AND WARRANTIES: (I) EACH INDIVIDUAL HAS EXECUTED AN AGREEMENT WHEREBY THEY AGREE TO BE BOUND BY ALL THE TERMS OF THIS AGREEMENT; (II) EACH INDIVIDUAL SHALL BE JOINTLY AND SEVERALLY BOUND BY, AND PERSONALLY LIABLE FOR THE TIMELY AND COMPLETE PERFORMANCE AND ANY BREACH OF, EACH AND EVERY PROVISION OF THIS AGREEMENT; AND (III) NOTWITHSTANDING ANY TRANSFER FOR CONVENIENCE OF OWNERSHIP, PURSUANT TO THIS AGREEMENT, EACH INDIVIDUAL SHALL CONTINUE TO BE JOINTLY AND SEVERALLY BOUND BY, AND PERSONALLY LIABLE FOR THE TIMELY AND COMPLETE PERFORMANCE AND ANY BREACH OF, EACH AND EVERY PROVISION OF THIS AGREEMENT.

(d) IF FRANCHISEE IS A CORPORATION, A LIMITED LIABILITY COMPANY OR A PARTNERSHIP, FRANCHISEE HAS PROVIDED TO FRANCHISOR A CURRENT LIST OF ALL OWNERS AND FRANCHISEE AGREES THAT FRANCHISEE WILL ADVISE FRANCHISOR OF ANY AND ALL CHANGES IN OWNERSHIP.

(e) IF FRANCHISEE IS A CORPORATION, FRANCHISEE SHALL MAINTAIN STOP-TRANSFER INSTRUCTIONS AGAINST THE TRANSFER ON ITS RECORDS OF ANY VOTING SECURITIES, AND EACH STOCK CERTIFICATE OF THE CORPORATION SHALL HAVE CONSPICUOUSLY ENDORSED UPON ITS FACE THE FOLLOWING STATEMENT: "ANY ASSIGNMENT OR TRANSFER OF THIS STOCK IS SUBJECT TO THE RESTRICTION IMPOSED ON ASSIGNMENT BY FRANCHISOR, PURSUANT TO FRANCHISE AGREEMENT(S) TO WHICH THE CORPORATION IS A PARTY." IF FRANCHISEE IS A LIMITED LIABILITY COMPANY, EACH MEMBERSHIP OR MANAGEMENT CERTIFICATE OR OTHER EVIDENCE OF INTEREST IN FRANCHISEE SHALL HAVE CONSPICUOUSLY ENDORSED UPON ITS FACE THE FOLLOWING STATEMENT: "ANY ASSIGNMENT OR TRANSFER OF AN INTEREST IN THIS LIMITED LIABILITY COMPANY IS SUBJECT TO THE RESTRICTIONS IMPOSED ON ASSIGNMENT BY FRANCHISOR PURSUANT TO FRANCHISE AGREEMENT(S) TO WHICH THE LIMITED LIABILITY COMPANY IS A PARTY." IF FRANCHISEE IS A PARTNERSHIP, ITS WRITTEN AGREEMENT SHALL PROVIDE THAT OWNERSHIP OF AN INTEREST IN THE PARTNERSHIP IS HELD SUBJECT TO, AND THAT FURTHER ASSIGNMENT OR TRANSFER IS SUBJECT TO, ALL RESTRICTIONS IMPOSED ON ASSIGNMENT BY THIS AGREEMENT.

(f) FRANCHISEE ACKNOWLEDGES THAT IT HAS CONDUCTED AN INDEPENDENT INVESTIGATION OF THE PROPOSED FRANCHISE AND RECOGNIZES THAT THE BUSINESS VENTURE CONTEMPLATED BY THIS AGREEMENT INVOLVES BUSINESS RISKS AND THAT ITS SUCCESS WILL BE LARGELY DEPENDENT UPON THE ABILITY OF FRANCHISEE AS AN INDEPENDENT BUSINESS OWNER OR BUSINESS.

(g) FRANCHISOR EXPRESSLY DISCLAIMS THE MAKING OF, AND FRANCHISEE ACKNOWLEDGES THAT IT HAS NOT RECEIVED, ANY WARRANTY, OR GUARANTEE, OR REPRESENTATION OTHER THAN AS SET FORTH IN THE DISCLOSURE DOCUMENT, EXPRESS OR IMPLIED, FROM ANY EMPLOYEE OR AGENT OF FRANCHISOR AS TO THE POTENTIAL SALES VOLUMES, PROFITS, OR LEVEL OF SUCCESS OF THE BUSINESS VENTURE CONTEMPLATED BY THIS AGREEMENT. FRANCHISOR HAS NOT REPRESENTED THAT (I) FRANCHISEE WILL EARN, CAN EARN, OR IS LIKELY TO EARN A GROSS OR NET PROFIT, (II) FRANCHISOR HAS KNOWLEDGE OF THE RELEVANT MARKET, OR (III) THE MARKET DEMAND WILL ENABLE FRANCHISEE TO EARN A PROFIT FROM THE CENTER;

(h) FRANCHISEE ACKNOWLEDGES THAT IT RECEIVED A COPY OF THE COMPLETE FRANCHISOR'S FRANCHISE DISCLOSURE DOCUMENT, FRANCHISE AGREEMENT, THE ATTACHMENTS THERETO, AND THE AGREEMENTS RELATED THERETO, IF ANY, AT LEAST FOURTEEN (14) CALENDAR DAYS PRIOR TO THE DATE ON WHICH THIS AGREEMENT WAS SIGNED OR CONSIDERATION PAID.

(i) FRANCHISEE ACKNOWLEDGES THAT, IN ALL OF ITS DEALINGS WITH FRANCHISOR'S OWNERS, OFFICERS, DIRECTORS, EMPLOYEES, AND REPRESENTATIVES, THESE INDIVIDUALS ACT ONLY IN THEIR REPRESENTATIVE CAPACITY AND NOT IN AN INDIVIDUAL CAPACITY. FRANCHISEE ACKNOWLEDGES THAT THIS AGREEMENT AND ALL BUSINESS DEALINGS BETWEEN FRANCHISEE AND THESE INDIVIDUALS AS A RESULT OF THIS AGREEMENT ARE SOLELY BETWEEN FRANCHISEE AND FRANCHISOR. NOTWITHSTANDING THE FOREGOING, IF FRANCHISOR ENGAGES ANY BROKER, THAT BROKER WILL BE SOLELY LIABLE FOR ITS CONDUCT WITH FRANCHISEE EXCEPT THAT FRANCHISOR WILL REMAIN LIABLE FOR THE BROKER'S CONDUCT SOLELY TO THE EXTENT OF FRANCHISOR'S OWN CRIMINAL, INTENTIONAL OR GROSSLY NEGLIGENT CONDUCT IN ENGAGING THE BROKER. IN ADDITION, FRANCHISOR MAKES NO WARRANTY AS TO FRANCHISEE'S ABILITY TO OPERATE THE CENTER IN THE JURISDICTION IN WHICH THE CENTER WILL BE OPERATED. FRANCHISEE MUST SEEK OR OBTAIN ADVICE OF COUNSEL SPECIFICALLY ON THIS ISSUE. IF LEGISLATION IS ENACTED, OR A REGULATION PROMULGATED, BY ANY GOVERNMENTAL BODY THAT PREVENTS FRANCHISEE FROM OPERATING THE CENTER, FRANCHISOR IS NOT LIABLE FOR DAMAGES NOR REQUIRED TO INDEMNIFY FRANCHISEE IN ANY MANNER WHATSOEVER OR TO RETURN ANY MONIES RECEIVED FROM FRANCHISEE.

## **21. Governing law, Jurisdiction and Venue.**

(a) **Mediation.** Before Franchisee and Franchisor may bring an action against the other, Franchisor and Franchisee must first meet to mediate the dispute (except as otherwise provided below). Any such mediation shall be non-binding. Mediation shall be conducted in accordance with the American Arbitration Association rules for mediation of commercial disputes. Notwithstanding the previous sentence, the parties may mutually agree on a mediator and/or procedures and/or venue for mediation. The non-binding mediation provided for herein shall be commenced by the party requesting mediation (“complainant”) providing written notice of the request for mediation (“request”) to the party with whom mediation is sought (“respondent”). The request shall specify with reasonable particularity the matter or matters on which non-binding mediation is sought. A copy of the request shall be given by the complainant simultaneously to Franchisor if Franchisor is not a complainant or respondent. Non-binding mediation commenced under this Section shall be concluded within sixty (60) days of the issuance of the request or such longer period as may be agreed upon by the parties in writing. All aspects of the mediation process shall be treated as confidential, shall not be disclosed to others, and shall not be offered or admissible in any other proceeding or legal action whatever. Complainant and respondent shall each bear its own costs of mediation, and each shall bear one-half the cost of the mediator or mediation service. The mediator selected shall have experience in franchise matters.

(b) **Arbitration.** Franchisee acknowledges that it has and will continue to develop a substantial and continuing relationship with Franchisor at its principal offices in the State of North Carolina, where Franchisor’s decision-making authority is vested, franchise operations are conducted and supervised and where Agreement was rendered binding. Therefore, the parties agree that, to the extent that any disputes cannot be resolved directly between Franchisee and Franchisor and following compliance with the applicable mediation requirements set forth in Section 21(a)(i) above, any action arising out of or relating to this Agreement or the making, performance, or interpretation thereof shall upon thirty (30) days’ written notice by either party be resolved, except as elsewhere expressly provided in this Agreement, upon application by any such party by binding arbitration in the City of Raleigh, North Carolina, in accordance with the Federal Arbitration Act under the Commercial Arbitration Rules then prevailing of the American Arbitration Association, including without limitation the Optional Rules for Emergency Measures of Protection (“AAA”), and not under any state arbitration laws, and judgment on the arbitration award may be entered in any court of competent jurisdiction. Franchisee and Franchisor agree that arbitration shall be conducted on an individual—not a class-wide—basis. The Federal Arbitration Act shall apply to all arbitration and arbitration venue questions. Any award by the arbitrator(s) shall be final, binding and non-appealable. The matter shall be heard by one (1) arbitrator mutually selected by the parties who shall have at least ten (10) years’ experience in practicing franchise law during which franchise law is or has been their primary area of practice and shall have substantial experience in the preparation of franchise agreements and franchise disclosure documents. Franchisee understands that by agreeing to arbitrate it gives up jury and appeal and other rights it might have in court.

(c) **Injunctive Relief.** Notwithstanding the provisions of Section 21(a) and (b) above, Franchisee agrees that Franchisor, at its option, will have the right to seek preliminary injunctive relief from a court of competent jurisdiction, to restrain any conduct by Franchisee, the Owners, or the guarantors that (i) could materially damage the good will associated with the System, the Marks, and the Chain (including but not limited to conduct related to trademark or other intellectual

property infringement), (ii) that involves the disclosure or use of Franchisor's Confidential Information, including but not limited to the Client List, or (iii) that relates to Franchisee's, the Owners', or a managerial employee's covenants against unfair competition or solicitation, provided that if Franchisee counters, as Franchisee may, by initiating arbitration, Franchisor agrees to arbitrate the entire dispute thereafter except preliminary injunctive relief (and permanent injunctive relief also, if Franchisee will not agree that the preliminary injunction shall remain effective indefinitely until the arbitrator shall dissolve it), leaving the court action pending, if it chooses, to facilitate enforcement. Franchisee agrees Franchisor will not be required to post a bond to obtain any injunctive relief with respect to use of the Marks.

**(d) Prevailing Party, Attorney's Fees and Costs.** The prevailing party in any action or proceeding arising under, out of, in connection with, or in relation to this Agreement, any lease or sublease for the Center or Premises, the parties' relationship, or the Center will be entitled to recover its reasonable costs and expenses (including attorneys' fees, arbitrator's fees and expert witness fees, costs of investigation and proof of facts, court costs, and other arbitration or litigation expenses) incurred in the prosecution or defense of any such claim, lawsuit, litigation or arbitration

**(e) JURY TRIAL AND CLASS ACTION WAIVER. FRANCHISOR AND FRANCHISEE (AND FRANCHISEE'S OWNERS, AFFILIATES, AND GUARANTORS, IF APPLICABLE) IRREVOCABLY WAIVE TRIAL BY JURY IN ANY ACTION, PROCEEDING OR COUNTERCLAIM, WHETHER AT LAW OR IN EQUITY, BROUGHT BY FRANCHISOR AND FRANCHISEE (AND FRANCHISEE'S OWNERS, AFFILIATES, AND GUARANTORS, IF APPLICABLE). NEITHER FRANCHISEE (AND FRANCHISEE'S OWNERS, AFFILIATES, AND GUARANTORS, IF APPLICABLE) NOR FRANCHISOR SHALL SEEK TO LITIGATE OR ARBITRATE AGAINST THE OTHER PARTY TO THIS AGREEMENT OR SUCH PARTY'S AFFILIATES, EITHER AS A REPRESENTATIVE OF, OR ON BEHALF OF, ANY OTHER PERSON, CLASS, OR ENTITY ANY DISPUTE, CONTROVERSY, OR CLAIM OF ANY KIND ARISING OUT OF, OR RELATING TO, THIS AGREEMENT, THE RIGHTS AND OBLIGATIONS OF THE PARTIES, THE SALE OF THE FRANCHISE, OR OTHER CLAIMS OR CAUSES OF ACTION RELATING TO THE PERFORMANCE OF EITHER PARTY TO THIS AGREEMENT. NO LITIGATION, ARBITRATION, OR OTHER ACTION OR PROCEEDING UNDER THIS AGREEMENT SHALL ADD AS A PARTY, BY CONSOLIDATION, JOINDER, OR IN ANY OTHER MANNER, ANY PERSON OR PARTY OTHER THAN FRANCHISEE (AND FRANCHISEE'S OWNERS, AFFILIATES, AND GUARANTORS, IF APPLICABLE) AND FRANCHISOR AND ANY PERSON IN PRIVITY WITH, OR CLAIMING THROUGH, IN THE RIGHT OF, OR ON BEHALF OF, FRANCHISEE (AND FRANCHISEE'S OWNERS, AFFILIATES, AND GUARANTORS, IF APPLICABLE) OR FRANCHISOR, UNLESS BOTH FRANCHISEE AND FRANCHISOR CONSENT IN WRITING. FRANCHISOR HAS THE ABSOLUTE RIGHT TO REFUSE SUCH CONSENT. FRANCHISEE AGREES AND ACKNOWLEDGES THAT ANY PROCEEDING DIRECTLY OR INDIRECTLY ARISING FROM OR RELATING TO THIS AGREEMENT, THE RELATIONSHIP BETWEEN THE PARTIES, OR ANY AGREEMENT OR RELATIONSHIP BETWEEN FRANCHISEE AND ANY AFFILIATE OF FRANCHISOR WILL BE CONSIDERED UNIQUE ON ITS FACTS AND SHALL NOT BE BROUGHT AS A CLASS OR GROUP ACTION.**

**(f) WAIVER OF CERTAIN DAMAGES.** EXCEPT FOR FRANCHISEE INDEMNIFYING PARTIES' OBLIGATIONS TO INDEMNIFY FRANCHISOR INDEMNIFIED PARTIES UNDER THIS AGREEMENT AND CLAIMS FRANCHISOR BRINGS AGAINST FRANCHISEE (AND FRANCHISEE'S OWNERS, AFFILIATES, AND GUARANTORS, IF APPLICABLE) FOR UNAUTHORIZED USE OF THE MARKS, UNAUTHORIZED USE OR DISCLOSURE OF CONFIDENTIAL INFORMATION, OR BREACH OF NON-COMPETITION OR NON-SOLICITATION COVENANTS, OR FRANCHISOR'S LOST PROFITS DUE TO EARLY TERMINATION OF THIS AGREEMENT, FRANCHISOR AND FRANCHISEE (AND FRANCHISEE'S OWNERS, AFFILIATES, AND GUARANTORS, IF APPLICABLE) WAIVE ANY RIGHT TO OR CLAIM FOR PUNITIVE, CONSEQUENTIAL, EXEMPLARY, MULTIPLE, INCIDENTAL OR OTHER DAMAGES IN EXCESS OF THE ECONOMIC DAMAGES ACTUALLY SUSTAINED BY THE NON-BREACHING PARTY, WHETHER ASSERTED AS A RELATED OR INDEPENDENT TORT, AS A BREACH OF CONTRACT, OR AS ANY OTHER CLAIM OR CAUSE OF ACTION BASED ON STATUTORY OR COMMON LAW. THE FOREGOING DOES NOT LIMIT THE PARTIES' ABILITY TO SEEK EQUITABLE RELIEF. EXCEPT FOR ANY SPECIFIC WRITTEN WARRANTIES EXPRESSLY PROVIDED IN CONNECTION WITH A SPECIFIC ITEM, FRANCHISOR SHALL NOT BE LIABLE TO ANY PERSON OR ENTITY IN RELATION TO ANY GOODS AND/OR SERVICES (INCLUDING ANY ASPECT OF THE LABOR OR INSTALLATION OF ANY EQUIPMENT, OR PRODUCTS) PROVIDED BY FRANCHISOR, FRANCHISOR'S AFFILIATES AND/OR ANY PERSON/COMPANY REFERRED/APPROVED BY FRANCHISOR OR THEM. SUCH ITEMS ARE PROVIDED WITHOUT ANY WARRANTIES, EXPRESS OR IMPLIED, INCLUDING THE WARRANTIES OF MERCHANTABILITY AND FITNESS FOR A PARTICULAR PURPOSE BEING EXPRESSLY DISCLAIMED.

**(g) Remedies Cumulative.** All rights and remedies conferred upon Franchisee and Franchisor by this Agreement and by law shall be cumulative of each other, and neither the exercise nor the failure to exercise any such right or remedy shall preclude the exercise of any other such right or remedy.

**(h) Governing Law.** This Agreement and any claim or controversy arising out of or relating to rights and obligations of the parties under this Agreement and any other claim or controversy between the parties shall be governed by and construed under the laws of the State of North Carolina and any dispute between the parties shall be governed by and determined in accordance with the substantive law of the State of North Carolina, which laws shall prevail in the event of any conflict of law. The venue for any arbitration concerned with the enforcement and interpretation of this Agreement shall be Raleigh, North Carolina. Nothing in this subsection is intended, or shall be deemed, to make any North Carolina law regulating the offer or sale of franchises or the franchise relationship applicable to this Agreement if such law would not otherwise be applicable. Any and all claims and actions arising out of or relating to this Agreement, the relationship of Franchisee or its affiliates, the Owners, and Franchisor, or Franchisee's operation of the Center, brought by Franchisee, its Owners, or its affiliates against Franchisor, shall be commenced within one (1) year from the occurrence of the facts giving rise to such claim or action, or such claim or action shall be barred.

## **22. Notices.**

Except as otherwise provided in this Agreement, all notices, requests, demands and other communications required or permitted to be given or made under this Agreement shall be in writing and shall be given (i) by personal delivery, (ii) by registered or certified mail, return receipt requested, postage prepared, or (iii) by delivery to a nationally recognized overnight courier service, in each case, addressed as follows:

If intended for Franchisor, addressed to

ADVANTAGE COLLEGE PLANNING FRANCHISING, INC.  
Attn: President  
3675 Green Level Road West, Suite 202  
Apex, NC 27523

With a copy (which shall not constitute notice) to:

Manning, Fulton & Skinner, P.A.  
Attn: Ritchie W. Taylor  
3605 Glenwood Avenue  
Suite 500  
Raleigh, NC 27612

If intended for Franchisee, addressed to

the notice address set forth in the Franchise Rider, or,

if Franchisee has opened its Center, the address of the Location of the Center, or

in either case, to such other address as may have been designated by notice to the other party.

Notice shall be deemed given and effective upon the first to occur of receipt, when proper delivery is refused, or two (2) calendar days after deposit in registered or certified U.S. Mail or with a nationally recognized overnight courier, as described above. Any notice that gives the sender evidence of delivery, rejected delivery, or delivery that is not possible because the recipient moved and left no forwarding address will be deemed to have been given at the date and time of receipt, rejected, and/or attempted delivery.

Additionally, Franchisor may provide the notice described in this section by email or other electronic system to (a) the email address set forth on the Franchise Rider, (b) the email address Franchisor has approved or provided for Franchisee to use with the Center, or (c) another electronic account that Franchisor has approved or provided for Franchisee to use with the Center. Such email notices shall be deemed given and effective upon the day on which the email was sent, unless Franchisor receives notice of rejected delivery by the email account or other electronic account.

### **23. Miscellaneous.**

(a) **Severability.** The invalidity or unenforceability of any one (1) or more provision of this Agreement shall in no way affect any other provision. If any court of competent jurisdiction determines any provision of this Agreement to be invalid, illegal or unenforceable, that portion shall be deemed severed from the rest, which shall remain in full force and effect as though the invalid, illegal or unenforceable portion had never been a part of this Agreement.

(b) **Construction.** All references herein to the masculine, neuter, or singular shall be construed to include the masculine, feminine, neuter, or plural, as the case may require. All acknowledgements, warranties, representations, covenants, agreements, and obligations herein made or undertaken by Franchisee shall be deemed jointly and severally undertaken by all those executing this Agreement as Franchisee.

(c) **Entire Agreement.** This Agreement, the documents incorporated herein by reference and the exhibits attached hereto, comprise the entire agreement between the parties and all prior understandings or agreements concerning the subject matter hereof are canceled and superseded by this Agreement. This Agreement may not be amended orally, but may be amended only by a written instrument signed by the parties. Franchisee expressly acknowledges that no oral promises or declarations were made to it and that the obligations of Franchisor are confined exclusively to those set forth in this Agreement. Franchisee understands and assumes the business risks inherent in this enterprise. Notwithstanding the foregoing, nothing in this Agreement or any related agreement is intended to disclaim the express representations made in the Franchise Disclosure Document.

(d) **Assignees.** This Agreement shall be binding upon the heirs, successors, permitted assigns and legal representatives of the parties.

(e) **Amendments.** Franchisor reserves the right to amend this Agreement if a franchise agreement change proposed by Franchisor is agreed to by seventy percent (70%) of the then-current Franchisees. Further, except for those permitted to be made unilaterally by Franchisor, no supplement, amendment or variation of the terms of this Agreement shall be valid unless made in writing and signed by the parties hereto.

(f) **Waivers.** No failure of Franchisor to exercise any right given to it hereunder, or to insist upon strict compliance by Franchisee with any obligation, agreement or undertaking hereunder, and no custom or practice of the parties at variance with the terms hereof shall constitute a waiver of Franchisor's right to demand full and exact compliance by Franchisee and shall not affect or impair Franchisor's rights with respect to any subsequent default of the same or of a different nature, nor shall any delay or omission of Franchisor to exercise any right arising from such default affect or impair Franchisor's rights as to such default or any subsequent default. Franchisor has the unrestricted right to elect to not enforce (or to selectively enforce) any provision of this Agreement or any other agreement, standard or policy, whether with respect to Franchisee and/or any other franchisee or other person, or any affiliate of Franchisee or Franchisor, without liability.

(g) **Counterparts.** This Agreement may be executed in counterparts, each of which shall be deemed an original, but all of which taken together shall constitute one and the same Agreement.

This Agreement may, but is not required to, be executed using electronic signatures. Electronic signatures shall be treated for all purposes as originals.

**(h) Headings.** The headings used in the Agreement are for convenience only, and the paragraphs shall be interpreted as if such headings were omitted.

**(i) Time of Essence.** Franchisee agrees and acknowledges that time is of the essence with regard to Franchisee's obligations hereunder, and that all of Franchisee's obligations are material to Franchisor and this Agreement.

**(j) Evolving Agreements.** Franchisee acknowledges that Franchisor has 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 and the fact that Franchisor and Franchisees other than Franchisee may have different rights and obligations does not affect the parties' duty to comply with this Agreement.

**(k) Delegation.** Franchisor shall have the right to delegate Franchisor's duties under this Agreement to any affiliated or non-affiliated entity, agent, or employee and Franchisee agrees to such assignment without any right to approve such actions.

**(l) Final Act.** The last signature applied to this Agreement shall be the signature of Franchisor's designated officer. The Agreement shall not be binding on Franchisor until signed by Franchisor.

**(m) Fines.** For each instance where Franchisee fails to obtain prior written approval for advertisements, fails to attend required training or franchisor sponsored conventions, offers unauthorized merchandise, fails to timely submit a report, or otherwise fails to comply with ADVANTAGE COLLEGE PLANNING system's operating standards, Franchisor shall, at Franchisor's option, have the right to levy a fine in an amount up to One Thousand Dollars (\$1,000) per occurrence, in addition to Franchisor's inspection and re-inspection costs. Additionally, in the event that Franchisee fails inspection or is in default and Franchisor inspects and/or re-inspects the Center, then Franchisee shall reimburse Franchisor for its inspection costs on request. The imposition of a fine pursuant to this section shall not act as a waiver of any of Franchisor's other remedies under this Agreement. Furthermore, Franchisor has the right to collect any such fines by means of EFT.

**(n) Covenant of Good Faith.** No covenant of good faith and fair dealing shall be implied into this Agreement, except that if applicable law shall imply such a covenant in this Agreement, Franchisor and Franchisee agree that such covenant shall not imply any rights or obligations that are inconsistent with a fair construction of the terms of this Agreement. Additionally, if applicable law shall imply such a covenant, Franchisee acknowledges that (a) this Agreement grants Franchisor the discretion to make decisions, take actions, and refrain from taking actions not inconsistent with Franchisor's explicit rights and obligations hereunder that may favorably or adversely affect Franchisee's interests; (b) Franchisor will use its judgment in exercising such discretion based on Franchisor's assessment of its own interests and balancing those interests against the interests of Franchisee and other franchisees within the Chain generally; (c) Franchisor will have no liability to Franchisee for the exercise of its discretion, so long as such discretion is



not exercised in bad faith toward Franchisee; and (d) in absence of such bad faith, no trier of fact in any legal action shall substitute its judgment for Franchisor's judgment so exercised.

**(o) Modification of Agreement.** If any term or provision, or any portion thereof, of this Agreement, or the application thereof to any person or circumstances shall, to any extent, be invalid or unenforceable, the prior notice and/or other action required by such law or rule shall be substituted for the comparable provisions hereto, and Franchisor will have the right, in its sole discretion, to modify such invalid or enforceable provision, specification, standard or operating procedure to the extent required to be valid and enforceable.

**(p) Security Agreement.** Franchisee agrees to give no security interests, pledges or encumbrances in Franchisee's inventory, leasehold, fixtures, securities or this Agreement without the prior written approval of Franchisor, which shall not be deemed a consent to assignment. Franchisor will not unreasonably withhold approval but is legitimately concerned to ensure: (a) that Franchisee not lose the business; (b) that the business not be lost to the franchise system; and (c) that Franchisor not have to defend a claim to franchisee rights by anyone it shall not have agreed to accept as a franchisee. In order to secure the prompt performance of Franchisee's obligations under this Agreement, Franchisee grants Franchisor and Franchisor takes a first priority security interest in all of Franchisee's assets, including without limitation, all present and after acquired inventory and equipment wherever located, accounts, deposit accounts, chattel paper, instruments, contract rights (including Franchisee's rights under this Agreement) and general intangibles, including payment intangibles, and all proceeds and products thereof including insurance proceeds. All items in which a security interest is granted are referred to as the "Collateral." This Agreement and the License granted to Franchisee hereunder may not be used by Franchisee as collateral or be the subject of a security interest, lien, levy, attachment or execution by Franchisee's creditors, any financial institution, or any other party, except with Franchisor's prior written approval. The security interest is to secure payment of the following ("Indebtedness"): (a) all amounts due under this Agreement or otherwise by Franchisee; (b) all sums which Franchisor may, at Franchisor's option, expend or advance for the maintenance, preservation, and protection of the Collateral, including, without limitation, payment of rent, taxes, levies, assessments, insurance premiums, and discharge of liens, together with interest, or any other property given as security for payment of the Indebtedness; (c) all expenses, including reasonable attorneys' fees, which Franchisor incurs in connection with collecting any or all Indebtedness secured hereby or in enforcing or protecting Franchisor's rights under the security interest and this Agreement; and (d) all other present or future, direct or indirect, absolute or contingent, liabilities, obligations, and indebtedness of Franchisee to Franchisor or third parties under this Agreement, however created, and specifically including all or part of any renewal or extension of this Agreement, whether or not Franchisor executes any extension agreement or renewal instruments. Franchisee will from time to time as Franchisor requires join with Franchisor in executing any additional documents and one (1) or more financing statements pursuant to the Uniform Commercial Code (and any assignments, extensions, or modifications thereof) in form satisfactory to Franchisor. Upon default and termination of Franchisee's rights under this Agreement, Franchisor shall have the immediate right to possession and use of the Collateral. Franchisee agrees that, upon the occurrence of any default set forth above, the full amount remaining unpaid on the Indebtedness secured shall, at Franchisor's option and without notice, become due and payable immediately, and Franchisor shall then have the rights, options, duties, and remedies of a secured party under, and Franchisee shall have the rights and duties of a debtor under the Uniform Commercial Code of North Carolina (or other applicable law), including,

without limitation, Franchisor's right to take possession of the Collateral and without legal process to enter any premises where the Collateral may be found. Any sale of the Collateral may be conducted by Franchisor in a commercially reasonable manner. Reasonable notification of the time and place of any sale shall be satisfied by mailing to Franchisee pursuant to the notice provisions set forth above. This Agreement shall be deemed a security agreement and a financing statement. This Agreement may be filed for record in the real estate records of each county in which the Collateral, or any part thereof, is situated and may also be filed as a financing statement in the counties or in the office of the Secretary of State, as appropriate, in respect of those items of Collateral of a kind or character defined in or subject to the applicable provisions of the Uniform Commercial Code as in effect in the appropriate jurisdiction.

**REMAINDER OF PAGE INTENTIONALLY LEFT BLANK –  
SIGNATURE PAGE FOLLOWS**

**IN WITNESS WHEREOF**, parties hereto have duly executed this Agreement on the day, month and year first written above.

**Franchisor:**

ADVANTAGE COLLEGE PLANNING  
FRANCHISING, INC.

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_

**Franchisee:**

\_\_\_\_\_

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_

**FOR OHIO RESIDENTS AND FRANCHISEES WITH TERRITORIES AND/OR ACCEPTED LOCATIONS IN OHIO:** You, the purchaser, may cancel this transaction at any time prior to midnight of the fifth business day after the date you sign this agreement. See the attached notice of cancellation for an explanation of this right.

**Franchisee:**

\_\_\_\_\_

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_

[FOR OHIO RESIDENTS AND FRANCHISEES WITH TERRITORIES AND/OR  
ACCEPTED LOCATIONS IN OHIO]

Notice of cancellation

\_\_\_\_\_  
(Enter effective 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 ADVANTAGE COLLEGE PLANNING FRANCHISING, INC., 3675 Green Level Road West, Suite 202, Apex, NC 27523, 919-890-3731, not later than midnight of the fifth business day following \_\_\_\_\_.

I hereby cancel this transaction.

\_\_\_\_\_  
(Purchaser's Signature)

(Date) \_\_\_\_\_

[FOR OHIO RESIDENTS AND FRANCHISEES WITH TERRITORIES AND/OR  
ACCEPTED LOCATIONS IN OHIO]

Notice of cancellation

\_\_\_\_\_  
(Enter effective 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 ADVANTAGE COLLEGE PLANNING FRANCHISING, INC., 3675 Green Level Road West, Suite 202, Apex, NC 27523, 919-890-3731, not later than midnight of the fifth business day following \_\_\_\_\_.

I hereby cancel this transaction.

\_\_\_\_\_  
(Purchaser's Signature)

(Date) \_\_\_\_\_

## **ATTACHMENT 1 TO FRANCHISE AGREEMENT**

### **FRANCHISE RIDER**

#### **Initial Franchise Fee**

The Initial Franchise Fee, which is due and payable upon execution of this Franchise Agreement, is:

\_\_\_\_\_ \$50,000 for a Tier 1 Territory, which consists of a population of at least 1,000,000.

\_\_\_\_\_ \$45,000 for a Tier 2 Territory, which consists of a population of 500,000 to 999,999.

\_\_\_\_\_ \$40,000 for a Tier 3 Territory, which consists of a population of 0 to 499,999.

#### **Royalty**

The Royalty will be the greater of 7% of Gross Revenues or the following minimum royalties for each year of the term Franchisee is in operation:

- Year 2 (months 13 to 24 of the Initial Term): \$7,500 per Full-Time Equivalent (“FTE”) consultant working for the Center, whether as owner, employee, or contractor
- Year 3 (months 25 to 36 of the Initial Term): \$9,000 per FTE consultant working for the Center, whether as owner, employee, or contractor
- Year 4 through end of term (months 37 to 120 of the Initial Term): \$11,000 per FTE consultant working for the Center, whether as owner, employee, or contractor

For purposes of this Attachment 1, “Gross Revenues” shall mean the total of gross revenue derived from the operation of the Center, including, but not limited to, revenue from services rendered by the Center and from the sale of products, whether from sales for cash or credit and regardless of the collection thereof. Gross Revenues also includes any business interruption insurance proceeds Franchisee receives.

For purposes of calculating the minimum Royalty, “Full-Time Equivalent” or “FTE” shall equal the sum of all hours worked by Franchisee’s consultants during a given year, divided by Two Thousand (2,000). Notwithstanding the foregoing, any increase in the FTE consultants shall not be counted in the calculation of the minimum Royalty until Franchisee has retained the increase in FTE consultants for at least twelve (12) months. For the avoidance of doubt, the minimum Royalty is calculated based on the total hours worked by all consultants of the Center during the immediately preceding 12-month period and does not depend on the employment, termination, or replacement of any individual consultant.

The Royalty is due monthly via ACH on the fifth (5<sup>th</sup>) of each month and is based on Franchisee's Gross Revenues from the immediately preceding calendar month, or on such other date as Franchisor may designate.

The following address is Franchisee's address under Section 22 of the Franchise Agreement.

Franchisee's Address for Notice:

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Franchisee's Email Address:

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**Already-Accepted Location and Territory (If Applicable)**

If the Location has already been selected by Franchisee and accepted by Franchisor, then the following are Franchisee's Location and Territory for the term of the Franchise Agreement:

Location: \_\_\_\_\_

Territory: \_\_\_\_\_

**Unassigned Location and Territory (If Applicable)**

If no Location has been determined at the time this Franchise Agreement is executed, then the Location will be within the following area, provided the exact location will be subject to Franchisor's \_\_\_\_\_ review \_\_\_\_\_ and \_\_\_\_\_ acceptance: \_\_\_\_\_ ("Prospective Market Area").

If a Location is not yet accepted at the signing of the Franchise Agreement, Franchisor reserves the right to sell franchises—and grant territories to others who will operate ADVANTAGE COLLEGE PLANNING Centers—in and around the Prospective Market Area. Franchisee may then be required to choose a final location outside of any protected territory given to any other franchisee, and that territory may be outside of the Prospective Market Area set forth above.

When Franchisee selects its desired location for the Center, Franchisee must follow the acceptance process set forth in Section 6(a) of the Franchise Agreements and Franchisor's Brand Standards Manual. If Franchisor accepts Franchisee's proposed location, Franchisor will send Franchisee its form site approval letter ("Site Selection Acceptance Letter"). The location set forth in the Site Selection Acceptance Letter shall constitute the "Location" of the Center pursuant to Section 1 of the Franchise Agreement.

## ATTACHMENT 2 TO FRANCHISE AGREEMENT

### LEASE RIDER

This Lease Rider is executed as of this date of \_\_\_\_\_, by and between \_\_\_\_\_ (“Tenant”) and \_\_\_\_\_ (“Landlord”) as a Rider to the lease dated \_\_\_\_\_ (as amended, renewed, and/or extended from time to time, the “Form Lease”) for the Premises located at \_\_\_\_\_ (“Premises”).

In the event of a conflict between the terms and conditions set forth within this Rider and the terms and conditions set forth in the Form Lease to which this Rider is attached, the terms and conditions set forth within this Rider shall govern and control.

**1. Permitted Use.** The Premises are leased to Tenant for the operation of a franchised Center specializing in educational consulting to guide students through career planning, college selection, college application and financial aid processes. The Tenant may also use the Premises for promotions, celebrations, meetings, and other group functions where Tenant’s services will be offered or sold. Landlord covenants that from and after the date hereof, Landlord shall not permit any other tenant to operate a business in the same shopping center as the Premises that receives Twenty-Five Percent (25%) or more of its gross sales from the sale of educational consulting or college planning services.

**2. Signage.** Notwithstanding anything contained within the Form Lease to the contrary, Tenant shall, subject to the requirements of local law, have the right to utilize its standard signage and other proprietary marks and identification on both the exterior and within the interior of the Premises as approved by ADVANTAGE COLLEGE PLANNING FRANCHISING, INC., a North Carolina corporation and franchisor of the ADVANTAGE COLLEGE PLANNING concept (“**Franchisor**”).

**3. Assignment and Subletting.** Landlord’s consent to an assignment of the Form Lease or subletting of the Premises shall not be required in connection with an assignment or subletting as a part of a merger, reorganization or sale of all or substantially all of Tenant’s assets or business or an assignment or sublet, or as otherwise provided for in the Franchise Agreement between Franchisor and Tenant to Franchisor, any parent, subsidiary or affiliate of Tenant or affiliate of Franchisor, or another ADVANTAGE COLLEGE PLANNING franchisee. Landlord shall approve as an assignee or sublettee any tenant who has become a transferee of the Franchise Agreement by and between Tenant and Franchisor (“Franchise Agreement”) as a result of a merger, reorganization or sale of all or substantially all of Tenant’s assets, or as otherwise provided for in the Franchise Agreement between Franchisor and Tenant. Tenant shall also have the right, without the consent of Landlord, to assign the Form Lease to: (i) a company incorporated or to be incorporated by Tenant; (ii) a limited liability company formed or to be formed by Tenant; or (iii) a partnership formed or to be formed by Tenant, provided that Tenant owns or beneficially controls: (i) a majority of the issued and outstanding shares of capital stock of the company; (ii) a majority of the membership interest in the limited liability company; or (iii) or is the managing general partner of the partnership.



**4. Notices; Opportunity to Cure.** Copies of any demand letters, default notices or other similar notices of non-compliance (“**Notice**”) sent by Landlord to Tenant shall also be sent to Franchisor at the following address:

Brooke Daly  
ADVANTAGE COLLEGE PLANNING FRANCHISING, INC.  
3675 Green Level Road West, Suite 202  
Apex, NC 27523

In the event Tenant fails to cure or otherwise remedy the subject matter of the Notice, and prior to exercising any remedies under the Form Lease, Landlord shall grant Franchisor the identical period of time in which to cure same (said cure period to commence immediately upon Notice from Landlord to Franchisor (at the address set forth herein) that Tenant has failed to cure in a timely manner) and Landlord agrees to accept the performance of Franchisor within said period of time as performance by Tenant pursuant to the terms of the Form Lease.

**5. Option to Lease.** Landlord hereby agrees that, (i) in the event of the termination, non-renewal, or expiration of the Franchise Agreement by and between Tenant and Franchisor; (ii) the termination of the Form Lease for any cause whatsoever including, without limitation, a default by Tenant under the Form Lease after expiration of any applicable notice and cure periods; (iii) in the event of Tenant’s failure to exercise any extension option contained in the Form Lease, (iv) upon the expiration of the Form Lease and any rights to extension or renewal; or (v) as otherwise permitted under the Franchise Agreement, Franchisor, any parent, subsidiary or affiliated company of Franchisor, or another ADVANTAGE COLLEGE PLANNING franchisee shall have the option to lease the Premises pursuant to the same terms and conditions as are contained in the Form Lease, in accordance with the following:

(a) Landlord agrees to promptly give Notice to Franchisor (at the address set forth herein) in the event the Form Lease is terminated as the result of a default by Tenant or in the event Tenant fails to exercise any remaining options to extend the term of the Form Lease;

(b) If Franchisor, any parent, subsidiary or affiliated company of Franchisor, or another ADVANTAGE COLLEGE PLANNING franchisee elects to lease the Premises, such party shall notify Landlord in writing of its election to exercise this option to lease within thirty (30) days after (1) termination, non-renewal, or expiration of the Franchise Agreement; (2) Franchisor’s receipt of Notice from Landlord that the Form Lease has been terminated; (3) receipt of Notice from Landlord that Tenant has failed to exercise an option to extend the term of the Form Lease; or (4) Notice from Landlord that the Form Lease and any rights to extension or renewal will expire;

(c) If Franchisor, any parent, subsidiary or affiliated company of Franchisor, or another ADVANTAGE COLLEGE PLANNING franchisee elects to lease the Premises under any of the conditions set forth in 5(i) to (v) above, Franchisor, any parent, subsidiary or affiliated company of Franchisor, or another ADVANTAGE COLLEGE PLANNING franchisee shall sign and deliver to Landlord a lease containing all of the

same terms and conditions (including rental rates, terms and remaining options to extend the term of the Form Lease) as are contained in the Form Lease; provided, however, that such party's leasehold interest shall not be subject to any defaults or claims that may exist between Landlord and Tenant and any such lease shall permit Franchisor or any parent, subsidiary or affiliated company of Franchisor, or another ADVANTAGE COLLEGE PLANNING franchisee to assign the lease or sublease the Premises to a franchisee of Franchisor for use as an ADVANTAGE COLLEGE PLANNING franchised location; and

(d) Nothing contained herein shall affect Landlord's right to recover any and all amounts due under the Form Lease from Tenant or to exercise any right of Landlord against Tenant as provided under the Form Lease.

**6. De-identification.** Landlord and Tenant hereby acknowledge that in the event the Franchise Agreement expires or is terminated, Tenant is obligated under the Franchise Agreement to take certain steps to de-identify the location as an ADVANTAGE COLLEGE PLANNING franchise location operated by Tenant. Landlord agrees to cooperate fully with Franchisor in enforcing such provisions of the Franchise Agreement against Tenant, including allowing Franchisor, its employees and agents to enter and remove signs, decor and materials bearing or displaying any marks, designs or logos of Franchisor; provided, however, that Landlord shall not be required to bear any expense thereof. Tenant agrees that if Tenant fails to de-identify the Premises promptly upon termination, non-renewal, or expiration as required under the Franchise Agreement, Franchisor may cause all required de-identification to be completed at Tenant's sole cost and expense.

**7. Assignment of Interest.** This Rider is binding and shall inure to the benefit of Landlord, Tenant, and Franchisor, any parent, subsidiary or affiliated company of Franchisor, or another ADVANTAGE COLLEGE PLANNING franchisee, their assigns, and successors-in-interest. Franchisor, any parent, subsidiary or affiliated company of Franchisor, or another ADVANTAGE COLLEGE PLANNING franchisee are intended beneficiaries of this Rider, provided Franchisor shall have no liability for any of Tenant's obligations under the Form Lease. Franchisor signs below for the limited purpose of acknowledging and agreeing to the provisions of this Rider

**8. Non-disturbance from Mortgage Lenders.** It is a condition of the Form Lease being subordinated to any mortgage, deed of trust, deed to secure debt or similar encumbrance on the Premises that the holder of such encumbrance agrees not to disturb Tenant's rights under the Form Lease or Tenant's possession of the Premises, so long as Tenant is not in default of its obligations under the Form Lease beyond any applicable grace or cure period provided therein. If a mortgage, deed of trust or deed to secure debt currently encumbers the Premises, it is a condition precedent to Tenant's obligations under the Form Lease that the holder of such encumbrance enter into a written recordable form of subordination and non-disturbance agreement with Tenant, in a form reasonably acceptable to Tenant, as described above.

**9. Security Interest.** Any security interest and/or landlord's lien of Landlord in Tenant's trade fixtures, trade dress, signage, equipment and other personal property is hereby subordinated to any security interest and pledge granted to Franchisor in such items.

**LANDLORD**

**TENANT**

\_\_\_\_\_

\_\_\_\_\_

By: \_\_\_\_\_

By: \_\_\_\_\_

Its: \_\_\_\_\_

Its: \_\_\_\_\_

Name: \_\_\_\_\_

Name: \_\_\_\_\_

Agreed to:

**FRANCHISOR:**

ADVANTAGE COLLEGE PLANNING FRANCHISING, INC.

By: \_\_\_\_\_

Name: \_\_\_\_\_

Title: \_\_\_\_\_

## **ATTACHMENT 3 TO FRANCHISE AGREEMENT**

### **INTERNET, SOCIAL MEDIA, AND TELEPHONE ASSIGNMENT**

This Assignment Agreement (“Assignment”) is made, and entered into, between ADVANTAGE COLLEGE PLANNING FRANCHISING, INC., a North Carolina corporation (“Franchisor”) and the undersigned Franchisee (“Franchisee”).

### **RECITALS**

A. Franchisor has developed a unique system guiding students through career planning, college selection, college application, and financial aid processes (“System”);

B. Franchisor and Franchisee have entered into a Franchise Agreement dated \_\_\_\_\_ (“Franchise Agreement”), pursuant to which Franchisee was granted the right to operate an ADVANTAGE COLLEGE PLANNING franchised business (“Center”) under the System; and

C. It is the desire of and in the best interests of Franchisor and the System that in the event the Franchise Agreement terminates, expires, or is not renewed, the telephone numbers (including personal cellphone numbers), telephone directory listings, internet addresses, and social media accounts used by Franchisee in connection with the operation of its ADVANTAGE COLLEGE PLANNING Center are assigned to Franchisor.

### **AGREEMENT**

NOW THEREFORE, in consideration of the foregoing and Franchisor agreeing to enter into the Franchise Agreement, Franchisor and Franchisee agree as follows:

1. Franchisee hereby agrees to assign to Franchisor: (i) those certain telephone numbers and regular, classified or other telephone directory listings used by Franchisee in connection with operating the ADVANTAGE COLLEGE PLANNING franchised business, including personal cellphone numbers (ii) all e-mail addresses that use the Marks or that are used by Franchisee in connection with the operation of the Center, (iii) any Online Presence (as that term is defined in the Franchise Agreement) which uses the Marks, which Franchisee uses in connection with the operation of the Center, or which Franchisee has been permitted by Franchisor to create, and (iv) all rights, title, and interest in the content of any Online Presence, whether now-existing or adopted by Franchisee in the future (collectively the “Listings”).

2. This Assignment is for collateral purposes only and, except as specified herein, Franchisor will have no liability or obligation of any kind whatsoever arising from or in connection with Franchisee’s use of the Listings unless and until Franchisor notifies the telephone company, listing agencies, internet service providers, or other parties that provide the Listings (collectively, the “Providers”) to effectuate the assignment pursuant to the terms hereof.

3. Upon termination, expiration, or nonrenewal of the Franchise Agreement (without renewal or extension), Franchisor will have the right and is hereby empowered to effectuate the assignment of the Listings to itself or to any third party it designates. In the event Franchisor

exercises its assignment rights Franchisee will have no further right, title or interest in the Listings; provided, however, Franchisee will pay all amounts owed in connection with the Listings, including all sums owed to Franchisor, Franchisor's affiliates, or Franchisor's approved suppliers under existing contracts for the Listings and immediately, at Franchisor's request, (i) take any other action as may be necessary to transfer the Listings to Franchisor or Franchisor's designated agent, (ii) install and maintain, at Franchisee's sole expense, an intercept message, in a form and manner acceptable to Franchisor on any or all of the Listings; (iii) disconnect, cancel, delete, remove, or discontinue the Listings; (iv) relist any Listing in a different location or with a new provider, whether published or online; (v) modify the Listing and any content in the Listing; (vi) provide all login or other access credentials to the Listings; and/or (vii) cooperate with Franchisor or its designated agent in undertaking any or all of the foregoing.

4. Franchisee appoints Franchisor as Franchisee's attorney-in-fact, to act in Franchisee's place, for the purpose of assigning any Listings covered by the Assignment to Franchisor or Franchisor's designated agent or taking any other actions required of Franchisee under this Agreement. Franchisee grants Franchisor full authority to act in any manner proper or necessary to the exercise of the forgoing powers, including full power of substitution and execution or completion of any documents required or requested by any Provider to transfer or modify such Listings, and Franchisee ratifies every act that Franchisor may lawfully perform in exercising those powers. This power of attorney shall be effective for a period of two (2) years from the date of expiration, termination, or nonrenewal of Franchisee's rights under the Agreement for any reason. Franchisee intends that this power of attorney be coupled with an interest. Franchisee declares this power of attorney to be irrevocable and renounces all rights to revoke it or to appoint another person to perform the acts referred to in this instrument. This power of attorney shall not be affected by the subsequent incapacity of Franchisee. This power is created to secure performance of a duty to Franchisor and is for consideration.

5. The parties agree that the Providers may accept Franchisor's written direction, the Franchise Agreement or this Assignment as conclusive proof of Franchisor's exclusive rights in and to the Listings upon such termination, expiration or nonrenewal of the Franchise Agreement and that such assignment shall be made automatically and effective immediately upon a Provider's receipt of such notice from Franchisor or Franchisee. The parties further agree that if the Providers require that the parties execute the Providers' assignment forms or other documentation at the time of termination, expiration or nonrenewal of the Franchise Agreement, Franchisor's execution of such forms or documentation on behalf of Franchisee shall effectuate Franchisee's consent and agreement to the assignment. The parties agree that at any time after the date hereof they will perform such acts and execute and deliver such documents as may be necessary to assist in or accomplish the assignment described herein upon termination, expiration, or non-renewal of the Franchise Agreement.

6. The validity, construction and performance of this Assignment is governed by the laws of the State in which Franchisor is located. All agreements, covenants, representations and warranties made in this Agreement survive the signing of this Agreement. All Franchisor's rights inure to Franchisor's benefit and to the benefit of Franchisor's successors and assigns.

Agreed to this date of \_\_\_\_\_.

FRANCHISEE:

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_  
Date: \_\_\_\_\_

FRANCHISOR:  
ADVANTAGE COLLEGE PLANNING  
FRANCHISING, INC.

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_  
Date: \_\_\_\_\_

## **ATTACHMENT 4 TO FRANCHISE AGREEMENT**

### **PERSONAL GUARANTY AND AGREEMENT TO BE BOUND PERSONALLY BY THE TERMS AND CONDITIONS OF THE FRANCHISE AGREEMENT**

In consideration of the execution of the Franchise Agreement (“Agreement”) between ADVANTAGE COLLEGE PLANNING FRANCHISING, INC. (“Franchisor”) and \_\_\_\_\_ (“Franchisee”) dated of even date herewith, the undersigned, for themselves, their heirs, successors, and assigns, do jointly, individually and severally hereby become surety and guarantor for the payment of all amounts and the performance of the covenants, terms and conditions in the Agreement, to be paid, kept and performed by the Franchisee, including without limitation the dispute resolution and indemnification provisions of the Agreement.

Further, except for those designated as “Spouse” and not “Owner” in the signature block below, the undersigned, individually and jointly, hereby agree to be personally bound by each and every condition and term contained in the Agreement, including but not limited to the non-compete, non-solicitation, dispute resolution, and indemnification provisions, and agree that this Personal Guaranty will be construed as though the undersigned and each of them executed an agreement containing the identical terms and conditions of the Agreement.

The undersigned’s liability under this undertaking shall be direct, immediate, and independent of the liability of, and shall be joint and several with, Franchisee and the other guarantors of Franchisee. The undersigned shall render any payment or performance required under the Agreement upon demand if Franchisee fails or refuses punctually to do so. Franchisor may proceed against the undersigned and Franchisee jointly and severally, or Franchisor may, at its option, proceed against the undersigned, without having commenced any action, or having obtained any judgment against Franchisee. The undersigned agrees to pay all reasonable attorneys’ fees and all costs and other expenses incurred in any collection or attempt to collect amounts due pursuant to this undertaking or any negotiations relative to the obligations hereby guaranteed or in enforcing this undertaking against Guarantor.

In addition, the undersigned consents and agrees that: (1) the undersigned’s liability will not be contingent or conditioned upon our pursuit of any remedies against the Franchisee or any other person; (2) such liability will not be diminished, relieved or otherwise affected by the Franchisee’s insolvency, bankruptcy or reorganization, the invalidity, illegality or unenforceability of all or any part of the Agreement, or the amendment or extension of the Agreement with or without notice to the undersigned; (3) liability shall not be diminished, relieved or otherwise affected by any extension of time, credit or other indulgence which Franchisor may grant to Franchisee or to any other person, including the acceptance of any partial payment or performance, or the compromise or release of any claims, none of which shall in any way modify or amend this Personal Guaranty, which shall be continuing and irrevocable during the term of the Agreement; and (4) this Personal Guaranty shall apply in all modifications to the Agreement of any nature agreed to by Franchisee with or without the undersigned receiving notice thereof.

The undersigned waive: (1) notice of demand for payment of any indebtedness or on performance of any obligations hereby guaranteed; (2) protest and notice of default to any party respecting the indebtedness or nonperformance of any obligations hereby guaranteed; (3) any right

he/she may have to require that an action be brought against the Franchisee or any other person as a condition of liability; (4) the defense of the statute of limitations in any action hereunder or for the collection of any indebtedness or the performance of any obligation hereby guaranteed; and (5) notice of any changes permitted by the terms of the Agreement or agreed to by the Franchisee.

It is further understood and agreed by the undersigned that the provisions, covenants and conditions of this Personal Guaranty will inure to the benefit of Franchisor's successors and assigns.

PERSONAL GUARANTORS:

Signature: \_\_\_\_\_  
Name: \_\_\_\_\_  
Address: \_\_\_\_\_  
City: \_\_\_\_\_ State: \_\_\_\_ Zip Code: \_\_\_\_\_  
Owner or Spouse: \_\_\_\_\_

Signature: \_\_\_\_\_  
Name: \_\_\_\_\_  
Address: \_\_\_\_\_  
City: \_\_\_\_\_ State: \_\_\_\_ Zip Code: \_\_\_\_\_  
Owner or Spouse: \_\_\_\_\_

Signature: \_\_\_\_\_  
Name: \_\_\_\_\_  
Address: \_\_\_\_\_  
City: \_\_\_\_\_ State: \_\_\_\_ Zip Code: \_\_\_\_\_  
Owner or Spouse: \_\_\_\_\_

Signature: \_\_\_\_\_  
Name: \_\_\_\_\_  
Address: \_\_\_\_\_  
City: \_\_\_\_\_ State: \_\_\_\_ Zip Code: \_\_\_\_\_  
Owner or Spouse: \_\_\_\_\_

Signature: \_\_\_\_\_  
Name: \_\_\_\_\_  
Address: \_\_\_\_\_  
City: \_\_\_\_\_ State: \_\_\_\_ Zip Code: \_\_\_\_\_  
Owner or Spouse: \_\_\_\_\_



## ATTACHMENT 5 TO FRANCHISE AGREEMENT

### NONDISCLOSURE AND NONCOMPETITION AGREEMENT

This Nondisclosure and Noncompetition Agreement (“Agreement”) is made and entered into as of \_\_\_\_\_ (“Effective Date”) by and between ADVANTAGE COLLEGE PLANNING FRANCHISING, INC., a North Carolina corporation (“Franchisor”), located at 3675 Green Level Road West, Suite 202, Apex, NC 27523, and \_\_\_\_\_ (“Associate”), who resides at \_\_\_\_\_. All initially capitalized terms not otherwise defined herein shall have the meanings set forth in the Franchise Agreement.

#### RECITALS

A. Franchisor is engaged in the business of franchising educational consulting businesses that guide students through career planning, college selection, college application, and financial aid processes (“Franchise Business”). The Franchise Businesses are operated under Franchisor’s trademark “ADVANTAGE COLLEGE PLANNING” and other service marks, trademarks, logo types, architectural designs, trade dress and other commercial symbols (collectively, the “Marks”);

B. Franchisor has developed methods for establishing, operating and promoting Franchise Businesses using Confidential Information (defined below) and such Confidential Information as may be further developed from time to time by Franchisor (“System”);

C. Franchisor and its affiliates have established substantial goodwill and an excellent reputation with respect to the quality of educational consulting services available, which goodwill and reputation have been and will continue to be of major benefit to Franchisor;

D. Associate desires to become involved with \_\_\_\_\_ (“Franchisee”), a franchisee of Franchisor that operates a Center in \_\_\_\_\_ in the capacity of an owner, officer, partner, director, or agent of the Center, or is a spouse or domestic partner of an owner of a Center, and will become privileged as to certain Confidential Information. Associate may or may not have signed the Franchise Agreement or Guaranty and Assumption of Franchisee’s Obligations form; and

E. Associate and Franchisor have reached an understanding with regard to nondisclosure by Associate of Confidential Information and with respect to noncompetition by Associate with Franchisor and other franchisees of Franchisor. Associate agrees to the terms of this Agreement as partial consideration for Franchisor’s willingness to allow Associate to engage in a business relationship with Franchisor or Franchisee using Franchisor’s Confidential Information.

NOW THEREFORE, in consideration of the foregoing, the mutual promises contained herein and other good and valuable consideration, the receipt and sufficiency of which are acknowledged, Associate and Franchisor, intending legally to be bound, agree as follows:

1. Definitions.

(a) "Associate" shall mean the individual or entity described in the first paragraph of this Agreement and the Associate's managers, officers, beneficial owners, directors, employees, shareholders, partners, members, principals, immediate family members and domestic partners.

(b) "Competitive Business" as used in this Agreement means any business that receives Twenty-Five Percent (25%) or more of its gross revenue from the sale of educational consulting or college planning services.

(c) "Confidential Information" means the information, not generally known to the public, in any form, relating to the Center and its operations, including all trade secrets of the Center; all knowledge, know-how, standards, methods, and procedures related to the establishment and operation of the Center not generally known to the public; all records pertaining to clients, suppliers, and other service providers of, and/or related in any way to, the Center (such as all names, addresses, phone numbers, e-mail addresses for clients and suppliers; client purchase records and mail lists); curriculum and consulting materials; electronic code, designs, marketing materials, and business, sales, and marketing strategies; financial information; databases; training materials; knowledge of the franchise system; and any other data and information that Franchisor or its affiliates designates as confidential, including all information contained in the Brand Standards Manuals.

(d) "Franchise Agreement" shall mean the franchise agreement between Franchisor and Franchisee as amended or renewed from time to time.

(e) "Restrictive Period" shall mean a period of two (2) years that begins the earlier of (i) the date of termination, expiration, or non-renewal of the Franchise Agreement, regardless of the reason for such termination, expiration, or non-renewal, or (ii) the date Associate's association with Franchisee or the Center ends for any reason, including but not limited to, divorce, separation, sale, termination, or transfer.

(f) "Term" shall mean the period from the Effective Date through the first date of the Restrictive Period

(g) "Territory" shall have the meaning defined in the Franchise Agreement.

2. Confidential Information. Associate and Franchisor acknowledge that the Confidential Information that are developed and utilized in connection with the operation of the Franchise Business is unique and the exclusive property of Franchisor or its affiliates. Associate acknowledges that any unauthorized disclosure or use of the Confidential Information would be wrongful and would cause irreparable injury and harm to Franchisor or its affiliates. Associate further acknowledges that Franchisor or its affiliates has expended a great amount of effort and money in obtaining and developing the Confidential Information, that Franchisor or its affiliates has taken numerous precautions to guard the secrecy of the Confidential Information, and that it would be very costly for competitors to acquire or duplicate the Confidential Information.

3. Nondisclosure of Confidential Information. During the Term and for all periods after the Term, Associate shall not at any time, publish, disclose, divulge or in any manner communicate to any person, firm, corporation, association, partnership or any other entity

whatsoever or use, directly or indirectly, for its own benefit or for the benefit of any person, firm, corporation or other entity other than for the use of Franchisor or the Franchise Business, any of the Confidential Information of Franchisor or its affiliates.

4. In-Term Covenant Against Unfair Competition. During the Term, Associate will not, without Franchisor's prior written consent for themselves, or through, on behalf of, or in conjunction with any other person or entity:

(i) own, manage engage in, be employed by, advise, make loans to, or have any other interest in, as a partner, owner, officer, executive, managerial employee, director, salesperson or consultant for, any Competitive Business; or

(ii) offer or grant franchises or licenses to any Competitive Business; or

(iii) become a franchisee or licensee of any Competitive Business; or

(iv) perform, directly or indirectly, any other act injurious or prejudicial to the goodwill associated with the Marks and the System.

5. Post-Termination Covenant Against Unfair Competition. Associate covenants and agrees that for the Restrictive Period Associate shall not, within the Restrictive Territory, engage in any of the following:

(i) Franchise, license, or own an interest in any Competitive Business, including as franchisor, licensor, franchisee or licensee, provided that the purchase of a publicly traded security of a corporation engaged in such business or service shall not in itself be deemed violative of this Section 5 so long as Associate does not own themselves or through his or her spouses or partners more than one percent (1%) of the securities of such corporation; or

(ii) Engage in any Competitive Business as an officer, director, employee, manager, operator, consultant, or independent contractor in any capacity which Associate would perform or direct others to perform:

(A) Duties that are the same as or substantially similar to the work Associate engaged in and/or performed within one (1) year preceding the termination, expiration, or non-renewal of the Franchise Agreement or the Associate's engagement with Franchisee;

(B) Duties that would require or permit Associate to use or disclose Confidential Information for Associate's benefit or the benefit of any person or entity other than Franchisor or Franchisee.

6. Restrictive Territory. The Term "Restrictive Territory" means the following:

(i) An area which is within a 10-mile radius of:

- (A) The location of the Center as of the first date of the Restrictive Period; and
- (B) The location of any other educational consulting center owned by Franchisor or its affiliates or franchisees as of the first date of the Restrictive Period; or

(ii) Only in the event the foregoing is determined by a court of law to be too broad (A) the Territory served by Franchisee as of the first date of the Restrictive Period, (B) the territories in which Franchisor or its affiliates operate any ADVANTAGE COLLEGE PLANNING businesses or locations as of the first date of the Restrictive Period; and (C) the territories of any of Franchisor's other franchisees as those territories exist as of the first date of the Restrictive Period, or

(iii) Only in the event the foregoing is determined by a court of law to be too broad, the Territory served by Franchisee as of the first date of the Restrictive Period.

7. Injunction. Associate hereby acknowledges and agrees that in the event of any breach or threatened breach of this Agreement, Franchisor shall be authorized and entitled to seek, from any court of competent jurisdiction, preliminary and permanent injunctive relief in addition to any other rights or remedies to which Franchisor may be entitled. Associate agrees that Franchisor may obtain such injunctive relief, without posting a bond or bonds totaling Five Hundred Dollars (\$500) or more, but upon due notice, and Associate's sole remedy in the event of the entry of such injunctive relief shall be dissolution of such injunctive relief, if warranted, upon a hearing duly had; provided, however, that all claims for damages by reason of the wrongful issuance of any such injunction are hereby expressly waived by Associate.

8. Reasonableness of Restrictions. Associate acknowledges and agrees that the restrictions set forth in this Agreement are reasonable and necessary for the protection of the Confidential Information and that any violation of this Agreement would cause substantial and irreparable injury to Franchisor, and that Franchisor would not have entered into a business relationship with Associate or Franchisee or enter into this Agreement or the Franchise Agreement without receiving Associate's unrestricted promise to preserve the confidentiality of the Confidential Information. In any litigation concerning the entry of any requested injunction against Associate, Associate, for value, voluntarily waives such defenses as Associate might otherwise have under the law of the jurisdiction in which the matter is being litigated relating to any claimed "prior breach" on the part of Franchisor; it being specifically understood and agreed between the parties that no action or lack of action on the part of Franchisor will entitle or permit Associate to disclose any such Confidential Information in any circumstances. Associate agrees that the running of the applicable post-termination Restrictive Period shall be tolled during any period of a violation of this Agreement.

9. Effect of Waiver. The waiver by Associate or Franchisor of a breach of any provision of this Agreement shall not operate or be construed as a waiver of any subsequent breach thereof.

10. Binding Effect. This Agreement shall be binding upon and inure to the benefit of Associate and Franchisor and their respective heirs, executors, representatives, successors and assigns.

11. Entire Agreement. This instrument contains the entire agreement of Associate and Franchisor relating to the matters set forth herein. It may not be changed verbally, but only by an agreement in writing, signed by the party against whom enforcement of any waiver, change, modification, extension or discharge is sought.

12. Governing Law. This instrument shall be governed by and construed under the laws of the State of North Carolina.

13. Jurisdiction and Venue. In the event of a breach or threatened breach by Associate of this Agreement, Associate hereby irrevocably submits to the jurisdiction of the state and federal courts of North Carolina, and irrevocably agrees that venue for any action or proceeding shall be in the state and federal courts of North Carolina. Both parties waive any objection to the jurisdiction of these courts or to venue in the state and federal courts of North Carolina. Notwithstanding the foregoing, in the event that the laws of the state where Associate resides prohibit the aforesaid designation of jurisdiction and venue, then such other state's laws shall control.

14. Severability. If any provision of this Agreement shall be held, declared or pronounced void, voidable, invalid, unenforceable or inoperative for any reason, by any court of competent jurisdiction, government authority or otherwise, such holding, declaration or pronouncement shall not affect adversely any other provisions of this Agreement that shall otherwise remain in full force and effect.

15. Attorneys' Fees. In any action at law or in equity to enforce any of the provisions or rights under this Agreement, the unsuccessful party in such litigation, as determined by the court in a final judgment or decree, shall pay the successful party or parties all costs, expenses and reasonable attorneys' fees incurred therein by such party or parties (including without limitation such costs, expenses and fees on any appeals), and if such successful party shall recover judgment in any such action or proceeding, such costs, expenses and attorneys' fees shall be included as part of such judgment.

16. Acknowledgment. Associate is aware that a violation of this Agreement will cause Franchisor irreparable harm; therefore, Associate acknowledges and agrees that Franchisor may apply for the issuance of an injunction preventing Associate from violating this Agreement in addition to any other remedies it may have hereunder, at law or in equity; and Associate agrees to pay Franchisor all the costs Franchisor incurs, including without limitation attorneys' fees, if this Agreement is enforced against Associate. Due to the importance of this Agreement to Franchisor, any claim Associate has against Franchisor is a separate matter and does not entitle Associate to violate, or justify any violation of, this Agreement. If any part of this Agreement is held invalid by a court or agency having valid jurisdiction, the rest of the Agreement is still enforceable and the part held invalid is enforceable to the extent found reasonable by the court or agency. Associate agrees that all the words and phrases used in this Agreement will have the same meaning as used in the Franchise Agreement, and that such meaning has been explained to Associate.

IN WITNESS WHEREOF, the parties have signed this Agreement on the date first above written.

ASSOCIATE:

\_\_\_\_\_

\_\_\_\_\_

FRANCHISOR:

ADVANTAGE COLLEGE PLANNING  
FRANCHISING, INC.

By: \_\_\_\_\_

Name: \_\_\_\_\_

Title: \_\_\_\_\_

## ATTACHMENT 6 TO FRANCHISE AGREEMENT

### NONDISCLOSURE AND NON-SOLICITATION AGREEMENT

This Nondisclosure and Non-Solicitation Agreement (“Agreement”) is made and entered into as of \_\_\_\_\_ (“Effective Date”) by and between ADVANTAGE COLLEGE PLANNING FRANCHISING, INC., a North Carolina corporation (“Franchisor”), located at 3675 Green Level Road West, Suite 202, Apex, NC 27523, and \_\_\_\_\_ (“Associate”), who resides at \_\_\_\_\_. All initially capitalized terms not otherwise defined herein shall have the meanings set forth in the Franchise Agreement.

### RECITALS

A. Franchisor is engaged in the business of franchising educational consulting businesses that guide students through career planning, college selection, college application, and financial aid processes (“Franchise Business”). The Franchise Businesses are operated under Franchisor’s trademark “ADVANTAGE COLLEGE PLANNING” and other service marks, trademarks, logo types, architectural designs, trade dress and other commercial symbols (collectively, the “Marks”);

B. Franchisor has developed methods for establishing, operating and promoting Franchise Businesses using Confidential Information (defined below) and such Confidential Information as may be further developed from time to time by Franchisor (“System”);

C. Franchisor and its affiliates have established substantial goodwill and an excellent reputation with respect to the quality of educational consulting services available, which goodwill and reputation have been and will continue to be of major benefit to Franchisor;

D. Associate desires to become involved with \_\_\_\_\_ (“Franchisee”), a franchisee of Franchisor that operates a Center in \_\_\_\_\_ in the capacity of an owner, officer, partner, director, or agent of the Center, or is a spouse or domestic partner of an owner of a Center, and will become privileged as to certain Confidential Information. Associate may or may not have signed the Franchise Agreement or Guaranty and Assumption of Franchisee’s Obligations form; and

E. Associate and Franchisor have reached an understanding with regard to nondisclosure by Associate of Confidential Information and with respect to non-solicitation of clients, employees, and vendors. Associate agrees to the terms of this Agreement as partial consideration for Franchisor’s willingness to allow Associate to engage in a business relationship with Franchisor or Franchisee using Franchisor’s Confidential Information.

NOW THEREFORE, in consideration of the foregoing, the mutual promises contained herein and other good and valuable consideration, the receipt and sufficiency of which are acknowledged, Associate and Franchisor, intending legally to be bound, agree as follows:

1. Definitions.

(a) "Associate" shall mean the individual or entity described in the first paragraph of this Agreement and the Associate's managers, officers, beneficial owners, directors, employees, shareholders, partners, members, principals, immediate family members and domestic partners.

(b) "Competitive Business" as used in this Agreement means any business that receives Twenty-Five Percent (25%) or more of its gross revenue from the sale of educational consulting or college planning services.

(c) "Confidential Information" means the information, not generally known to the public, in any form, relating to the Center and its operations, including all trade secrets of the Center; all knowledge, know-how, standards, methods, and procedures related to the establishment and operation of the Center not generally known to the public; all records pertaining to clients, suppliers, and other service providers of, and/or related in any way to, the Center (such as all names, addresses, phone numbers, e-mail addresses for clients and suppliers; client purchase records and mail lists); curriculum and consulting materials; electronic code, designs, marketing materials, and business, sales, and marketing strategies; financial information; databases; training materials; knowledge of the franchise system; and any other data and information that Franchisor or its affiliates designates as confidential, including all information contained in the Brand Standards Manuals.

(d) "Franchise Agreement" shall mean the franchise agreement between Franchisor and \_\_\_\_\_ ("Franchisee") dated \_\_\_\_\_ as amended or renewed from time to time.

(e) "Restrictive Period" shall mean shall mean a period of two (2) years that begins the earlier of (i) the date of termination, expiration, or non-renewal of the Franchise Agreement, regardless of the reason for such termination, expiration, or non-renewal, or (ii) the date Associate's association with Franchisee or the Center ends for any reason, including but not limited to, divorce, separation, sale, termination, or transfer.

(f) "Term" shall mean the period from the Effective Date through the first date of the Restrictive Period

(g) "Territory" shall have the meaning defined in the Franchise Agreement.

2. Confidential Information. Associate and Franchisor acknowledge that the Confidential Information that is developed and utilized in connection with the operation of the Franchise Business is unique and the exclusive property of Franchisor or its affiliates. Associate acknowledges that any unauthorized disclosure or use of the Confidential Information would be wrongful and would cause irreparable injury and harm to Franchisor or its affiliates. Associate further acknowledges that Franchisor or its affiliates has expended a great amount of effort and money in obtaining and developing the Confidential Information, that Franchisor or its affiliates has taken numerous precautions to guard the secrecy of the Confidential Information, and that it would be very costly for competitors to acquire or duplicate the Confidential Information.

3. Nondisclosure of Confidential Information. During the Term and for all periods after the Term, Associate shall not at any time, publish, disclose, divulge or in any manner



communicate to any person, firm, corporation, association, partnership or any other entity whatsoever or use, directly or indirectly, for its own benefit or for the benefit of any person, firm, corporation or other entity other than for the use of Franchisor or the Franchise Business, any of the Confidential Information of Franchisor or its affiliates.

4. In-Term Covenant Against Solicitation. During the Term, Associate will not, without Franchisor's prior written consent for themselves, or through, on behalf of, or in conjunction with any other person or entity:

(i) solicit, divert or attempt to solicit or divert any person or party that is or has been a client of Center at any time during the Term, to any Competitive Business, by direct or indirect inducement or otherwise, as Franchisee agrees that all goodwill associated with Franchisee's operation under the Marks and the System, and all client information associated therewith, inure to Franchisor; or

(ii) solicit, divert, or attempt to solicit or divert, any vendor that does has done business with Franchisee to provide supplies, products, equipment, merchandise, or services to a Competitive Business or to cease to provide supplies, products, equipment, merchandise, or services to ADVANTAGE COLLEGE PLANNING businesses.

5. Post-Termination Covenant Against Solicitation. Associate covenants and agrees that for the Restrictive Period Associate shall not, within the Restrictive Territory, engage in any of the following:

(a) solicit, divert, or attempt to solicit or divert, any vendor that has done business with the Center within one (1) year of the Restrictive Period to provide supplies, products, equipment, merchandise, or services to a Competitive Business, or to cease to provide supplies, products, equipment, merchandise, or services to ADVANTAGE COLLEGE PLANNING businesses; or

(b) solicit, divert or attempt to solicit or divert any client that has done business with or has been a client of Center as of the first day of the Restrictive Period or within one (1) year of the Restrictive Period, to any Competitive Business.

6. Restrictive Territory. The Term "Restrictive Territory" means the following:

(i) An area which is within a 10-mile radius of:

(A) The location of the Center as of the first date of the Restrictive Period;  
and

(B) The location of any other educational consulting center owned by Franchisor or its affiliates or franchisees as of the first date of the Restrictive Period; or

(ii) Only in the event the foregoing is determined by a court of law to be too broad  
(A) the Territory served by Franchisee as of the first date of the Restrictive Period,

(B) the territories in which Franchisor or its affiliates operate any ADVANTAGE COLLEGE PLANNING businesses or locations as of the first date of the Restrictive Period; and (C) the territories of any of Franchisor's other franchisees as those territories exist as of the first date of the Restrictive Period, or

(iii) Only in the event the foregoing is determined by a court of law to be too broad, the Territory served by Franchisee as of the first date of the Restrictive Period.

7. Injunction. Associate hereby acknowledges and agrees that in the event of any breach or threatened breach of this Agreement, Franchisor shall be authorized and entitled to seek, from any court of competent jurisdiction, preliminary and permanent injunctive relief in addition to any other rights or remedies to which Franchisor may be entitled. Associate agrees that Franchisor may obtain such injunctive relief, without posting a bond or bonds totaling Five Hundred Dollars (\$500) or more, but upon due notice, and Associate's sole remedy in the event of the entry of such injunctive relief shall be dissolution of such injunctive relief, if warranted, upon a hearing duly had; provided, however, that all claims for damages by reason of the wrongful issuance of any such injunction are hereby expressly waived by Associate.

8. Reasonableness of Restrictions. Associate acknowledges and agrees that the restrictions set forth in this Agreement are reasonable and necessary for the protection of the Confidential Information and that any violation of this Agreement would cause substantial and irreparable injury to Franchisor, and that Franchisor would not have entered into a business relationship with Associate or Franchisee or enter into this Agreement or the Franchise Agreement without receiving Associate's unrestricted promise to preserve the confidentiality of the Confidential Information. In any litigation concerning the entry of any requested injunction against Associate, Associate, for value, voluntarily waives such defenses as Associate might otherwise have under the law of the jurisdiction in which the matter is being litigated relating to any claimed "prior breach" on the part of Franchisor; it being specifically understood and agreed between the parties that no action or lack of action on the part of Franchisor will entitle or permit Associate to disclose any such Confidential Information in any circumstances. Associate agrees that the running of the applicable post-termination Restrictive Period shall be tolled during any period of a violation of this Agreement.

9. Effect of Waiver. The waiver by Associate or Franchisor of a breach of any provision of this Agreement shall not operate or be construed as a waiver of any subsequent breach thereof.

10. Binding Effect. This Agreement shall be binding upon and inure to the benefit of Associate and Franchisor and their respective heirs, executors, representatives, successors and assigns.

11. Entire Agreement. This instrument contains the entire agreement of Associate and Franchisor relating to the matters set forth herein. It may not be changed verbally, but only by an agreement in writing, signed by the party against whom enforcement of any waiver, change, modification, extension or discharge is sought.

12. Governing Law; Jurisdiction and Venue.

(a) If Associate is an owner or guarantor of Franchisee, the governing law and dispute resolution provisions of the Franchise Agreement shall apply to this Agreement.

(b) For Associates that are not an owner or guarantor of Franchisee, the following terms apply: The laws of North Carolina (without giving effect to its conflicts of law principles) govern all matters arising under and relating to this Agreement, including torts. In the event of a breach or threatened breach by Associate of this Agreement, Associate hereby irrevocably submits to the jurisdiction of the state and federal courts of North Carolina, and irrevocably agrees that venue for any action or proceeding shall be in the state and federal courts of North Carolina. Both parties waive any objection to the jurisdiction of these courts or to venue in the state and federal courts of North Carolina. Notwithstanding the foregoing, in the event that the laws of the state where Associate resides prohibit the aforesaid designation of jurisdiction and venue, then such other state's laws shall control.

13. Severability. If any provision of this Agreement shall be held, declared or pronounced void, voidable, invalid, unenforceable or inoperative for any reason, by any court of competent jurisdiction, government authority or otherwise, such holding, declaration or pronouncement shall not affect adversely any other provisions of this Agreement that shall otherwise remain in full force and effect.

14. Attorneys' Fees. In any action at law or in equity to enforce any of the provisions or rights under this Agreement, the unsuccessful party in such litigation, as determined by the court in a final judgment or decree, shall pay the successful party or parties all costs, expenses and reasonable attorneys' fees incurred therein by such party or parties (including without limitation such costs, expenses and fees on any appeals), and if such successful party shall recover judgment in any such action or proceeding, such costs, expenses and attorneys' fees shall be included as part of such judgment.

15. Acknowledgment. Associate is aware that a violation of this Agreement will cause Franchisor irreparable harm; therefore, Associate acknowledges and agrees that Franchisor may apply for the issuance of an injunction preventing Associate from violating this Agreement in addition to any other remedies it may have hereunder, at law or in equity; and Associate agrees to pay Franchisor all the costs Franchisor incurs, including without limitation attorneys' fees, if this Agreement is enforced against Associate. Due to the importance of this Agreement to Franchisor, any claim Associate has against Franchisor is a separate matter and does not entitle Associate to violate, or justify any violation of, this Agreement. If any part of this Agreement is held invalid by a court or agency having valid jurisdiction, the rest of the Agreement is still enforceable and the part held invalid is enforceable to the extent found reasonable by the court or agency. Associate agrees that all the words and phrases used in this Agreement will have the same meaning as used in the Franchise Agreement, and that such meaning has been explained to Associate.

*[Signatures on following page]*

IN WITNESS WHEREOF, the parties have signed this Agreement on the date first above written.

ASSOCIATE:

\_\_\_\_\_

\_\_\_\_\_

FRANCHISOR:

ADVANTAGE COLLEGE PLANNING  
FRANCHISING, INC.

By: \_\_\_\_\_

Name: \_\_\_\_\_

Title: \_\_\_\_\_

## **EXHIBIT B-1**

### **CENTER DIRECTORY/LISTING OF CURRENT FRANCHISEES AS OF APRIL 1, 2024**

#### **East Bay, California**

Sunny Grewal  
1660 School Street, Unit 6A  
Moraga, CA 94556  
Phone: 925-466-3606

#### **Orlando, Florida**

Courtney Ortwein  
327 Venetian Palms Blvd.  
New Smyrna, FL 32168  
Phone: 954-260-2769

#### **Yarmouth, Maine**

Patrick Carroll  
374 US Route 1, Suite #1  
Yarmouth, ME 04096  
Phone: 310-750-5653

#### **Buffalo, New York**

Michael J. Broderick  
818 Auburn Ave.  
Buffalo NY 14222  
Phone: 716-228-8404

**EXHIBIT B-2**

**LISTING OF CERTAIN PAST FRANCHISEES  
AS OF APRIL 1, 2024**

None.

**EXHIBIT C**  
**FINANCIAL STATEMENTS**

**ADVANTAGE COLLEGE PLANNING FRANCHISING, INC.**

FINANCIAL REPORT

AS OF DECEMBER 31, 2023



**ADVANTAGE COLLEGE PLANNING FRANCHISING, INC.**

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## **Independent Auditor's Report**

To the Stockholders  
Advantage College Planning Franchising, Inc.  
Raleigh, North Carolina

### **Report on the Audit of the Financial Statements**

#### ***Opinion***

We have audited the accompanying balance sheets of Advantage College Planning Franchising, Inc. as of December 31, 2023, and 2022 and the related statements of operations, stockholders' equity, and cash flows for the years ended December 31, 2023, 2022 and 2021, and the notes to financial statements.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Advantage College Planning Franchising, Inc. as of December 31, 2023, and 2022 and the results of their operations and their cash flows for the years ended December 31, 2023, 2022 and 2021, 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 Advantage College Planning Franchising, Inc. 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 Advantage College Planning Franchising, Inc.'s ability to continue as a going concern for one year after the date that the financial statements are 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.

2580 East Harmony Road, Ste. 301-10 • Ft. Collins, CO 80528  
Office: (303) 999-6485



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 Advantage College Planning Franchising, Inc.'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 Advantage College Planning Franchising, Inc.'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.

*Reese CPA LLC*

Ft. Collins, Colorado  
March 31, 2024

**ADVANTAGE COLLEGE PLANNING FRANCHISING, INC.**  
**BALANCE SHEETS**

|   | <b>AS OF DECEMBER 31,</b> |                  |
|---|---------------------------|------------------|
|   | <b>2023</b>               | <b>2022</b>      |
| <b>ASSETS:</b>  |                           |                  |
| <b>CURRENT ASSETS</b>   |                           |                  |
| Cash and equivalents  | \$ 50,522                 | \$ 34,871        |
| <b>TOTAL CURRENT ASSETS</b>   | <u>50,522</u>             | <u>34,871</u>    |
| <b>INTANGIBLE ASSETS</b>  | 31,500                    | 42,000           |
| <b>TOTAL ASSETS</b>   | <u>\$ 82,022</u>          | <u>\$ 76,871</u> |
| <b>LIABILITIES AND STOCKHOLDERS' EQUITY:</b>                                    |                           |                  |
| <b>CURRENT LIABILITIES</b>  |                           |                  |
| Accounts payable  | \$ 3,089                  | \$ 1,366         |
| Non-refundable deferred franchise fees, current                                 | \$ 13,000                 | \$ 4,000         |
| <b>TOTAL CURRENT LIABILITIES</b>  | <u>16,089</u>             | <u>5,366</u>     |
| <b>NON-CURRENT LIABILITIES</b>  |                           |                  |
| Non-refundable deferred franchise fees, long-term                               | 103,662                   | 32,500           |
| <b>TOTAL LIABILITIES</b>  | <u>119,751</u>            | <u>37,866</u>    |
| <b>STOCKHOLDERS' EQUITY</b>   |                           |                  |
| Common Stock, no par value, 20,000 shares<br>authorized, issued and outstanding | 500                       | 500              |
| Additional paid-in capital  | 117,160                   | 117,160          |
| Retained (deficit)  | (155,389)                 | (78,655)         |
| <b>TOTAL STOCKHOLDERS' EQUITY</b>   | <u>(37,729)</u>           | <u>39,005</u>    |
| <b>TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY</b>                               | <u>\$ 82,022</u>          | <u>\$ 76,871</u> |

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



**ADVANTAGE COLLEGE PLANNING FRANCHISING, INC.**  
**STATEMENTS OF OPERATIONS**

|                                 | <b>YEARS ENDED DECEMBER 31,</b> |                    |                    |
|---------------------------------|---------------------------------|--------------------|--------------------|
|                                 | <b>2023</b>                     | <b>2022</b>        | <b>2021</b>        |
| <b>REVENUES</b>                 |                                 |                    |                    |
| Franchise fees                  | \$ 9,833                        | \$ 3,500           | \$ -               |
| Royalties and other             | 15,605                          | 3,633              | -                  |
| <b>TOTAL REVENUE</b>            | <u>25,438</u>                   | <u>7,133</u>       | <u>-</u>           |
| <b>OPERATING EXPENSES</b>       |                                 |                    |                    |
| Professional fees               | 38,529                          | 10,380             | 16,107             |
| General and administrative      | 15,348                          | 3,231              | 2,570              |
| Amortization expense            | 10,500                          | 10,500             | -                  |
| Payroll and related costs       | 6,219                           | -                  | -                  |
| Advertising and promotion       | 1,731                           | 3,017              | 17,483             |
| <b>TOTAL OPERATING EXPENSES</b> | <u>72,327</u>                   | <u>27,128</u>      | <u>36,160</u>      |
| <b>OPERATING (LOSS)</b>         | (46,889)                        | (19,995)           | (36,160)           |
| <b>OTHER INCOME</b>             | -                               | -                  | -                  |
| <b>NET (LOSS)</b>               | <u>\$ (46,889)</u>              | <u>\$ (19,995)</u> | <u>\$ (36,160)</u> |

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

**ADVANTAGE COLLEGE PLANNING FRANCHISING, INC.**  
**STATEMENTS OF CHANGES IN STOCKHOLDERS' EQUITY**  
**YEARS ENDED DECEMBER 31, 2023, 2022 AND 2021**

|                                   | <u>Common<br/>Shares<br/>Outstanding</u> | <u>Common<br/>Stock</u> | <u>Additional<br/>Paid-In<br/>Capital</u> | <u>Accumulated<br/>Earnings</u> | <u>Total<br/>Stockholders'<br/>Equity</u> |
|-----------------------------------|--|-------------------------|---|---------------------------------|---|
| <b>BALANCE, DECEMBER 31, 2020</b> | <b>20,000</b>                            | <b>\$ 500</b>           | <b>\$ 75,000</b>                          | <b>\$ (22,500)</b>              | <b>\$ 53,000</b>                          |
| Contributed capital               | -  | -                       | 36,160                                    | -                               | 36,160                                    |
| Net (loss)                        | -  | -                       | -   | (36,160)                        | (36,160)                                  |
| <b>BALANCE, DECEMBER 31, 2021</b> | <b>20,000</b>                            | <b>500</b>              | <b>111,160</b>                            | <b>(58,660)</b>                 | <b>53,000</b>                             |
| Contributed capital               | -  | -                       | 6,000                                     | -                               | 6,000                                     |
| Net (loss)                        | -  | -                       | -   | (19,995)                        | (19,995)                                  |
| <b>BALANCE, DECEMBER 31, 2022</b> | <b>20,000</b>                            | <b>500</b>              | <b>117,160</b>                            | <b>(78,655)</b>                 | <b>39,005</b>                             |
| Distributions                     | -  | -                       | -   | (29,845)                        | (29,845)                                  |
| Net (loss)                        | -  | -                       | -   | (46,889)                        | (46,889)                                  |
| <b>BALANCE, DECEMBER 31, 2023</b> | <b>20,000</b>                            | <b>\$ 500</b>           | <b>\$ 117,160</b>                         | <b>\$ (155,389)</b>             | <b>\$ (37,729)</b>                        |

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

**ADVANTAGE COLLEGE PLANNING FRANCHISING, INC.**  
**STATEMENTS OF CASH FLOWS**

|   | <b>YEARS ENDED DECEMBER 31,</b> |                  |                 |
|---|---------------------------------|------------------|-----------------|
|   | <b>2023</b>                     | <b>2022</b>      | <b>2021</b>     |
| <b>CASH FLOWS FROM OPERATING ACTIVITIES</b>                                       |                                 |                  |                 |
| Net income  | \$ (46,889)                     | \$ (19,995)      | \$ (36,160)     |
| Adjustments to reconcile net (loss) to net cash provided by operating activities: |                                 |                  |                 |
| Amortization  | 10,500                          | 10,500           | -               |
| Recognition of non-refundable deferred franchise fees                             | (9,833)                         | (3,500)          | -               |
| Changes in assets and liabilities   |                                 |                  |                 |
| Accounts payable  | 1,723                           | 1,366            | -               |
| Non-refundable deferred franchise fees  | 89,995                          | 40,000           | -               |
| Net cash provided (used) by operating activities                                  | <u>45,496</u>                   | <u>28,371</u>    | <u>(36,160)</u> |
| <b>CASH FLOWS FROM INVESTING ACTIVITIES</b>                                       |                                 |                  |                 |
| Purchase of franchise development costs   | -                               | -                | -               |
| Net cash used in investing activities   | <u>-</u>                        | <u>-</u>         | <u>-</u>        |
| <b>CASH FLOWS FROM FINANCING ACTIVITIES</b>                                       |                                 |                  |                 |
| Distributions   | (29,845)                        | -                | -               |
| Contributed capital   | -                               | 6,000            | 36,160          |
| Net cash provided (used) by financing activities                                  | <u>(29,845)</u>                 | <u>6,000</u>     | <u>36,160</u>   |
| <b>NET INCREASE IN CASH</b>   | <u>15,651</u>                   | <u>34,371</u>    | <u>-</u>        |
| <b>CASH, BEGINNING</b>  | <u>34,871</u>                   | <u>500</u>       | <u>500</u>      |
| <b>CASH, ENDING</b>   | <u>\$ 50,522</u>                | <u>\$ 34,871</u> | <u>\$ 500</u>   |
| <b>SUPPLEMENTAL DISCLOSURES</b>   |                                 |                  |                 |
| Cash paid for interest  | \$ -                            | \$ -             | \$ -            |
| Cash paid for taxes   | \$ -                            | \$ -             | \$ -            |

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

**ADVANTAGE COLLEGE PLANNING FRANCHISING, INC.  
NOTES TO FINANCIAL STATEMENTS**

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

Advantage College Planning Franchising, Inc. ("Company") was formed on February 20, 2021, in the State of North Carolina as a corporation. The Company grants franchises to qualified persons to own and operate an educational consulting business that guides students through career planning, college selection, college application, and the financial aid processes (a "Center"). All activities are conducted at an approved location in a designated territory.

*Affiliates*

Advantage College Planning, LLC, ("ACP") was formed on January 6, 2009, in the State of North Carolina as a limited liability company. ACP has operated a Center since 2009 and is operating one business like the type being offered by the Company.

ADVCP IP, INC., was formed on March 11, 2021, in the State of North Carolina as a corporation. ADVCP IP, INC. owns all the intellectual property used in the operation of the Centers and has granted the Company an exclusive worldwide license to offer franchises.

The above affiliates do not sell franchises in any other line of business and are not otherwise engaged in any other business activity.

The following table summarizes the number of centers owned and operating for the period ended December 31:

|                                 | 2023 | 2022 | 2021 |
|---------------------------------|------|------|------|
| Centers in operation, beginning | 3    | 1    | 1    |
| Centers opened                  | 2    | 2    | -    |
| Centers terminated or closed    | -    | -    | -    |
| Centers in operation, ending    | 5    | 3    | 1    |
| Franchised centers              | 4    | 2    | -    |
| Affiliate owned centers         | 1    | 1    | 1    |

A summary of significant accounting policies follows:

*Use of Estimates*

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

*Cash and Cash Equivalents*

The Company considers all highly liquid investments with a maturity of three months or less at the time of purchase to be cash equivalents. The Company had no cash equivalents as of December 31, 2023, and 2022.



**ADVANTAGE COLLEGE PLANNING FRANCHISING, INC.**  
**NOTES TO FINANCIAL STATEMENTS**

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

*Accounts Receivable*

Timing of revenue recognition may be different from the timing of invoicing to customers. The Company records an accounts receivable when revenue is recognized prior to invoicing, or unearned revenue when revenue is recognized after invoicing. Management evaluates individual customers' receivables considering their financial condition, credit history and current economic conditions. Accounts receivable are written off if deemed uncollectible and recoveries of accounts receivable previously written off are recorded as income when received. The Company did not have any accounts receivable or allowance for doubtful accounts as of December 31, 2023, and 2022 and did not charge-off any accounts receivable during the periods ended December 31, 2023, 2022, and 2021.

*Property, Plant & Equipment*

The Company has adopted ASC 360 – Property, Plant and Equipment. Property and equipment are stated at historical cost. Depreciation is provided using straight-line method based on the estimated useful lives of the related assets (generally three to seven years). The Company had no property, plant & equipment at December 31, 2023, and 2022.

*Intangible Assets*

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

*Income Taxes*

The Company has adopted the liability method of accounting for income taxes ASC 740, "Income Taxes." Under ASC 740, deferred income taxes are recorded to reflect tax consequences on future years for the differences between the tax basis of assets and liabilities and their financial reporting amounts at each year-end. Deferred tax assets, including tax loss and credit carryforwards, and liabilities are measured using enacted tax rates expected to apply to taxable income in the years in which those temporary differences are expected to be recovered or settled. The effect on deferred tax assets and liabilities of a change in tax rates is recognized in income in the period that includes the enactment date.

**ADVANTAGE COLLEGE PLANNING FRANCHISING, INC.**  
**NOTES TO FINANCIAL STATEMENTS**

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

*Income Taxes (continued)*

Deferred income tax expense represents the change during the period in the deferred tax assets and deferred tax liabilities. The components of the deferred tax assets and liabilities are individually classified as current and non-current based on their characteristics. Deferred tax assets are reduced by a valuation allowance when, in the opinion of management, it is more likely than not that some portion or all the deferred tax assets will not be realized.

The Company adopted the provisions ASC 740-10-25 "Accounting for Uncertainty in Income Taxes," (formerly "FIN 48"). This provision prescribes recognition thresholds that must be met before a tax position is recognized in the financial statements and provides guidance on derecognition, classification, interest and penalties, accounting in interim periods, disclosure, and transition. Under the provision, an entity may only recognize or continue to recognize tax positions that meet a "more likely than not" threshold. The Company did not make any adjustment to opening retained earnings as a result of the implementation.

*Revenue Recognition, Non-refundable Deferred Franchise Fees, and Franchise Acquisition Assets*

The Company recognizes revenues under the guidance of ASC 606, "Contracts with Customers". The Company's revenue is principally generated through franchise agreements executed with the Company's franchisees.

Each franchise agreement is comprised of several performance obligations. The Company identifies those performance obligations, determines the contract price for each obligation, allocates the transaction price to each performance obligation and recognizes revenue when the Company has satisfied the performance obligation by transferring control of the good or service to the franchisee.

When a qualified party purchases a franchise, the Company grants the franchisee the right to operate the franchised business in a designated territory and to use the proprietary methods, techniques, trade dress, trademarks, and logos ("symbolic intellectual property" or "IP"). Revenues related to the designated territory and IP are continuing royalties that are 7.0% of gross revenues. These revenues will be used to continue the development of the Company's brand, the franchise system and provide on-going support for the Company's franchisees. The royalties are billed weekly and are recognized as revenue when earned.

Revenue from initial franchise fees is allocated to the performance obligations in the franchise agreement that are distinct from the territory rights and symbolic intellectual property. The amount allocated to each identified performance obligation is determined using the expected cost plus a margin or fair market value approach. Revenue from initial fees is recognized when the performance obligation is satisfied and control of the good or service has been transferred to the franchisee. Unearned initial fee revenues will be recorded as non-refundable deferred revenue. Commissions and other direct costs related to unsatisfied performance obligations will be recorded as a franchise acquisition asset and are recognized as expense when the related performance obligation has been satisfied.



**ADVANTAGE COLLEGE PLANNING FRANCHISING, INC.  
NOTES TO FINANCIAL STATEMENTS**

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

*Brand Fund Contribution*

The Company has the right to collect a brand fund fee of up to 2%, currently 1%, of the gross revenues of each franchise location.

*Advertising Costs*

The Company expenses advertising costs as incurred. Advertising expense the years ended December 31, 2023, 2022, and 2021 were \$1,731, \$3,017, and \$17,483.

*Fair Value of Financial Instruments*

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

*Recently issued accounting pronouncements*

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

**NOTE 2 – CONTRACTS WITH CUSTOMERS**

The Company has recorded a liability for unearned revenue associated with the performance obligation of the Company's franchise agreements. The account balances and activity for the years ended December 31, are as follows:

|  | December 31,      |                  |
|--|-------------------|------------------|
|  | 2023              | 2022             |
| <b>Deferred Non-refundable Franchise Fees:</b> |                   |                  |
| Balance beginning of year                      | \$ 36,500         | \$ -             |
| Deferral of non-refundable franchise fees      | 89,995            | 40,000           |
| Recognition of non-refundable franchise fees   | (9,833)           | (3,500)          |
| Balance at end of year                         | <u>\$ 116,662</u> | <u>\$ 36,500</u> |

**ADVANTAGE COLLEGE PLANNING FRANCHISING, INC.**  
**NOTES TO FINANCIAL STATEMENTS**

**NOTE 2 – CONTRACTS WITH CUSTOMERS (CONTINUED)**

Estimated Recognition of Deferred Franchise Fees

Estimated revenues to be recognized in future periods related to deferred franchise fees as reported at December 31, 2023, is as follows:

|                          | Non-refundable<br>Franchise Fees |
|--------------------------|----------------------------------|
| Year ending December 31: |                                  |
| 2024                     | \$ 13,000                        |
| 2025                     | 13,000                           |
| 2026                     | 13,000                           |
| 2027                     | 13,000                           |
| 2028                     | 13,000                           |
| Thereafter               | 51,662                           |
|                          | <u>\$ 116,662</u>                |

Disaggregation of Revenues

Disaggregated revenues based on the satisfaction of performance obligations in the Company's contracts with franchisees for the years ended December 31, 2023, 2022 and 2021, is as follows:

|   | 2023             | 2022            | 2021        |
|---|------------------|-----------------|-------------|
| Performance obligations satisfied at a point in time          | \$ 15,605        | \$ 3,633        | \$ -        |
| Performance obligations satisfied through the passage of time | 9,833            | 3,500           | -           |
| Total revenues  | <u>\$ 25,438</u> | <u>\$ 7,133</u> | <u>\$ -</u> |

**NOTE 2 – INTANGIBLE ASSETS**

At December 31, 2023, and 2022 intangible assets consist of franchise development costs in the amount of \$52,500 and \$52,500. Amortization expense was \$21,000 and \$10,500 for years ended December 31, 2023, and 2022. Amortization expense for the next three years is estimated to be \$10,500 per year.

**NOTE 3 – COMMITMENTS AND CONTINGENCIES**

Litigation

The Company may be party to various claims, legal actions and complaints arising in the ordinary course of business. In the opinion of management, all matters are of such kind, or involve such amounts, that unfavorable disposition, if any, would not have a material effect on the financial position of the Company.

**ADVANTAGE COLLEGE PLANNING FRANCHISING, INC.  
NOTES TO FINANCIAL STATEMENTS**

**NOTE 4 - SUBSEQUENT EVENTS**

*Date of Management's Evaluation*

Management has evaluated subsequent events through March 31, 2024, the date on which the financial statements were available to be issued.

## EXHIBIT D

### STATE SPECIFIC ADDENDUM TO FRANCHISE AGREEMENT AND FRANCHISE DISCLOSURE DOCUMENT

#### RIDERS TO FRANCHISE AGREEMENT FOR SPECIFIC STATES

If any one of the following Riders to the Franchise Agreement for Specific States (“Riders”) is checked as an “Applicable Rider” below, then that Rider shall be incorporated into the Franchise Agreement entered into by ADVANTAGE COLLEGE PLANNING FRANCHISING, INC. and the undersigned Franchisee. To the extent any terms of an Applicable Rider conflict with the terms of the Franchise Agreement, the terms of the Applicable Rider shall supersede the terms of the Franchise Agreement.

#### Applicable Rider

- ☐ California
- ☐ Maryland
- ☐ New York
- ☐ Virginia

ADVANTAGE COLLEGE PLANNING  
FRANCHISING, LLC

\_\_\_\_\_

FRANCHISEE (Print Name)

By: \_\_\_\_\_

Name: \_\_\_\_\_

Title: \_\_\_\_\_

By: \_\_\_\_\_

Name: \_\_\_\_\_

Title: \_\_\_\_\_

**CALIFORNIA APPENDIX FOR OFFERINGS  
OF FRANCHISES IN CALIFORNIA**

**If your franchise is located in California, the following will apply:**

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

1. OUR WEBSITE HAS NOT BEEN REVIEWED OR APPROVED BY THE CALIFORNIA DEPARTMENT FINANCIAL PROTECTION AND INNOVATION. ANY COMPLAINTS CONCERNING THE CONTENT OF THIS WEBSITE MAY BE DIRECTED TO THE CALIFORNIA DEPARTMENT OF FINANCIAL PROTECTION AND INNOVATION AT [WWW.DFPI.CA.GOV](http://WWW.DFPI.CA.GOV).

2. No person or franchise broker listed 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.A. 78a, et seq., suspending or expelling such persons from membership in such association or exchange.

3. THESE FRANCHISES HAVE BEEN REGISTERED UNDER THE FRANCHISE INVESTMENT LAW OF THE STATE OF CALIFORNIA. SUCH REGISTRATION DOES NOT CONSTITUTE APPROVAL, RECOMMENDATION OR ENDORSEMENT BY THE COMMISSIONER OF FINANCIAL PROTECTION AND INNOVATION NOR A FINDING BY THE COMMISSIONER THAT THE INFORMATION PROVIDED HEREIN IS TRUE, COMPLETE AND NOT MISLEADING.

4. Item 17 Additional Paragraphs:

- A. California Business and Professional Code Sections §§ 20000 through 20043 provide rights to the franchisee concerning the 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.
- B. The franchise agreement provides for termination upon bankruptcy. This provision may not be enforceable under federal bankruptcy law (11 U.S.C.A. § 101, et seq.).
- C. 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.
- D. The franchise agreement requires binding arbitration. The arbitration will occur in North Carolina with the costs being borne equally by both parties but with the prevailing party's costs subject to reimbursement by the losing party. This provision may not be enforceable under California law.
- E. The franchise agreement requires application of the laws of North Carolina. This provision may not be enforceable under California law.

5. Prospective franchisees are encouraged to consult private legal counsel to determine the applicability of California and federal laws (such as business and Professions Code § 20040.S, Code of Civil Procedures 1281, and the Federal Arbitration Act) to any provisions of the Franchise Agreement restricting venue to a forum outside the State of California.
6. 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.
7. 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).
8. The Department has determined that we, the franchisor, have not demonstrated we are adequately capitalized and/or that we must rely on franchise fees to fund our operations. The Commissioner has imposed a fee deferral condition, which requires that we defer the collection of all initial fees from California franchisees until we have completed all of our pre-opening obligations and you are open for business.
9. 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.



## MARYLAND

### Amendment to Disclosure Document

1. The following is added to Item 5 of the Disclosure Document:

Based upon the franchisor's financial condition, the Maryland Securities Commissioner has required a financial assurance. Therefore, all initial fees and payments owed by franchisees shall be deferred until the franchisor completes its pre-opening obligations under the franchise agreement.

2. Item 17 of the Disclosure Document is amended to include the following:

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

3. Item 17 of the Disclosure Document is amended to include the following:

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

4. Item 17 of the Disclosure Document is amended to include the following:

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

5. The FDD is amended to include the following:

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.

## **Amendment to the Franchise Agreement**

Sections 2 and 13 of the Franchise Agreement are revised to include the following:

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

Section 21 of the Franchise Agreement is revised to include the following:

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

Section 21 of the Franchise Agreement is revised to include the following:

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

Section 21 of the Franchise Agreement is revised to include the following:

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

Section 3 of the Franchise Agreement is revised to include the following:

Based upon the franchisor's financial condition, the Maryland Securities Commissioner has required a financial assurance. Therefore, all initial fees and payments owed by franchisees shall be deferred until the franchisor completes its pre-opening obligations under the franchise agreement.

The following statement is added to the Franchise Agreement:

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.

Section 20(g) and Section 20(h) are hereby deleted from the Franchise Agreement.

**SIGNATURE PAGE FOLLOWS**

**Franchisor:**

**ADVANTAGE COLLEGE PLANNING  
FRANCHISING, INC.**

By: \_\_\_\_\_

Name: \_\_\_\_\_

Title: \_\_\_\_\_

Date: \_\_\_\_\_

**Franchisee:**

\_\_\_\_\_

By: \_\_\_\_\_

Name: \_\_\_\_\_

Title: \_\_\_\_\_

Date: \_\_\_\_\_

## NEW YORK

1. The following information is added to the cover page of the Franchise Disclosure Document:

**INFORMATION COMPARING FRANCHISORS IS AVAILABLE. CALL THE STATE ADMINISTRATORS LISTED IN EXHIBIT A OR YOUR PUBLIC LIBRARY FOR SERVICES OR INFORMATION. REGISTRATION OF THIS FRANCHISE BY NEW YORK STATE DOES NOT MEAN THAT NEW YORK STATE RECOMMENDS IT OR HAS VERIFIED THE INFORMATION IN THIS FRANCHISE DISCLOSURE DOCUMENT. IF YOU LEARN ANYTHING IN THIS FRANCHISE DISCLOSURE DOCUMENT IS UNTRUE, CONTACT THE FEDERAL TRADE COMMISSION AND THE APPROPRIATE STATE OR PROVINCIAL AUTHORITY. THE FRANCHISOR MAY, IF IT CHOOSES, NEGOTIATE WITH YOU ABOUT ITEMS COVERED IN THE FRANCHISE DISCLOSURE DOCUMENT. HOWEVER, THE FRANCHISOR CAN NOT USE THE NEGOTIATING PROCESS TO PREVAIL UPON A PROSPECTIVE FRANCHISEE TO ACCEPT TERMS THAT ARE LESS FAVORABLE THAN THOSE SET FORTH IN THIS FRANCHISE DISCLOSURE DOCUMENT.**

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

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

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

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

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

D. No such party is subject to a currently effective injunctive or restrictive order or decree relating to the franchise, or under a Federal, State, or Canadian franchise, securities, antitrust, trade regulation or trade practice law, resulting from a concluded or pending action or proceeding brought by a public agency; or is subject to any currently effective

order of any national securities association or national securities exchange, as defined in the Securities and Exchange Act of 1934, suspending or expelling such person from membership in such association or exchange; or is subject to a currently effective injunctive or restrictive order relating to any other business activity as a result of an action brought by a public agency or department, including, without limitation, actions affecting a license as a real estate broker or sales agent.

3. The following is added to the end of the “Summary” sections of Item 17(c), titled **“Requirements for a franchisee to renew or extend,”** and Item 17(m), entitled **“Conditions for franchisor approval of transfer”**:

However, to the extent required by applicable law, all rights you enjoy and any causes of action arising in your favor from the provisions of Article 33 of the General Business Law of the State of New York and the regulations issued thereunder shall remain in force; it being the intent of this proviso that the non-waiver provisions of General Business Law Sections 687(4) and 687(5) be satisfied.

4. The following language replaces the “Summary” section of Item 17(d), titled **“Termination by franchisee”**:

You may terminate the agreement on any grounds available by law.

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

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

6. Franchise Questionnaires and Acknowledgements--No statement, questionnaire, or acknowledgment signed or agreed to by a franchisee in connection with the commencement of the franchise relationship shall have the effect of (i) waiving any claims under any applicable state franchise law, including fraud in the inducement, or (ii) disclaiming reliance on any statement made by any franchisor, franchise seller, or other person acting on behalf of the franchisor. This provision supersedes any other term of any document executed in connection with the franchise.
7. Receipts--Any sale made must be in compliance with § 683(8) of the Franchise Sale Act (N.Y. Gen. Bus. L. § 680 et seq.), which describes the time period a Franchise Disclosure Document (offering prospectus) must be provided to a prospective franchisee before a sale may be made. New York law requires a franchisor to provide the Franchise Disclosure Document at the earlier of the first personal meeting, ten (10) business days before the execution of the franchise or other agreement, or the payment of any consideration that relates to the franchise relationship.

## VIRGINIA

### **If your franchise is located in Virginia, the following will apply:**

The following is added to Item 5 of the Disclosure Document:

The Virginia State Corporation Commission's Division of Securities and Retail Franchising requires us to defer payment of the initial franchise fee and other initial payments owed by franchisees to the franchisor until the franchisor has completed its pre-opening obligations under the franchise agreement.

The following statements are added to Item 17.h of the Disclosure Document:

Under 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.

Under 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.

The following statement is added to Section 3 of the Franchise Agreement:

The Virginia State Corporation Commission's Division of Securities and Retail Franchising requires Franchisor to defer payment of the initial franchise fee and other initial payments owed by franchisees to Franchisor until Franchisor has completed its pre-opening obligations under the franchise agreement.

The following statement is added to the FDD and to the Franchise Agreement:

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.

## **RISK FACTOR**

**Estimated Initial Investment.** The franchisee will be required to make an estimated initial investment ranging from \$70,515 to \$100,775. This amount exceeds the franchisor's stockholder's equity as of December 31, 2023, which was a deficit of \$37,729.

## **EXHIBIT E**

### **STATE AND FEDERAL REGULATORY AUTHORITIES**

#### **FEDERAL TRADE COMMISSION**

Franchise Rule Coordinator  
Federal Trade Commission Division of Marketing Practices  
Seventh and Pennsylvania Avenues, N.W., Room 238  
Washington, D.C. 20580  
Telephone: (202) 326-2970

Listed here are the names, addresses and telephone numbers of the state agencies having responsibility for the franchising disclosure/registration laws. We may not yet be registered to sell franchises in any or all of these states. 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 the franchise laws. There may be states in addition to those listed below in which we have appointed an agent for service of process. There also may be additional agents appointed in some of the states listed.

#### **STATE FRANCHISE REGULATORS AND AGENTS FOR SERVICE OF PROCESS**

**CALIFORNIA:**  
Commissioner of Financial Protection &  
Innovation  
Department of Financial Protection and  
Innovation  
320 West 4th St., Ste. 750  
Los Angeles, California 90013  
Telephone: (213) 576-7500 or  
Toll Free Telephone: (866) 275-2677

**CONNECTICUT:**  
Eric Wilder, Director of Securities  
Connecticut Department of Banking  
Securities and Business Investment Division  
260 Constitution Plaza  
Hartford, CT 06103-1800  
Telephone: (860) 240-8233

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

**ILLINOIS (Registered Agent):**  
Tanya Solov, Director of Securities  
Office of the Secretary of State  
Securities Department  
69 West Washington Street, Suite 1220  
Chicago, IL 60602  
Telephone: (312) 793-3884

**ILLINOIS (Regulatory Authority):**  
Kwame Raoul  
Illinois Attorney General  
500 South Second Street  
Springfield, Illinois 62706  
Telephone: (217) 782-4465

**INDIANA:**  
Chris Naylor, Securities Commissioner  
Franchise Section  
Indiana Securities Division  
Secretary of State  
Room E-111  
302 West Washington Street  
Indianapolis, IN 46204  
Telephone: (317) 232-6681

IOWA:

Jim Mumford, Securities Administrator  
Director of Regulated Industries Unit  
Iowa Securities Bureau  
330 Maple Street  
Des Moines, IA 50319-0066  
Telephone: (515) 281-5705

MARYLAND (Registered Agent):  
Maryland Securities Commissioner  
200 St. Paul Place  
Baltimore, Maryland 21202-2020  
Telephone: (410) 576-6360

MARYLAND (Regulatory Authority):  
Office of the Attorney General  
Securities Division  
200 St. Paul Place  
Baltimore, MD 21202-2020  
Telephone: (410) 576-6360

MICHIGAN (Regulatory Authority):  
Consumer Protection Division  
Antitrust and Franchise Unit  
Michigan Department of Attorney General  
525 W. Ottawa Street  
Lansing, MI 48909  
Telephone: (517) 373-1152

MICHIGAN (Registered Agent):  
Linda Cena, Securities Director  
Office of Financial & Insurance Regulation  
525 West Allegan  
1st Floor Constitution Hall  
Lansing, MI 48909  
Telephone: (517) 241-6345

MINNESOTA:  
Minnesota Dept. of Commerce  
Securities-Franchise Registration  
85 7<sup>th</sup> Place East, Suite 280  
Saint Paul, MN 55101-2198  
Telephone: (651) 539-1500

NEW YORK (Administrator/Regulatory  
Authority)  
New York State Department of Law  
Investor Protection Bureau  
28 Liberty St., 21<sup>st</sup> Floor  
New York, NY 10005  
Telephone: (212) 416-8222

NEW YORK (Agent for Service of Process)  
Secretary of State  
99 Washington Avenue  
Albany, NY 12231

NORTH DAKOTA:  
North Dakota Securities Department  
Fifth Floor State Capitol, Dept. 414  
600 East Boulevard  
Bismarck, ND 58505-0510  
Telephone: (701) 328-2910

OKLAHOMA:  
Oklahoma Securities Dept.  
First National Center  
120 N. Robinson Suite 860  
Oklahoma City, OK 73102  
Telephone: (405) 280-7700

RHODE ISLAND:  
Division of Securities  
1511 Pontiac Ave  
John O. Pastore Complex- Bld 69-1  
Cranston, RI 02920  
Telephone: (401) 462-9500

SOUTH DAKOTA:  
Division of Insurance  
Securities Regulation  
124 S. Euclid, Ste. 104  
Pierre, SD 57501  
Telephone: (605) 773-3563

TEXAS:  
Hope Andrade  
Secretary of State  
P.O. Box 12697  
Austin, TX 78711-2697  
Telephone: (512) 463-5701



UTAH:

Division of Consumer Protection  
Utah Department of Commerce  
160 East 300 South  
SM Box 146704  
Salt Lake City, UT 84114-6704  
Telephone: (801) 530-6601

VIRGINIA (Registered Agent):

Clerk of the State Corporation Commission  
1300 East Main Street, 1st Floor  
Richmond, Virginia 23219  
Telephone: (804) 371-9733

VIRGINIA (Regulatory Authority)

State Corporation Commission,  
Division of Securities and Retail Franchising  
1300 East Main Street, 9th Floor  
Richmond, Virginia 23219  
Telephone: (804) 371-9051

WASHINGTON:

Address for Service of Process:  
Department of Financial Institutions  
Securities Division  
150 Israel Road, SW  
Tumwater, WA 98501  
Telephone: (360) 902-8760

Mailing Address:

Department of Financial Institutions  
Securities Division  
PO Box 41200  
Olympia, WA 98504-1200

WISCONSIN:

Franchise Office  
Wisconsin Securities Commission  
P.O. Box 1768  
Madison, WI 53701  
Telephone: (608) 266-3364

## **EXHIBIT F**

### **SAMPLE MUTUAL RELEASE ADVANTAGE COLLEGE PLANNING FRANCHISING, INC.**

**[This Agreement is a sample form currently in use and is subject to change.]**

#### **FULL AND FINAL GENERAL RELEASE**

**FOR AND IN CONSIDERATION** of the mutual covenants contained herein, and other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged by all parties, the parties agree and covenant to fully and mutually release the other as follows:

1. The Franchisee; Owners; guarantors of the Franchisee; and their respective predecessors, parents, affiliates, subsidiaries, shareholders, members, partners, officers, directors, managers, employees, agents, representatives, attorneys, accountants, personal representatives, heirs, executors, administrators, successors, and assigns.(collectively, the “Franchisee Parties”) do hereby release and forever discharge Franchisor; Franchisor’s predecessors, parents, affiliates, and subsidiaries; and their respective shareholders, members, partners, officers, directors, managers, employees, agents, representatives, attorneys, accountants, guarantors, successors, and assigns, in both their corporate and individual capacities (collectively, the “Franchisor Parties”) from any and all claims, demands, damages, actions, causes of action, or suits of any kind or nature whatsoever, both known and unknown, including, without limitation: (a) arising out of or related to Franchisor Parties’ obligations under the franchise agreement or (b) otherwise arising from or related to the Franchisee Parties’ relationship, from the beginning of time to the date of Franchisee’s signature below, with any of Franchisor Parties.

2. Franchisee, on Franchisee’s own behalf and on behalf of the other Franchisee Parties, further covenant not to sue any of Franchisor Parties on any of the claims released by the preceding paragraph and represent that Franchisee has not assigned any such claims released by the preceding paragraph to any individual or entity who is not bound by this Release. It is understood and agreed that this Release is not to be construed as an admission of liability with respect to Franchisor Parties.

3. The consideration expressly mentioned herein is the only consideration paid or to be paid by said parties hereby released. The parties acknowledge that no other party, or agent, or attorney of any other party, has made any promise, or representation or warranty to induce this Release, not herein expressly set forth, and no such promises, representations or warranties are relied upon as a consideration for this Release, or otherwise, but any and all of the parties’ respective claims, of whatever nature are hereby fully and forever released, compromised and settled. Full and complete compromise, settlement, and accord and satisfaction are hereby acknowledged, and it is expressly agreed by the undersigned parties never to sue any of the other parties hereby released on any alleged promise, representation or warranty for this Release not herein expressly set forth.

4. This Agreement contains the entire agreement and understanding between the parties as to the matters specified herein and supersedes and replaces all agreements on this subject matter,

whether written or oral. The terms contained herein may not be modified or amended except in writing signed by the parties. The terms of this Release are contractual and not a mere recital.

5. The undersigned further state that they have carefully read the foregoing instrument; that they know the contents thereof; that they understand and agree to each and every term and condition contained herein; that they signed the same as their own free act and deed; and that they have not assigned any rights released hereunder to any person or organization, private or governmental.

6. The parties hereby covenant and agree that each shall not make, at any time or place, any disparaging remarks, verbally or in writing, concerning any of the parties' actions or perceived omissions, regarding any matter connected with this Release Agreement or otherwise take any action that would disparage or cast doubt upon the business acumen or judgment of any other party. Each party understands and acknowledges that each other party's business and reputation are of special, unique, and extraordinary character, which gives them a particular value, the loss of which cannot reasonably be compensated in damages in an action at law. Accordingly, each party further agrees that in addition to any other rights or remedies that any other party may possess at law, any aggrieved party shall be entitled to injunctive and other equitable relief in order to prevent or remedy a breach of the provisions of this Agreement by any other party hereto.

7. The terms of this Release arose from discussions between the parties. Accordingly, no claimed ambiguity in this Release shall be construed against any party claimed to have drafted or proposed the language in question.

8. This Release shall be governed by and construed pursuant to the laws of the State of North Carolina.

9. This Release may be executed in two (2) copies, each of which shall be deemed an original.

IF THE FRANCHISED BUSINESS FRANCHISEE OPERATES UNDER THE FRANCHISE AGREEMENT IS LOCATED IN CALIFORNIA OR IF FRANCHISEE IS A RESIDENT OF CALIFORNIA, THE FOLLOWING SHALL APPLY:

**SECTION 1542 ACKNOWLEDGMENT.** IT IS FRANCHISEE'S INTENTION, ON FRANCHISEE'S OWN BEHALF AND ON BEHALF OF THE FRANCHISEE PARTIES, IN EXECUTING THIS RELEASE THAT THIS INSTRUMENT BE AND IS A GENERAL RELEASE WHICH SHALL BE EFFECTIVE AS A BAR TO EACH AND EVERY CLAIM, DEMAND, OR CAUSE OF ACTION RELEASED BY FRANCHISEE OR THE FRANCHISEE PARTIES. FRANCHISEE RECOGNIZES THAT FRANCHISEE OR THE FRANCHISEE PARTIES MAY HAVE SOME CLAIM, DEMAND OR CAUSE OF ACTION AGAINST FRANCHISOR PARTIES OF WHICH FRANCHISEE, HE, SHE, OR IT IS TOTALLY UNAWARE AND UNSUSPECTING, WHICH FRANCHISEE, HE, SHE, OR IT IS GIVING UP BY EXECUTING THIS RELEASE. IT IS FRANCHISEE'S INTENTION, ON FRANCHISEE'S OWN BEHALF AND ON BEHALF OF THE FRANCHISEE PARTIES, IN EXECUTING THIS INSTRUMENT THAT IT WILL DEPRIVE FRANCHISEE, HIM, HER, OR IT OF EACH SUCH CLAIM, DEMAND, OR CAUSE OF ACTION AND PREVENT FRANCHISEE, HIM, HER, OR

IT FROM ASSERTING IT AGAINST FRANCHISOR PARTIES. IN FURTHERANCE OF THIS INTENTION, FRANCHISEE, ON FRANCHISEE'S OWN BEHALF AND ON BEHALF OF THE FRANCHISEE PARTIES, EXPRESSLY WAIVES ANY RIGHTS OR BENEFITS CONFERRED BY THE PROVISIONS OF SECTION 1542 OF THE CALIFORNIA CIVIL CODE, WHICH PROVIDES AS FOLLOWS:

**“A GENERAL RELEASE DOES NOT EXTEND TO CLAIMS WHICH THE CREDITOR DOES NOT KNOW OR SUSPECT TO EXIST IN THE CREDITOR'S FAVOR AT THE TIME OF EXECUTING THE RELEASE, WHICH IF KNOWN BY THE CREDITOR MUST HAVE MATERIALLY AFFECTED THE CREDITOR'S SETTLEMENT WITH THE DEBTOR.”**

FRANCHISEE ACKNOWLEDGES AND REPRESENTS THAT FRANCHISEE HAS CONSULTED WITH LEGAL COUNSEL BEFORE EXECUTING THIS RELEASE AND THAT FRANCHISEE UNDERSTANDS ITS MEANING, INCLUDING THE EFFECT OF SECTION 1542 OF THE CALIFORNIA CIVIL CODE, AND EXPRESSLY CONSENTS THAT THIS RELEASE SHALL BE GIVEN FULL FORCE AND EFFECT ACCORDING TO EACH AND ALL OF ITS EXPRESS TERMS AND PROVISIONS, INCLUDING, WITHOUT LIMITATION, THOSE RELATING TO THE RELEASE OF UNKNOWN AND UNSUSPECTED CLAIMS, DEMANDS, AND CAUSES OF ACTION.

If the franchised business is located in Maryland or if Franchisee is a resident of Maryland, the following shall apply:

Any general release provided for hereunder shall not apply to any liability under the Maryland Franchise Registration and Disclosure Law.

All releases given by the Parties are intended to constitute a full, complete, unconditional and immediate substitution for any and all rights, claims, demands and causes of action whatsoever which exist, or might have existed, on the date of this document. The Parties represent and warrant that they have made such independent investigation of the facts, law and otherwise pertaining to all matters discussed, referred to or released in or by this document as the Releasing Parties, in the Releasing Parties independent judgment, believe necessary or appropriate.

[FRANCHISEE]

ADVANTAGE COLLEGE PLANNING  
FRANCHISING, INC.

By: \_\_\_\_\_

By: \_\_\_\_\_

## EXHIBIT G

### ACH/EFT TRANSFER AGREEMENT

#### AUTHORIZATION TO HONOR CHECKS AND DEBITS BY AND PAYABLE TO THE FOLLOWING PAYEE(S):

The undersigned depositor ("Franchisee" or "Payor") hereby authorizes ADVANTAGE COLLEGE PLANNING FRANCHISING, INC. ("Franchisor" or "Payee") to initiate debit entries and/or credit correction entries to the undersigned's checking and/or savings account(s) indicated below and the bank designated below ("Bank") to debit or credit such account(s) pursuant to Franchisor's instructions.

Name of Person or Legal Entity of Franchisee: \_\_\_\_\_  
ID Number: \_\_\_\_\_  
Bank: \_\_\_\_\_  
Branch: \_\_\_\_\_  
City: \_\_\_\_\_ State: \_\_\_\_\_ Zip Code: \_\_\_\_\_  
Bank Transit/ABA Number: \_\_\_\_\_  
Account Number: \_\_\_\_\_

This authority is to remain in full and force and effect until sixty (60) days after Franchisor has received written notification from Franchisee of its termination.

FRANCHISEE/PAYOR:

\_\_\_\_\_

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_  
Date: \_\_\_\_\_

### INDEMNIFICATION AGREEMENT

To the above named Payee and the Bank designated:

The Payor agrees with respect to any action taken pursuant above authorization:

1. To indemnify the Bank and hold it harmless from any loss it may suffer resulting from or in connection with any debit, including, without limitation, execution and issuance of any check, draft or order, whether or not genuine, purporting to be authorized or executed by the Payee and received by the Bank in the regular course of business for the purpose of payment, including any costs or expenses reasonably in collection therewith.
2. To indemnify Payee and the Bank for any loss arising in the event that any such debit shall be dishonored, whether with or without cause and whether intentionally or inadvertently.
3. To defend at Payor's cost and expense any action which might be brought by any depositor or any other persons because of any actions taken by the Bank of Payee pursuant to the foregoing request and authorization, or in any manner arising by reason of the Bank's or Payee's participation therein.

**BE SURE THAT ALL INFORMATION ASKED FOR IS PROVIDED**

## EXHIBIT H

### RENEWAL ADDENDUM TO FRANCHISE AGREEMENT

[This Agreement is a sample form currently in use and is subject to change.]

\_\_\_\_\_  
**THIS FIRST ADDENDUM** (“Addendum”) to the Franchise Agreement dated as of the Effective Date (“Agreement”) between ADVANTAGE COLLEGE PLANNING FRANCHISING, INC. (“Franchisor”) and \_\_\_\_\_ (“Franchisee”) is made as of the same date to amend and supplement certain terms and conditions of the Agreement. In the event of any conflict between the terms of the Agreement and the terms of this Addendum, the terms of this Addendum shall control. All capitalized terms not otherwise defined in this Addendum shall have their respective meanings set forth in the Agreement.

1. **Franchised Location.** Franchisor has previously accepted the Location as required pursuant to the Agreement. The Location is: \_\_\_\_\_.

2. **Lease Acceptance.** Franchisor has previously accepted the lease for the Location as required pursuant to the Agreement and therefore waives the requirement for lease review and acceptance (and the associated lease review fee); provided, however, that if Franchisee enters into a new lease for the Location during the term of the Agreement, all lease review and acceptance requirements shall remain applicable.

3. **Commencement of Operations.** Franchisor and Franchisee acknowledge that the Location has commenced operations as required pursuant to the Agreement.

4. **Franchisor’s Development Assistance.** Franchisee acknowledges and agrees that Franchisor has complied with its obligations under the Agreement (or Franchisee waives, as the case may be, Franchisor’s obligation) to provide any services prior to the opening of the Center.

5. **Grand Opening.** The Section of the Agreement pertaining to a Grand Opening is deleted.

6. **Remodeling.** Franchisee will complete the remodeling and renovations of the Center, at Franchisee’s expense, listed on Exhibit 1 to this addendum no later than sixty (60) days following the Effective Date of the Agreement or at such different time as set forth in Exhibit 1.

7. **Release.** Franchisee, for itself, and its respective heirs, successors, assigns, agents and representatives, hereby fully and forever unconditionally releases and discharges Franchisor, and its predecessors, affiliates, successors, assigns, agents, representatives, employees, owners, officers, and directors (collectively referred to as “Franchisor Affiliates”) from any and all claims, demands, obligations, actions, liabilities, defenses or damages of every kind and nature whatsoever, in law or in equity, whether known or unknown, which may hereafter be discovered, in connection with, as a result of, or in any way arising from, any

relationship or transaction with Franchisor or Franchisor Affiliates, however characterized or described, from the beginning of time until the date of this Addendum.

**8. [As applicable:] No Further Renewal Rights.** Section 2(b) of the Agreement is hereby deleted. As such, Franchisee has no right to renew the Agreement. Any renewal rights or terms following the expiration of the term of the Agreement shall be granted in Franchisor's sole discretion. Franchisor has no obligation to grant Franchisee any further renewal rights, terms, or franchises.

**IN WITNESS WHEREOF**, the parties hereto have caused this Addendum to be executed on the date first set forth above.

ADVANTAGE COLLEGE PLANNING FRANCHISING,  
INC.

By: \_\_\_\_\_  
Title: \_\_\_\_\_  
Date\*: \_\_\_\_\_  
(\*This is the Effective Date)

FRANCHISEE:

By: \_\_\_\_\_  
Title: \_\_\_\_\_  
Date\*: \_\_\_\_\_  
(\*This is the Effective Date)

**Exhibit 1**  
**Remodeling**



## EXHIBIT I

### AGREEMENT AND CONDITIONAL CONSENT TO TRANSFER

[This Agreement is a sample form currently in use and is subject to change.]

**THIS AGREEMENT AND CONDITIONAL CONSENT TO TRANSFER** (“Agreement”) is made among **ADVANTAGE COLLEGE PLANNING FRANCHISING, INC.** (“Franchisor”), **[SELLER NAME(S) OR ENTITY NAME]** (“Seller”), and **[BUYER NAME(S) OR ENTITY NAME]** (“Buyer”), and, if any, the undersigned Guarantors, effective as of the Effective Date.

### RECITALS

A. Seller is the franchisee pursuant to that certain franchise agreement between Franchisor and Seller, as franchisee, dated **[date of seller franchise agreement]** (“Seller Franchise Agreement”), governing the operation of the \_\_\_\_\_ business located at **[Center address]**, Center # \_\_\_\_\_ (“Location”);

B. Buyer is the franchisee under that certain franchise agreement between Franchisor and Buyer, as franchisee, dated **[date of buyer franchise agreement]**, Center # \_\_\_\_\_ (as amended, the “Buyer Franchise Agreement”);

C. Seller has notified Franchisor that it and Buyer have entered into an Asset Purchase Agreement, dated **[date of Asset Purchase Agreement]** (“Purchase Agreement”), pursuant to which Seller has agreed to sell and Buyer has agreed to purchase all of the rights, obligations and assets relating to the Location (“Interests”) and, further, that Buyer has agreed to assume the lease obligations with regard to the Location (collectively, the “Transfer”); and

D. Seller and the guarantors of the obligations of Seller (“Seller Guarantors”) have requested that Franchisor consent to the Transfer and release Seller and the Seller Guarantors from all obligations under the Franchise Agreement and guaranty, respectively; and

E. The parties desire to set forth the terms and conditions under which Franchisor will consent to the Transfer and release.

### AGREEMENT

**FOR AND IN CONSIDERATION** of the foregoing Recitals, which are incorporated herein, the mutual covenants expressed herein and other valuable consideration, receipt and sufficiency of which are acknowledged, the parties agree as follows:

**1. Effective Date.** The Effective Date will be the date on which Franchisor signs this Agreement acknowledging its consent to the proposed Transfer.

**2. Proposed Transfer.** Buyer is purchasing the Interests from Seller in accordance with the terms and conditions of the “Purchase Agreement,” a copy of which has been provided to

Franchisor by Seller and Buyer. Seller and Buyer represent and warrant that the form of Purchase Agreement provided to Franchisor is the final version of the agreement and is the version which has been or will be executed by them to effectuate the Transfer.

**3. Conditional Consent; Release of Guaranty.** The Seller Franchise Agreement provides that the Transfer cannot take place without the consent of Franchisor. Franchisor will consent to the Transfer, as provided in the Seller Franchise Agreement, and will release (a) Seller from any obligations arising under the Seller Franchise Agreement and (b) Seller Guarantors under any guaranty agreement (in each case except as described below) from and after the Effective Date; provided, however, such consent and release are expressly contingent upon compliance with the following terms and conditions on or before the date of the closing of the Transfer ("Closing"):

**a. Franchise Agreement.** The Seller Franchise Agreement will terminate as of the Closing, and the operation of the Location will thereafter be governed by the Buyer Franchise Agreement;

**b. Payment of Amounts Due.** Seller will pay all amounts due and owing to Franchisor through the date of Closing; including but not limited to past due royalty and Brand Fund contributions in the amount of \$ \_\_\_\_\_;

**c. Transfer Fee.** Seller shall pay a transfer fee of \$ \_\_\_\_\_ as provided in the Seller Franchise Agreement;

**d. Financial Statements.** Seller will provide Franchisor with all required monthly financial statements for the Location through the date of Closing;

**e. Training.** Buyer or Buyer's designated representative(s) shall have satisfactorily completed the initial training program as described in the Buyer Franchise Agreement prior to the Closing;

**f. Right to Possession.** Buyer will provide satisfactory evidence to Franchisor that Buyer has the right to possession of the premises for the Location by way of lease assignment (with **all** required landlord consents) or otherwise;

**g. Site Selection Assistance.** Buyer acknowledges and agrees that Franchisor has satisfied any and all obligations under the Buyer Franchise Agreement with respect to site selection and development assistance;

**h. Remodeling.** Seller and Buyer shall ensure that all of the items reflected on the Pre-Sale Inspection which is attached hereto have been completed;

**i. Purchase Agreement.** The Purchase Agreement will not be amended and the terms of the transaction thereunder will not be changed except with the prior written consent of Franchisor;

**j. Buyer Loans.** Buyer shall provide Franchisor with copies of all loan documents or loan commitments evidencing all debt taken on by Buyer in connection with the purchase of the Location; and

**k. Franchised Location Possession.** Prior to Closing and changing possession of the Location, Seller and Buyer shall obtain the written consent of Franchisor to change possession.

**4. Waiver of Right of First Refusal.** Franchisor hereby waives any right of first refusal to purchase the Interests as it may have pursuant to the Seller Franchise Agreement.

**5. Release of Franchisor.** Seller, the Seller Guarantors and Buyer, and each of them, for themselves and their affiliates, employees, officers, directors, successors, assigns, and other representatives, hereby fully and forever unconditionally release and discharge Franchisor, and its affiliates, parents, subsidiaries, area directors and agents and their respective employees, owners, members, officers, directors, successors, assigns, guarantors and other representatives ("Released Parties"), from any and all claims, demands, obligations, actions, liabilities and damages of every kind or nature whatsoever, in law or in equity, whether known or unknown to them, which they may have against the Released Parties as of the date of this Agreement, or which may thereafter be discovered, accrued, or sustained, in connection with, as a result of, or in any way arising from, any relations or transactions with the Released Parties, however characterized or described, including but not limited to, any claims arising from the Seller Franchise Agreement, the Buyer Franchise Agreement or the Purchase Agreement or the transactions described herein.

If the Location is located in California or if either Buyer or Seller is a resident of California, the following shall apply:

**Section 1542 Acknowledgment.** It is the intention of Seller and Buyer in executing this Agreement that this instrument be and is a general release which shall be effective as a bar to each and every claim, demand or cause of action released by Seller and/or Buyer. Each of Seller and Buyer recognizes that he, she or it may have some claim, demand or cause of action against the Released Parties of which he, she, or it is totally unaware and unsuspecting, which he, she or it is giving up by executing this Agreement. It is the intention of each of Seller and Buyer in executing this instrument that it will deprive him, her or it of such claim, demand or cause of action and prevent him, her or it from asserting it against the Released Parties. In furtherance of this intention, Seller and Buyer expressly waive any rights or benefits conferred by the provisions of Section 1542 of the California Civil Code, which provides as follows:

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

Each of Seller and Buyer acknowledges and represents that he, she, or it has consulted with legal counsel before executing this Agreement and that he, she, or it understands its meaning, including the effect of Section 1542 of the California Civil Code, and expressly consents that this Agreement shall be given full force and effect according to each and all of its express terms and provisions, including, without limitation, those relating to the release of unknown and unsuspected claims, demands and causes of action.

**6. Termination of Seller Franchise Agreement and Guaranties.** Franchisor and Seller acknowledge and agree that, as of the date of Closing, upon the Transfer and upon compliance with the conditions set forth in Section 3 above, the Seller Franchise Agreement and the guaranties (if any) will automatically terminate and neither Seller nor Seller Guarantors shall

have any further rights or obligations thereunder except that neither Seller nor any Seller Guarantor shall be released from:

a. any obligations to pay money to Franchisor owed under either the Seller Franchise Agreement or the guaranty prior to Closing; or

b. the provisions of the Seller Franchise Agreement that, either expressly or by their nature, survive termination of the Seller Franchise Agreement (including without limitation the post-termination restrictive covenants, audit rights, dispute resolution and notice, and confidentiality provisions of the Seller Franchise Agreement).

7. **Acknowledgment.** Buyer and Seller acknowledge that although Franchisor or its affiliates, employees, officers, directors, successors, assigns, and other representatives may have been involved in Buyer's purchase of the Interests from Seller, Buyer and Seller have assumed sole and full responsibility for making the final decision to purchase and sell the Interests and each has consulted, or has had the opportunity to consult but, of its own accord, elected not to consult, with its own legal and financial advisors. Buyer further understands that as part of analyzing the purchase of the Interests from Seller, it is Buyer's responsibility to meet with or otherwise gather necessary information from the appropriate parties which may or may not affect Buyer's purchase of the Interests from Seller.

8. **Additional Documents.** Buyer and Seller agree to execute such additional documents as may be necessary to complete the Transfer as contemplated by the Purchase Agreement, the Seller Franchise Agreement and the Buyer Franchise Agreement.

9. **Miscellaneous Provisions.** This Agreement will be construed and enforced in accordance with, and governed by, the laws of the state of North Carolina. This Agreement may not be modified or amended or any term hereof waived or discharged except in writing signed by the party against whom such amendment, modification, waiver or discharge is sought to be enforced. The headings of this Agreement are for convenience and reference only and will not limit or otherwise affect the meaning hereof. This Agreement may be executed in any number of counterparts and sent via facsimile, each of which will be deemed an original but all of which taken together will constitute one and the same instrument. All capitalized terms used, but not defined, herein shall have the meanings ascribed to them in the applicable franchise agreement.

10. **Non-Disparagement.** In consideration of the accommodations provided to Seller, the Seller Guarantors and Buyer and concessions made by Franchisor and its affiliates under this Agreement, Seller, the Seller Guarantors and Buyer agree not to, and to use their best efforts to cause their current and former owners, officers, directors principals, agents, partners, employees, representatives, attorneys, spouses, and successors and assigns not to, disparage or otherwise speak or write negatively, directly or indirectly, of Franchisor or the Released Parties or their respective current and former agents, principals, officers, directors, owners, members, employees, franchisees, representatives, area directors, attorneys, parents, predecessors, affiliates, subsidiaries divisions, and successors and assigns, the ADVANTAGE COLLEGE PLANNING brand, the ADVANTAGE COLLEGE PLANNING system, or any other service-marked or trademarked concept of Franchisor, or which would subject the ADVANTAGE COLLEGE PLANNING brand to ridicule, scandal, reproach, scorn, or indignity or which would negatively impact the goodwill of Franchisor or its brand.

THUS signed by the parties shown below and made effective as of the Effective Date.

**SELLER(S):** If Seller is a legal entity, name of entity:\_\_\_\_\_

**By:** \_\_\_\_\_  
**Name:** \_\_\_\_\_  
**Title (if applicable):** \_\_\_\_\_

**By:** \_\_\_\_\_  
**Name:** \_\_\_\_\_  
**Title (if applicable):** \_\_\_\_\_

**SELLER GUARANTORS:**

\_\_\_\_\_  
**Print Name:** \_\_\_\_\_

\_\_\_\_\_  
**Print Name:** \_\_\_\_\_

**BUYER(S):** If Buyer is a legal entity, name of entity:\_\_\_\_\_

**By:** \_\_\_\_\_  
**Name:** \_\_\_\_\_  
**Title (if applicable):** \_\_\_\_\_

**By:** \_\_\_\_\_  
**Name:** \_\_\_\_\_  
**Title (if applicable):** \_\_\_\_\_

**ACCEPTED:**

**ADVANTAGE COLLEGE PLANNING FRANCHISING, INC.**

**By:**\_\_\_\_\_  
**Title:** \_\_\_\_\_  
**Date\*:** \_\_\_\_\_

\*This date is the Effective Date

## **PRE-SALE INSPECTION**

**EXHIBIT J**  
**SBA ADDENDUM**

SOP 50-10 5(j)

Appendix 9



**ADDENDUM TO FRANCHISE<sup>1</sup> AGREEMENT**

**THIS ADDENDUM** (“Addendum”) is made and entered into on \_\_\_\_\_, 20\_\_\_\_, by and between ADVANTAGE COLLEGE PLANNING FRANCHISING, INC. (“Franchisor”), located at 3675 Green Level Road West, Suite 202, Apex, North Carolina 27523, and \_\_\_\_\_ (“Franchisee”), located at \_\_\_\_\_.

Franchisor and Franchisee entered into a Franchise Agreement on \_\_\_\_\_, 20\_\_\_\_, (such Agreement, together with any amendments, the “Franchise Agreement”). Franchisee is applying for financing(s) from a lender in which funding is provided with the assistance of the U. S. Small Business Administration (“SBA”). SBA requires the execution of this Addendum as a condition for obtaining SBA-assisted financing. In consideration of the mutual promises below and for good and valuable consideration, the receipt and sufficiency of which the parties acknowledge, the parties agree that notwithstanding any other terms in the Franchise Agreement or any other document Franchisor requires Franchisee to sign:

**CHANGE OF OWNERSHIP**

- If Franchisee is proposing to transfer a partial interest in Franchisee and Franchisor has an option to purchase or a right of first refusal with respect to that partial interest, Franchisor may exercise such option or right only if the proposed transferee is not a current owner or family member of a current owner of Franchisee. If Franchisor’s consent is required for any transfer (full or partial), Franchisor will not unreasonably withhold such consent. In the event of an approved transfer of the franchise interest or any portion thereof, the transferor will not be liable for the actions of the transferee franchisee.

**FORCED SALE OF ASSETS**

- If Franchisor has the option to purchase the business personal assets upon default or termination of the Franchise Agreement and the parties are unable to agree on the value of the assets, the value will be determined by an appraiser chosen by both parties. If the Franchisee owns the real estate where the franchise location is operating, Franchisee will not be required to sell the real estate upon default or termination, but Franchisee may be required to lease the real estate for the remainder of the franchise term (excluding additional

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<sup>1</sup> While relationships established under license, jobber, dealer and similar agreements are not generally described as “franchise” relationships, if such relationships meet the Federal Trade Commission’s (FTC’s) definition of a franchise (see 16 CFR § 436), they are treated by SBA as franchise relationships for franchise affiliation determinations per 13 CFR § 121.301(f)(5).

Effective Date: January 1, 2018

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renewals) for fair market value.

#### **COVENANTS**

- If the Franchisee owns the real estate where the franchise location is operating, Franchisor has not and will not during the term of the Franchise Agreement record against the real estate any restrictions on the use of the property, including any restrictive covenants, branding covenants or environmental use restrictions. If any such restrictions are currently recorded against the Franchisee's real estate, they must be removed in order for the Franchisee to obtain SBA-assisted financing.

#### **EMPLOYMENT**

- Franchisor will not directly control (hire, fire or schedule) Franchisee's employees. For temporary personnel franchises, the temporary employees will be employed by the Franchisee not Franchisor.

As to the referenced Franchise Agreement, this Addendum automatically terminates when SBA no longer has any interest in any SBA-assisted financing provided to the Franchisee.

Except as amended by this Addendum, the Franchise Agreement remains in full force and effect according to its terms.

Franchisor and Franchisee acknowledge that submission of false information to SBA, or the withholding of material information from SBA, can result in criminal prosecution under 18 U.S.C. 1001 and other provisions, including liability for treble damages under the False Claims Act, 31 U.S.C. §§ 3729 -3733.

#### **Authorized Representative of FRANCHISOR:**

By: \_\_\_\_\_  
Print Name: \_\_\_\_\_  
Title: \_\_\_\_\_

#### **Authorized Representative of FRANCHISEE:**

By: \_\_\_\_\_  
Print Name: \_\_\_\_\_  
Title: \_\_\_\_\_

**Note to Parties:** This Addendum only addresses "affiliation" between Franchisor and Franchisee. Additionally, the applicant Franchisee and the franchise system must meet all SBA eligibility requirements

Effective Date: January 1, 2018

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## EXHIBIT K

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## **EXHIBIT L**

### **COLLEGEPLANNERPRO TERMS OF SERVICE**

**[\*Current CollegePlannerPro Terms of Service. Subject to change at any time.]**

## Terms of Service

By using the collegeplannerpro.com, customcollegeplan.com web sites (“Service”), all services of CollegePlannerPro. (“CollegePlannerPro”), you are agreeing to be bound by the following terms and conditions (“Terms of Service”).

CollegePlannerPro reserves the right to update and change the Terms of Service from time to time without notice. Any new features that augment or enhance the current Service, including the release of new tools and resources, shall be subject to the Terms of Service. Continued use of the Service after any such changes shall constitute your consent to such changes.

Violation of any of the terms below will result in the termination of your Account. While CollegePlannerPro prohibits such conduct and Content on the Service, you understand and agree that CollegePlannerPro cannot be responsible for the Content posted on the Service and you nonetheless may be exposed to such materials. You agree to use the Service at your own risk.

## Account Terms

1. You must be 13 years or older to use this Service.
2. You must be a human. Accounts registered by “bots” or other automated methods are not permitted. The “Account Owner” is considered to be the individual who creates the account. That individual is required to list a first and last name, business name, and email address within the platform. The Account Owner may update this information at any time. CollegePlannerPro does not in any way verify businesses (name, legal formation, ownership, or other attributes) upon account creation or at any point during the membership. If a business with multiple members/partners/employees creates an account, only one individual may technically be the Account Owner.
3. You must provide your legal full name, a valid email address, and any other information requested in order to complete the signup process.
4. Your login may only be used by one person – a single login shared by multiple people is not permitted. You may create separate logins for as many people as you’d like (For more details on sub-accounts, see Item 6 under “Fees & Other Charges”).
5. You are responsible for maintaining the security of your account and password. CollegePlannerPro cannot and will not be liable for any loss or damage from your failure to comply with this security obligation.
6. You are responsible for all Content posted and activity that occurs under your account.
7. You may not use the Service for any illegal or unauthorized purpose. You must not, in the use of the Service, violate any laws in your jurisdiction (including but not limited to copyright laws).

## Payment, Refunds, Upgrading and Downgrading Terms

1. A valid credit card is required.
2. **You will be billed monthly starting 30 days after your account is initially created.** (Exceptions apply, see “Fees and Other Charges” section item #5)
3. **The Service is billed in advance on a monthly basis and is non-refundable. There will be no refunds or credits for partial months of service, upgrade/downgrade refunds, or refunds for months unused with an open account. In order to treat everyone equally, no exceptions will be made.**
4. All fees are exclusive of all taxes, levies, or duties imposed by taxing authorities, and you shall be responsible for payment of all such taxes, levies, or duties, excluding only United States (federal or state) taxes.

5. For any upgrade or downgrade in plan level, your credit card that you provided will automatically be charged the new rate on your next billing cycle.
6. Downgrading your Service may cause the loss of Content, features, or capacity of your Account. CollegePlannerPro does not accept any liability for such loss.
7. In the event that your organization is unable to enroll in a monthly subscription plan, annual prepayments may be arranged by CollegePlannerPro at its sole discretion. Prepayment in full by credit card, check, or bank transfer is required in order for access to be granted to your account. No refunds will be granted for annual prepaid accounts in the event of preterm cancellation. No price adjustments will be made if Account Owner chooses to downgrade the account during the term (with regards to either number of active students, number of sub-accounts, or any other purchased add-ons). If expansion of the subscription or sub-accounts needs to be made during the term, a prorated prepayment will be required.

## **Cancellation and Termination**

1. **You are solely responsible for properly canceling your account. An email or phone request to cancel your account is not considered cancellation. You can cancel your account at any time by clicking on the “My Profile & Billing Info” button in the toolbar on the Dashboard. In the billing information section on the right-hand side of the page there’s the “Cancel My Account” button.**
2. All of your Content will be scheduled for deletion from the Service upon cancellation. This information cannot be recovered once your account is cancelled and the deletion process has been completed.
3. If you cancel the Service before the end of your current paid up month, your cancellation will take effect immediately and you will not be charged again.
4. CollegePlannerPro, in its sole discretion, has the right to suspend or terminate your account and refuse any and all current or future use of the Service, or any other CollegePlannerPro service, for any reason at any time. Such termination of the Service will result in the deactivation or deletion of your Account or your access to your Account, and the forfeiture and relinquishment of all Content in your Account. CollegePlannerPro reserves the right to refuse service to anyone for any reason at any time.
5. Cancellation of the Service will result in the immediate stoppage of billing. You will not be charged again. Any attempt made to reclaim paid funds through chargebacks or similar practices will result in a ban from creating future accounts.

## **Modifications to the Service and Prices**

1. CollegePlannerPro reserves the right at any time and from time to time to modify or discontinue, temporarily or permanently, the Service (or any part thereof) with or without notice.
2. Prices of all Services, including but not limited to monthly subscription plan fees to the Service, are subject to change upon 30 days’ notice from us. Such notice may be provided at any time by posting the changes to the CollegePlannerPro Site ([collegeplannerpro.com](http://collegeplannerpro.com)) or the Service itself.
3. CollegePlannerPro shall not be liable to you or to any third party for any modification, price change, suspension or discontinuance of the Service.

## **Copyright and Content Ownership**

1. All content posted on the Service must comply with U.S. copyright law.

2. We claim no intellectual property rights over the material you provide to the Service. Your profile and materials uploaded remain yours.
3. CollegePlannerPro does not pre-screen Content, but CollegePlannerPro and its designee have the right (but not the obligation) in their sole discretion to refuse or remove any Content that is available via the Service.
4. The look and feel of the Service is copyright ©2017 CollegePlannerPro. All rights reserved. You may not duplicate, copy, or reuse any portion of the HTML/CSS or visual design elements without express written permission from CollegePlannerPro.

## **Plans and Usage**

1. All CollegePlannerPro plans are allocated a specific amount of resources based on the plan level. You may or may not be alerted, notified or otherwise informed about your account's resource usage. It is your responsibility to use your account in accordance to these resource limits. You may find your current resource usage in the setting section while logged in to your account. Accounts exceeding plan resource limits, generally in an excessive way, may be suspended for security purposes. In most cases CollegePlannerPro will request account holders upgrade their account if resource limits are exceeded. CollegePlannerPro reserves the right to suspend and or refuse service to anyone found in breach of resource limits at any time.
2. "Up to 10 active clients" plan resource limits  
Active student clients: 10  
Sent and received text messages: 500  
Broadcast email messages: 400 (counted as per recipient)  
Upload/attachment document storage: 200MB
3. "Up to 20 active clients" plan resource limits  
Active student clients: 20  
Sent and received text messages: 1000  
Broadcast email messages: 800 (counted as per recipient)  
Upload/attachment document storage: 800MB
4. "Up to 30 active clients" plan resource limits  
Active student clients: 30  
Sent and received text messages: 1,500  
Broadcast email messages: 1,200 (counted as per recipient)  
Upload/attachment document storage: 1,200MB
5. "Up to 40 active clients" plan resource limits  
Active student clients: 40  
Sent and received text messages: 2,000  
Broadcast email messages: 2,000 (counted as per recipient)  
Upload/attachment document storage: 2,000MB
6. "Up to 50 active clients" plan resource limits  
Active student clients: 50  
Sent and received text messages: 2,500  
Broadcast email messages: 3,000 (counted as per recipient)  
Upload/attachment document storage: 3,000MB
7. "Unlimited active clients" plan resource limits  
Active student clients: Unlimited  
Sent and received text messages: 3,500  
Broadcast email messages: 4,500 (counted as per recipient)  
Upload/attachment document storage: 4,500MB



## **Fees and Other Charges**

1. Accounts using CollegePlannerPro to send or receive text messages will incur standard messaging rates from cellular carriers. These rates are solely based on the individual cellular carriers providing the text messaging network. There are no separate or additional messaging rate charged by CollegePlannerPro for domestic text messaging within the U.S.
2. Accounts with international (Non-US) mobile phone numbers used for text messaging will be assessed a monthly fee (\$6.00 USD) for an international texting plan in addition to the monthly subscription plan. This covers both student and consultant mobile phones linked with the account.
3. CollegePlannerPro reserves the right to impose fees or other charges for accounts exceeding their plan's resource limits. There are no set or predetermined "overage fees" as CollegePlannerPro reserves the right to access charges in relation to the exceeded resource use.
4. College Essay Organizer's product, "Essay Roadmap" is an external resource which has been embedded and is available for purchase via the CollegePlannerPro system's interface. The cost for Roadmap is not included with CollegePlannerPro monthly subscription plans and must be purchased separately for each student.
5. 30-day free trials are extended once to an individual. Individuals creating multiple accounts will be charged the applicable subscription rate on the date of creation for each subsequent account created.
6. You may create additional user profiles ("sub-accounts") in order to share access to your CollegePlannerPro account. Additional user profiles are billed monthly in conjunction with your selected subscription plan. While an unlimited number of sub-accounts may be created, there is only one Account Owner per account. The Account Owner has complete control and authority over account billing information, enabling/disabling modules, and adding/removing sub-accounts. The Account Owner is also ultimately responsible for and in control of a sub-user's account and the data entered onto the platform by sub-users.

## **General Conditions**

1. Your use of the Service is at your sole risk. The service is provided on an "as is" and "as available" basis.
2. Technical support is only provided to paying account holders and is only available via email.
3. You understand that CollegePlannerPro uses third party vendors and hosting partners to provide the necessary hardware, software, networking, storage, and related technology required to run the Service.
4. You must not modify, adapt or hack the Service or modify another website so as to falsely imply that it is associated with the Service, CollegePlannerPro, or any other CollegePlannerPro service.
5. You agree not to reproduce, duplicate, copy, sell, resell or exploit any portion of the Service, use of the Service, or access to the Service without the express written permission by CollegePlannerPro.
6. We may, but have no obligation to, remove Content and Accounts containing Content that we determine in our sole discretion are unlawful, offensive, threatening, libelous, defamatory, pornographic, obscene or otherwise objectionable or violates any party's intellectual property or these Terms of Service.
7. Verbal, physical, written or other abuse (including threats of abuse or retribution) of any CollegePlannerPro customer, employee, member, or officer will result in immediate account termination.
8. You understand that the technical processing and transmission of the Service, including your Content, may be transferred unencrypted and involve (a) transmissions over various networks;

and (b) changes to conform and adapt to technical requirements of connecting networks or devices.

9. You must not upload, post, host, or transmit unsolicited email, SMSs, or “spam” messages.
10. You must not transmit any worms or viruses or any code of a destructive nature.
11. If your bandwidth usage exceeds 300 MB/month, or significantly exceeds the average bandwidth usage (as determined solely by CollegePlannerPro) of other CollegePlannerPro customers, we reserve the right to immediately disable your account or throttle your file hosting until you can reduce your bandwidth consumption.
12. CollegePlannerPro does not warrant that (i) the service will meet your specific requirements, (ii) the service will be uninterrupted, timely, secure, or error-free, (iii) the results that may be obtained from the use of the service will be accurate or reliable, (iv) the quality of any products, services, information, or other material purchased or obtained by you through the service will meet your expectations, and (v) any errors in the Service will be corrected.
13. You expressly understand and agree that CollegePlannerPro shall not be liable for any direct, indirect, incidental, special, consequential or exemplary damages, including but not limited to, damages for loss of profits, goodwill, use, data or other intangible losses (even if CollegePlannerPro has been advised of the possibility of such damages), resulting from: (i) the use or the inability to use the service; (ii) the cost of procurement of substitute goods and services resulting from any goods, data, information or services purchased or obtained or messages received or transactions entered into through or from the service; (iii) unauthorized access to or alteration of your transmissions or data; (iv) statements or conduct of any third party on the service; (v) or any other matter relating to the service.
14. The failure of CollegePlannerPro to exercise or enforce any right or provision of the Terms of Service shall not constitute a waiver of such right or provision. The Terms of Service constitutes the entire agreement between you and CollegePlannerPro and govern your use of the Service, superseding any prior agreements between you and CollegePlannerPro (including, but not limited to, any prior versions of the Terms of Service).
15. Questions about the Terms of Service should be sent to support[at]collegeplannerpro[dot]com.

Any new features that augment or enhance the current Service, including the release of new tools and resources, shall be subject to the Terms of Service. Continued use of the Service after any such changes shall constitute your consent to such changes.

### **State Effective Dates**

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

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

| <b>State</b> | <b>Effective Date</b> |
|--------------|-----------------------|
| California   | April 18, 2024        |
| Hawaii       | Not Registered        |
| Illinois     | Not Registered        |
| Indiana      | Not Registered        |
| Maryland     | PENDING               |
| Michigan     | Not Registered        |
| Minnesota    | Not Registered        |
| New York     | April 24, 2024        |
| North Dakota | Not Registered        |
| Rhode Island | Not Registered        |
| South Dakota | Not Registered        |
| Virginia     | April 23, 2024        |
| Washington   | Not Registered        |
| Wisconsin    | Not Registered        |

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 - RECEIPT

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

If ADVANTAGE COLLEGE PLANNING FRANCHISING, INC. offers you a franchise, it must provide this disclosure document to you 14 calendar days before you sign a binding agreement or make a payment to us or an affiliate in connection with the proposed franchise sale. New York requires you to receive this Franchise Disclosure Document at the earlier of the first personal meeting or 10 business days before the execution of the franchise or other agreement or the payment of any consideration that relates to the franchise relationship. Iowa requires you to receive this Franchise Disclosure Document at the earlier of the first personal meeting or 14 calendar days before the execution of the franchise or other agreement or the payment of any consideration that relates to the franchise relationship. Michigan requires you to receive this Franchise Disclosure Document 10 business days before the execution of the franchise or other agreement or the payment of any consideration that relates to the franchise relationship.

If ADVANTAGE COLLEGE PLANNING FRANCHISING, INC. does not deliver this disclosure document on time or if it contains a false or misleading statement, or a material omission, a violation of federal and state law may have occurred and should be reported to the Federal Trade Commission, Washington, DC 20580 and to the appropriate state agency listed on Exhibit E.

The name, principal business address and telephone number of the franchisor is: ADVANTAGE COLLEGE PLANNING FRANCHISING, INC., 3675 Green Level Road West, Suite 202, Apex, NC 27523, (919) 890-3731.

ADVANTAGE COLLEGE PLANNING FRANCHISING, INC., authorizes the state agencies identified on Exhibit E as our registered agent authorized to receive service of process. ADVANTAGE COLLEGE PLANNING FRANCHISING, INC.'s registered agent in North Carolina is Brooke Daly located at 3675 Green Level Road West, Suite 202, Apex, NC 27523

Issuance Date: April 11, 2024

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

|                             |                             |                          |
|-----------------------------|-----------------------------|--------------------------|
| <input type="checkbox"/>    | <input type="checkbox"/>    | <input type="checkbox"/> |
| BROOKE DALY                 | TRAVIS DALY                 |                          |
| 3675 Green Level Road West, | 3675 Green Level Road West, |                          |
| Suite 202, Apex, NC 27523   | Suite 202, Apex, NC 27523   |                          |
| (919) 890-3731              | (919) 890-3731              |                          |

I have received a disclosure document dated: April 11, 2024 that included the following:

|   |   |
|---|---|
| Exhibit A: ADVANTAGE COLLEGE PLANNING FRANCHISING, INC. Franchise Agreement | Exhibit C: Financial Statements   |
| Attachment 1 (Franchise Rider)  | Exhibit D: State Specific Information                                     |
| Attachment 2 (Lease Rider)  | Exhibit E: Federal and State Regulators and Agents For Service of Process |
| Attachment 3 (Internet, Social Media, and Telephone Assignment)             | Exhibit F: Sample General Release Agreement                               |
| Attachment 4 (Guaranty)   | Exhibit G: ACH/EFT Transfer Agreement                                     |
| Attachment 5 (Nondisclosure and Noncompetition Agreement)                   | Exhibit H: First Addendum to Renewal Franchise Agreement                  |
| Attachment 6 (Nondisclosure and Non-Solicitation Agreement)                 | Exhibit I: Agreement and Conditional Consent To Transfer                  |
| Exhibit B-1: Center Directory/Listing of Current Franchisees                | Exhibit J: Small Business Administration Addendum                         |
| Exhibit B-2: Listing of Certain Past Franchisees                            | Exhibit K: Brand Standards Manual Table of Contents                       |
|   | Exhibit L: CollegePlannerPro Terms of Service                             |
|   | Exhibit M: Receipt  |

\_\_\_\_\_  
Date

\_\_\_\_\_  
Prospective Franchisee

You may return one copy of this receipt either by signing, dating, and mailing it to Franchise Administration, at ADVANTAGE COLLEGE PLANNING FRANCHISING, INC., 3675 Green Level Road West, Suite 202, Apex, NC 27523, or emailing it to [franchise@advcp.com](mailto:franchise@advcp.com).

RETAIN THIS COPY FOR YOUR RECORDS

EXHIBIT M – Page 1

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|-----------------------------|-----------------------------|--------------------------|
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| BROOKE DALY                 | TRAVIS DALY                 |                          |
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