



FRANCHISE DISCLOSURE DOCUMENT

SKILL SAMURAI, INC.

ISSUANCE DATE: AUGUST 15, 2023

FRANCHISE DISCLOSURE DOCUMENT



Skill Samurai, Inc.
a Florida corporation
2423 SW 147th Ave #2006
Miami, FL 33185
1-506-899-3788
admin@skillsamurai.com
<https://franchising.skillsamurai.com>

Skill Samurai Inc. offers coding and other afterschool STEM (science, technology, engineering, and mathematics) classes for students at Skill Samurai centers (“Skill Samurai Business(es)”) or at public or private locations at which such classes can be given. We offer two distinct franchise models. Our Brick-and-Mortar Model Skill Samurai requires a physical location where franchisees will run and operate their business and provide classes to students. Our On-The-Go Model Skill Samurai requires franchisees to provide classes to students in private or public locations other than one owned or leased by the franchisee.

The total investment necessary to begin operation of a Brick-and-Mortar Skill Samurai Business ranges from \$143,665 to \$307,950. This includes \$49,000, that must be paid to the franchisor or affiliates. The total investment necessary to begin operation of an On-The-Go Skill Samurai Business ranges from \$74,615 to \$98,450. This includes \$49,000 that must be paid to the franchisor or affiliates.

We may offer to enter into an area development agreement to establish and operate a certain number of Skill Samurai Businesses under individual franchise agreements. We will enter into area development agreements under which at least three Skill Samurai Businesses will be developed. The estimated initial investment for our Brick-and-Mortar Model under an area development agreement ranges from \$218,665 - \$382,950. This includes \$124,000 that must be paid to the franchisor or affiliates. The estimated initial investment for our On-The-Go Model under an area development agreement ranges from \$149,615 - \$173,450. This includes \$124,000 that must be paid to the franchisor or affiliates.

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

You may wish to receive your Disclosure Document in another format that is more convenient for you. To discuss the availability of disclosures in different formats, contact Jeff Hughes at 2423 SW 147th Ave #2006, Miami, FL 33185; 1-506-899-3788 or jeff@skillsamurai.com.

The terms of your contract will govern your franchise relationship. Do not rely on the Disclosure Document alone to understand your contract. Read all of your contracts 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. Information comparing franchisors is available. Call your state agency or your public library for sources of information. More information on franchising, such as “A Consumer’s Guide to Buying a Franchise,” is available from the FTC. You can contact the FTC at 1-877-FTCHELP or by writing to the FTC at 600 Pennsylvania Avenue, NW, Washington, DC 20580. You can also visit the FTC’s home page at www.ftc.gov for additional information. In addition, there may be laws on franchising in your state. Ask your state agencies about them.

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How to Use This Franchise Disclosure Document

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

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

What You Need To Know About Franchising *Generally*

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

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

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

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

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

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

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

Some States Require Registration

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

1. **Out of State Dispute Resolution.** The franchise agreement requires you to resolve disputes with us by arbitration only in Florida. Out-of-state arbitration may force you to accept a less favorable settlement for disputes. It may also cost you more to arbitrate with us in Florida 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. **Short Operating History.** The franchisor is at an early stage of development and has limited operating history. The franchise is likely to be a riskier investment than a franchisor with a longer operating history.
4. **Mandatory Minimum Payments.** You must make minimum royalty and advertising fund payments regardless of your sales levels. Your inability to make these payments may result in the termination of your franchise and loss of your investment.

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

NOTICE REQUIRED BY STATE OF MICHIGAN

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

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

1. A prohibition on the right of a franchisee to join an association of franchisees.
2. A requirement that the franchisee assent to a release, assignment, novation, waiver, or estoppel which deprives a franchisee of rights and protections provided in this act. This shall not preclude a franchisee, after entering into a franchise agreement, from settling any and all claims.
3. A provision that permits a franchisor to terminate a franchise prior to the expiration of its terms except for good cause. Good cause shall include the failure of the franchisee to comply with any lawful provision of the franchise agreement and to cure such failure after being given written notice thereof and a reasonable opportunity, which in no event need be more than 30 days, to cure such failure.
4. A provision that permits a franchisor to refuse to renew a franchise without fairly compensating the franchisee by repurchase or other means for the fair market value at the time of expiration of the franchisee's inventory, supplies, equipment, fixtures, and furnishings. Personalized materials which have no value to the franchisor and inventory, supplies, equipment, fixtures, and furnishings not reasonably required in the conduct of the franchise business are not subject to compensation. This subsection applies only if: (i) the term of the franchise is less than 5 years and (ii) the franchisee is prohibited by the franchise or other agreement from continuing to conduct substantially the same business under another trademark, service mark, trade name, logotype, advertising, or other commercial symbol in the same area subsequent to the expiration of the franchise or the franchisee does not receive at least six (6) months advance notice of franchisor's intent not to renew the franchise.
5. A provision that permits the franchisor to refuse to renew a franchise on terms generally available to other franchisees of the same class or type or under similar circumstances. This section does not require a renewal provision.
6. A provision requiring that arbitration or litigation be conducted outside this state. This shall not preclude the franchisee from entering into an agreement, at the time of arbitration, to conduct arbitration at a location outside this state.
7. A provision which permits a franchisor to refuse to permit a transfer of ownership of a franchise, except for good cause. This subdivision does not prevent a franchisor from exercising a right of first refusal to purchase the franchise. Good cause shall include, but is not limited to:

- i. The failure of the proposed transferee to meet the franchisor's then-current reasonable qualifications or standards.
 - ii. The fact that the proposed transferee is a competitor of the franchisor or subfranchisor.
 - iii. The unwillingness of the proposed transferee to agree in writing to comply with all lawful obligations.
 - iv. The failure of the franchisee or proposed transferee to pay any sums owing to the franchisor or to cure any default in the franchise agreement existing at the time of the proposed transfer.
8. A provision that requires the franchisee to resell to the franchisor items that are not uniquely identified with the franchisor. This subdivision does not prohibit a provision that grants to a franchisor a right of first refusal to purchase the assets of a franchise on the same terms and conditions as a bona fide third party willing and able to purchase those assets, nor does this subdivision prohibit a provision that grants the franchisor the right to acquire the assets of a franchise for the market or appraised value of such assets if the franchisee has breached the lawful provisions of the franchise agreement and has failed to cure the breach in the manner provided in subdivision (c).
9. A provision which permits the franchisor to directly or indirectly convey, assign, or otherwise transfer its obligations to fulfill contractual obligations to the franchisee unless provision has been made for providing the required contractual services.

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

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

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

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ITEM 1

THE FRANCHISOR, AND ANY PARENT, PREDECESSORS, AND AFFILIATES

To simplify the language in this Franchise Disclosure Document, “Skill Samurai,” “we,” “us,” and “our” means Skill Samurai Inc, the franchisor. “You,” “your,” and “Franchisee” means the person, and its owners if the Franchisee is a business entity, who buys the franchise from us.

The Franchisor

Skill Samurai, Inc. is a Florida corporation formed on March 20, 2019. We operate under the name Skill Samurai and no other names. Our principal business address is 2423 SW 147th Ave., #2006, Miami, FL 33185. We offer franchises (“Skill Samurai Business(es)” or “Business(es)”) for Skill Samurai and have done so since our formation. We do not conduct business under any other name or in any other line of business and we do not and have not offered franchises in any other line of business. We have offered the franchise opportunity described in this document since our inception on March 20, 2019. In August 2020 we changed our DBA (Doing Business As) name from Level UP Learning to Skill Samurai. In September 2021 we updated our legal name in Florida from Level UP Learning Inc. to Skill Samurai, Inc.

As disclosed below, we have been operating a business of the type being offered in this Disclosure Document since May 2015.

We do not have any predecessors or parent companies. Other than as disclosed below, none of our affiliates offer franchises in any line of business nor offer any products or services to franchisees.

We have one affiliate, Skill Samurai Canada, Inc., a Canadian corporation, located at 230 Diligente Drive, Riverview NB, E1B 1N5 (“SSC”), that offers franchises by the same name in Canada. SSC was formed in May 2015 and has operated a business of the same type being franchised since its formation. SSC has been offering franchises in Canada since August 2018. SSC previously conducted business and operated franchises under the name Level UP Learning Centers. SSC offers a subfranchise opportunity in Canada. Besides the subfranchise offering, SSC does not operate any other line of business or offer franchises in any other line of business.

SSC has sold franchises currently operating in Australia, Canada, Chile, and Singapore. SSC has one subfranchisor who has entered an agreement with for the right to sell up to thirty franchises in the province of Ontario, Canada. The subfranchisor, 695279 Ontario corporation, is located at 511 Maple Grove Drive Unit 28, Oakville, Ontario L6J 4W3, and is a Canadian corporation.

Our agent for service of process in Florida is Agents and Corporations, Inc., located at 539 Fifth Avenue South, Suite 330, Naples, FL 34102. Our agents for service of process for other states are identified by state in Exhibit E. If a state is not listed, we have not appointed an agent for service of process in that state in connection with the requirements of franchise laws. There may be states in addition to those listed above in which we have appointed an agent for service of process. There may also be additional agents appointed in some of the states listed.

The Franchise

Skill Samurai franchisees operate businesses that offer coding and other afterschool STEM (science, technology, engineering, and mathematics) classes for students at Skill Samurai facilities and other public and private locations. Skill Samurai Businesses operate under our system (“System”) and use Skill Samurai trademarks, service marks, trade names and logos (the “Marks”). The System may be changed or modified by us throughout your ownership of the Franchise. The Brick-and-Mortar Model requires physical locations for Skill Samurai business that typically measure from 1,500 to 2,400 square feet (“Site”) while our “On-The-Go” model does not require a physical location to operate.

If you operate our “On-The-Go” model, you will conduct your STEM classes at private or public locations, such as schools, churches, rented conference rooms, or similar type approved locations. This model will not require a physical location; however, it will require you to be mobile and have a vehicle, wrapped in our branding, in which to carry all materials and equipment required for each STEM class to be performed by you. If you begin operating under our “On-The-Go” model and want to open a physical location under our Brick-and-Mortar Model, you must first obtain our written approval. If you are approved to operate both models, you must inform us which model you will begin operating first.

You must sign our standard franchise agreement attached to this Disclosure Document as Exhibit A (“Franchise Agreement”). You may operate one Skill Samurai Business within the territory defined in Attachment A of the Franchise Agreement for each Franchise Agreement you sign.

Development Program

Skill Samurai area developers (“Area Developer(s)”) obtain the right to build a mutually agreed upon number of Skill Samurai Businesses in a specified development area (“Development Area”) in accordance with a specified development schedule (“Development Schedule”). The Development Area will be established based on the consumer demographics of the area, the geographical area, city, county, and other boundaries. Area Developers must sign our area development agreement attached to this Franchise Disclosure Document as Exhibit B (“Area Development Agreement”). Area Developers must also sign a franchise agreement for the first Skill Samurai Business at the same time as the Area Development Agreement.

Area Developers and franchisees will sign a separate franchise agreement for each Business on the then-current form used by us at the time, which may contain materially different terms than the current Franchise Agreement included with this Franchise Disclosure Document. You must enter into each additional franchise agreement while we are still offering franchises.

Unless otherwise stated, any reference in this Franchise Disclosure Document to “you” or “franchisee” includes you both as an Area Developer under an Area Development Agreement and as a franchisee under a Franchise Agreement.

Market and Competition

The coding instruction market, as a whole, is well-developed and in some markets, can be competitive. You may have to compete with numerous other independent and chain-affiliated businesses, some of which may be franchised. Many business franchise systems, in particular, may have already established national and international brand recognition. The primary market for the products and services offered by Skill Samurai Businesses is the general public. The products and services offered by Skill Samurai Businesses are not seasonal, although summer programs for Skill Samurai are popular.

Industry-Specific Laws

Many states and local jurisdictions have enacted laws, rules, regulations, and ordinances that may apply to the operation of your Skill Samurai Business. In all cases, you must also comply with laws that apply generally to all businesses. In most cases, you must conduct a criminal background check on all instructors as prescribed by state and local law. A negative Tuberculosis (TB) test may also be required. Additionally, fingerprints by the FBI & DOJ may also be required. You should investigate these laws and consult with a legal advisor about whether these and/or other requirements apply to your franchise.

Any person who drives the vehicle used in the operation of the Skill Samurai Business must have a valid driver’s license and each of your vehicles must be properly licensed. The requirements for these licenses may vary, depending on your location.

Also, you must comply with all laws, rules and regulations governing the operation of the Skill Samurai Business and obtain all permits and licenses necessary to operate the Skill Samurai Business. Many states and local jurisdictions have enacted laws, rules, regulations and ordinances which may apply to the operation of your Skill Samurai Business, including those that: (a) require a permit, certificate or other license; (b) establish general standards, specifications and requirements for the construction, design and maintenance of your business site and premises; (c) regulate matters affecting the health, safety and welfare of your customers, such as general health and sanitation requirements, restrictions on smoking and exposure to tobacco smoke or other carcinogens, availability of and requirements for public accommodations, including restroom facilities and public access; (d) set standards pertaining to employee health and safety; (e) set standards and requirements for fire safety and general emergency preparedness; and (f) regulate the proper use, storage and disposal of waste or other hazardous materials.

You must obtain all necessary permits, licenses, and approvals to operate your Skill Samurai Business. There may be other regulations that establish certain standards, specifications and requirements that must be followed by you. You alone are responsible for investigating, understanding, and complying with all applicable laws, regulations, and requirements applicable to you and your Skill Samurai franchise, despite any advice or information that we may give you. You should consult with a legal advisor about whether these and/or other requirements apply to your Skill Samurai Business. Failure to comply with laws and regulations is a material breach of the Franchise Agreement.

ITEM 2 BUSINESS EXPERIENCE

Jeff Hughes – CEO

Jeff Hughes has served as the CEO of Skill Samurai Inc. since its incorporation in March 2019 in Riverview New Brunswick, Canada. Since March 2015, Mr. Hughes has served as the CEO of Skill Samurai Canada, Inc., located in Riverview New Brunswick, Canada. Mr. Hughes continues in these capacities from New Brunswick, Canada as of the date of this Disclosure Document.

Jamie Buttigieg - CMO

Jamie Buttigieg has served as the CMO for Skill Samurai Inc. since October 2020 in Sydney, New South Wales, Australia. Mr. Buttigieg served as the Agency Director for Results and Co. from January 2017 to January 2021 in Sydney, New South Wales, Australia.

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

Initial Franchise Fee

The “Initial Franchise Fee” for a single Skill Samurai Business is \$49,000. The Initial Franchise Fee is payment for the pre-opening assistance that we provide to you to allow you to open your Skill Samurai Business and also offsets some of our franchisee recruitment expenses. The Initial Franchise Fee is uniform Skill Samurai Inc.

and payable when you sign your Franchise Agreement unless the state you are franchising in does not allow us to collect such fees until you are operational. In all cases, the Initial Franchise Fee is nonrefundable.

Development Program

In addition to the full Initial Franchise Fee for the first Skill Samurai Business to be developed, area developers must pay a development fee (“Development Fee”) as described in the table below:

Territories You Agree to Develop	Franchise Fee for the Territory	Total Fee Paid At Signing
1	\$49,000	\$49,000
2	\$40,000	\$89,000
3	\$35,000	\$124,000
4+	\$30,000 each additional	\$154,000+

If you enter into an Area Development Agreement, you must execute our current form of Franchise Agreement for the first Skill Samurai Business we grant you the right to open within your Development Area concurrently with the Development Agreement. You will be required to pay the complete Development Fee for the number of Skill Samurai Businesses you agree to open upon signing the Franchise Agreement and Development Agreement. For example, if you commit to develop three Skill Samurai Business under a Development Agreement, you will pay us \$124,000 at the time you sign the agreements. The Development Fee is uniformly calculated, payable when you sign your Area Development Agreement and is non-refundable under any circumstances, even if you fail to open any Skill Samurai Businesses.

We may permit you to purchase additional territory in contiguous areas for each Skill Samurai Business at a rate of thirty-three cents (\$.33) per individual. Additional territory purchases will be evaluated on a case-by-case basis. The number of individuals in your territory is generally determined from estimates prepared by the U.S. Census Bureau and other reporting agencies. We may use a substitute or successor source of population information and the source and date of the information we use is determined solely by us. Your Territory will typically be defined by counties but in densely populated urban areas it may be defined differently. See Item 12 for additional information regarding your territory.

To the extent required by state franchise administrators, it may be required that we defer the Initial Franchise Fee until our initial obligations are met. See the State Specific Addenda attached as Exhibit H to this Disclosure Document. We currently defer the Initial Franchise Fee until our initial obligations are met in Illinois, Maryland, Minnesota, and Washington. In addition, all development fees and initial payments by Area Developers shall be deferred until the first franchise under the development agreement opens.

[Remainder of page intentionally left blank. Item 6 begins next page.]

**ITEM 6
OTHER FEES**

Type of Fee ⁽¹⁾	Amount	Due Date	Remarks
Royalty Fee ⁽²⁾	<p>The greater of: (i) 7% of Gross Sales⁽³⁾ or (ii) the amount below based on months in operation:</p> <p>Months 0-6: \$0 Months 7+: \$500</p> <p>Payment amounts are per month</p>	Monthly, on 5 th of each month for the month preceding	<p>The Royalty Fee is based on Gross Sales⁽³⁾ during the previous month. Your Royalty Fee is an ongoing payment that allows you to use the Marks and the intellectual property of the System and pays for our ongoing support and assistance.</p> <p>Royalty Fees will be reduced by 50% for the first 6 months in operation for franchisees who are veterans of the United States armed forces.</p> <p>If you operate in more than one Territory, your Royalty Fee is assessed individually, on a per Territory basis.</p>
Brand Development Fund	3% of Gross Sales	Due at the same time and manner as the Royalty Fee	If we develop a system-wide “Brand Fund,” you must contribute 3% of your Gross Sales for our use in developing and building the Skill Samurai brand (“Brand Fund Contribution”). We reserve the right to increase this fee up to 5% upon 30 days’ notice to you.
Local Advertising Requirement	A minimum of \$1,000 per month	As incurred	Generally, you will pay vendors, media outlets, etc. directly for local advertising. However, we may require you to pay the funds to us.
Local and Regional Advertising Cooperatives	Established by cooperative members, up to 2% of monthly Gross Sales.	Established by cooperative members	We currently do not have a cooperative but reserve the right to require one to be established in the future. Item 11 contains more information about advertising cooperatives.
Technology Fee	\$200 per month	Monthly, on 5 th of each month beginning the month after you sign the Franchise Agreement	This fee goes toward products and services related to information technology, including email, website management, and access to our electronic systems and operating software. We reserve the right to increase the fee upon 30 days’ notice to you.
Curriculum Licensing Fee	\$20 per student plus the ongoing licensing fee	As incurred	You will pay a fee to license the curriculum for each student, plus the monthly cost to maintain the program.
Insurance	Reimbursement of our costs, plus a 20% administration charge	On demand	If you fail to obtain insurance, we may obtain insurance for you, and you must reimburse us for the cost of insurance obtained plus twenty percent (20%) of the premium for an administrative cost of

Type of Fee ⁽¹⁾	Amount	Due Date	Remarks
			obtaining the insurance.
Additional Training or Assistance Fees	Then-current fee (currently \$750 per additional person for initial training and approximately \$250 per attendee per day for additional training)	As incurred	We provide initial training at no charge for up to two people. We may charge you for training additional persons, newly hired personnel, refresher training courses, advanced training courses, and additional or special assistance or training you need or request. The fee amount will depend on the training required and experience level of the trainer.
Annual Convention Fee	Then-current fee; currently the greater of: (i) \$299 per person or (ii) \$750 per Business	On demand	Payable to us to help defray the cost of your attendance at any annual convention that we choose to hold. This fee is due regardless of whether or not you attend our annual convention in any given year. We reserve the right to adjust the fee annually.
Late Payment Fee	\$100 per occurrence plus interest at a rate of 18% per annum, or the maximum rate permitted by law.	As incurred	Payable if any payment due to us or our affiliates is not made by the due date. Interest accrues from the original due date until payment is received in full.
Non-Sufficient Funds Fee	\$50 per occurrence or the highest amount allowed by law	As incurred	Payable if any check or electronic payment is not successful due to insufficient funds, stop payment, or any similar event.
Vendor Evaluation	\$100 to \$600	As incurred	Payable to us to evaluate any new vendor at your request
Audit Expenses	Cost of audit and inspection, any understated amounts, and any related accounting and legal expenses (we estimate this cost to be between \$1,000 and \$12,000)	On demand	You will be required to pay this if an audit reveals that you understated monthly Gross Sales by more than two percent (2%) or you fail to submit required reports.
Indemnification ⁽⁴⁾	Will vary under circumstances	As incurred	You must indemnify and reimburse us for any expenses or losses that we or our representatives incur related in any way to your Skill Samurai Business or franchise.
Successor Fee	\$7,500	At the time you sign the new franchise agreement	Payable if you qualify to renew your Franchise Agreement and choose to enter into a successor franchise agreement.

Type of Fee ⁽¹⁾	Amount	Due Date	Remarks
Relocation Fee	\$3,000	Upon relocation	You must reimburse us for our reasonable expenses if we permit you to relocate your Skill Samurai Business. We will provide you with copies of our invoices for our expenses from any third-party providers upon request.
Transfer Fee ⁽⁵⁾	\$10,000	\$1,000 non-refundable deposit at time of transfer application submittal and the remaining balance of fee at time of the approved transfer	Payable in connection with the transfer of your Skill Samurai Business, a transfer of ownership of your legal entity, or the Franchise Agreement. There are various other conditions you must meet for us to approve your transfer request.
Professional Fees and Expenses	Will vary under circumstances	As incurred	You must reimburse us for any legal, accounting, or other professional fees that we incur as a result of any breach or termination of your Franchise Agreement. You must reimburse us if we are required to incur any expenses in enforcing our rights against you under the Franchise Agreement, or for any costs or fees we incur for any transfer that is not completed. You will also be required to pay any professional fees that we incur for certain transfers as discussed in this Item 6.
Liquidated Damages ⁽⁶⁾	A sum equal to \$500 per month for number of months remaining in your Term at time of termination.	Within 15 days after termination of the Franchise Agreement	Due only if we terminate the Franchise Agreement before the end of the term because of your violation of any of the terms of the non-competition provisions.

Notes:

1. *Fees.* All fees paid to us, or our affiliates, are uniform and not refundable under any circumstances once paid. Fees paid to vendors or other suppliers may be refundable depending on the vendors and suppliers. We currently require you to pay fees and other amounts due to us or our affiliates via electronic funds transfer (“EFT”) or other similar means such as automated clearing house (“ACH”). You are required to complete the EFT authorization (in the form attached to this Disclosure Document in Exhibit I). We can require an alternative payment method or payment frequency for any fees or amounts owed to us or our affiliates under the Franchise Agreement. All fees are current as of the issuance date of this Disclosure Document. Certain fees that we have indicated may increase over the term of the Franchise Agreement. Company and affiliate-owned franchised Skill Samurai businesses are not required to pay Royalty Fees.
2. *Royalty Fee.* As a Franchisee, you are obligated to pay us the greater of (i) 7% of your monthly Gross Sales, or (ii) the Minimum Royalty, displayed in the table immediately below, based on your months of operation(the “Royalty”).

Months in Operation	Minimum Royalty
0-6	\$0
7+	\$500

The Royalty obligation begins immediately on the first Tuesday your Business is open for operation. The Royalty is due and payable every 5th of each month for the prior month's Gross Sales, to be paid according to our specifications. Royalty fees shall be payable to us by direct deposit from franchisee's account. We reserve the right to change the time and manner of payment at any time upon written notice to you. Royalty fees will be reduced by 50% for the first 6 months in operation for franchisees who are veterans of the United States armed forces.

3. "Gross Sales" means the total selling price of all revenue and income from the sale of all Skill Samurai products and services and other related charges to your customers, whether or not sold or performed at or from your Skill Samurai Business, and whether received in cash, check, credit card, coupon, in services in kind, from barter and/or exchange, on credit (whether or not payment is received) or otherwise. You may deduct from Gross Sales for purposes of this computation (but only to the extent they have been included) the amount of all sales tax receipts or similar tax receipts which, by law, are chargeable to customers, if the taxes are separately stated when the customer is charged and if the taxes are paid to the appropriate taxing authority. You may also deduct from Gross Sales the amount of any documented refunds, chargebacks, credits, charged tips, and allowances you give in good faith to your customers. All barter and/or exchange transactions in which you furnish products and/or services in exchange for products and/or services provided to you by a vendor, supplier, or customer will, for the purpose of determining Gross Sales, be valued at the full retail value of the products and/or services so provided to you.
4. *Indemnification.* You must protect, defend, indemnify, and hold us harmless against any claims, lawsuits, or losses arising out of your operation of the Business brought by third parties, or any default under the Franchise Agreement. You must pay for any and all damages, legal fees, enforcement, or collection costs, and/or any other costs assessed against us in any proceeding related to your Business to the extent permitted by law, provided that no indemnification fee shall exceed the actual total costs assessed against us.
5. *Transfer Fee.* The term "transfer" means any of the following: the sale of 20% or more of the assets of your franchise; the sale, assignment, or conveyance of 20% or more of your stock, membership interest, membership units, or partnership units of your franchise to any third party; or the placement of your assets, stock, membership interest, partnership units, or membership units of your business into a business trust.
6. *Liquidated Damages.* If we terminate your Franchise Agreement for cause, you must pay us within 15 days after the effective date of termination, liquidated damages equal to \$500 per month for each month remaining in the Franchise Agreement had it not been terminated.

ITEM 7
ESTIMATED INITIAL INVESTMENT

YOUR ESTIMATED INITIAL INVESTMENT

TABLE 7A: Brick-and-Mortar Model Skill Samurai Business – Single Unit

Type of Expenditure	Amount		Method of Payment	When Due	To Whom Payment is Made
	Low	High			
Initial Franchise Fee ⁽¹⁾	\$49,000	\$49,000	Lump Sum	When you sign the Franchise Agreement	Us
Fixtures & Furnishings ⁽²⁾	\$16,000	\$42,000	As Incurred	As Incurred	Third Parties
Equipment ⁽³⁾	\$20,000	\$30,000	As Incurred	As Incurred	Third Parties
Rent, Security & Utility Deposits ⁽⁴⁾	\$2,000	\$10,000	As Arranged	Before Opening	Third Parties, including Utility Companies
Store Design Plan	\$2,500	\$5,000	As Arranged	As Arranged	Third Parties
Insurance ⁽⁶⁾	\$1,100	\$2,000	As Arranged	As Arranged	Insurance Company
Professional Fees ⁽⁷⁾	\$500	\$3,500	As Arranged	As Arranged	Your Attorneys, Advisors, CPA's And Other Professionals
Software	\$165	\$250	As Required	Before Opening	Quick Books Online Approved Suppliers
Training Expenses ⁽⁸⁾	\$2,000	\$3,000	As Required	As Incurred	Providers of Travel, Lodging, and Food Services
Permits and other Licenses ⁽⁹⁾	\$200	\$1,500	As Required	As Incurred	Gov't Agencies / Third Parties
Initial Inventory ⁽¹⁰⁾	\$5,000	\$16,000	As Arranged	As Arranged	Third Parties
Leasehold Improvements ⁽¹¹⁾	\$20,000	\$100,000	As Arranged	As Arranged	Third Parties
Grand Opening Advertising ⁽¹²⁾	\$15,000	\$20,000	As Arranged	As Incurred	Third Parties
Fax / Phone/ Internet	\$50	\$200	As Agreed	As Incurred	Third Parties
Office Supplies	\$150	\$500	As Agreed	As Incurred	Third Parties
Additional Funds –3 Months ⁽¹³⁾	\$10,000	\$25,000	As Agreed	As Incurred	Third Parties
TOTAL⁽¹⁴⁾	\$143,665	\$307,950			

TABLE 7B: Skill Samurai Business On-The-Go Model – Single Unit

Type of Expenditure	Amount		Method of Payment	When Due	To Whom Payment is Made
	Low	High			
Initial Franchise Fee ⁽¹⁾	\$49,000	\$49,000	Lump Sum	When you sign the Franchise Agreement	Us
Equipment ⁽³⁾	\$10,000	\$15,000	As Incurred	As Incurred	Third Parties
Vehicle Wrap: Design and Application ⁽⁵⁾	\$3,500	\$6,000	As Arranged	As Arranged	Third Parties
Insurance ⁽⁶⁾	\$1,100	\$2,000	As Arranged	As Arranged	Insurance Company
Professional Fees ⁽⁷⁾	\$500	\$3,500	As Arranged	As Arranged	Your Attorneys, Advisors, CPA's And Other Professionals
Software	\$165	\$250	As Required	Before Opening	Quick Books Online Approved Suppliers
Training Expenses ⁽⁸⁾	\$2,000	\$3,000	As Required	As Incurred	Providers of Travel, Lodging, and Food Services
Permits and other Licenses ⁽⁹⁾	\$150	\$500	As Required	As Incurred	Gov't Agencies / Third Parties
Initial Inventory ⁽¹⁰⁾	\$500	\$1,000	As Arranged	As Arranged	Third Parties
Grand Opening Advertising ⁽¹²⁾	\$5,000	\$10,000	As Arranged	As Incurred	Third Parties
Fax / Phone/ Internet	\$50	\$200	As Agreed	As Incurred	Third Parties
Office Supplies	\$150	\$500	As Agreed	As Incurred	Third Parties
Additional Funds –3 Months ⁽¹³⁾	\$2,500	\$7,500	As Agreed	As Incurred	Third Parties
TOTAL⁽¹⁴⁾	\$74,615	\$98,450			

Notes for both Tables 7A and 7B:

These estimated initial expenses are our best estimate of the costs you may incur in establishing and operating your Skill Samurai Business. We do not offer direct or indirect financing for these items. Our estimates are based on our experience, the experience of our affiliates, and our current requirements for Skill Samurai Businesses. The factors underlying our estimates may vary depending on several variables, and the actual investment you make in developing and opening your Skill Samurai Business may be greater or less than the estimates given, depending upon the location of your Skill Samurai Business, and current relevant market conditions. Your costs will also depend on factors such as how well you follow our methods and procedures; your management skills; your business experience and capabilities; local economic conditions; the local market for our products and services; the prevailing wage rates; competition; and sales levels reached during your initial phase of business operations. All expenditures paid to us, or our affiliates, are uniform and non-refundable under any circumstances once paid. All expenses payable to third parties

are non-refundable, except as you may arrange for utility deposits and other payments.

1. *Initial Franchise Fee.* The Initial Franchise Fee is payment for the pre-opening assistance that we provide to you to allow you to open your Skill Samurai Business and also offsets some of our franchisee recruitment expenses.
2. *Fixtures & Furnishings & Equipment.* As described in Item 8, you must purchase all fixtures, furnishings, signage, and supplies that we specify to operate a Skill Samurai Business. This estimate includes fixtures including, but not limited to, desks, workstations, chairs, storage fixtures, refreshment systems, other furniture, & décor and other items as deemed necessary.
3. *Computer Equipment.* This section includes trade dress and the required computer system you will need prior to opening your Skill Samurai Business. The computer system will include the hardware and software necessary to operate your Skill Samurai Business, such as laptops for the students and to manage the sales, application, and servicing areas of your Skill Samurai Business.
4. *Lease & Security Deposits.* If you do not own a location for your Skill Samurai Site, you must purchase or lease a commercial location. Your space will vary depending on your needs, but we estimate you will need between 1,500 to 2,400 square feet. You must use our building specifications for your real property space and design plans for building out, remodeling, or retrofitting your Skill Samurai Site. The Site must be approved by us. The location must meet certain basic requirements described in the Operations Manual. The estimate for these deposits includes your first month's rent payment, security deposits and utility deposits (i.e., telephone, gas, electric, and water). We have assumed a security deposit equal to one month's rent, but this may vary with each location. We have not included an estimate for purchasing a site since we would not recommend it.
5. *Vehicle Wrap.* If the franchisee elects to operate an On-The-Go Skill Samurai Business, they are required to have a wrapped vehicle. The vehicle must be less than two years old, and the Franchisee must obtain the Franchisor's approval of any vehicle wrap and/or signs. Franchisee's vehicles must meet Franchisor's standards and specifications as to approved vehicles and must contain an exterior body wrap displaying the Licensed Marks as designed by the Franchisor. Wrapped vehicles must be in good working order and in a safe and clean condition. Franchisee is exclusively responsible for the maintenance, care, costs, and utilization of Franchisee's Skill Samurai vehicle.
6. *Insurance.* You must obtain and maintain, at your own expense, the insurance coverage we require, and satisfy other insurance-related obligations. Please note that if you have had prior issues or claims from previous operations unrelated to the operation of a Skill Samurai Business, your rates may be significantly higher than those estimated above.
7. *Professional Fees.* We strongly recommend that you hire a lawyer, accountant, or other professional to advise you on this franchise offering and to assist you in setting up your Skill Samurai Business. Rates for professionals can vary significantly based on area and experience.
8. *Training Expenses.* We provide training at our offices in Miami, Florida or at another location we designate. You must pay for airfare, meals, transportation costs, lodging, and incidental expenses for all initial training program attendees. Initial training is provided at no charge for up to two people, one of which must be a principal owner; if additional initial training is required or more people must be trained, an additional fee will be assessed.
9. *Permits and other Licenses.* You may be required to secure required permits and licenses before you begin your Skill Samurai Business. The cost of permits and licenses will depend upon the fees charged by your local municipality, county, state, and licensing authority.
10. *Initial inventory.* The initial inventory includes, but is not limited to: postcards, flyers, business cards, Skill Samurai Inc.

posters, certificates, stickers, balloons, birthday party supplies, t-shirts, and staff uniforms.

11. *Leasehold Improvements.* The range in this category reflects an estimate for layout and construction build-out costs for your Skill Samurai Site. Your cost for leasehold improvements will vary depending upon the size of your Skill Samurai Business, its geographic location, and the work that the lessor may do as a result of the lease negotiation. If you are converting an existing business into a Skill Samurai Business, your costs may be higher or lower depending on the available assets, fixtures, signage, and conversion costs. Construction costs in some areas of the country may exceed these estimates. You must meet our standard plans and specifications.
12. *Grand Opening Advertising.* This advertising and marketing promotion is intended to provide initial awareness and momentum for your new Skill Samurai Business. You must spend a minimum of \$15,000 on grand opening advertising if you are operating your Skill Samurai Business from a Brick-and-Mortar location . You must spend a minimum of \$5,000 on grand opening advertising if you are operating a Mobile Skill Samurai location. A portion of this amount must be spent with our designated public relations firm for conducting public relations services in your local market. Additional details regarding advertising and promotion can be found in Item 11, under the heading “Advertising.”
13. *Additional Funds.* This estimate is based on (i) the experience of the Skill Samurai Businesses that are open and operating by the franchisor; (ii) the experience of our franchisees outside the US and information related to their respective investment costs; and (iii) the current estimates we have received from our Approved Suppliers and other third-party vendors. These amounts represent our estimate of the amount needed to cover your expenses for the initial three-month start-up phase of your Skill Samurai Business. They include payroll costs during the first three months of operation, but not any draw or salary for you. These figures do not include standard pre-opening expenses, Royalties, or Technology Fees payable under the Franchise Agreement or debt service and assume that none of your expenses are offset by any sales generated during the start-up phase. For purposes of this disclosure, we estimated the start-up phase to be three months from the date your Skill Samurai Business opens for business. Additional funds for the operation of your Skill Samurai Business will be required after the first three months of operation if sales produced by the Skill Samurai Business are not sufficient to produce positive cash flow.

TABLE 7C: Your Estimated Initial Investment Under a Development Agreement

Type of Expenditure	Amount		Method of Payment	When Due	To Whom Payment is Made
	Low	High			
Development Fee ⁽¹⁾	\$124,000	\$124,000	Lump Sum	Upon signing a Development Agreement	Us
Estimated Initial Investment for First Brick-and-Mortar Skill Samurai Business ⁽²⁾	\$94,665	\$258,950	As incurred	As incurred.	Us and third parties
TOTALS⁽³⁾	\$218,665	\$382,950			
Estimated Initial Investment for First On-The-Go Skill Samurai Business ⁽⁴⁾	\$25,615	\$49,450	As incurred	As incurred.	Us and third parties
TOTALS⁽³⁾	\$149,615	\$173,450			

Notes:

1. *Development Fee.* Upon signing the Area Development Agreement and Franchise Agreement for your first Skill Samurai Business, you must pay us a Development Fee. All fees and payments are non-refundable, unless otherwise stated or permitted by the payee. The Development Fee varies based on the number of Skill Samurai Businesses you commit to develop. As an example, in Table 7C above we estimate you agree to develop three (3) Skill Samurai Business. See Item 5.
2. *Estimated Initial Investment for First Brick-And-Mortar Skill Samurai Business.* For each Skill Samurai Business that you develop under a Development Agreement, you will execute a Franchise Agreement and incur the initial investment expenses for the development of a single Skill Samurai Business as described in Table 7A. The estimate does not include the Initial Franchise Fee or Development Fee for your first Skill Samurai Business we grant you the right to develop under your Area Development Agreement.
3. *Total.* This amount is your total estimated initial investment to open your first Skill Samurai Business under a 3-pack Development Agreement. We do not provide financing to franchisees either directly or indirectly in connection with their initial investment requirements.
4. *Estimated Initial Investment for First On-The-Go Skill Samurai Business.* For each Skill Samurai Business that you develop under a Development Agreement, you will execute a Franchise Agreement and incur the initial investment expenses for the development of a single Skill Samurai Business as described in Table 7B. The estimate does not include the Initial Franchise Fee or Development Fee for your first Skill Samurai Business we grant you the right to develop under your Area Development Agreement.

ITEM 8

RESTRICTIONS ON SOURCES OF PRODUCTS AND SERVICES

Standards and Specifications

You must operate your Skill Samurai Business according to our System and specifications. This includes purchasing or leasing all products, services, supplies, materials, fixtures, equipment, inventory, computer hardware and software, and real estate related to establishing and operating the Skill Samurai Business under our specifications, which may include purchasing these items from our approved suppliers. You must not deviate from these methods, standards, or specifications without our prior written consent, or otherwise operate in any manner which reflects adversely on our Marks or the System.

Our confidential operations manual (“Operations Manual”) states our standards, specifications, and guidelines for all products and services we require you to obtain in establishing and operating your Skill Samurai Business, and the approved vendors for these products and services. We will notify you of new or modified standards, specifications, and guidelines through periodic amendments or supplements to the Operations Manual or through other written communication (including electronic communication such as e-mail or through a system-wide intranet).

Skill Samurai, Inc., or Our Affiliates, as Approved Suppliers

We and our affiliates are currently not an approved or required supplies or vendor for your Skill Samurai Business.

Purchases from Approved Suppliers

We will provide you with a list of our designated and approved suppliers in our Operations Manual. None Skill Samurai Inc.

of our, or our affiliate's, officers own any interest in any of our designated or approved suppliers.

System Curriculum and Materials. You must license and use only the materials and software we require from the vendors and suppliers we approve. "System Curriculum and Materials" means the curriculum, course guides, program materials and such other programs, materials, equipment, and products that we, in our reasonable business judgment, designates from time-to-time and as may be modified, replaced and/or supplemented from time-to-time by us, in our reasonable business judgment. System Curriculum and Materials license costs vary by program.

Furniture and Fixtures. You must purchase our specified furniture and fixtures only from our approved suppliers. We will provide all standards and specifications described in the Operations Manual or otherwise in writing.

Credit Card Processing. You must set up an account with our designated credit card processing supplier. We will host the payment portal on the System Website where all of your Skill Samurai Business transactions will be processed, but the payments will be processed through your account.

Computer System and Software. You must use and maintain the computer hardware and software systems, applications, and web technologies that we periodically designate to operate your Skill Samurai Business. You must obtain the computer hardware, software licenses, maintenance and support services, and other related services that meet our specifications from the suppliers we specify.

Site Design and Construction Plans. If you operate a Brick-and-Mortar Skill Samurai Business, you must use our designated vendor for the design and plans for the construction of your Site.

Vehicle Wrap. If you operate an On-The-Go Skill Samurai Business, you must use our designated vendor for the design and application of your vehicle wrap.

Grand Opening Advertising and Promotion. In the four-to-five-month period surrounding the opening date of your Skill Samurai Business, you will work with our designated vendor to create a grand opening advertising program. Our designated vendor will also provide you with marketing and promotional materials for your Business.

For our Brick-and-Mortar Model we estimate that approximately seventy percent (70%) of purchases required to open your Skill Samurai Business and twenty percent (20%) of purchases required to operate your Skill Samurai Business will be from us or from other approved suppliers or under our specifications. For our On-The-Go Model we estimate that approximately ninety percent (90%) of purchases required to open your Skill Samurai Business and fifty percent (50%) of purchases required to operate your Skill Samurai Business will be from us or from other approved suppliers or under our specifications.

Purchases that must meet our specifications

Insurance. You must obtain the insurance coverage required under the Franchise Agreement. The insurance company must be authorized to do business in the state where your Skill Samurai Business is located and must be approved by us. It must also be rated "A" or better by A.M. Best & Company, Inc. You must obtain: public liability insurance, personal injury insurance, automobile insurance, property damage insurance, worker's compensation insurance, including employer's liability, with limits as required by law, business interruption coverage and comprehensive general liability insurance, in the minimum amounts of \$1,000,000 per occurrence and \$3,000,000 in the aggregate, including premises liability, professional liability products and completed operations, personal and advertising liability. We may periodically increase the amounts of coverage required under these insurance policies and/or require different or additional insurance coverage at any time. All insurance policies must name us and any affiliates we designate as additional named insured parties and state that we will receive at least 30 days' prior written notice of any intent by the insurer to reduce coverage or policy limits, cancel, or amend the policy.

Skill Samurai Inc.

Alternative Supplier Approval

If you want to use or sell a product or service that we have not yet evaluated, or if you want to purchase or lease a product or service from a supplier or provider that we have not yet approved (for products and services that require supplier approval), you must notify us and submit to us the information, specifications, and samples we request. We will use commercially reasonable efforts to notify you within 30 days after receiving all requested information and materials whether you are authorized to purchase or lease the product or service from that supplier or provider. We reserve the right to charge a fee to evaluate the proposed product, service, or supplier. The Vendor Evaluation Fee will range from a minimum of \$100 to a maximum of \$600 and will be based on the complexity of the evaluation and the amount of time required for us to evaluate the vendor. We apply the following general criteria in approving a proposed supplier: (1) ability to purchase the product in bulk; (2) quality of services; (3) production and delivery capability; (4) proximity to Skill Samurai Businesses to ensure timely deliveries of the product or services; (5) the dependability of the supplier; and (6) other relevant factors. The supplier may also be required to sign a supplier agreement with us. We may periodically re-inspect an approved suppliers' facilities and products, and we reserve the right to revoke our approval of any supplier, product or service that does not continue to meet our specifications. We will send written notice of any revocation of an approved supplier, product, or service. We do not provide material benefits to you based solely on your use of designated or approved sources.

Rebates

We and our affiliates may receive rebates from some suppliers based on your purchase of services and products and we have no obligation to pass them on to our franchisees or use them in any particular manner.

Purchase Arrangements

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

Revenue from Franchisee's Required Purchases

During our last fiscal year, we received \$0 in revenue from franchisees' required purchases and leases of products and services (0% of our total revenue for the fiscal year ending December 31, 2021).

ITEM 9 FRANCHISEE'S OBLIGATIONS

The table below lists your principal obligations under the franchise and other agreements. It will help you find more detailed information about your obligations in these agreements and in other items of this Disclosure Document.

Obligation	Section in Franchise Agreement (FA)	Disclosure Document Item
a. Site selection and acquisition/lease	Section 4 and Attachment A to FA	Not Applicable
b. Pre-opening purchases/leases	Sections 4 and 6	Not Applicable
c. Site development and other pre-opening requirements	Sections 4	Not Applicable

d. Initial and ongoing training	Sections 3.8 and 5	Not Applicable
e. Opening	Sections 4 and 5	Items 5 and 6
f. Fees	Sections 3, 7, and 13	Item 2 and Attachment B Section 1
g. Compliance with standards and policies/Operations Manual	Sections 4, 6, 7, 8.4, 11.1, 13, and 14	Not Applicable
h. Trademarks and proprietary information	Sections 9 and 10	Not Applicable
i. Restrictions on products/services offered	Sections 6	Item 4
j. Warranty and customer service requirements	Sections 6, 8.4, 8.6, 15.3, 15.7	Not Applicable
k. Territorial development and sales quotas	Section 3	Not Applicable
l. Ongoing product/service purchases	Sections 6.7	Items 4
m. Maintenance, appearance, and remodeling requirements	Sections 6.4, 13.4(l), and 14.1(e),	Not Applicable
n. Insurance	Section 6.13	Not Applicable
o. Advertising	Section 7	Not Applicable
p. Indemnification	Section 11 and Attachment A to FA	Attachment B Section 4
q. Owner's participation/management and staffing	Sections 1.4, 5.1, 6.2	Not Applicable
r. Records and reports	Section 8	Attachment B Section 4
s. Inspections and audits	Section 8	Attachment B Section 4
t. Transfer	Section 13	Item 7
u. Renewal	Sections 15 and 17	Attachment B Section 1
v. Post-termination obligations	Sections 11, 13, 14, and 15	Not Applicable
w. Non-competition covenants	Section 10	Not Applicable
x. Dispute resolution	Section 11 and 16	Attachment C Section 5
y. Guaranty	Attachment C	Not Applicable

ITEM 10 FINANCING

We do not offer direct or indirect financing to you. We do not guarantee your note, lease, or other

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obligation.

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

Except as listed below, Skill Samurai, Inc. is not obligated to provide you with any assistance.

Pre-opening Obligations

Before you open your Skill Samurai Business, we (or our designee(s)) will provide the following assistance and services to you:

1. Provide an initial training program in Miami, Florida, or at another location designated by us, ("Initial Training Program") for up to two people. If you want to have additional persons attend the Initial Training Program, then you must pay to us a daily attendance fee in an amount of \$750 per additional trainee for each additional attendee (see Item 6). You must also pay the wages, travel, lodging, and living expenses of each of your required and additional attendees. All persons who attend our Initial Training Program must complete it to our satisfaction, in our sole discretion. You may not employ a person that does not complete this Initial Training Program to our satisfaction (Franchise Agreement – Section 5.1).
2. Loan to you, or make available to you online, one copy of the Operations Manual. The Operations Manual contains approximately 200 pages. The table of contents for the Operations Manual is attached to this Disclosure Document as Exhibit G (Franchise Agreement – Section 6.1).
3. If you choose the Brick-and-Mortar Model Skill Samurai Business we will provide approval of the site for your Business, which must be located in a real property space. As of the issuance date of this Disclosure Document, these basic requirements consisted of requiring that the location: (i) be in your territory; and (ii) complies with any applicable rules or laws applicable to Skill Samurai related business activity. We will approve or deny your site within 30 days of your submitting it to us. You must secure location within ninety (90) days after the effective date. If you are unable to find a location that we approve within ninety (90) days we have the right to terminate the Franchise Agreement with a five (5) day written notice (Franchise Agreement – Section 4.3). We generally do not own or lease the premises to franchisees. You are responsible for conforming your Site to local ordinances and codes, and for obtaining any permits, construction, remodeling your Site, and the hiring and training of your employees. If you sign a Development Agreement we will provide approval for each site within your Development Area using our then current standards for site approval.
4. Provide you with mandatory and discretionary specifications for the Skill Samurai Business, including standards and suggested criteria for design, image, and branding of the location if you choose the Brick-and-Mortar Model Skill Samurai Business and other trade dress (Franchise Agreement – Section 6.1).
5. Provide assistance to you by identifying operating assets (including equipment, signs, fixtures, and opening inventory), computer systems, and other products and supplies that you must use to develop and operate your Skill Samurai Business; establish minimum standards and specifications that you must satisfy while operating your Skill Samurai Business; and identify the designated and approved suppliers from whom you may be required to purchase and/or lease items for your Skill Samurai Business (Franchise Agreement – Section 6.1).
6. Prior to opening your Business, we will advise you as to development of class schedules and local marketing and networking efforts (Franchise Agreement – 5.2).

Schedule for Opening

The typical length of time between signing the Franchise Agreement, or the payment of any fees, and the opening of a Brick-and-Mortar Model Skill Samurai Business can vary from six to twelve months. Some factors which may affect this timing, are your ability to secure any necessary financing; your ability to obtain any necessary permits and certifications; the time to complete required training; the timing of the identifying of your Location and the completion of the leasehold improvements; the receipt of any inventory or equipment; and hiring and training of your staff.

The typical length of time between signing the Franchise Agreement, or the payment of any fees, and the opening of an On-The-Go Model Skill Samurai Business can vary from one to two months. Some factors which may affect this timing, are your ability to secure any necessary financing; your ability to obtain any necessary permits and certifications; the time to complete required training; the receipt of any inventory or equipment; and hiring and training of your staff.

Continuing Obligations

During the operation of your Skill Samurai Business, we (or our designee(s)) will provide the following assistance and services to you:

- 1 Inform you of mandatory standards, specifications, and procedures for the operation of your Skill Samurai Business (Franchise Agreement – Sections 6, 9.4 and 13.2).
- 2 Upon reasonable request, provide advice regarding your Skill Samurai Business's operations based on reports or inspections. Advice will be given during our regular business hours and via written materials, electronic media, telephone, or other methods in our discretion. (Franchise Agreement – Sections 5.6).
- 3 Provide you with advice and guidance on advertising and marketing (Franchise Agreement – Section 7).
- 4 Provide additional training to you for newly hired personnel on the Skill Samurai brand and System guidelines, refresher training courses and additional training or assistance that, in our discretion, you need or request. You may be required to pay additional fees for this training or assistance (Franchise Agreement – Sections 5).
- 5 Allow you to continue to use confidential materials, including the Operations Manual and the Marks (Franchise Agreement – Sections 6.1, 8, and 9).

Optional Assistance

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

- Modify, update, or change the System, including the adoption and use of new or modified trade names, trademarks, service marks or copyrighted materials, new products, new equipment, or new techniques (Franchise Agreement – Section 6.3, 6.7, 9.4,).
- Make periodic visits to your Skill Samurai Business for the purpose of assisting in all aspects of the operation and management of the Business, prepare written reports concerning these visits outlining any suggested changes or improvements in the operation of the Skill Samurai Business, and detailing any problems in the operations which become evident as a result of any visit. If provided at your request, you must reimburse our expenses and pay our then current training charges (Franchise Agreement – Section 8).

- Hold periodic national or regional conferences to discuss business and operational issues affecting Skill Samurai franchisees.

Advertising

Brand Development Fund

We reserve the right to create a Brand Development Fund for marketing the System, the Marks, and Skill Samurai locations. If established, you must pay up to five percent (5%) of your Gross Sales for the Brand Development Fund (“Brand Development Fund Contribution”). Your contribution to the Brand Development Fund will be in addition to all other advertising requirements set out in this Item 11. Each franchisee will be required to contribute to the Brand Development Fund, but certain franchisees may contribute on a different basis depending on when they signed their Franchise Agreement. Skill Samurai locations owned by us will contribute to the Brand Development Fund on the same basis as franchisees.

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

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

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

The Brand Development Fund is not audited. Upon reasonable written request, we will provide to you an annual accounting for the Brand Development Fund that shows how the Brand Development Fund proceeds have been spent for the previous year. We did not collect or spend any Brand Development Fund Contributions during our last fiscal year, ending December 31, 2022.

Local Advertising Requirements

In addition to the Brand Development Fund Contributions, you must spend a minimum of \$1,000 on local advertising each calendar month (“Local Advertising Requirement”). We do not currently specify how and where you must spend your advertising budget, but we reserve the right to do so in the future. While not required, we recommend you utilize digital marketing platforms and SEO tools such as google ads and Facebook marketing to better target your local areas.

You agree, at your sole cost and expense, to issue and offer such rebates, giveaways, and other promotions Skill Samurai Inc.

in accordance with advertising programs established by us, and further agree to honor the rebates, giveaways, and other promotions issued by other Skill Samurai franchisees under any such program, so long as such compliance does not contravene any applicable law, rule, or regulation. You will not create or issue any gift cards/certificates and will only sell gift cards/certificates that have been issued or sponsored by us and which are accepted at all Skill Samurai locations, and you will not issue coupons or discounts of any type except as approved by us.

You must obtain our prior approval for all marketing material, which may be granted or denied in our sole discretion. We will review your request and we will respond in writing within 30 days from the date we receive all requested information. Our failure to notify you in the specified time frame will be deemed a disapproval of your request. Use of logos, Marks and other name identification materials must follow our approved standards. You may not use our logos, Marks, and other name identification materials on items to be sold or services to be provided without our prior written approval. If we approve of promotional items or services that will be sold in your Skill Samurai Business, those items or services must be in your Gross Sales and will be subject to Royalties and the Local Advertising Requirement.

Cooperatives

We do not currently but may in the future establish local or regional advertising cooperatives. You may be required to participate in any local or regional advertising cooperatives for Skill Samurai Businesses that are established. The area of each local and regional advertising cooperative will be defined by us, based on our assessment of the area. Franchisees in each cooperative will contribute an amount to the cooperative of up to two percent (2%) of monthly Gross Sales for each Business that the franchisee owns that exists within the cooperative's area, which contribution may be applied toward the franchisee's Local Advertising Requirement. Each Skill Samurai Business that we or our affiliate owns that exists within the cooperative's area will contribute to the cooperative on the same basis as franchisees. Members of the cooperative will be responsible for administering the cooperative, including determining the amount of contributions from each member. We may require that each cooperative operate with governing documents, which will be available for review upon reasonable request from cooperative franchisees. Each cooperative must prepare annual unaudited financial statements, and such statements will be provided for review to each member of such cooperative. Cooperatives may not use advertising, marketing, or promotional plans or materials without our prior written consent. We reserve the right to form, change, dissolve, or merge any advertising cooperative formed in the future. If we elect to form such cooperatives, or if such cooperatives already exist near your territory, you will be required to participate in compliance with the provisions of the Operations Manual, which we may periodically modify in our discretion.

System Website

We have established a main website for Skill Samurai Businesses ("System Website"). Each Skill Samurai Business will have an individual landing page. Your landing page will include information relating to your specific Skill Samurai Business location and select content that we provide from our System Website. Your landing page will also showcase Skill Samurai products and services. You may not establish or maintain any other website or engage in any other electronic marketing of products or services without our prior written approval. We reserve the right to change the requirements relating to your landing page at any time. You may be requested to provide content for our internet marketing, and you must follow our intranet and internet usage rules, policies, and requirements.

You are required to follow our online policy, which is contained in our Operations Manual. Our online policy may change as technology and the internet changes. Under our online policy, we may retain the sole right to market on the internet, including all use of websites, domain names, advertising, and co-branding arrangements. We may restrict your use of social media. We may not allow you to independently market on the internet, or use any domain name, address, locator, link, metatag, or search technique with words or symbols similar to the Marks. We intend that any franchisee website will be accessed only through our home page.

We may update and modify the landing pages from time to time. You must promptly notify us whenever any information on your listing changes or is not accurate. We have final approval rights of all information on the landing pages. We may implement and periodically modify System Standards relating to the landing pages.

We are only required to reference your Skill Samurai Business on the System Website while you are in full compliance with your Franchise Agreement and all System Standards. If you are in default of any obligation under the Franchise Agreement or System Standards, then we may temporarily remove references to your Skill Samurai Business from the System Website until you fully cure the subject default(s). You may not, without our prior written approval, develop, maintain, or authorize any website that mentions or describes you, your Skill Samurai Business, or displays any of the Marks. If we approve your use of a website, including social media websites, we will reserve the right to require you to obtain our written approval of its initial content and as it is updated or modified from time to time. If we develop a template or other standardized format and/or content for franchisee websites, you must agree to use our mediums. You may not sell products or services not approved by us in the Operations Manual on your Skill Samurai Business website without our prior written approval (Franchise Agreement – Section 6.7).

Advisory Council

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

Grand Opening Advertising

During a period four to five months around your opening date, you must conduct a grand opening advertising program that we approve, utilizing our approved supplier for public relations services. Your approved grand opening advertising program must expend a minimum \$15,000 for a Brick-and-Mortar location. You must spend a minimum of \$5,000 on grand opening advertising if you are operating a Mobile Skill Samurai location. You may expend additional amounts on grand opening advertising, and we expect you will do so.

Computer System

You are required to purchase a computer system that consists of the following hardware and software: (a) a desktop or laptop computer with Windows 10 or newer, and can operate any and all software we require; (b) a commercial quality laser or inkjet printer; and (c) QuickBooks Online (collectively the “Computer System”). Optionally, you may also purchase an Apple iPad to use as a kiosk to check students in and complete sales transactions, otherwise, those tasks will be managed through the System Website. We estimate the cost of purchasing the Computer System will be between \$500 - \$1,500. The Computer System will manage the daily workflow of the Skill Samurai Business; coordinate the customer experience; track families; provide installation information; manage accounts payable and receivable; document business accounting according to GAAP; manage labor and other information. You must record all Gross Sales on the cloud-based accounting System. You must store all data and information in the Computer System that we designate, and report data and information in the manner we specify. You must allow us to access your QuickBooks Online via our own log-in and connect your QuickBooks online to any third-party app we specify. The Computer System will generate reports on the Gross Sales of your Skill Samurai Business. You must also maintain a high-speed internet connection at the Skill Samurai Business. In addition to offering and accepting Skill Samurai checks, you must use any credit card vendors and accept all credit cards and debit cards that we determine. The term “credit card vendors” includes, among other things, companies that provide services for electronic payment, such as near field communication vendors (for Skill Samurai Inc.

example, “Apple Pay” and “Google Wallet”). We are not required to provide you with any ongoing maintenance, repairs, upgrades, updates, or support for the Computer. You must arrange for installation, maintenance, and support of the Computer System at your cost (Franchise Agreement – Section 13.6). There are no limitations in the Franchise Agreement regarding the costs of such required support, maintenance repairs, or upgrades relating to the Computer System. You will be responsible for maintenance, updating, upgrading your Computer System to our specifications. We estimate your costs will not exceed \$1,000 per year for required updates. We may revise our specifications for the Computer System periodically. You must upgrade or replace your Computer System within a reasonable time from when specifications are revised. There is no limitation on the frequency and cost of this obligation.

We (or our designee(s)) have the right to independently access the electronic information and data relating to your Skill Samurai Franchise and to collect and use your electronic information and data in any manner, including to promote the System and the sale of Franchises. This may include posting financial information of each franchisee on an intranet website. There is no contractual limitation on our right to receive or use information through our proprietary data management and intranet system. We may access the electronic information and data from your Computer System remotely, in your Skill Samurai Business or from other locations.

Training

Initial Training Program

You and any designated manager or representative that we require must complete the Initial Training Program to our satisfaction before you open your Skill Samurai Business. We provide initial training at no cost for up to two people. If there is space in a session and you wish to bring more attendees, you must pay our then-current Additional Training Fee, currently \$750. You and your designated manager must complete the training program to our reasonable satisfaction, as determined by the specific program instructors before you are able to open your Skill Samurai Business. Initial training classes are held whenever necessary to train new franchisees. You will not receive any compensation or reimbursement for services or expenses for participation in the Initial Training Program. You are responsible for all of your expenses to attend any training program, including lodging, transportation, food, and similar expenses.

We will not provide general business or operations training to your employees or independent contractors; however, we may provide limited training on the Skill Samurai System and brand standards to your key employees. You will be responsible for training your employees and independent contractors, including any training on the day-to-day operations of the Skill Samurai Business. You will be responsible for hiring, training, directing, scheduling, and supervising your employees and independent contractors in the day-to-day operations of the Skill Samurai Business.

We plan to provide the training listed in the table below. We reserve the right to vary the length and content of the Initial Training Program based upon the experience and skill level of the individual attending the Initial Training Program. We will use the Operations Manual as the primary instruction material during the Initial Training Program.

Jeff Hughes, our President and CEO, currently oversees our training program to which he brings more than 5 years of industry experience. He has been with Skill Samurai since its inception on March 10, 2019 and is also the founder of our affiliate Skill Samurai Canada, Inc., which was founded in May 2015. You can find more about Jeff Hughes in Item 2 of this Disclosure Document. We may provide different trainers in any particular session, and all trainers will have at least 6 months experience within our industry.

TRAINING PROGRAM

Subject	Hours of Classroom and Online Training	Hours of On-The-Job Training	Location
Who we are and what makes us awesome	4	0	Miami, Florida, or another location we designate
Managers, lead tutors and instructor: recruiting, training, and retaining	8	1	Miami, Florida, or another location we designate
Pre-grand opening tasks & activities	2	2	Miami, Florida, or another location we designate
Software - Scheduling, HR, Payroll	8	0	Miami, Florida, or another location we designate
Software - Curriculum	4	20	Miami, Florida, or another location we designate
Managing the Operations	3	0	Miami, Florida, or another location we designate
Sales Training - closing the deal	4	0	Miami, Florida, or another location we designate
Effective Marketing	2	0	Miami, Florida, or another location we designate
Working with Students	2	20	Miami, Florida, or another location we designate
TOTAL	37 hours	43 hours	

Ongoing Training

If you appoint a new designated manager, that person must attend and successfully complete our Initial Training Program before assuming responsibility for the management of your Skill Samurai Business. If we conduct an inspection of your Skill Samurai Business and determine you are not operating in compliance with the Franchise Agreement, we may require that you attend remedial training that addresses your operational deficiencies. You may also request that we provide additional training (either at corporate headquarters or at your Skill Samurai Business). We currently charge \$250 per attendee per day for additional training.

In addition to participating in ongoing training, you will be required to attend an annual meeting of all franchisees at a location we designate if we hold an annual meeting of all franchisees. You are responsible for all travel and expenses for your attendees plus the convention fee, which is either \$299 per person or \$750 per Skill Samurai Business if you send multiple attendees.

ITEM 12 TERRITORY

Franchise Program

Site

Your franchise is for the specific Site that we approve. You must select a site that we have accepted within the non-exclusive Site Selection Area that we specify. The site will be added to the Franchise Agreement once we accept it and you secure it, usually within 14 days after signing the Franchise Agreement. Your Site Selection Area is not exclusive and is only intended to give you a general indication of the area within which you may locate the Site for the Skill Samurai Business.

Territory

Once you have selected and secured the Site, we will provide you an area in which you will have protected rights (the “Territory”). If you choose the Brick-and-Mortar Model your Territory will typically be a two-mile radius around your Business unless your Business is located in a major metropolitan downtown area or similarly situated/populated central business district (a “Central Business District”). If your Business is located in a Central Business District, your Territory may be limited to a geographic area comprised of anywhere from a radius of two blocks to two miles around your Business, as we deem appropriate in our discretion. If you choose the On-The-Go Model you will operate at public and private locations in your protected Territory of around 150,000 individuals around your Site, which may be your home. The size of your Territory may vary from the territory granted to other franchisees based on the location and demographics surrounding your Business.

The boundaries of your Territory may be described in terms of zip codes, streets, landmarks (both natural and man-made) or county lines, or otherwise delineated on a map. The sources we use to determine the population within your Territory will be publicly available population information (such as data published by the U.S. Census Bureau or other governmental agencies and commercial sources).

The Territory is a protected territory. This means that during the term of the Franchise Agreement, provided you are not in default under the Franchise Agreement, we will not operate, or license others to operate, a Skill Samurai Business using the System and the Marks inside the Territory.

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 we control.

Relocation of your Brick-and-Mortar Skill Samurai Business

If you would like to relocate your Brick-and-Mortar Skill Samurai Business, you must receive our written consent. Our approval will not be unreasonably withheld, provided (i) the new location for the Business is satisfactory to us and within your Site Selection Area, (ii) your lease, if any, for the new location complies with our then-current requirements, (iii) you comply with our then-current requirements for constructing and furnishing the new location, (iv) the new location will not, as determined in our sole discretion, materially and adversely affect the Gross Sales of any other Business, (v) you have fully performed and complied with each provision of the Franchise Agreement within the last three years prior to, and as of, the date we consent to such relocation (the “Relocation Request Date”), (vi) you are not in default, and no event exists which with the giving of notice and/or passage of time would constitute a default, exists as of the Relocation Request Date, and (vii) you have met all of our then-current training requirements. If you lose your lease, you must secure our approval of another site and enter into a lease for the new approved site within 90 days after you lose your site lease. You must pay us a relocation fee as specified in Item 6.

Relocation of your On-The-Go Skill Samurai Business

You may not relocate your On-The-Go Skill Samurai Business unless you receive our written consent. Our approval will not be unreasonably withheld, provided (i) the new Territory for the Business is satisfactory to us and within your Site Selection Area, (ii) you comply with our then-current requirements for your vehicle and equipment, (iii) the new location will not, as determined in our sole discretion, materially and adversely affect the Gross Sales of any other Skill Samurai Business, (iv) you have fully performed and complied with each provision of the Franchise Agreement within the last three years prior to, and as of, the date we consent to such relocation (the “Relocation Request Date”), (v) you are not in default, and no event exists which with the giving of notice and/or passage of time would constitute a default, exists as of the Relocation Request Date, and (vi) you have met all of our then-current training requirements. You must pay us a relocation fee as specified in Item 6.

Reserved Rights

Among other things, we and our affiliates have the right to (a) establish or license franchises and/or company-owned STEM businesses, or other businesses offering similar or identical products, services, classes, and programs and using the System or elements of the System (i) under the Marks anywhere outside of the Territory or (ii) under names, symbols, or marks other than the Marks anywhere, including inside and outside of the Territory; (b) sell or offer, or license others to sell or offer, any products, services, or classes using the Marks or other marks through any alternative distribution channels, including, without limitation, through e-commerce, in retail stores, via recorded media, via online videos, or via broadcast media, anywhere, including inside and outside of the Territory; (c) advertise, or authorize others to advertise, using the Marks anywhere, including inside and outside of the Territory; and (d) acquire, be acquired by, or merge with other companies with existing fitness facilities or businesses anywhere (including inside or outside of the Territory) and, even if such businesses are located in the Territory, (i) convert the other businesses to the Skill Samurai name, (ii) permit the other businesses to continue to operate under another name, and/or (iii) permit the businesses to operate under another name and convert existing Skill Samurai Businesses to such other name.

We will not compensate you for any of our activities in your Territory, even if they have an impact on your Business.

Restriction on Rights

You do not have the right to open additional Skill Samurai Businesses, nor do you have any rights of first refusal on any other location. You do not have the right to use the Marks or the System at any location other than the Site or in any wholesale, e-commerce, or other channel of distribution besides the retail operation of the Business at the Site. Any media advertising or direct mail marketing that you conduct must be predominantly focused within your Territory unless we agree otherwise. There are no territorial restrictions from accepting business from customers that reside or work or are otherwise based outside of your Territory if these customers contact you, but we reserve the right to implement additional rules and restrictions regarding soliciting such customers in the future in our Manuals.

We reserve the right to establish guidelines concerning the acceptance and reimbursement of gift certificates, gift cards, coupons, corporate discounts, and other promotional programs as we set forth from time to time in the Manuals or otherwise in writing, including policies related to the allocation of monies when a gift certificate is purchased at one Skill Samurai Business and redeemed at another. We do not have these policies or procedures in place, however, as of the date of this Disclosure Document.

Development Program

Development Area

If you enter into a Development Agreement, you will have the right to develop a mutually agreed upon number of Skill Samurai Businesses in the Development Area in accordance with the Development Schedule. The total number of Skill Samurai Businesses to be opened in your Development Area, as well as the size of the Development Area, will be dependent upon a number of factors such as (i) the number of Businesses we grant you the right to open and operate; and (ii) the location and demographics of the general area where we mutually agree you will be opening these locations. The boundaries of your Development Area may be described in terms of zip codes, streets, landmarks (both natural and man-made) or county lines, or otherwise delineated on a map attached to the Development Agreement.

You must execute our then-current Franchise Agreement for each Studio that you develop under a Development Agreement. You must select a site, and obtain our acceptance of such site, as described above in this Item, at which point we will designate a Territory for the Studio. We will use our then-current standards for accepting sites and designating Territories.

The Development Area is an exclusive territory. This means that while the Development Agreement is in effect, provided that you open and operate the Businesses in accordance with the Development Schedule, and the minimum number of Businesses that you have open and operating in the Development Area at any given time is not less than the minimum required under the Development Schedule, we will not operate, or license any person other than you to operate, a Studio under the Marks and the System within the Development Area.

You must comply with your development obligations under the Development Agreement, including your Development Schedule, in order to maintain your exclusive right to develop Skill Samurai Businesses within the Development Area. If you do not comply with your Development Schedule, we may terminate your Development Agreement and any further development rights you have under that agreement. Otherwise, we will not modify the size of your Development Area except by mutual written agreement signed by both parties.

If a Skill Samurai Business is destroyed or damaged by any cause beyond your control such that it may no longer continue to be open for the operation of business ("Destruction Event"), you must diligently work to repair and restore the Business to our approved plans and specifications as soon as possible at the same location or at a substitute site accepted by us within the Development Area. Under such circumstances, the Skill Samurai Business will continue to be deemed "in operation" for the purpose of this Agreement for up to 180 days after the occurrence. If a Skill Samurai Business (i) is closed in a manner other than those described in the Development Agreement or as otherwise agreed by us in writing or (ii) fails to reopen within 180 days after a Destruction Event, then we may terminate the Development Agreement and all of your exclusive territorial rights, if any, will be eliminated.

The Development Agreement and your exclusive right to develop Skill Samurai Businesses in the Development Area will expire on the last development deadline in the Development Schedule unless the Development Agreement is terminated sooner. Upon the expiration or termination of the Development Agreement, your right to develop Skill Samurai Businesses within the Development Area will be terminated. However, Businesses that you have opened will continue to operate under the terms of the applicable Franchise Agreements.

Reserved Rights

Among other things, we reserve the right to: (a) establish or license franchises and/or company-owned STEM businesses or other businesses offering similar or identical products, services, classes, and programs and using the System or elements of the System (i) under the Marks anywhere outside of the Development Area.

Skill Samurai Inc.

Area or (ii) under names, symbols, or marks other than the Marks anywhere, including inside and outside of the Development Area; (b) sell or offer, or license others to sell or offer, any products, services, or classes using the Marks or other marks through any alternative distribution channels, including, without limitation, through e-commerce, in retail stores, via recorded media, via online videos, or via broadcast media, anywhere, including inside and outside of the Development Area; (c) advertise, or authorize others to advertise anywhere, using the Marks; (d) acquire, be acquired by, or merge with other companies with existing fitness facilities or businesses anywhere (including inside or outside of the Development Area) and, even if such businesses are located in the Development Area, (i) convert the other businesses to the Skill Samurai name, (ii) permit the other businesses to continue to operate under another name, and/or (iii) permit the businesses to operate under another name and convert existing Skill Samurai Businesses to such other name; and (e) engage in any other activity, action or undertaking that we are not expressly prohibited from taking under the Development Agreement. We will not compensate you for any actions we take in your Development Area.

Additional Disclosures

We have not established other franchises or company-owned outlets or another distribution channel offering or selling similar products or services under a different trademark. Neither we nor our affiliates have established, or presently intend to establish, other franchised or company-owned businesses that offer STEM and coding classes or similar products or services under a different trade name or trademark, but we reserve the right to do so in the future without your consent.


ITEM 13 TRADEMARKS

The Franchise Agreement grants you the non-exclusive right and license to use the System, which includes the use of the Mark. You may only use those Marks as designated by us in writing for your use, and you may use them only in the manner permitted by us. You may also use other future trademarks, service marks, and logos we approve to identify your Skill Samurai Business.

We registered our marks with the United States Patent and Trademark Office (“USPTO”) for the following Mark:

Trademark	Registration Number	Registration Date
Skill Samurai	6512922	October 5, 2021

We have not renewed our registration for this Mark but intend to do so when renewal is necessary.

Mark	Registration Number	Registration Date
	7102959	July 11, 2023

At this time, we do not have a registration for this trademark. Therefore, this trademark does not have many of the legal benefits and rights as a federally registered trademark. If your right to use this trademark is challenged, you may have to change to an alternative trademark which will increase your expenses. We

have not applied for renewal for this Mark but will do so whenever renewal is necessary.

There are no effective adverse material determinations of the USPTO, the Trademark Trial and Appeal Board or the trademark administrator of any state or any court. There are no known pending infringement claims, oppositions, cancellation proceedings or any court proceeding regarding any of our trademarks, ownership of the above trademark or that affect our ability to use the trademarks. All required affidavits have been filed.

No agreement significantly limits our right to use or license the Marks in any manner material to the Skill Samurai Business. We do not know of any superior prior rights or infringing uses that could materially affect your use of the trademarks. If it becomes advisable, at any time, for us and/or you to modify or discontinue using any Mark and/or use one or more additional or substitute trademarks or service marks, you must comply with our directions within a reasonable time after receiving notice. We may not, but have the option to, reimburse you for your direct expenses of changing signage, for any loss of revenue or other indirect expenses due to any modified or discontinued Mark, or for your expenses of promoting a modified or substituted trademark or service mark.

You must follow our rules when using the Marks. You cannot use our name or our affiliate's Mark as part of a corporate name or with modifying words, designs, or symbols unless you receive our prior written consent. You must indicate to the public in any contract, advertisement, and with a conspicuous sign in your Skill Samurai Business that you are an independently owned and operated licensed franchisee of Skill Samurai, Inc. You may not use the Marks in the sale of unauthorized products or services or in any manner we do not authorize. You may not use the Marks in any advertising for the transfer, sale, or other disposition of the Skill Samurai Business, or any interest in the franchise. All rights and goodwill from the use of the Marks accrue to us.

We will defend you against any claim brought against you by a third party that your use of the Marks, in accordance with the Franchise Agreement, infringes upon that party's intellectual property rights. We may require your assistance, but we will exclusively control any proceeding or litigation relating to our affiliate's Marks. We have no obligation to pursue any infringing users of our affiliate's Marks. If we learn of an infringing user, we will take the action appropriate, but we are not required to take any action if we do not feel it is warranted. You must notify us within three (3) days if you learn that any party is using the Marks or a trademark that is confusingly similar to the Marks. We have the sole discretion to take such action as we deem appropriate to exclusively control any litigation or administrative proceeding involving a trademark licensed by us to you.

After termination you must return all copies of the Manual, or any portions thereof, as well as all signs, sign faces, brochures, advertising and promotional materials, forms, and any other materials bearing or containing any of the Marks Copyrights or other identification relating to a Skill Samurai Business, unless we allow you to transfer such items to an approved transferee.

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

[Remainder of page intentionally left blank. Item 14 begins next page.]

ITEM 14

PATENTS, COPYRIGHTS AND PROPRIETARY INFORMATION

Patents

There are no registered or pending patents material to Skill Samurai.

Copyrights

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

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

Proprietary/Confidential Information

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

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

You must notify us within three (3) days after you learn about another's use of language, a visual image, or a recording of any kind that you perceive to be identical or substantially similar to one of our Copyrighted Works or use of our Confidential Information or Trade Secrets, or if someone challenges your use of our Copyrighted Works, Confidential Information or Trade Secrets. We will take whatever action we deem appropriate, in our sole and absolute discretion, to protect our rights in and to the Copyrighted Works, Confidential Information or Trade Secrets, which may include payment of reasonable costs associated with the action. However, the Franchise Agreement does not require us to take affirmative action in response to any apparent infringement of, or challenge to, your use of any Copyrighted Works, Confidential Information or Trade Secrets.

Information or Trade Secrets or claim by any person of any rights in any Copyrighted Works, Confidential Information or Trade Secrets, and we are not required to participate in the defense of, or provide indemnification to you in connection with, any proceeding related to the Copyrighted Works, Confidential Information or Trade Secrets. You must not directly or indirectly contest our rights to our Copyrighted Works, Confidential Information or Trade Secrets. You may not communicate with anyone except us, our counsel or our designees regarding any infringement, challenge, or claim. We will take action as we deem appropriate regarding any infringement, challenge or claim, and the sole right to control, exclusively, any litigation or other proceeding arising out of any infringement, challenge or claim under any Copyrighted Works, Confidential Information or Trade Secrets. You must sign any and all instruments and documents, give the assistance and do acts and things that may, in the opinion of our counsel, be necessary to protect and maintain our interests in any litigation or proceeding, or to protect and maintain our interests in the Copyrighted Works, Confidential Information or Trade Secrets. If we require you to modify or discontinue use of the Copyrighted Works, Confidential Information or Trade Secrets, you must comply with all of our requirements. Under the Franchise Agreement you do not have any rights to compensation if we require you to modify or discontinue use of any of the subject matter covered by a patent or copyright.

ITEM 15

OBLIGATION TO PARTICIPATE IN THE ACTUAL OPERATION OF THE FRANCHISE BUSINESS

The Franchise Agreement requires that you or, if you are a corporate entity, that your managing shareholder or partner be personally responsible for the daily management and supervision of the Skill Samurai Business (the “Operating Principal”).

Your Operating Principal must have satisfactorily completed our initial training and must have obtained all required licenses and permits necessary to operate a Skill Samurai Business within your Territory. You may hire a manager to assume responsibility for the daily management and supervision of your Skill Samurai Business (a “Key Manager”), only if (a) the Key Manager meets all of our minimum standards and criteria for managers; (b) the Key Manager completes our initial training program; (c) the Key Manager signs our confidentiality and non-competition agreements. All of your employees and other agents and representatives who may have access to our confidential information must sign a confidentiality agreement. We do not require that the manager own any equity interest in the franchise.

If you are an entity, each direct and indirect owner (i.e., each person holding a direct and indirect ownership interest in you) must sign a Payment and Performance Guarantee guaranteeing the obligations of the entity, which is attached as Attachment C to the Franchise Agreement. The covenant not to compete states, during the term of the Franchise Agreement you will not participate in any business that in any way competes with a Skill Samurai Business, and that for 24 months after the expiration of termination of the Franchise Agreement (with said period being tolled during any periods of non-compliance), you will not participate in any competitive business located within and/or servicing customers located within your Territory and a twenty-five (25) mile radius surrounding your Territory. Further you will not participate in any competitive business located within and/or servicing customers located within a twenty-five (25) mile radius of any other Skill Samurai Business and/or the Territory of any other Skill Samurai Business. Your managers will be required by us to sign a confidentiality agreement.

Any Key Manager, and if you are an entity, an officer that does not own equity in the franchisee entity, must sign the “System Protection Agreement,” the form of which is attached to this Disclosure Document in Exhibit I. All of your employees, independent contractors, agents, or representatives that may have access to our Confidential Information must sign a confidentiality agreement (unless they already signed a System Protection Agreement), the current form of which is attached to this Disclosure Document in Exhibit I.

ITEM 16
RESTRICTIONS ON WHAT THE FRANCHISEE MAY SELL

You must sell or offer for sale only those products and services authorized by us, and which meet our standards and specifications. Authorized products may differ among our franchisees and may vary depending on the operating season and geographic location of your Skill Samurai Business or other factors. You must follow our policies, procedures, methods, and techniques. You must sell or offer for sale all types of products and services specified by us, provided you or your Operating Principal have been certified to offer the products and services. We may change or add to our required products and services, at our discretion, with prior notice to you. There are no limits on our right to make such changes. If we change or add to our required products and services, the changes or additions will remain in permanent effect, unless we specify otherwise. The amount you must pay for the changes or additions will depend upon the nature and type of changes or additions. You must discontinue selling and offering for sale any products and services that we disapprove. We reserve the right to establish minimum and maximum resale prices for use with multi-area marketing programs and special price promotions.

You may not sell products or services, or advertise products or services, within another franchisee's territory. You may not establish an account or participate in any social networking sites or blogs or mention or discuss the franchise, us, or any of our affiliates, without our prior written consent and as subject to our online policy. Our online policy may completely prohibit you from any use of the Marks in social networking sites or other online use. You may not sell products through other channels of distribution such as wholesale, internet, or mail order sales.

ITEM 17
RENEWAL, TERMINATION,
TRANSFER AND DISPUTE RESOLUTION

THE FRANCHISE RELATIONSHIP

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

Provision	Section in Franchise Agreement	Summary
a. Length of the franchise term	Section 2	You will be granted an initial term of ten (10) years.
b. Renewal or extension of the term	Section 2	If you are in good standing and you meet other requirements, you may add successor terms of ten (10) years under the terms of our then current Franchise Agreement.
c. Requirements for franchisee to renew or extend	Section 2	Your renewal rights mean we may permit you to remain as a Franchisee after the initial term of your Franchise Agreement expires. As a condition of renewal, you must sign our then-current franchise agreement and any ancillary documents for the successor term which may be materially different than the agreement you will sign for your initial term. This new franchise agreement may have materially different terms and conditions (including, e.g., higher Royalty and advertising contributions) from the franchise agreement that covered your initial term. You must notify us in writing of your desire to enter into a Successor

		Agreement not less than 120 days nor more than 180 days before the expiration of the Term. In order to renew you must not be in default under this Agreement or any other agreement with us or any affiliate of ours at the time you send the renewal notice or the time you sign the Successor Agreement. You must complete any required refresher training program, if we require, remodel your Franchise, and purchase new equipment to comply with our then current standards and specifications. You must pay us a renewal fee upon execution of the successor Franchise Agreement.
d. Termination by franchisee	Section 14.3	You may terminate the Franchise Agreement if you are in compliance with it and we are in material breach, and we fail to cure that breach within 30 days of receiving written notice. Subject to applicable state law
e. Termination by franchisor without “cause”	Not Applicable	Not Applicable.
f. Termination by franchisor with “cause”	Sections 12, 14, and 15	We can terminate upon certain violations of the Franchise Agreement by you.
g. Curable defaults	Section 14	If a default arises from your failure to comply with a mandatory specification in the Franchise Agreement or Operations Manual, you can avoid termination of the Franchise Agreement if you cure the default within 30 days of receiving our notice of default, except for the defaults that require cure in a shorter time and non-curable defaults. If a default arises from your failure to maintain insurance, you can avoid termination of the Franchise Agreement if you cure the default within 10 days of receiving our notice of your failure to maintain insurance. If a default arises from your failure to make payments due to us, you can avoid termination of the Franchise Agreement if you cure the default within 5 days of receiving our notice of default. If we terminate the Franchise Agreement following a default, your interest in the franchise will terminate.
h. Non-curable defaults	Sections 4 and 14	We have the right to terminate the Franchise Agreement without giving you an opportunity to cure if you: fail to timely establish, equip, and begin operations of your Skill Samurai Business; fail to have your Operating Principal satisfactorily complete training; fail to maintain all required professional licenses, permits, and certifications for more than 5 business days; made a material misrepresentation or omission in the application for the franchise; are convicted of or plead no contest to a felony or other crime or offense likely to affect the reputation of either party or the Skill Samurai Business; after notice to cure, fail to refrain from

		activities, behavior or conduct likely to adversely affect either party or the Skill Samurai Business; use the Operations Manual, Trade Secrets, or other Confidential Information in an unauthorized manner; if required, fail to have your owners (and members of their immediate families and households), officers, directors, managers, other executives, employees and professional staff, and other individuals having access to Trade Secrets or other Confidential Information sign nondisclosure and non-competition agreements or, if requested, fail to provide us with copies of all signed nondisclosure and non-compete agreements; abandon the franchised business for 5 or more consecutive days; surrender or transfer control of the Skill Samurai Business in an unauthorized manner; fail to maintain the Skill Samurai Business under the supervision of an Operating Principal following your death or disability; submit reports on 2 or more separate occasions understating any amounts due by more than 2%; insolvency; misuse or make unauthorized use of the Marks; fail on 2 or more occasions within any 12 months to submit reports or records or to pay any fees due us or any affiliate; violate on 2 or more occasions any health, safety or other laws or operate the franchised business in a manner creating a health or safety hazard to customers, employees or the public; take any action reserved to us; fail to comply with applicable law after notice; if you commit three (3) or more curable defaults during the Term; repeatedly breach the Franchise Agreement or comply with specifications; or default under any other agreement with us (or an affiliate) so that we (or the affiliate) have the right to terminate the agreement.
i. Franchisee's obligations on termination/non-renewal	Section 14	Obligations include complete de-identification; payment of amounts due; and return of confidential Operations Manual, all Confidential Information, Trade Secrets, and records.
j. Assignment of contract by franchisor	Section 23	No restriction on our right to assign.
k. "Transfer" by franchisee – defined	Section 13.2	Includes any voluntary, involuntary, direct or indirect assignment, sale, gift, exchange, grant of a security interest, or change of ownership in the Franchise Agreement, the franchise or interest in the franchise.
l. Franchisor approval of transfer by franchisee	Section 13.7	We have the right to approve all transfers.
m. Conditions for franchisor approval of	Section 13.8	New owner must have sufficient business experience and financial resources to operate the

transfer		Skill Samurai Business; you must pay all amounts due; new owner and employees must complete the Initial Training Program; your landlord must consent to the transfer of the lease; you must pay transfer fee; you must sign a general release in favor of us; new owner must agree to bring the Skill Samurai Business up to current standards; new owner signs a new franchise agreement in the then-current form; you must sign a personal guaranty and non-compete agreement not to engage in a competitive business for two years within 25 miles of that Skill Samurai Business or another Skill Samurai Business.
n. Franchisor's right of first refusal to acquire franchisee's business	Section 13.9	We have 30 days to match any offer for your Skill Samurai Business.
o. Franchisor's option to purchase franchisee's business	Section 15.5	We may, but are not required to, purchase your Skill Samurai Business, inventory, or equipment at fair market value if your Skill Samurai Business is terminated for any reason by giving you written notice of our intent to exercise this option within 30 days after the date of termination or expiration of the Franchise Agreement.
p. Death or disability of Franchisee	Section 13.8	The Franchise Agreement must be transferred or assigned to a qualified party within 180 days of death or disability or the Franchise Agreement may be terminated. Your estate or legal representative must apply to us for the right to transfer to the next of kin within 120 calendar days of your death or disability.
q. Non-competition covenants during the term of the Franchise	Section 12.1	Neither you, your principal owners, nor any immediate family members of you or your principal owners may participate in a diverting business, have no owning interest in, loan money to, or perform services for a competitive business anywhere. You may not interfere with our or our other franchisees' Skill Samurai Business(es).
r. Non-competition covenants after the Franchise is terminated or expires	Section 12.2	Owners and their spouses cannot have any direct or indirect interest in, own, manage, operate, finance, control or participate in any Competitive Business within a 25-mile radius of your Skill Samurai Business or for two years.
s. Modification of agreement	Section 17.2	No modifications of the Franchise Agreement during the term unless agreed to in writing, but the Operations Manual is subject to change at any time in our discretion. Modifications are permitted on renewal.
t. Integration/merger clause	Not Applicable	Not Applicable
u. Dispute resolution by arbitration or mediation	Sections 11 and 16	Except for certain claims, all disputes must be mediated and arbitrated in Miami, Florida. This provision is subject to state law.

v. Choice of forum	Section 16	All disputes must be mediated, arbitrated, and if applicable, litigated in Miami, Florida, subject to applicable state law.
w. Choice of law	Sections 16	Florida law applies, subject to applicable state law.

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

Provision	Section in Development Agreement	Summary
a. Length of the franchise term	Section 5	The term expires upon the deadline to develop the Skill Samurai Businesses specified in the Development Schedule or upon the development of all Skill Samurai Businesses.
b. Renewal or extension of the term	Not Applicable	Not Applicable
c. Requirements for franchisee to renew or extend	Not Applicable	Not Applicable
d. Termination by franchisee	Section 6	Franchisor fails to perform its duties and under any grounds permitted by law.
e. Termination by franchisor without cause	Not Applicable	Not Applicable
f. Termination by franchisor with cause	Section 6.1 (a), (b), and (c)	An event of default listed under (a), (b) or (c).
g. "Cause" defined – curable defaults	Not Applicable	Not Applicable
h. "Cause" defined - non-curable defaults	Section 6.1	You fail to have open and operating, the minimum number of Skill Samurai Businesses specified in the Development Schedule by any Opening Deadline specified in the Development Schedule; any Franchise Agreement is terminated a result of default; or you breach or otherwise fail to comply fully with any other provision of the Development Agreement.
i. Franchisee's obligations on termination/non-renewal	Section 6.2	You will lose the right to continue to develop Skill Samurai Businesses in your Development Area. Termination of the Development Agreement will not automatically terminate effective Franchise Agreements.
j. Assignment of contract by franchisor	Section 7	Fully assignable and transferrable by us.
k. "Transfer" by franchisee - defined	Section 7	Includes transfer of the Development Agreement, any interest in the Development Agreement, or, if you are a business entity, any interest in the entity.
l. Franchisor approval of transfer by franchisee	Section 7	We have the right to approve or not approve all transfers in our sole discretion.
m. Conditions for franchisor approval of transfer	Section 7	We have sole discretion in setting conditions for our approval of a transfer.

Provision	Section in Development Agreement	Summary
n. Franchisor's right of first refusal to acquire franchisee's business	Section 7	We have the first right of refusal on all transfer, exercisable within 30 days of receiving an executed copy of the contract of transfer.
o. Franchisor's option to purchase franchisee's business	Not Applicable	Not Applicable
p. Death or disability of franchisee	Not Applicable	We have the right approve or disapprove any transfer in our sole discretion.
q. Non-competition covenants during the term of the franchise	Section 8	The non-competition covenants in your Franchise Agreement shall apply to your Development Agreement
r. Non-competition covenants after the franchise is terminated or expires	Section 8	The non-competition covenants in your Franchise Agreement shall apply to your Development Agreement.
s. Modification of the agreement	Section 9	No modifications to the Development Agreement unless you and we agree in writing. We may amend the Manual at any time.
t. Integration/merger clause	Section 9	Only the terms of the Development Agreement and any Franchise Agreements are binding (subject to state law). Any promises outside the Development Agreement, the Franchise Agreements, and this FDD may not be enforceable. However, nothing in the Franchise Agreement will have the effect of disclaiming any of the representations made in this FDD.
u. Dispute resolution by arbitration or mediation	Section 8	The dispute resolution provisions of the Franchise Agreement apply to any disputes under the Development Agreement (subject to applicable state law).
v. Choice of forum	Section 8	The choice of forum provision of the Franchise Agreement applies to the Development Agreement (subject to applicable state law).
w. Choice of law	Section 8	The choice of law provision of the Franchise Agreement applies to the Development Agreement (subject to applicable state law).

ITEM 18 PUBLIC FIGURES

We do not use any public figures to promote our 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 financial performance 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 our Chief Executive Officer, Jeff Hughes, at 1-506-899-3788, the Federal Trade Commission, and the appropriate state regulatory agencies.

ITEM 20 OUTLETS AND FRANCHISEE INFORMATION

Table No. 1
Systemwide Outlet Summary
For Years 2020 – 2022

Outlet Type	Year	Outlets at the Start of the Year	Outlets at the End of the Year	Net Change
Franchised	2020	0	0	0
	2021	0	1	+1
	2022	1	6	+5
Company-Owned	2020	0	0	0
	2021	0	0	0
	2022	0	0	0
Total Outlets	2020	0	0	0
	2021	0	1	+1
	2022	1	6	+5

Table No. 2
Transfers of Outlets from Franchisees to New Owners (other than the Franchisor)
For Years 2020 - 2022

State	Year	Number of Transfers
Totals	2020	0
	2021	0
	2022	0

Table No. 3
Status of Franchised Outlets
For Years 2020 - 2022

State	Year	Outlets at Start of the Year	Outlets Opened	Terminations	Non-Renewals	Reacquired by Franchisor	Ceased Operations-Other Reasons	Outlets at End of the Year
CA	2020	0	0	0	0	0	0	0
	2021	0	0	0	0	0	0	0
	2022	0	1	0	0	0	0	1
NH	2020	0	0	0	0	0	0	0
	2021	0	1	0	0	0	0	1
	2022	0	0	0	0	0	0	
TX	2020	0	0	0	0	0	0	0
	2021	0	0	0	0	0	0	0
	2022	0	2	0	0	0	0	2
WA	2020	0	0	0	0	0	0	0
	2021	0	0	0	0	0	0	0
	2022	0	1	0	0	0	0	1
TN	2020	0	0	0	0	0	0	0
	2021	0	0	0	0	0	0	0
	2022	0	1	0	0	0	0	1
MI	2020	0	0	0	0	0	0	0
	2021	0	0	0	0	0	0	0
	2022	0	1	0	0	0	0	0
Totals	2020	0	0	0	0	0	0	0
	2021	0	1	0	0	0	0	1
	2022	0	6	0	0	0	0	6

Table No. 4
Status of Company-Owned Outlets
For Years 2020 - 2022

State	Year	Outlets at Start of Year	Outlets Opened	Outlets Reacquired from Franchisee	Outlets Closed	Outlets Sold to Franchisee	Outlets at End of Year
Total Outlets	2020	0	0	0	0	0	0
	2021	0	0	0	0	0	0
	2022	0	0	0	0	0	0

Table No. 5
Projected Openings as of December 31st, 2022

State/ Province	Franchise Agreement Signed but Outlet Not Yet Open	Projected New Franchised Outlets in the Next Fiscal Year	Projected New Company-Owned Outlets in the Next Fiscal Year
California	0	3	0
Texas	0	2	0
Washington	0	1	0
Tennessee	0	2	0
Michigan	0	3	0
Virginia	0	1	0
Georgia	0	2	0
South Carolina	0	1	0
Florida	0	2	0
New Hampshire	2	1	0
Massachusetts	0	2	0
Total	4	20	0

Our affiliate, Skill Samurai Canada, Inc. signed a thirty (30) unit master franchise agreement on December 23, 2019, in the province of Ontario, Canada. As of the issuance date, this subfranchisor has 2 franchised outlets operating under franchise agreements. Skill Samurai Canada, Inc. has also sold 2 franchises in Australia, 1 in Singapore, and 1 in Chile.

The names, addresses, and telephone numbers of our current franchisees are attached to this Disclosure Document as Exhibit D. The name and telephone number of every franchisee who has had a Skill Samurai Business terminated, canceled, not renewed, or otherwise voluntarily or involuntarily ceased to do business under our franchise agreement during the one-year period ending December 31, 2021, or who has not communicated with us within ten weeks of the issuance date of this Disclosure Document, is listed in Exhibit D. During the last three fiscal years, we have not had any franchisees sign confidentiality provisions that would restrict their ability to speak openly about their experience with the Skill Samurai System. If you buy a Skill Samurai Business, your contact information may be disclosed to other buyers when you leave the System.

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

ITEM 21

FINANCIAL STATEMENTS

Attached as Exhibit C are our audited financial statements as of our previous fiscal year end, December 31, 2022, fiscal year end December 31, 2021, and fiscal year end December 31, 2020. Our fiscal year ends December 31 of each year.

[Remainder of page intentionally left blank. Item 22 begins next page.]

ITEM 22
CONTRACTS

Location in FDD	Contracts
Exhibit A	Franchise Agreement with Attachments
Exhibit B	Area Development Agreement with Attachments
Exhibit H	State Specific Addenda and Agreement Riders
Exhibit I	Contracts for use with the Skill Samurai Franchise

ITEM 23
RECEIPTS

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

[Remainder of page intentionally left blank. Exhibits follow.]

EXHIBIT A

**FRANCHISE AGREEMENT
WITH ATTACHMENTS**



FRANCHISE AGREEMENT

between

SKILL SAMURAI, INC.

and

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ATTACHMENTS

ATTACHMENT A – FRANCHISEE-SPECIFIC TERMS

ATTACHMENT B – MARKS

ATTACHMENT C – PAYMENT AND PERFORMANCE GUARANTEE

ATTACHMENT D – LEASE RIDER

SKILL SAMURAI, INC.

FRANCHISE AGREEMENT

THIS AGREEMENT (this “Agreement”) is made and entered into as of the date set forth on Attachment A of this Agreement (the “Effective Date”) (Attachment A and all appendices and schedules attached to this Agreement are hereby incorporated by this reference) between Skill Samurai, Inc., a Florida corporation with its principal place of business at 2423 SW 147th Ave. #2006, Miami, Florida 33185 (“Skill Samurai”), and the person or entity identified on Attachment A as the franchisee (“Franchisee”) with its principal place of business as set forth on Attachment A. In this Agreement, “we,” “us,” and “our” refers to Skill Samurai. “You” and “your” refers to Franchisee.

RECITALS

- A. We and our affiliates have accumulated knowledge and experience in the STEM (science, technology, engineering, and mathematics) and coding education industry on the basis of which we have developed and will continue to develop a distinctive business format and set of specifications and operating procedures (collectively, the “System”) for the operation of Businesses that operate under the Skill Samurai® mark and feature coding and programming classes for students.
- B. The distinguishing characteristics of the System include, but are not limited to, our Business (as defined in Recital F) designs, layouts, and identification schemes (collectively, the “Trade Dress”), our specifications for equipment, inventory, and accessories; our website or series of websites for the Businesses (the “System Website”); our relationships with vendors; our software and computer programs; our reservation procedures; any coding programs and classes that we have developed or may develop; the accumulated experience reflected in our training program, operating procedures, customer service standards methods, and marketing techniques; and the mandatory and suggested policies, procedures, standards, specifications, rules, and requirements (“System Standards”) set out in our operations manuals (“Manuals”) and otherwise in writing. We may change, improve, add to, and further develop the elements of the System from time to time.
- C. We identify the Businesses operating under the System by means of the Skill Samurai® mark and certain other trademarks, service marks, trade names, signs, associated designs, artwork, and logos set forth on Attachment B (collectively, the “Marks”). We may designate for your use other trade names, service marks, and trademarks as Marks from time to time. These marks which will also be included in the term the “Marks.”
- D. We may have engaged an area representative to provide certain services to you under this Agreement pursuant to an Area Representative Agreement. If an area representative will be providing you with services as of the Effective Date, the area representative will be listed on Attachment A (the “Area Representative”). We may, without your consent, appoint an Area Representative or a substitute for the Area Representative at any time.
- E. If you are a corporation, limited liability company, partnership, or other entity (collectively, an “Entity”), all of your owners of a legal and/or beneficial interest in the Entity (the “Owners”) are listed on Attachment A. If you are an Entity, the individual owner who you must appoint to have authority over all business decisions related to your business and to have the power to bind you in all dealings with us will be referred to as your “Operating Principal.”
- F. You desire to open and operate either a Brick-and-Mortar model or On-The-Go model Skill Samurai Business using the Marks and the System (a “Business”), and we are willing to grant to you a license to open and operate a Business on the terms and conditions of this Agreement.

NOW, THEREFORE, for and in consideration of the foregoing promises and the covenants and agreements contained herein, and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties agree as follows:

Section 1 Rights Granted.

- 1.1 Grant of Franchise. Upon the terms and conditions of this Agreement, we grant to you a non-exclusive license (the “License”) to operate one Business using the Marks and the System. The Business will be located at a site to be mutually agreed upon subsequent to the execution of this Agreement, pursuant to Section 4.1 (Site Selection) (the “Site”), within the area set forth on Attachment A (the “Site Selection Area”). You have no right to (i) sublicense the Marks or the System to any other person or entity, (ii) use the Marks or the System at any location other than the Site, or (iii) to use the Marks or the System in any wholesale, e-commerce, or other channel of distribution besides the operation of the Business at the Site.
- 1.2 Acceptance of License. You hereby accept the License and agree to operate the Business according to the provisions of this Agreement for the entire Term, as defined in Section 2.2 (Successor Term).
- 1.3 Limited Territorial Protection. Once you have selected and we have accepted a Site in the Site Selection Area in accordance with Section 4.1 (Site Selection), we will designate an area within the confines of the Site Selection Area as your protected territory (the “Territory”). You do not have any territorial protection in your Site Selection Area, unless and until we identify your Territory, as explained in Section 4.3 (Definition of the Territory). Except as provided in this Section 1.3, we and our affiliates will not open, or license a third party to open, a Business within your Territory. Except for the foregoing sentence, we and our affiliates have the right to conduct any business activities, under any name, in any geographic area, and at any location, regardless of the proximity to or effect on your Business. For example, without limitation, we have the right to:
 - (a) establish or license franchises and/or company-owned STEM and coding class Businesses or businesses offering similar or identical products, services, classes, and programs and using the System or elements of the System (i) under the Marks anywhere outside of the Territory or (ii) under names, symbols, or marks other than the Marks anywhere, including inside and outside of the Territory;
 - (b) sell or offer, or license others to sell or offer, any products, services, or classes using the Marks or other marks through any alternative distribution channels, including, without limitation, through e-commerce, in retail stores, via recorded media, via online videos, or via broadcast media, anywhere, including inside and outside of the Territory;
 - (c) advertise, or authorize others to advertise, using the Marks anywhere, including inside and outside of the Territory; and
 - (d) acquire, be acquired by, or merge with other companies with existing coding education centers or businesses anywhere (including inside or outside of the Territory) and, even if such businesses are located in the Territory, (i) convert the other businesses to the Skill Samurai® name, (ii) permit the other businesses to continue to operate under another name, and/or (iii) permit the businesses to operate under another name and convert existing Businesses to such other name.
- 1.4 Operating Principal and Key Manager. If you are an Entity, you must appoint an individual owner as your Operating Principal who must have authority over all business decisions related to your Business and must have the power to bind you in all dealings with us. In addition, you may appoint a manager to manage the day-to-day business of your Business (the “Key Manager”). Your Operating Principal may serve as your Key Manager unless we believe that he or she does not have

sufficient experience or qualifications. Your Key Manager is not required to have an ownership interest in your Entity. Your Operating Principal and Key Manager (if known at the time of signing) shall be listed on Attachment A. You must provide us with written notice of your Operating Principal and Key Manager(s) at least 60 days prior to opening and may not change your Operating Principal and Key Manager without our prior written approval.

1.5 Ownership and Guarantee.

- (a) Owners of Equity. If you are an Entity, each of your Owners must execute the “Payment and Performance Guarantee” that is attached in Attachment C (the “Guarantee”). By executing the Guarantee, each Owner will be bound by the provisions contained in this Agreement, including without limitation the restrictions set forth in Section 12 (Your Covenant Not to Compete). Further, a violation of any of the provisions of this Agreement, including the covenants contained in Section 12, by any Owner will also constitute a violation by you of your obligations under this Agreement. You represent that the individuals executing this Agreement under the Guarantee represent that they are your sole owners.
- (b) Governing Documents. If you are (or Transfer this Agreement to) an Entity, upon our request, you agree to furnish us with a list of holders of direct or indirect equity interests and their percentage interests, as well as copies of your governing documents and any other corporate documents, books, or records, including certificates of good standing from your state. The Owners may not enter into any shareholders’ agreement, management or operating agreement, voting trust, or other arrangement that gives a third party the power to direct and control your affairs without our prior written consent. During the Term, your governing documents must provide that no transfer of any ownership interest may be made, except in accordance with Section 13 (Transfer and Assignment) of this Agreement. Any securities that you issue must bear a conspicuous printed legend to that effect.

Section 2 Initial Term and Successor Term.

- 2.1 Initial Term. The initial term (the “Initial Term”) of the License begins on the Effective Date and ends ten years from the date that your Business opens for business (the “Opening Date”) unless this Agreement is terminated sooner as provided in other sections of this Agreement.
- 2.2 Successor Term. Upon the expiration of the Initial Term, if you (i) are not in default under this Agreement, (ii) have substantially complied with this Agreement throughout the Term, (iii) have timely paid all monies due to us or our affiliates, and (iv) comply with this Section 2.2, you may, at your option, obtain additional consecutive successor terms of ten years (each, a “Successor Term”). The Initial Term and Successor Terms are referred collectively in this Agreement as the “Term.” You may only exercise this right to obtain a Successor Term by:
 - (a) giving us written notice of your desire to obtain a successor License at least 120, but no more than 180, days before the expiration of the then-current Initial Term or Successor Term;
 - (b) delivering to us a fully executed franchise agreement on our then-current form of franchise agreement, which you acknowledge may contain terms materially different than those contained in this Agreement, including, but not limited to, (i) higher rates of Royalty Fees and Brand Fund Contributions (as herein defined) and other fees and charges and (ii) a modified Territory;
 - (c) refurbishing or renovating the Business, at your expense, to conform the decor, color schemes, storefront, signage, and presentation of the Marks to our then-current image and,

if necessary, in our sole opinion, to update and replace the equipment, furniture, signage, and fixtures to meet our then-current specifications;

- (d) executing a general release, in a form we prescribe, of any and all claims against us, our Area Representatives, our affiliates, and our and their past, present, and future officers, directors, shareholders, and employees arising out of, or relating to, your Business;
- (e) completing, and having your Operating Principal and Key Manager complete, all of our then-current training requirements, including any additional training that we may require;
- (f) securing the right from your landlord to continue operating at the Site for the remainder of such Successor Term;
- (g) substantially and timely complying with each provision of this Agreement or any other agreement with us, our affiliates, or your landlord throughout the Initial Term and having no Event of Default (as defined in Section 14.1 (Events of Default)), or event which with the giving of notice and/or passage of time would constitute an Event of Default, in existence as of the expiration of the Initial Term; and
- (h) paying to us the Successor Fee (as defined in Section 3.6 (Successor Fee)).

Section 3 Fees.

3.1 Franchise Fee. You must pay us an initial franchise fee as set forth on Attachment A (the “Franchise Fee”) upon execution of this Agreement. The initial Franchise Fee is paid in consideration of the rights granted in Section 1 (Rights Granted) and will be deemed fully earned at the time paid. You acknowledge that we have no obligation to refund the Franchise Fee, in whole or in part, for any reason.

3.2 Royalty Fee.

- (a) Amount of Royalty Fee. You must pay us a monthly royalty fee (the “Royalty Fee”) equal to the greater of (i) 7% of your Gross Sales (as defined in Section 3.2(b)) for the previous month or (ii) the Minimum Royalty. The “Minimum Royalty” is \$500 per month beginning in your 7th month of operations. The Royalty Fee is non-refundable and is paid in consideration of the ongoing right to use the Marks and the System in accordance with this Agreement and not in exchange for services rendered by us.
- (b) Gross Sales. “Gross Sales” means the total selling price of all revenue and income from the sale of all Skill Samurai products and services and other related charges to your customers, whether or not sold or performed at or from your Skill Samurai Business, and whether received in cash, check, credit card, coupon, in services in kind, from barter and/or exchange, on credit (whether or not payment is received) or otherwise. You may deduct from Gross Sales for purposes of this computation (but only to the extent they have been included) the amount of all sales tax receipts or similar tax receipts which, by law, are chargeable to customers, if the taxes are separately stated when the customer is charged and if the taxes are paid to the appropriate taxing authority. You may also deduct from Gross Sales the amount of any documented refunds, chargebacks, credits, charged tips, and allowances you give in good faith to your customers. All barter and/or exchange transactions in which you furnish products and/or services in exchange for products and/or services provided to you by a vendor, supplier, or customer will, for the purpose of determining Gross Sales, be valued at the full retail value of the products and/or services so provided to you.

- (c) Discount on Royalties. If you are a veteran of the United States armed forces, we offer a 50% discount on the Royalty Fee for your first six (6) months after opening your Business for business.
- 3.3 Brand Fund Contribution. You must contribute an amount up to 5% of your Gross Sales (the “Brand Fund Contribution”) to the Skill Samurai® Brand Fund (the “Brand Fund”) if we establish one.
- 3.4 Technology Fee. You must pay to us, or a third party that we designate, a technology fee for various technology services that we will provide or arrange for third parties to provide, which services are subject to change over time (a “Technology Fee”). Currently, the Technology Fee is \$200 per month from the date that you begin receiving the technology services during the pre-sales period to the date you receive your temporary or final certificate of occupancy. The first month will be assessed pro rata from the date on which you begin receiving the technology services. We reserve the right to increase the fee by providing you with written notice of any change at least 30 days prior to the implementation of the new fee amount. The Technology Fee currently includes fees related to your access to and usage of email, our intranet, any mobile applications we develop, and the System Website. We may add, delete, or otherwise modify the products and services that are included in the Technology Fee.
- 3.5 Successor Fee. Upon your execution of a successor franchise agreement pursuant to Section 2.2 (Successor Term), you will pay to us a successor fee equal to \$7,500 (the “Successor Fee”).
- 3.6 Transfer Fee. If you Transfer (as defined in Section 13.2 (Definition of Transfer)) your Business or this Agreement, you must pay us a Transfer Fee equal to \$10,000.
- 3.7 Relocation Fee. If you relocate your Business from the Site to a new location, you will pay to us a relocation fee equal to \$3,000 (the “Relocation Fee”).
- 3.8 Training Fee. There is no training fee (the “Training Fee”) for up to two of your representatives to attend our Initial Training. If you send more than two representatives, we reserve the right to implement a Training Fee of \$750.00 per person. You acknowledge that we have no obligation to refund the Training Fee, in whole or in part, for any reason.
- 3.9 Payments of Fees. Your Royalty Fees, Brand Fund Contributions, and Technology Fees (the “Operating Fees”) are due to us and must be reported to us at the times and in the manner that we specify from time to time in the Manuals or otherwise. Currently, you must pay us your Royalty Fees and Brand Fund Contributions monthly within five business days after the end of each calendar month, based on your Gross Sales for the preceding month. All other fees and payments due to us must be paid to us within ten days of your receipt of an invoice from us.
- 3.10 Methods of Payment. You must make all payments to us by the method or methods that we specify from time to time in the Manuals, which may include payment via wire transfer or electronic debit to your bank account. You must furnish us and your bank with all authorizations necessary to effect payment by the methods we specify. We currently require you to make payment by electronic debit from your specified checking or savings account, and you must complete and sign an Electronic Funds Transfer Authorization Form for this purpose. You must deliver a copy of the Authorization to us within five business days of our request. You must maintain sufficient funds in your account to permit us to withdraw the Operating Fees due from time to time. You may not, under any circumstances, set off, deduct, or otherwise withhold any Operating Fees, interest charges, or any other monies payable under this Agreement on grounds of our alleged non-performance of any obligations or for any other reason. We may require you to purchase merchant processing services from us, our affiliates, or a vendor that we have approved or designated, each of whom may charge a reasonable monthly fee and reasonable per transaction fee. The payment processor may process all credit card payments related to your Business, and remit payment to you of all monies owed,

after withholding any Operating Fees payable to us and any payment processing fees payable to such processor. If you fail to timely report your Gross Sales, or we are otherwise unable to access your Gross Sales, we may estimate the amount of fees due and make a corresponding withdrawal from your bank account based on our estimate, plus 20% of our estimate. If we underestimate any fees due, you will remain obligated to pay the total amount of fees due, which, if we institute an automatic debit program, we may debit from your account automatically. If we overestimate any fees due, we will credit the fees paid (without interest) against fees due in the next payment period after we receive accurate records regarding your Gross Sales.

- 3.11 Interest; Late Fee. If any payment due to us is not received in full by the due date, you agree to pay us daily interest on the amount owed, calculated from the due date until paid, at the rate of 18% per annum (or the maximum rate permitted by law, if less than 18%). You also agree to pay us a late fee in the amount of \$100 per occurrence that a payment is paid after the applicable due date. This late fee is subject to increase upon 60 days' prior written notice, but will not be increased more than once in any 12-month period. You acknowledge that this Section 3.13 is not our agreement to accept any payments after they are due and that any late payments are a default under this Agreement.
- 3.12 Taxes. You are responsible for all taxes, assessments, and government charges levied or assessed on you in connection with your business activities under this Agreement. In addition, as part of the Royalty Fee, Brand Fund Contribution, Training Fee, Technology Fee, or any other fees that we charge, you will pay to us the amount of any taxes imposed on us or our affiliates (and any taxes imposed on us or our affiliates as a result of such imposition) by federal, state, or local taxing authorities as a result of our receipt of any such fees, not including any tax measured on our income.

Section 4 Site Selection, Development, and Opening of Business

- 4.1 Site Selection. If you identify a site in the Site Selection Area on your own that is reasonably suited for the conduct of the Business and is consistent with any site selection guidelines that we may provide, before entering into any lease or purchase agreement for the site, you must submit a site proposal package describing details about the proposed site and provide any other information that we reasonably require. We will review each site that we or you identify and determine whether to accept it using our proprietary site selection assistance criteria. You acknowledge that we may refuse to accept a proposed site for any reason. If we accept the proposed site and you obtain it, we will insert a description of the specific location on Schedule 1 to Attachment A. **YOU ACKNOWLEDGE AND AGREE THAT OUR ACCEPTANCE OR PROPOSAL OF A PROPOSED SITE IS NOT A WARRANTY OR REPRESENTATION OF ANY KIND AS TO THE POTENTIAL SUCCESS OR PROFITABILITY OF YOUR BUSINESS. WHILE WE MAY PROVIDE ASSISTANCE AND GUIDANCE, IT IS SOLELY YOUR RESPONSIBILITY TO SELECT A SUITABLE SITE FOR THE BUSINESS.** The address listed on Schedule 1, if completed and signed by us, will be the "Site" referred to in this Agreement. A site is not accepted until you have received our acceptance in writing, as indicated by our delivery of the completed and signed Schedule 1.
- 4.2 Definition of the Territory. Once the Site has been accepted, we will identify your Territory in Schedule 1 to Attachment A based on the factors that we deem relevant, in our sole discretion, which might include demographics, the character and location of the Site, and nearby businesses and residences. Once we have defined the Territory, you will have no territorial or other rights in those portions of the Site Selection Area that are outside the Territory. You must return to us upon our request a signed copy of Schedule 1 to Attachment A acknowledging the Territory we have designated.
- 4.3 Site Acquisition. Before you or an affiliate make a binding commitment to purchase, lease, or sublease a site, we must accept the location in writing and approve in writing the proposed lease or

purchase agreement or any letter of intent between you and the third-party seller or lessor. If you or your affiliate leases the Site, unless we waive the requirement in writing, you must arrange for the execution of the Lease Addendum in the form of Attachment D by you and your landlord in connection with any lease or sublease for your Site (“Site Lease”) and any other provisions that we may reasonably require. Our review of the Site Lease is for our own benefit only and is not intended to supplement or replace a review by your attorney. We may require you to engage an attorney to review your Site Lease or purchase agreement for the Site that we have accepted and to supply us with reasonable documentation in connection with such review, including a lease abstract and confirmation that the terms in the agreement reflect the terms in any letter of intent between you and the third-party seller or lessor. You must secure a Site that we have approved by signing a Site Lease or purchase agreement within 90 days after the Effective Date (the “Site Acquisition Deadline”). If you are unable to find a location we approve, we have the right to terminate the Franchise Agreement with a five(5) day written notice. We may extend the Site Acquisition Deadline by 90 days in our sole discretion, and we may require you to execute a general release as a condition of us agreeing to grant such extension. If we have accepted a site for your Business and you are unable or unwilling to acquire such site or an alternative site that we accept by the Site Acquisition Deadline, we may terminate the Franchise Agreement. You must deliver to us the completely executed purchase agreement or Site Lease and Lease Addendum within 10 days after execution of the Site Lease or purchase agreement, and you may not amend or renew any Site Lease without our written consent. You must comply with the terms and conditions of your Site Lease. We are not obligated to execute your lease or guarantee a lease for you.

4.4 Site Construction.

- (a) Permit, Licenses, and Compliance. Before beginning any construction, you, at your expense, must obtain all necessary government permits and licenses for the lawful construction and operation of your Business. You must abide by your landlord’s rules and guidelines. It is your responsibility to ensure that all Plans comply with the Americans with Disabilities Act (the “ADA”) and similar rules governing public accommodations for persons with disabilities, other applicable ordinances, building codes, permit requirements, and Lease requirements and restrictions. Our review of your Plans is limited to ensuring your compliance with our design requirements and is not designed to assess compliance with applicable federal, state, and local laws, rules, regulations, and ordinances in your Territory (“Applicable Laws”) or your Lease.
- (b) Construction Phase. You must provide us with written notice identifying your proposed general contractor, and you must ensure that the contractor is duly licensed in your jurisdiction and adequately insured. You may not begin construction until we have given you written approval of the Plans and we have approved in writing your choice of general contractor. We may require you to use only general contractors that we have pre-approved, provided that we have pre-approved one in your Site Selection Area. You must notify us in writing promptly when construction begins and must maintain continuous construction until the Business is completed. You agree to complete the construction of your Business in accordance with the approved Plans at your expense. We, our employees, and our agents may inspect the construction at all reasonable times. After completion of construction, you must promptly obtain a certificate of occupancy and provide a copy of the certificate to us.

- 4.5 Opening Deadline. You must complete construction of and open your Business for business no later than six (6) months after possession of the Site is delivered to you by your landlord and no later than 365 days after the Effective Date (the “Opening Deadline”), unless we grant you an extension in writing. We may, in our sole discretion, extend the Opening Deadline, which we may condition on you executing a general release. You may not open the Business until you have received our written approval, which we will not provide until (i) we have viewed the certificate of occupancy, (ii) confirmed that you have complied with the Plans, and (iii) confirmed that you have

complied with the pre-opening marketing obligations set forth in this Agreement and have done so in accordance with our System Standards as set forth in the Manuals. You must open the Business for business to the public within ten days from the date we give our written approval. Time is of the essence in constructing the premises for and opening the Business.

- 4.6 Relocation of your Brick-and-Mortar Business. You may not relocate the Business without our prior written consent. Such approval will not be unreasonably withheld, provided that (i) the new location for the Business premises is satisfactory to us and you comply with our then-current real estate project management requirements, (ii) your lease, if any, for the new location complies with our then-current requirements and you and your landlord execute the Lease Addendum, (iii) you comply with our then-current requirements for constructing and furnishing the new location, (iv) the new location will not, as determined in our sole discretion, materially and adversely affect the Gross Sales of any other Business, (v) you have fully performed and complied with each provision of this Agreement within the last three years prior to, and as of, the date we consent to such relocation (the “Relocation Request Date”), (vi) no Event of Default (as herein defined), or event which with the giving of notice and/or passage of time would constitute an Event of Default, exists as of the Relocation Request Date, and (vii) you have met all of our then-current training requirements. If your Site Lease expires or is otherwise terminated, you must secure our approval of another site and enter into a Site Lease for the new approved site within 90 days. You agree to pay us the Relocation Fee upon notifying us of your intent to relocate the Business to a new Site, whether or not the new Site is approved. We reserve the right to terminate this Agreement if you fail to secure a new approved site within 90 days after you lose the Site Lease.
- 4.7 Relocation of your On-The-Go Business. You may not relocate the Business without our prior written consent. Such approval will not be unreasonably withheld, provided that (i) the new Territory for the Business is satisfactory to us and within your Site Selection Area, (ii) you comply with our then-current requirements for your vehicle and equipment, (iii) the new location will not, as determined in our sole discretion, materially and adversely affect the Gross Sales of any other Skill Samurai Business, (iv) you have fully performed and complied with each provision of the Franchise Agreement within the last three years prior to, and as of, the date we consent to such relocation (the “Relocation Request Date”), (v) you are not in default, and no event exists which with the giving of notice and/or passage of time would constitute a default, exists as of the Relocation Request Date, and (vi) you have met all of our then-current training requirements.

Section 5 Training and Assistance

- 5.1 Initial Training. Prior to opening the Business, you (or your Operating Principal, if you are an Entity) and your Key Manager (collectively, “Required Trainees”) must personally attend and satisfactorily complete our initial training program (“Initial Training”). We will provide Initial Training as soon as practicable after the execution and delivery of this Agreement at our offices, currently Miami, Florida, or at any other location that we designate. Currently, Initial Training includes (i) a weeklong training program to be completed no more than 60 days before you open for business; and (iv) on-site follow-up training, as we, in our sole discretion, deem necessary approximately four to six weeks after the opening of your Business. We reserve the right to modify the length and location of Initial Training. We may waive a portion of Initial Training or alter the training schedule if we determine that your Required Trainees have sufficient prior experience or training or have previously been trained at one of our Businesses. Each subsequent Operating Principal and Key Manager must attend our Initial Training unless we otherwise agree in writing, but we may permit them to attend Initial Training remotely via recorded media, teleconference, videoconference, the Internet, webinar, or any other means, as we determine.
- (a) Cost. We will provide instructors, facilities, and materials for free for up to two of your representatives (including your Required Trainees), provided that all of your trainees are trained during the same training session. If space is available, you may bring more than

two trainees to Initial Training. We reserve the right to charge a training fee of \$750, which we may increase upon 60 days' written notice to you, for (i) each person in excess of two trainees, (ii) each person who is repeating the course or replacing a person who did not pass, and (iii) each subsequent Operating Principal, Key Manager, or employee who attend the course.

- (b) Completion of Initial Training. If your Required Trainees are unable to successfully complete, in our sole discretion, Initial Training for any reason, your Required Trainees must repeat Initial Training, or you must send replacement Required Trainees to complete Initial Training. Your Required Trainees must successfully complete Initial Training at least ten days before the Opening Deadline. We will not refund any initial franchise fees paid by you. If you and your personnel satisfactorily complete our Initial Training and you do not expressly inform us at the end of Initial Training that you feel that you or they have not been adequately trained, then you and they will be deemed to have been trained sufficiently to operate a Business.
- 5.2 Opening Advice. Prior to opening your Business, we will advise you as to development of class schedules and local marketing and networking efforts.
- 5.3 Additional Training. We may periodically conduct mandatory or optional training programs for your Required Trainees and/or your employees at our office or another location that we designate. There will be no charge for training programs that we require you or your employees to attend, but we may charge you a reasonable fee for optional training programs. We may provide additional training in person or via recorded media, teleconference, videoconference, the Internet, webinar, or any other means, as we determine. We may require your Required Trainees or employees to satisfactorily complete any additional training programs that we specify. We may require your Required Trainees to participate in refresher or advanced training in each year of the Term.
- 5.4 Remedial Training. If, in our sole judgment, you fail to maintain the quality and service standards set forth in the Manuals, we may, in addition to all of our other rights and remedies, assign trainers to the Business to retrain Business employees and restore service levels and/or require you or your employees to repeat Initial Training or attend additional training programs at a location that we designate. We may charge a reasonable fee (currently, \$250 per day) for each trainer assigned to your Business and any remedial training. We may increase the amount to be charged for each trainer upon 60 days' prior written notice.
- 5.5 Training by You. You and/or your Operating Principal and your Key Managers are responsible for training all of your other employees, including subsequent Key Managers, in accordance with our standards and training programs. If, in our sole judgment, you fail to properly train your employees in accordance with our standards, we may prohibit you from training additional employees and either require them to attend training at our headquarters (for the fee described in Section 5.1(a) (Initial Training)) or pay for our costs and expenses to send one of our representatives to train them at your Business.
- 5.6 Requested Consulting Services. We will provide to you additional consulting services with respect to the operation of the Business upon your reasonable request and subject to the availability of our personnel or the personnel of any Area Representative. We will make available to you information about new developments, techniques, and improvements in the areas of merchandising, advertising, management, operations, and Business design. We may provide such additional consulting services through the distribution of printed or filmed material, an intranet or other electronic forum, meetings or seminars, teleconferences, webinars, or in person. If such services are rendered in person other than at our offices, you must pay us a consulting fee of \$250 for each of such employees or agents for each day or partial day services are rendered. We may increase the amount

to be charged for such requested consulting services upon 60 days' prior written notice. Such additional consulting services will be rendered at a mutually convenient time.

- 5.7 Travel and Living Expenses. You are responsible for any travel and living expenses (including meals, transportation, and accommodations), wages, and other expenses incurred by your trainees. You are responsible for reimbursing us for any travel and living expenses incurred by our employees or agents related to providing any additional training, remedial training, or consulting services at your Business.

Section 6 Business Operation and System Standards

6.1 Manuals.

- (a) Compliance with the Manuals. We will furnish you with electronic access to our Manuals on loan for as long as this Agreement or a successor franchise agreement remains in effect. We reserve the right to furnish all or part of the Manuals to you in electronic form and to establish terms of use for access to any restricted portion of our website. You must comply with and abide by each required System Standard contained in the Manuals, as they may be amended, modified, or supplemented periodically and such other written or electronically transmitted System Standards that we may issue periodically. You acknowledge that we may amend, modify, or supplement the Manuals at any time, so long as such amendments, modifications, or supplements will, in our good faith opinion, benefit us and our existing and future franchisees or will otherwise improve the System. You must comply with revised mandatory System Standards within 30 days after we transmit the updates, unless otherwise specified.
- (b) Use of the Manuals. You agree to keep your copy of the Manuals up-to-date. If there is any dispute as to the current contents of the Manuals, the terms of our master copy maintained at our headquarters will control. You acknowledge that we own the copyright in the Manuals and that your copy of the Manuals remains our property and will be returned to us immediately upon expiration or termination of this Agreement. You will treat the Manuals, and the information contained therein, as confidential and will maintain the confidentiality of such information. You will not, without our prior written consent, copy, duplicate, record, use, or otherwise reproduce in any way the Manuals, in whole or in part, or otherwise make their contents available to any unauthorized person, except as provided in Section 10 (Confidential Information).

6.2 Management and Personnel.

- (a) Business Management. Unless otherwise specified in the Manuals, at all times that your Business is open for business, including during Business Events, it must be under the personal, on-premises supervision of either you, your Operating Principal, your Key Manager, or a trained attendant. Your Key Manager or another trained manager must be available at all times the Business is open for business. You may not permit your Business to be operated, managed, directed, or controlled by any other person or entity without our prior written consent.
- (b) Employment Decisions and Policies. You are solely responsible for all labor and employment-related matters and decisions related to your Business, including hiring, firing, promoting, demoting, and compensating (including through wages, bonuses, or benefits) your employees. You must ensure that your employees are qualified to perform their duties in accordance with our System Standards and successfully pass a background check. We do not require you to implement any employment-related policies or procedures or security-related policies or procedures that we (at our option) may make available to you

in the Manuals or otherwise for your optional use. You shall determine to what extent, if any, these policies and procedures may be applicable to your operations at the Business.

- (c) Replacement Key Manager. If your Key Manager ceases to be employed by you at the Business, you must hire a new Key Manager, and have them successfully complete Initial Training, within 30 days after your former Key Manager's employment at the Business ends. If you are unable to immediately appoint and train a Key Manager, we may, in our sole discretion, provide a Key Manager to work at your Business temporarily until a new Key Manager is appointed and trained. In such instances you will pay to us our actual costs and expenses for such temporary Key Manager so assigned to the Business, including, without limitation, such Key Manager's salary and travel and living expenses. In addition, we may charge you a reasonable fee for this service.

6.3 Operation of the Business. You will not use the Site for any purpose other than the operation of the Business in compliance with the System and the Manuals. You will not lease, sublease, or assign the Site Lease for all or any portion of the Site, without our prior written consent. You may not offer or allow others to offer classes at the Business other than Skill Samurai® classes taught by Skill Samurai® instructors.

- (a) Restricted Uses. You, your Owners, and your affiliates may not provide any other services to your Business's customers (whether those services are provided at the Business or any other location) without our prior written approval, which we may withhold in our sole discretion. You, your Owners, and your affiliates may not operate any retail location providing any products or services that are ancillary to the Business's business to customers from a location at or near the Site.
- (b) Operating Hours. You must keep the Business open for business to the public at least during the hours we prescribe from time to time in the Manuals or otherwise approve, unless prohibited by Applicable Laws or by the Site Lease (if any) for the Business premises.
- (c) Notice of Independent Contractor. During the Term, you agree to hold yourself out to the public as an independent contractor operating your Business under license from us, and you must display in a conspicuous location in or upon the Business, or in a manner that we specify, a sign containing the following notice or an alternative notice that we specify: "This business is owned and operated independently by [name of franchisee] who is an authorized licensed user of the trademark Skill Samurai®, which is a trademark owned by Skill Samurai, Inc." You must include this notice or other similar language that we specify on all forms, advertising, promotional materials, business cards, receipts, letterhead, contracts, stationary, and other written materials we designate.
- (d) Upkeep of the Business. You must keep the exterior (including parking lot) and interior of your Business and all fixtures, furnishings, signs, and equipment (the "Operating Assets") in the highest degree of cleanliness, orderliness, sanitation, and repair in accordance with the Manuals. You must place or display at the Site (interior and exterior) only those signs, emblems, designs, artwork, lettering, logos and display and advertising materials that we periodically require or authorize. You may not make any material alteration, addition, replacement, or improvement to your Business, including its Operating Assets, without our prior written consent.

6.4 Refurbishing and Renovations. You agree to take, without limitation, the following actions during the Term at your expense: (i) thorough cleaning, repainting, and redecorating of the interior and exterior of the Business at intervals that we may periodically designate and at our direction; (ii) interior and exterior repair of the Business as needed; and (iii) repair or replacement, at our

direction, of damaged, worn-out or obsolete Operating Assets at intervals that we may periodically specify (or, if we do not specify an interval for replacing any item, as that item needs to be repaired or replaced). Upon our written request, you must refurbish the Business at your expense to conform the decor, Trade Dress, color schemes, signage, and presentation of the Marks to our then-current image. Such refurbishing may include, as we deem necessary, remodeling, redecoration, and other modifications to existing improvements and updating or replacing any Operating Assets. You acknowledge that this obligation could result in your making extensive structural changes to, and significantly remodeling and renovating, the Business, and/or in your spending substantial amounts for new Operating Assets, and you agree to incur, without limitation, any capital expenditures required in order to comply with this obligation and our requirements (even if those expenditures cannot be amortized over the remaining Term). Within 60 days after receiving written notice from us, you must have plans prepared according to the System Standards we prescribe and, if we require, using architects and contractors we approve, and you must submit those plans to us for our approval. You must complete all work according to the plans we approve within the time period that we reasonably specify.

- 6.5 Classes. You must conduct all classes in accordance with the System. You must offer at the Business any classes or programs that we deem to be mandatory. Any classes that you or your instructors develop must be consistent with the System Standards that we specify from time to time. If we disapprove of any class or program that you offer, you must immediately discontinue offering the class or modify the class in accordance with our instructions
- 6.6 Pricing. If we determine that we may lawfully require you to charge certain prices for goods or services, certain minimum prices for goods or services, or certain maximum prices for goods or services, you must adhere to our pricing policies as set forth in the Manuals or otherwise in writing from time to time. Currently, we require you to charge Members and customers rates equal to or in excess of our minimum pricing schedule, as set forth in the Manuals, which we may change from time to time in writing. Otherwise, you are solely responsible for determining the prices that you will charge Members and customers. You must provide us with your current price list upon our request.
- 6.7 Products, Supplies, Operating Assets, and Services.
- (a) Purchases. We have the right to require that products, supplies, Operating Assets, and services that you purchase for resale or purchase or lease for use in your Business: (i) meet specifications that we establish from time to time; (ii) be a specific brand, kind, or model; (iii) be purchased or leased only from suppliers or service providers that we have expressly approved; and/or (iv) be purchased or leased only from a single source that we designate (which may include us or our affiliates or a buying cooperative organized by us or our affiliates). To the extent that we establish specifications, require approval of suppliers or service providers, or designate specific suppliers or service providers for particular items or services, we will publish our requirements in the Manuals.
- (b) Products and Services You May Offer. You may offer in the Business to customers only the products, services, and classes that we have approved in writing. In addition, you must offer the specific products, services, and classes that we require in the Manuals or otherwise in writing. We may change these specifications periodically, and we may designate specific products or services as optional or mandatory. You must offer all products, services, or classes that we designate as mandatory. You may sell products and services only in the varieties, forms, and packages that we have approved in accordance with our System Standards. You must maintain a sufficient supply of required products to meet the inventory standards we prescribe in the Manuals (or to meet reasonably anticipated customer demand, if we have not prescribed specific standards).

- (c) Revenue from Purchases. You acknowledge and agree that we and/or our affiliates may derive revenue based on your purchases and leases, including from charging you for products and services we or our affiliates provide to you and from promotional allowances, volume discounts, and other payments made to us by suppliers and/or distributors that we designate or approve for some or all of our franchisees. We and our affiliates may use all amounts received from suppliers and/or distributors, whether or not based on your or other franchisees' actual or prospective dealings with them, without restriction for any purposes we or our affiliates deem appropriate. If you derive any revenue based on payments or promotional allowances received from suppliers and/or distributors, you must report to us the details of the arrangement and such revenue shall be included as part of your Gross Sales.
- (d) Approval Process. If you would like to offer products, services, or classes or use any supplies, Operating Assets, or services that we have not approved or to purchase or lease from a supplier or service provider that we have not approved, you must submit a written request for approval and provide us with any information that we request. We have the right to inspect the proposed supplier's facilities and test samples of the proposed products and to evaluate the proposed service provider and the proposed service offerings. We may require the proposed supplier or service provider to visit our headquarters, currently in Miami, Florida, to evaluate the proposed supplier or service provider in person. You agree to pay us a charge not to exceed the reasonable cost of the inspection and our actual cost of testing the proposed product or evaluating the proposed service or service provider, including personnel and travel costs, whether or not the item, service, supplier, or service provider is approved. We have the right to grant, deny, or revoke approval of products, services, suppliers, or service providers based solely on our judgment. We will notify you in writing of our decision as soon as practicable following our evaluation. If you do not receive our approval within 90 days after submitting all of the information that we request, our failure to respond will be deemed a disapproval of the request. You acknowledge that the products and services that we approve for you to offer in your Business may differ from those that we permit or require to be offered in other Businesses.
- (e) Revocation of Approval. We reserve the right to reinspect the facilities and products of any approved supplier and to reevaluate the services provided by any service provider at and to revoke approval of the item, service, supplier, or service provider if any fail to meet any of our then-current criteria. If you receive a notice of revocation of approval, you agree to cease purchasing or leasing the formerly-approved item or service or any items or services from the formerly-approved supplier or service provider and you must dispose of your remaining inventory of the formerly-approved items and services as we direct. If we revoke approval of a previously-approved product that you have been selling to customers or service that you have been offering to customers, you must immediately discontinue offering the service and may continue to sell the product only from your existing inventory for up to 30 days following our disapproval. We have the right to shorten this period if, in our opinion, the continued sale of the product would prove detrimental to our reputation. After the 30-day period, or such shorter period that we may designate, you must dispose of your remaining formerly-approved inventory as we direct.

6.8 Distribution. You may not make any sales of products or services outside of the Business, conduct classes or programs outside of the Business, or use vendor relationships that you establish through your association with us or the Skill Samurai® brand for any other purpose besides the operation of the Business, unless we consent in writing. You agree to purchase products solely for resale to retail customers, and not for resale or redistribution to any other party, including other Skill Samurai® franchisees. You may not offer products or services in connection with the Marks on any website on the internet or any other electronic communication network unless we consent in writing.

6.9 Participation in System-wide Programs, Conferences, and Councils.

- (a) Promotional Programs. You must participate in all in-Business promotional programs that we offer to franchisees. You will follow our guidelines concerning the acceptance and reimbursement of gift certificates, gift cards, coupons, corporate discounts, and other promotional programs as we set forth from time to time in the Manuals or otherwise in writing. You will not allow use of gift certificates, gift cards, or coupons (including Groupons and similar discounts) unless approved or offered by us or our affiliates.
- (b) Conferences. You, your Operating Principal, your Key Managers, or any of your representatives that we designate must attend franchise conventions, meetings, product shows or demonstrations, and teleconferences that we or our Area Representative may require periodically in the Manuals or otherwise in writing. We or our Area Representative, in our or their sole discretion, will designate the time and place of any meetings, which may be held in-person or remotely via teleconference or web seminar. We or your Area Representative will be responsible for arranging meetings and providing meeting materials. You are responsible for arranging and paying for travel and living expenses that you and/or your representatives incur. We or our Area Representative may require you to pay us or our Area Representative a reasonable registration fee for you and each of your representatives. If you or any of your representatives fail to attend any events that we require you and/or they to attend, regardless of the reason for the absence, you must pay us the registration fee that each absent required attendee would have incurred plus \$299 for each absent required attendee, unless we have previously excused them in writing in our sole discretion.
- (c) Franchisee Advisory Council. We may establish an advisory council of franchisees (“Franchisee Advisory Council”) using a form and process set forth in the Manuals to advise us on various issues and strategies. The Franchisee Advisory Council will have an advisory role, but no operational or decision-making power. We may change the structure and process of the Franchisee Advisory Council or dissolve the Franchisee Advisory Council at any time. If we establish a Franchisee Advisory Council, you must participate in all council-related activities and meetings and must pay any dues related to the administration of the Franchisee Advisory Council.

6.10 Computer System.

- (a) Acquisition and Updates. You must obtain, maintain, and use the hardware, software, other equipment, and network connections that we specify periodically in the Manuals necessary to operate our point-of-sale system, the customer relationship management system, and other technology systems that we designate (collectively, the “Computer System”). You must use the Computer System to (i) enter and track purchase orders and receipts, attendance, and customer information, (ii) update inventory, (iii) enter and manage your customers’ contact information, (iv) generate sales reports and analysis relating to the Business, and (iv) provide other services relating to the operation of the Business. If we require you to use any proprietary software or to purchase any software from a designated vendor, you must execute and pay any fees associated with any software license agreements or any related software maintenance agreements that we or the licensor of the software require. You must replace, upgrade, or update at your expense the Computer System as we may require periodically without limitation. We will establish reasonable deadlines for implementation of any changes to our Computer System requirements.
- (b) Use of the Computer System. You agree: (i) that your Computer System will be dedicated for business uses relating to the operation of the Business; (ii) to use the Computer System in accordance with our policies and operational procedures; (iii) to transmit financial and

operating data to us as required by the Manuals; (iv) to do all things necessary to give us unrestricted access to the Computer System at all times (including users IDs and passwords, if necessary) so that we may independently download and transfer data via a modem or other connection that we specify; (v) to maintain the Computer System in good working order at your own expense; (vi) to ensure that your employees are adequately trained in the use of the Computer System and our related policies and procedures; and (vii) not to load or permit any unauthorized programs or games on any hardware included in the Computer System. You also must comply with all laws and payment card provider standards relating to the security of the Computer System, including, without limitation, the Payment Card Industry Data Security Standards. You are responsible for any and all consequences that may arise if the system is not properly operated, maintained and upgraded or if the Computer System (or any of its components) fails to operate on a continuous basis or as we or you expect.

- 6.11 Compliance with Laws and Good Business Practices. You must comply with all Applicable Laws. You will obtain and maintain in good standing any and all licenses, permits, and consents necessary for you to lawfully operate the Business. You have sole responsibility for such compliance despite any information or advice that we or our Area Representatives may provide. You must in all dealings with your customers, prospective customers, suppliers, us, and the public adhere to the highest standards of honesty, integrity, fair dealing and ethical conduct. You agree to refrain from any business or advertising practice which might injure our business or the goodwill associated with the Marks or other Businesses.
- 6.12 Notice of Proceedings. You will notify us in writing within five days after the commencement of any action, suit or proceeding, or of the issuance of any inquiry, subpoena, order, writ, injunction, award, or decree of any court, agency, or other governmental instrumentality in connection with the operation or financial condition of the Business, including without limitation any criminal action or proceeding brought by you against any employee, customer, or other person, but excluding civil proceedings against customers to collect monies owed.
- 6.13 Insurance. During the Term you must maintain in force at your sole expense the insurance coverage for the Business in the amounts, covering the risks, and containing only the exceptions and exclusions that we periodically specify in the Manuals for all similarly situated Businesses. All of your insurance carriers must be rated A or higher by A.M. Best and Company, Inc. (or such similar criteria as we periodically specify). These insurance policies must be in effect on or before the deadlines we specify. All coverage must be on an “occurrence” basis, except for the employment practices liability insurance coverage, which is on a “claims made” basis. All policies shall apply on a primary and non-contributory basis to any other insurance or self-insurance that we or our affiliates maintain. All general liability and workers’ compensation coverage must provide for waiver of subrogation in favor of us and our affiliates. We may, upon at least 60 days’ notice to you, periodically increase the amounts of coverage required and/or require different or additional insurance coverage at any time to reflect inflation, identification of new risks, changes in law or standards of liability, higher damage awards or other relevant changes in circumstances. All insurance policies must name us, our Area Representative, and any affiliates we designate as an additional insured and provide for 30 days’ prior written notice to us of a policy’s material modification or cancellation. You agree periodically to send us a valid certificate of insurance or duplicate insurance policy evidencing that you have maintained the required coverage and paid the applicable premiums. If you fail to obtain or maintain (or to prove that you have obtained or maintained) the insurance we specify, in addition to our other remedies, we may (but need not) obtain such insurance for you and the Business on your behalf, in which event you shall cooperate with us and reimburse us for all premiums, costs, and expenses we incur in obtaining and maintaining the insurance and pay us a reasonable fee for such service.

- 6.14 Taxes. You will pay when due all taxes, assessments, and governmental charges upon or against you or your real or personal properties, income, and revenue; provided that no such tax, assessment, or governmental charge need be paid so long as the validity, applicability, or amount thereof is being contested in good faith by appropriate proceedings and appropriate reserves are maintained to pay the disputed amount, if necessary.

Section 7 Marketing

- 7.1 Our Advertising Materials. We may periodically formulate, develop, produce, and conduct, at our sole discretion, advertising or promotional programs in such form and media as we determine to be most effective. We may make available to you for you to purchase approved advertising and promotional materials, including signs, posters, collaterals, etc. that we have prepared. We or our affiliates will retain all copyrights relating to such advertising materials.

7.2 Brand Development Fund.

- (a) Fund Management. We may, but are not obligated to, establish the Brand Fund, a segregated or independent fund into which all Brand Fund Contributions will be paid. In no event will we be deemed a fiduciary with respect to any Brand Fund Contributions we receive or administer. We are not required to have an independent audit of the Brand Fund completed. We will prepare an unaudited statement of contributions and expenditures for the Brand Fund and make it available within 60 days after the close of our fiscal year to franchisees that make a written request for a copy. If any monies in the Brand Fund remain at the end of a fiscal year, they will carry-over in the Brand Fund into the next fiscal year. We or one of our affiliates may make or otherwise arrange loans to the Brand Fund in any year in which the balance of the Brand Fund is negative and charge a reasonable rate of interest. The amounts loaned to the Brand Fund will be repaid from future contributions to the Brand Fund in the year the loan is made or in subsequent years.
- (b) Use of Brand Fund. We may use monies in the Brand Fund and any earnings on the Brand Fund account for any costs associated with advertising (media and production), branding, marketing, public relations and/or promotional programs and materials, and any other activities we believe would benefit the Skill Samurai® brand or the Businesses generally, including advertising campaigns in various media; creation, maintenance, and optimization of the System Website or other websites; keyword or adword purchasing programs; conducting and managing social media activities; direct mail advertising; market research, including, without limitation, secret shoppers and customer satisfaction surveys; branding studies; employing advertising and/or public relations agencies; purchasing promotional items; conducting and administering promotions, contests, giveaways, public relations events, and community involvement activities; and providing promotional and other marketing materials and services to our franchisees. We will not use the Brand Fund for anything whose sole purpose is the marketing of franchises, however, you acknowledge that the System Website, public relations activities, community involvement activities, and other activities supported by the Brand Fund may contain information about franchising opportunities. We will not use any contributions to the Brand Fund to defray our general operating expenses, except for reasonable administrative costs and overhead we incur in activities reasonably related to the administration of the Brand Fund or the management of Brand Fund-supported programs (including the pro-rata amount of salaries of our personnel who devote time to Brand Fund activities and retainers and fees for outside agencies). We may use monies in the Brand Fund to pay for an independent audit of the Brand Fund, if we elect to have it audited. We do not guarantee that you will benefit from the Brand Fund in proportion to your contributions to the Brand Fund.

- (c) Control Over Brand Fund. We may consult with, in our sole discretion, a franchisee advisory council selected by franchisees or a committee of franchisees that we appoint regarding marketing programs. However, we have the right to direct all marketing programs and uses of the Brand Fund, with the final decision over creative concepts, materials, and media used in the programs and their placement.
- (d) Materials Produced. Any sales and other materials produced with Brand Fund monies will be made available to you without charge or at a reasonable cost. The proceeds of such sales will also be deposited into the Brand Fund.
- (e) Other Contributions. If we or our affiliates operate any Businesses, we or our affiliates will contribute to the Brand Fund a percentage of the receipts of those Businesses, on the same basis as required for franchisees. If we reduce the Brand Fund contribution rate for franchisees, we will reduce the contribution rate for company or affiliate-owned Businesses by the same amount. You acknowledge that our other franchisees may not be required to contribute to the Brand Fund, may be required to contribute to the Brand Fund at a different rate than you, or may be required to contribute to a different brand development fund.

7.3 Local Marketing.

- (a) Local Marketing Requirements. You must participate in such advertising, promotional, and community outreach programs that we may specify from time to time, at your own expense. You must use your best efforts to promote the use of the Marks in your Territory. You must ensure that all of your advertising, marketing, promotional, customer relationship management, public relations and other brand related programs and materials that you or your agents or representatives develop or implement relating to the Business is completely clear, factual, and not misleading, complies with all Applicable Laws, and conforms to the highest ethical standards and the advertising and marketing policies that we periodically specify. Any media advertising or direct mail marketing that you conduct must be predominantly focused within your Territory unless we agree otherwise. There are no territorial restrictions from accepting business from retail customers that reside or work or are otherwise based outside of your Territory if these customers contact you, but we reserve the right to implement rules and restrictions regarding soliciting such customers in the future in our Manuals or otherwise in writing.
- (b) Approval of Advertising Materials. You must obtain our advance written approval prior to using or producing any advertising or marketing materials using any of the Marks, in whole or in part. You agree to conduct all advertising in a dignified manner and to conform to the standards and requirements we specify in the Manuals. We will have the final decision on all creative development of advertising and promotional messages. If our written approval is not received within 30 days from the date we received the material, the material is deemed disapproved. We reserve the right to require you to discontinue the use of any advertising or marketing materials.
- (c) Minimum Marketing Expenditure. You must spend at least \$1,000 per month on local advertising and promotional activities (the “Marketing Spending Requirement”). Your Marketing Spending Requirement is in addition to your Brand Fund Contribution. We have the right to designate in the Manuals the types of expenditures that will or will not count toward the Marketing Spending Requirement. At our request, you must submit appropriate documentation to verify compliance with the Marketing Spending Requirement. If you fail to spend (or prove that you spent) the Marketing Spending Requirement in any month, then we may, in addition to and without limiting our other rights and remedies, require you to pay us the shortfall as an additional Brand Fund Contribution or to pay us the shortfall for us to spend on local marketing for your Business.

- (d) Grand Opening Advertising. In connection with the opening of the Business, you must spend a minimum of \$15,000 for grand opening advertising and promotion beginning 120 days before, and ending 30 days after, the opening of your Business in accordance with a plan that you must submit to us. We have the right to modify your grand opening plan, in our sole discretion, and may require you to use a public relations firm to assist with your grand opening. The wages and other payroll-related expenses of your employees shall not be credited towards this spending requirement. No amount paid by you for your grand opening will be credited toward the Marketing Spending Requirement. You must provide us with supporting documentation evidencing these expenditures upon request.

7.4 Advertising Cooperatives. You agree to join and actively participate in any organizations or associations of franchisees or advertising cooperatives that we establish or approve for the purpose of promoting, coordinating, and purchasing advertising in local, regional, or national areas where there are multiple Businesses (“Advertising Cooperatives”) and to abide by the bylaws, rules, and regulations duly required by the Advertising Cooperative, which we have the right to mandate or approve. If you join an Advertising Cooperative, the Advertising Cooperative may require you to spend additional funds on marketing programs conducted by the Advertising Cooperative, which may be in addition to your Brand Fund Contribution or Marketing Spending Requirement. We shall have the right to approve any marketing materials or marketing programs developed by any Advertising Cooperative in the same manner as specified in Section 7.3(b) (Approval of Advertising Materials).

7.5 Digital Marketing.

- (a) Restrictions. We or our affiliates may, in our sole discretion, establish and operate websites, social media accounts (such as Facebook, Twitter, Instagram, Pinterest, etc.), applications, keyword or adword purchasing programs, accounts with websites featuring gift certificates or discounted coupons (such as Groupon, Living Social, etc.), mobile applications, or other means of digital advertising on the internet or any electronic communications network (collectively, “Digital Marketing”) that are intended to promote the Marks, your Business, and the entire network of Businesses. We will have the sole right to control all aspects of any Digital Marketing, including those related to your Business. Unless we consent otherwise in writing, you and your employees may not, directly or indirectly, conduct or be involved in any Digital Marketing that use the Marks or that relate to the Business or the network. If we do permit you or your employees to conduct any Digital Marketing, you or your employees must comply with any policies, standards, guidelines, or content requirements that we establish periodically and must immediately modify or delete any Digital Marketing that we determine, in our sole discretion, is not compliant with such policies, standards, guidelines, or requirements. If we permit you or your employees to conduct any Digital Marketing, we will have the right to retain full control over all websites, social media accounts, mobile applications, or other means of digital advertising that we have permitted you to use. We may withdraw our approval for any Digital Marketing or suspend or terminate your use of any Digital Marketing platforms at any time.
- (b) System Website. As part of our Digital Marketing, we or one of our designees will operate and maintain a System Website, which will include basic information related to the Business, the ability for customers to purchase classes at your Business, and access to the Business’s reservation system. You must promptly provide us with any information that we request regarding your Business for inclusion on the System Website.

Section 8 Records, Reports, Audits, and Inspections

8.1 Bookkeeping and Records. You agree to keep complete and accurate books, records, and accounts of all business conducted under this Agreement in accordance with generally accepted accounting

principles. You must preserve all of your books and records in hard copy or in a format from which hard copies can be readily generated for at least five years from the date of preparation or such longer period as may be required by law. You must maintain such information and records on the Computer System as we may require from time to time in the Manuals and you acknowledge and agree that we will have access to that data remotely via a network connection that we will specify. At our request, you must retain and use, at your expense, the services of an accountant or accounting firm that we approve.

- 8.2 Reports and Financial Statements. You agree to submit financial and operational reports and records to us at the times and in the manner specified in the Manuals. Upon our written request, by April 15 of each year, you must submit your balance sheet and income statement for the previous calendar year. With respect to your year-end income statement and balance sheet, you or the Operating Principal must certify that the income statement and balance sheet are correct and complete and that they have been prepared in accordance with generally accepted accounting principles. We have the right to demand audited financial statements if an Event of Default has occurred within the last calendar year. In addition, you must provide us within 15 days after our request, exact copies of federal and state income and other tax returns and any other forms, records, books, reports, and other information that we periodically require relating to the Business or you.
- 8.3 Additional Information. You shall respond promptly to requests from us for clarification and/or additional information regarding any matter entrusted to you under this Agreement. We may from time to time require information about your financial condition, earnings, sales, profits, costs, expenses, and performance to provide a basis for providing our prospective franchisees with information concerning actual or potential earnings or to comply with Applicable Laws governing the sale of franchises. You will provide such information promptly upon our request, and you will certify that such information is true and complete in all material respects.
- 8.4 Inspection. We have the right, through our employees, an Area Representative, and any agents we designate, at any time during business hours and without prior notice to you to: (i) inspect the Site and Business for compliance with the Manuals, (ii) videotape, photograph or otherwise record the operation of the Business, (iii) interview your employees, landlord, and customers, (iv) examine the records, invoices, payroll records, check stubs, sales tax records and returns, and other supporting records and documents of the Business, and (v) examine your income tax records and any other information, records or properties relating to the ownership, management, or operation of the Business. We may require you to install and maintain, at your expense, a video surveillance system that we designate which we may access remotely through a connection that we specify to ensure compliance with our standards and the Manuals. Our right to inspect your business records includes records maintained electronically or off-site. You must cooperate with such inspections by giving our representatives unrestricted access and rendering such assistance as our representatives may reasonably request. If we notify you of any deficiencies after the inspection, you must promptly take steps to correct them. If you fail to correct any deficiencies within a reasonable time, not to exceed 30 days, we have the right to correct such deficiencies and charge you a reasonable fee plus our costs and expenses incurred in such inspection. Any inspections will be made at our expense, unless the inspection is necessitated by your repeated or continuing failure to comply with any provision of this Agreement, in which case we may charge you the costs of making such inspection, including without limitation the wages and cost of travel and living expenses for our representatives.
- 8.5 Auditing. Without limiting the foregoing, we may audit or cause to be audited any statement you are required to submit pursuant to Section 8.2 (Reports and Financial Statements) and we may review, or cause to be reviewed, the records maintained by any bank or other financial institution used by you in connection with the Business. If any such audit or review discloses an understatement of the Gross Sales for any period or periods, you will pay to us, within 10 days after demand for payment is made, all additional Royalty Fees, Brand Fund Contributions, or other

amounts required to be paid based upon the results of such audit or review. In addition, if such understatement for any period or periods is 2% or more of the Gross Sales for such period or periods, you will reimburse us for the cost of such audit or review, including without limitation the charges of any independent accountant and any related attorneys' fees and the cost of travel and living expenses and wages for such accountant and employees or other agents of us. You will pay to us, upon demand, on any delinquent fees interest at the lesser of 18% per annum or the maximum rate allowed by law calculated from the date when the fees should have been paid to the date of actual payment. These remedies are in addition to our other remedies and rights under this Agreement and Applicable Laws.

- 8.6 Mystery Shopper Program. We may require you to participate in a mystery shopper service in order to ensure your compliance with the System and our customer service standards. We may specify mystery shopper services that you must engage at your expense, or we may engage the mystery shopper service on your behalf. If we engage the mystery shopper service on your behalf, you must pay us a reasonable fee or a third-party managing such service that we will specify in the Manuals upon demand. You must share the results of any mystery shopper program with us and must promptly address any deficiencies identified in any such report. You must follow any evaluation process, and use such evaluation forms, as we may from time to time require.

Section 9 Intellectual Property.

9.1 Marks and Trade Dress.

- (a) Acknowledgements. You acknowledge that we or our affiliates are the owner of the Marks and the Trade Dress, that you have no interest in the Marks and the Trade Dress beyond the nonexclusive License granted herein, and that, as between we and you, we have the exclusive right and interest in and to the Marks and the Trade Dress and the goodwill associated with and symbolized by them. Upon the expiration or termination of this Agreement, no monetary amount will be attributable to goodwill associated with your activities as a franchisee under this Agreement.
- (b) Rights. Your right to use the Marks and the Trade Dress applies only to the Business operated at the Site as expressly provided in this Agreement, including advertising related to the Business. You may only use in your Business the Marks and the Trade Dress we designate, and only in compliance with written rules that we prescribe from time to time. You may not use any Mark (i) as part of any corporate or legal business name, (ii) with any prefix, suffix or other modifying words, terms, designs or symbols (other than logos we have licensed to you), (iii) in selling any unauthorized services or products, (iv) as part of any domain name, electronic address, metatag, social media account, or otherwise in connection with any website or other electronic medium without our consent, or (v) in any other manner we have not expressly authorized in writing. No materials on which any of the Marks or the Trade Dress appears will be used by you without our prior written approval, which may be revoked at any time upon reasonable notice to you. You must display the Marks in a manner that we specify on signage at the Business and on all written materials, forms, advertising, promotional materials, supplies, employee uniforms, business cards, receipts, letterhead, contracts, stationary, and other materials we designate.

- 9.2 Copyrights. You acknowledge that as between you and us, any and all present or future copyrights relating to the System or the Skill Samurai® concept, including, but not limited to, the Manuals and marketing materials, (collectively, the "Copyrights") belong solely and exclusively to us. You have no interest in the Copyrights beyond the non-exclusive License granted in this Agreement.

- 9.3 No Contesting Our Rights. During the Term of this Agreement and after its expiration or termination, you agree not to directly or indirectly contest our ownership, title, right or interest in

or to, or our license to use, or the validity of, (i) the Marks, (ii) the Trade Dress, (iii) the Copyrights, or (iv) any trade secrets, methods, or procedures that are part of the System (collectively, the “Intellectual Property”), or contest our sole right to register, use, or license others to use the Intellectual Property.

- 9.4 Changes to the Intellectual Property. We have the right, upon reasonable notice, to change, discontinue, or substitute for any of the Intellectual Property and to adopt entirely different or new Intellectual Property for use with the System without any liability to you, in our sole discretion. You agree to implement any such change at your own expense within the time we reasonably specify.
- 9.5 Third-Party Challenges. You agree to notify us promptly of any unauthorized use of the Intellectual Property of which you have knowledge. You also agree to inform us promptly of any challenge by any person or Entity to the validity of our ownership of or our right to license others to use any of the Intellectual Property. We have the right, but no obligation, to initiate, direct, and control any litigation or administrative proceeding relating to the Intellectual Property, including, but not limited to, any settlement. We will be entitled to retain any and all proceeds, damages, and other sums, including attorneys’ fees, recovered or owed to us or our affiliates in connection with any such action. You agree to execute all documents and, render any other assistance we may deem necessary to any such proceeding or any effort to maintain the continued validity and enforceability of the Intellectual Property.
- 9.6 Post-Termination or Expiration. Upon the expiration or termination of this Agreement for any reason, all of your rights to use the Intellectual Property will automatically revert to us without cost and without the execution or delivery of any document. Upon our request, you will execute all documents that we require to confirm such reversion.
- 9.7 Innovations. All ideas, concepts, techniques, or materials relating to a Business or the System (collectively, “Innovations”), whether or not protectable intellectual property and whether created by or for you or your Owners, employees, or contractors, must be promptly disclosed to us and will be deemed to be our sole and exclusive property, part of the System and the Intellectual Property, and works made-for-hire for us. To the extent any Innovation does not qualify as a work made-for-hire for us, by this Section you assign ownership of that Innovation, and all related rights to that Innovation, to us and agree to sign (and to cause your Owners, employees, and contractors to sign) whatever assignment or other documents we request to evidence our ownership or to help us obtain intellectual property rights in the Innovation. We and our affiliates have no obligation to make any payments to you or any other person with respect to any Innovations. You may not use any Innovation in operating the Business or otherwise without our prior approval.

Section 10 Confidential Information.

- 10.1 Receipt of Confidential Information. You acknowledge that prior to or during the Term, we may disclose in confidence to you, either orally or in writing, certain trade secrets, know-how, and other confidential information relating to the System, our business, our vendor relationships, our classes, or the construction, management, operation, or promotion of the Business (collectively, “Confidential Information”), including (i) site selection criteria and methodologies; (ii) methods, formats, systems, System Standards, sales and marketing techniques, knowledge and experience used in developing and operating Businesses, including information in the Manuals; (iii) marketing research and promotional, marketing, advertising, public relations, customer relationship management and other brand-related materials and programs for Businesses; (iv) knowledge of specifications for and suppliers of, and methods of ordering, certain items that Businesses use and/or sell; (v) knowledge of the operating results and financial performance of other Businesses; (vi) customer communication and retention programs, along with data used or generated in connection with those programs; and (vii) any other information we reasonably designate from time

to time as confidential or proprietary. “Confidential Information” does not include (i) information that is part of the public domain or becomes part of the public domain through no fault of you, (ii) information disclosed to you by a third party having legitimate and unrestricted possession of such information, or (iii) information that you can demonstrate by clear and convincing evidence was within your legitimate and unrestricted possession when the parties began discussing the sale of the franchise.

- 10.2 Nondisclosure of Confidential Information. We and our affiliates own all right, title, and interest in and to the Confidential Information. You will not, nor will you permit any person to, use or disclose any Confidential Information (including without limitation all or any portion of the Manuals) to any other person, except to the extent necessary for your professional advisors and your employees to perform their functions in the operation of the Business. You acknowledge that your use of the Confidential Information in any other business would constitute an unfair method of competition with us and our franchisees. You will be liable to us for any unauthorized use or disclosure of Confidential Information by any employee or other person to whom you disclose Confidential Information. You will take reasonable precautions to protect the Confidential Information from unauthorized use or disclosure and will implement any systems, procedures, or training programs that we require. At our request, you will require anyone who may have access to the Confidential Information to execute non-disclosure agreements in a form satisfactory to us that identifies us as a third-party beneficiary of such covenants with the independent right to enforce the agreement.

10.3 Customer Information.

- (a) Protection of Customer Information. You must comply with our System Standards, other directions from us, and all Applicable Laws regarding the organizational, physical, administrative and technical measures and security procedures to safeguard the confidentiality and security of Customer Information on your Computer System or otherwise in your possession or control and, in any event, employ reasonable means to safeguard the confidentiality and security of Customer Information. “Customer Information” means names, contact information, financial information, and other personal information of or relating to the Business’s customers and prospective customers. If there is a suspected or actual breach of security or unauthorized access involving your Customer Information, you must notify us immediately after becoming aware of such actual or suspected occurrence and specify the extent to which Customer Information was compromised or disclosed. You are responsible for any financial losses you incur or remedial actions that you must take as a result of a breach of security or unauthorized access to Customer Information in your control or possession.
- (b) Ownership of Customer Information. You agree that all Customer Information that you collect in connection with your Business is deemed to be owned by us and must be furnished to us at any time that we request it. In addition, we and our affiliates may, through the Computer System or otherwise, have independent access to Customer Information.
- (c) Use of Customer Information. You have the right to use Customer Information while this Agreement or a successor franchise agreement is in effect, but only to market Skill Samurai® products and services to customers in accordance with the policies that we establish periodically and Applicable Laws. You may not sell, transfer, or use Customer Information for any purpose other than marketing Skill Samurai® products and services. We and our affiliates may use Customer Information in any manner or for any purpose. You must secure from your actual and prospective customers and others all consents and authorizations, and provide them all disclosures, that Applicable Law requires to transmit Customer Information to us and our affiliates, and for us and our affiliates to use that Customer Information, in the manner that this Agreement contemplates.

Section 11 Indemnification.

- 11.1 Indemnification By You. You agree to indemnify and hold harmless us, our Area Representative, and our affiliates, and our and their respective owners, directors, officers, employees, agents, representatives, successors, and assignees (the “Indemnified Parties”) against, and to reimburse any one or more of the Indemnified Parties for, all Losses (defined below) directly or indirectly arising out of or relating to: (i) the Business’s operation; (ii) the business you conduct under this Agreement; (iii) your breach of this Agreement; or (iv) your noncompliance or alleged noncompliance with any law, ordinance, rule or regulation, including those concerning the Business’s construction, design or operation, and including any allegation that we or another Indemnified Party is a joint employer or otherwise responsible for your acts or omissions relating to your employees. “Losses” means any and all losses, expenses, obligations, liabilities, damages (actual, consequential, or otherwise), and reasonable defense costs that an Indemnified Party incurs, including accountants’, arbitrators’, mediators’, attorneys’, and expert witness fees, costs of investigation and proof of facts, court costs, travel and living expenses, and other expenses of litigation, arbitration, or alternative dispute resolution, regardless of whether litigation, arbitration, or alternative dispute resolution is commenced.
- 11.2 Indemnification Procedure. You agree to defend the Indemnified Parties against any and all claims asserted, or inquiries made (formally or informally), or legal actions, investigations, or other proceedings brought, by a third party and directly or indirectly arising out of or relating to any matter described in Subsection 11.1(i) through (iv) above (collectively, “Proceedings”), including those alleging the Indemnified Party’s negligence, gross negligence, willful misconduct and/or willful wrongful omissions. Each Indemnified Party may at your expense defend and otherwise respond to and address any claim asserted or inquiry made, or Proceeding brought, that is subject to this Section 11 (instead of having you defend it as required above), and agree to settlements or take any other remedial, corrective, or other actions, for all of which defense and response costs and other Losses you are solely responsible, subject to Section 11.3. An Indemnified Party need not seek recovery from any insurer or other third party, or otherwise mitigate its Losses, in order to maintain and recover fully a claim against you, and you agree that a failure to pursue a recovery or mitigate a Loss will not reduce or alter the amounts that an Indemnified Party may recover from you under this Section 11. Your obligations in this Section 11 will survive the expiration or termination of this Agreement.
- 11.3 Willful Misconduct or Gross Negligence. Despite Section 11.1, you have no obligation to indemnify or hold harmless an Indemnified Party for, and we will reimburse you for, any Losses (including costs of defending any Proceeding under Section 11.2) to the extent they are determined in a final, unappealable ruling issued by a court or arbitrator with competent jurisdiction to have been caused solely and directly by the Indemnified Party’s willful misconduct or gross negligence, so long as the claim to which those Losses relate is not asserted on the basis of theories of vicarious liability (including agency, apparent agency, or employment) or our failure to compel you to comply with this Agreement. However, nothing in this Section 11.3 limits your obligation to defend us and the other Indemnified Parties under Section 11.2.

Section 12 Your Covenant Not to Compete.

- 12.1 During Term. You acknowledge that you will receive valuable, specialized training and confidential information regarding the manufacturing, operational, sales, promotional, and marketing methods of the Skill Samurai® concept. During the Term, you and your Owners will not, without our prior written consent, either directly or indirectly, for themselves, or through, on behalf of, or in conjunction with any other person or Entity:
- (a) own, manage, engage in, be employed by, advise, make loans to, or have any other interest in (i) any STEM or coding education centers or similar facility or business, or (ii) any entity

that grants franchises or licenses for any of these types of businesses (collectively, each, a “Competitive Business”) at any location in the United States;

- (b) divert or attempt to divert any business or customer or potential business or customer of the Business to any Competitive Business, by direct or indirect inducement or otherwise;
- (c) perform, directly or indirectly, any other act injurious or prejudicial to the goodwill associated with the Marks and the System;
- (d) use any vendor relationship established through your association with us for any purpose other than to purchase products or equipment for use or retail sale in the Business; or
- (e) directly or indirectly solicit for employment any person who at any time within the immediate past 12 months has been employed by us, or our affiliates, or by any of our franchisees.

12.2 After Termination, Expiration, or Transfer. For two years after the expiration or termination of this Agreement or an approved Transfer to a new franchisee, you and your Owners may not, without our prior written consent, (i) directly or indirectly own, manage, engage in, be employed in a managerial position by, advise, make loans to, or have any other interest in any Competitive Business that is (or is intended to be) located within a twenty-five-mile radius of your former Business or any other Business that is operating or under development at the time of such expiration, termination, or Transfer, or (ii) solicit for employment any person who at any time within the immediate past 12 months has been employed by us, or our affiliates, or by any of our franchisees. With respect to the Owners, the time period in this Section 12.2 will run from the expiration, termination, or Transfer of this Agreement or from the termination of the Owner’s relationship with you, whichever occurs first.

12.3 Publicly Traded Corporations. Ownership of less than five percent of the outstanding voting stock of any class of stock of a publicly traded corporation will not, by itself, violate this Section 12.

12.4 Covenants of Owners and Employees. The Owners personally bind themselves to this Section 12 by signing this Agreement or the attached Guarantee. We may, in our sole discretion, require you to obtain from your officers, directors, Key Managers, Owners’ spouses, and other individuals that we may designate executed agreements containing nondisclosure and noncompete covenants similar in substance to those contained in this Section 12 as we prescribe in the Manuals and otherwise. The agreements must be in a form acceptable to us and specifically identify us as having the independent right to enforce them.

12.5 Enforcement of Covenants. You acknowledge and agree that (i) the time, territory, and scope of the covenants provided in this Section 12 are reasonable and necessary for the protection of our legitimate business interests; (ii) you have received sufficient and valid consideration in exchange for those covenants; (iii) enforcement of the same would not impose undue hardship; and (iv) the period of protection provided by these covenants will not be reduced by any period of time during which you are in violation of the provisions of those covenants or any period of time required for enforcement of those covenants. To the extent that this Section 12 is judicially determined to be unenforceable by virtue of its scope or in terms of area or length of time but may be made enforceable by reductions of any or all thereof, the same will be enforced to the fullest extent permissible. You agree that the existence of any claim you may have against us, whether or not arising from this Agreement, will not constitute a defense to our enforcement of the covenants contained in this Section 12. You acknowledge that any breach or threatened breach of this Section 12 will cause us irreparable injury for which no adequate remedy at law is available, and you consent to the issuance of an injunction prohibiting any conduct violating the terms of this Section 12. Such injunctive relief will be in addition to any other remedies that we may have.

Section 13 **Transfer and Assignment.**

- 13.1 Transfer by Us. We may assign this Agreement and all of our rights, duties, and obligations under this Agreement to any person or Entity that we choose in our sole discretion. Upon any such assignment, we will be released from all of our duties and obligations hereunder, and you will look solely to our assignee for the performance of such duties and obligations.
- 13.2 Definition of Transfer. For purposes of this Agreement, “Transfer” as a verb means to sell, assign, give away, transfer, pledge, mortgage, or encumber, either voluntarily or by operation of law (such as through divorce or bankruptcy proceedings), any interest in this Agreement, the Business, substantially all the assets of the Business, or in the ownership of the franchisee (if you are an Entity). “Transfer” as a noun means any such sale, assignment, gift, transfer, pledge, mortgage, or encumbrance. A “Control Transfer” means any Transfer of (i) this Agreement or any interest in this Agreement; (ii) the Business or all or substantially all of the Business’s assets; or (iii) any Controlling Ownership Interest (defined below) in you (if you are an Entity), whether directly or indirectly through a transfer of legal or beneficial ownership interests in any Owner that is an Entity, and whether in one transaction or a series of related transactions, regardless of the time period over which these transactions take place. References to a “Controlling Ownership Interest” in you mean either (i) 20% or more of your direct or indirect legal or beneficial ownership interests in your Entity or (ii) an interest the acquisition of which grants the power (whether directly or indirectly) to direct or cause the direction of management and policies of you or the Business to any individual or Entity, or group of individuals or Entities, that did not have that power before that acquisition.
- 13.3 No Transfer Without Our Consent. This Agreement and the License are personal to you, and we have granted the License in reliance on your (and, if you are an Entity, your Owners’) business skill, financial capacity, and personal character. Accordingly, neither you nor any of the Owners or any successors to any part of your interest in this Agreement or the License may make any Transfer or permit any Transfer to occur without obtaining our prior written consent, except as provided in Section 13.7 (Permitted Transfers). If you or any of your Owners desire to make a Transfer, you must promptly provide us with written notice. Any purported Transfer, without our prior written consent, will be null and void and will constitute an Event of Default (as herein defined), for which we may terminate this Agreement without opportunity to cure. We have sole and absolute discretion to withhold our consent, except as otherwise provided in Sections 13.4 through 13.8. We have the right to communicate with both you, your counsel, and the proposed transferee on any aspect of a proposed Transfer. You agree to provide any information and documentation relating to the proposed Transfer that we reasonably require. No Transfer that requires our consent may be completed until at least 60 days after we receive written notice of the proposed Transfer. Our consent to a Transfer does not constitute a waiver of any claims that we have against the transferor, nor is it a waiver of our right to demand exact compliance with the terms of this Agreement. If your Business is not open and operating, we will not consent to your Transfer of this Agreement, and we are under no obligation to do so.
- 13.4 Control Transfer. For a proposed Control Transfer, the following conditions apply (unless waived by us):
- (a) When you provide written notice of the proposed Transfer, you must pay to us a non-refundable deposit of \$1,000 to cover our administrative costs incurred in reviewing the proposal. The deposit will be applied towards your Transfer Fee in the event that the Transfer is completed.
 - (b) You or your transferee must pay to us a Transfer Fee equal to \$10,000. You must make such payment by wire transfer from the proceeds of the sale at the closing if we so request.

- (c) You must satisfy all of your accrued monetary obligations to us and must be in compliance with all obligations to us under this Agreement and any other agreement that you have with us and our affiliates as of the date of the request for our approval of the Transfer or you must make arrangements satisfactorily to us to come into compliance by the date of the Transfer.
- (d) You and your Owners must execute a general release, in a form that we prescribe, in favor of us, our Area Representatives, our affiliates, and our and their affiliates' past, present, and future officers, directors, managers, members, equity holders, agents, and employees, releasing them from all claims, including claims arising under federal, state, and local laws, rules, and regulations.
- (e) You and your Owners must agree to remain liable for all of the obligations to us in connection with the Business arising before the effective date of the Transfer, and execute any and all instruments that we reasonably request to evidence such liability.
- (f) You and your Owners must continue to be bound by the provisions of Sections 9 (Intellectual Property), 10 (Confidential Information), 11 (Indemnification), and 12 (Your Covenant Not to Compete) as if they were the Franchisee and this Agreement had expired or terminated as of the effective date of the Transfer.
- (g) You must provide us with written notice from your landlord indicating that your landlord has agreed to transfer the Site Lease to your transferee.
- (h) Your proposed transferee (or, if the transferee is not an individual, all owners of any legal or beneficial interest in the transferee) must demonstrate to our satisfaction that he or she meets all of our then-current qualifications to become a Skill Samurai® franchisee, including not having any involvement with a Competing Business, or if he or she is already a Skill Samurai® franchisee, he or she must not be in default under any of their agreements with us and must have a good record of customer service and compliance with our System Standards.
- (i) Your proposed transferee and their representatives must successfully complete our then-current training requirements at their expense.
- (j) Your proposed transferee (and, if the transferee is not an individual, such owners of a legal or beneficial interest in the transferee as we may request) must (i) enter into a written assignment, in a form satisfactory to us, assuming and agreeing to discharge and guarantee all of your obligations under this Agreement and (ii) must execute our then-current form of personal guarantee.
- (k) Your proposed transferee (and, if the transferee is not an individual, such owners of a legal or beneficial interest in the transferee as we may request) must execute, for a term ending on the last day of the Term and with such Successor Term as is provided by this Agreement, our then-current franchise agreement for new franchisees and such other agreements as we may require, which agreements will supersede this Agreement in all respects. The terms of the new franchise agreement may differ significantly from the terms of this Agreement. The prospective transferee will not be required to pay any initial Franchise Fee.
- (l) Your proposed transferee must make arrangements to modernize, renovate, or upgrade the Business, at its expense, to conform to our then-current System Standards for new Skill Samurai® Businesses.

- (m) Your proposed transferee must covenant that it will continue to operate the Business under the Marks and using the System.
 - (n) We must determine, in our sole discretion, that the purchase price and payment terms will not adversely affect the operation of the Business, and if you or your Owners finance any part of the purchase price, you and they must agree that all obligations under promissory notes, agreements, or security interests reserved in the Business are subordinate to the transferee's obligation to pay all amounts due to us and our affiliates and otherwise to comply with this Agreement.
- 13.5 Non-Control Transfers. For any Transfer that does not result in a Control Transfer, you must give us advance notice and submit a copy of all proposed contracts and other information concerning the Transfer and transferee that we may request. We will have the right to require you to pay a our administrative costs in processing such Transfer, including any attorneys' fees and other third party costs that we incur. We will have a reasonable time (not less than 30 days) after we have received all requested information to evaluate the proposed Transfer. You and/or your transferee must satisfy, in addition to others that we may specify, the conditions in Sections 13.4(c) (comply with obligations), 13.4(d) (sign general release), 13.4(e) (remain liable for pre-Transfer obligations), 13.4(f) (remain bound to certain provisions), 13.4(h) (transferee meets qualifications), and 13.4(j) (sign assignment and guaranty). You and your Owners must sign the form of agreement and related documents that we then specify to reflect your new ownership structure. We may withhold our consent on any reasonable grounds or give our consent subject to reasonable conditions.
- 13.6 Transfer To An Entity. We will consent to the assignment of this Agreement to an Entity that you form for the convenience of ownership, provided that: (i) the Entity has and will have no other business besides operating Skill Samurai® Businesses; (ii) you satisfy the conditions in Sections 13.4(c) (comply with obligations), 13.4(d) (sign general release), 13.4(e) (remain liable for pre-Transfer obligations), 13.4(f) (remain bound to certain provisions), and 13.4(j) (sign assignment and guaranty); (iii) the Owners hold equity interests in the new Entity in the same proportion shown on Attachment A; and (iv) you pay our administrative costs in processing such Transfer, including any attorneys' fees and other third party costs that we incur.
- 13.7 Permitted Transfers. The other provisions in this Section do not apply, including our right of first refusal and right of approval, to the following Transfers:
- (a) Security Interests. You may grant a security interest in the Site (if you own the Site), the Business, any Operating Assets, this Agreement, or any direct or indirect legal and/or beneficial interest in you to a financial institution or other party that provided or provides any financing your acquisition, development, and/or operation of the Business, but only if that party signs our then current form of lender consent to protect our rights under this Agreement. Any foreclosures or other exercise of the rights granted under that security interest are subject to all applicable terms and conditions of this Section 13.
 - (b) Transfer to a Trust. Any Owner who is an individual may Transfer his or her ownership interest in you (or any of your Owners that is an Entity) to a trust that he or she establishes for estate planning purposes, as long as he or she is a trustee of the trust and otherwise controls the exercise of the rights in you (or your Owner) held by the trust and you notify us in writing of the Transfer at least ten days before its anticipated effective date. Dissolution of or transfers from any trust described in this Section 13.7(b) are subject to all applicable terms and conditions of this Section 13.
- 13.8 Transfer Upon Death Or Incapacity. If you or any Owner dies, becomes incapacitated, or enters bankruptcy proceedings, that person's executor, administrator, personal representative, or trustee must apply to us in writing within three months after the event (death, declaration of incapacity, or

filing of a bankruptcy petition) for consent to Transfer the person's interest. The Transfer will be subject to the provisions of this Section 13, as applicable, except there shall be no Transfer Fee due. In addition, if the deceased or incapacitated person is you or the Operating Principal, we will have the right (but not the obligation) to take over operation of the Business until the Transfer is completed and to charge a reasonable management fee for our services. For purposes of this Section, "incapacity" means any physical or mental infirmity that will prevent the person from performing his or her obligations under this Agreement (i) for a period of 30 or more consecutive days or (ii) for 60 or more total days during a calendar year. In the case of Transfer by bequest or by intestate succession, if the heirs or beneficiaries are unable to meet the conditions of Section 13.4(h) (transferee meets qualifications), the executor may transfer the decedent's interest to another successor that we have approved, subject to all of the terms and conditions for Transfers contained in this Agreement. If an interest is not disposed of under this Section 13.8 within 120 days after the date of death or appointment of a personal representative or trustee, we may terminate this Agreement under Section 14.2 (Our Remedies After An Event of Default).

13.9 Our Right Of First Refusal.

- (a) Our Right. We have the right, exercisable within 30 days after receipt of the notice of your intent to Transfer and such documentation and information that we require, to send written notice to you that we intend to purchase the interest proposed to be Transferred on the same economic terms and conditions offered by the third-party or, at our option, the cash equivalent thereof. If you and we cannot agree on the reasonable equivalent in cash or if the Transfer is proposed to be made by gift, we will designate, at our expense, an independent appraiser to determine the fair market value of the interest proposed to be transferred. We may purchase the interest at the fair market value determined by the appraiser or may elect at that time to not exercise our rights. We must receive, and you and your Owners agree to make, all customary representations, warranties and indemnities given by the seller of the assets of a business or ownership interests in an Entity, as applicable, including representations and warranties regarding ownership and condition of, and title to, assets and (if applicable) ownership interests, liens and encumbrances on assets, validity of contracts and agreements, and the liabilities, contingent or otherwise, relating to the assets or ownership interests being purchased, and indemnities for all actions, events and conditions that existed or occurred in connection with the Business or your business prior to the closing of our purchase. Closing on our purchase must occur within 90 days after the date of our notice to the seller electing to purchase the interest. We may assign our right of first refusal to another Entity or person either before or after we exercise it. However, our right of first refusal will not apply with regard to Transfers to an Entity under Section 13.7 (Permitted Transfers) or 13.8 (Transfer Upon Death or Incapacity) or Transfers to your spouse, son, or daughter.
- (b) Declining Our Right. If we elect not to exercise our rights under this Section, the transferor may complete the Transfer after complying with the applicable provisions in Section 13. Closing of the Transfer must occur within 90 days of our election (or such longer period as Applicable Laws may require); otherwise, the third-party's offer will be treated as a new offer subject to our right of first refusal. Any material change in the terms of the offer from a third-party after we have elected not to purchase the seller's interest will constitute a new offer subject to the same right of first refusal as the third party's initial offer. The Transfer is conditional upon our determination that the Transfer was on terms substantially the same as those offered to us.

Section 14 Termination and Default.

14.1 Events of Default. Any one or more of the following constitutes an “Event of Default” under this Agreement:

- (a) You or any Owner make any material misrepresentations or omissions in connection with your application to us for the franchise, this Agreement, or any related documents, or you submit to us any report or statement that you know or should know to be false or misleading;
- (b) Your Required Trainees fail to successfully complete initial training to our satisfaction at least ten days before the Opening Deadline;
- (c) You fail to sign a Site Lease or purchase agreement that we have approved for a site that we have accepted by the Site Acquisition Deadline;
- (d) You fail to open for business by the Opening Deadline;
- (e) You fail to make changes to the Site and the Business as required in Section 6.5 (Refurbishing and Renovations) within the applicable time periods;
- (f) You fail to maintain possession of the Site and fail to secure our approval of and enter into a lease for a new, accepted Site within 90 days after the expiration or termination of the Site Lease;
- (g) You voluntarily suspend operation of the Business without our prior written consent for five or more consecutive business days on which you were required to operate, unless we determine, in our sole discretion, that the failure was beyond your control;
- (h) After multiple attempts to reach you via telephone, e-mail, or other written correspondence, you fail to communicate with us within seven days after we send you a written communication in accordance with Section 17.11 (Notices) notifying you of our attempts to reach you and our need to receive a response from you.
- (i) You, your Operating Principal, your Key Managers, or any of your representatives that we designate fail to attend or participate in two or more required franchise conventions, meetings, and teleconferences during any 12-month period, without our prior written consent;
- (j) You, any Owner, or any of your officers or directors are convicted of or plead nolo contendere to a felony, a crime involving moral turpitude or consumer fraud, or any other crime or offense that we believe is likely to have an adverse effect on our franchise system, the Marks and any associated goodwill, or the Skill Samurai® concept (an “Adverse Effect”) or you, any Owner, or any of your officers or directors has engaged in or engages in activities that, in our reasonable opinion, have an Adverse Effect;
- (k) You use any of the Marks or any other identifying characteristic of us other than in the operation or promotion of the Business;
- (l) You or any of your Owners, directors, or officers disclose or divulge the contents of the Manuals or other Confidential Information contrary to Section 10 (Confidential Information);

- (m) Any Transfer occurs that does not comply with Section 13 (Transfer and Assignment), including a failure to transfer to a qualified successor after death or disability within the time allowed by Section 13.8 (Transfer Upon Death or Incapacity);
- (n) You or any Owner violates the noncompete covenants in Section 12 (Your Covenant Not to Compete);
- (o) You breach or fail to comply with any law, regulation, or ordinance which results in a threat to the public's health or safety and fail to cure the non-compliance within 24 hours following receipt of notice thereof from us or applicable public officials, whichever occurs first;
- (p) You become insolvent or make an assignment for the benefit of your creditors, execution is levied against your business assets, or a suit to foreclose any lien or mortgage is instituted against you and not dismissed within 30 days;
- (q) (i) You fail, refuse, or neglect to pay any monies owing to us or our affiliates or fail to make sufficient funds available to us as provided in Section 3.12 (Methods of Payment) within ten days after receiving written notice of your default or 30 days after due date of the payment, whichever is the shorter period, or (ii) you have previously been given at least two notices of nonpayment for any reason within the last 24 months and you subsequently fail to timely pay when due any monies; or (iii) you fail to do all things necessary to give us access to the information contained in your Computer System pursuant to Section 6.11 (Computer System) within 10 days after receiving notice;
- (r) You are more than 60 days past due on your obligations to suppliers and trade creditors in an amount exceeding \$2,000, unless you have given us prior notice that the failure to pay is a result of a bona fide dispute with such supplier or trade creditor that you are diligently trying to resolve in good faith;
- (s) You fail to pay when due any federal, state, or local income, service, sales or other taxes due on the Business's operation, unless you are in good faith contesting your liability for these taxes;
- (t) You underreport Gross Sales by more than 2% two times or more in any two-year period or by 5% or more for any period of one month or greater;
- (u) You refuse to permit, or try to hinder, an examination, inspection, or audit of your books and records, the Business, or the Site as required by this Agreement;
- (v) You fail to timely file any periodic report required in this Agreement or the Manuals three or more times in a 12-month period, whether or not you subsequently cure the default;
- (w) You default under any other franchise agreement or other agreement between you and us or our affiliates, provided that the default would permit us or our affiliate to terminate that agreement;
- (x) You breach or fail to comply with any other covenant, agreement, standard, procedure, practice, or rule prescribed by us, whether contained in this Agreement, in the Manuals, or otherwise in writing and fail to cure such breach or failure to our satisfaction within 30 days (or such longer period as Applicable Laws may require) after we provide you with written notice of the default; or

- (y) You are in default three or more times within any 18-month period, whether or not the defaults are similar and whether or not they are cured.

14.2 Our Remedies After An Event of Default.

- (a) Right to Terminate. If an Event of Default occurs, we may, at our sole election and without notice or demand of any kind, declare this Agreement and any and all other rights granted under this Agreement to be immediately terminated and, except as otherwise provided herein, of no further force or effect. Upon termination, you will not be relieved of any of your obligations, debts, or liabilities under this Agreement, including without limitation any debts, obligations, or liabilities that you accrued prior to such termination.
- (b) Other Remedies. If an Event of Default occurs, we may, at our sole election and upon delivery of written notice to you, take any or all of the following actions without terminating this Agreement:
 - (i) temporarily or permanently reduce the size of the Territory, in which event the restrictions on us and our affiliates under Section 1.3 (Limited Territorial Protection) will not apply in the geographic area that was removed from the Territory;
 - (ii) temporarily remove information concerning the Business from the System Website and/or stop your or the Business's participation in any other programs or benefits offered on or through the System Website;
 - (iii) suspend your right to participate in one or more programs or benefits that the Brand Fund provides;
 - (iv) suspend any other services that we or our affiliate provides to you under this Agreement or any other agreement, including any services relating to the Computer System;
 - (v) suspend or terminate any temporary or permanent fee reductions to which we might have agreed (whether as a policy, in an amendment to this Agreement, or otherwise);
 - (vi) suspend our performance of, or compliance with, any of our obligations to you under this Agreement or other agreements;
 - (vii) undertake or perform on your behalf any obligation or duty that you are required to, but fail to, perform under this Agreement. You will reimburse us upon demand for all costs and expenses that we reasonably incur in performing any such obligation or duty; and/or
 - (viii) enter the Business's premises and assume the management of the Business ourselves or appoint a third party (who may be our affiliate) to manage the Business. All funds from the operation of the Business while we or our appointee assumes its management will be kept in a separate account, and all of the expenses of the Business will be charged to that account. We or our appointee may charge you (in addition to the amounts due under this Agreement) a management fee equal to 3% of the Business's Gross Sales during the period of management, plus any direct out-of-pocket costs and expenses. We or our appointee has a duty to utilize only reasonable efforts and will not be liable to you for any debts, losses, or obligations the Business incurs, or to any of your creditors for any products or

services the Business purchases, while managing it. You shall not take any action or fail to take any action that would interfere with our or our appointee's exclusive right to manage the Business and may, in our sole discretion, be prohibited from visiting the Business so as to not interfere with its operations. Our (or our appointee's) management of the Business will continue for intervals lasting up to 90 days each (and, in any event, for no more than a total of one year), and we will during each interval periodically evaluate whether you are capable of resuming the Business's operation and periodically discuss the Business's status with you.

- (c) Exercise of Other Remedies. Our exercise of our rights under Section 14.2(b) (Other Remedies) will not (i) be a defense for you to our enforcement of any other provision of this Agreement or waive or release you from any of your other obligations under this Agreement, (ii) constitute an actual or constructive termination of this Agreement, or (iii) be our sole or exclusive remedy for your default. You must continue to pay all fees and otherwise comply with all of your obligations under this Agreement (except as set forth in Section 14.2(viii) (our assumption of management)) following our exercise of any of these rights. If we exercise any of our rights under Section 14.2(b), we may thereafter terminate this Agreement without providing you any additional corrective or cure period, unless the default giving rise to our right to terminate this Agreement has been cured to our reasonable satisfaction.

- 14.3 Termination By You. You may terminate this Agreement only if: (i) we commit a material breach of this Agreement; (ii) you give us written notice of the breach; (iii) we fail to cure the breach, or to take reasonable steps to begin curing the breach, within 60 days after receipt of your notice; and (iv) you are in full compliance with your obligations under this Agreement. If we cannot reasonably correct the breach within this 60-day period but provide you, within this 60-day period, with reasonable evidence of our effort to correct the breach within a reasonable time period, then the cure period shall run through the end of such reasonable time period. Termination will be effective no less than ten days after you deliver to us written notice of termination for failure to cure within the allowed period. Any attempt to terminate this Agreement without complying with this Section 14.3 (including by taking steps to de-identify the Business or otherwise cease operations under this Agreement) will constitute an Event of Default by you.

Section 15 Your Obligations Upon Expiration or Termination.

You covenant and agree that upon expiration or termination of this Agreement for any reason, unless we direct you otherwise:

- 15.1 Payment of Costs and Amounts Due. You will pay upon demand all sums owing to us and our affiliates. If this Agreement is terminated due to an Event of Default, you will promptly pay all damages, costs, and expenses, including reasonable attorneys' fees, incurred by us as a result of your default. These payment obligations will give rise to and remain, until paid in full, a lien in favor of us against the Business premises and any and all of the personal property, fixtures, equipment, and inventory that you own at the time of the occurrence of the Event of Default. We are hereby authorized at any time after the Effective Date to make any filings and to execute such documents on your behalf of to perfect the lien created hereby. You also will pay to us all damages, costs, and expenses, including reasonable attorneys' fees, that we incur after the termination or expiration of this Agreement in obtaining injunctive or other relief for the enforcement of any provision of this Section 15 (Your Obligations Upon Expiration or Termination). The damages owed upon termination will be calculated as \$500 per month for each month remaining in the Term of this Agreement had the termination not occurred.
- 15.2 Discontinue Use of the System and the Intellectual Property. You must immediately cease using, by advertising or in any other manner, (i) the Intellectual Property (including, without limitation,

the Marks, and the Trade Dress), (ii) the System and all other elements associated with the System, and (iii) any colorable imitation of any of the Intellectual Property or any trademark, service mark, trade dress, or commercial symbol that is confusingly similar to any of the Marks or the Trade Dress.

- 15.3 Return of Confidential Information. You must immediately return to us, at your expense, all copies of the Manuals, all of your Customer Information, and all other Confidential Information (and all copies thereof). You may not use any Confidential Information or sell, trade, or otherwise profit in any way from any Confidential Information at any time following the expiration or termination of this Agreement.
- 15.4 Cease Identification with Us. You must immediately take all action required (i) to cancel all assumed name or equivalent registrations relating to your use of the Marks and (ii) to cancel or transfer to us or our designee all authorized and unauthorized domain names, social media accounts, telephone numbers, post office boxes, and classified and other directory listings relating to, or used in connection with, the Business or the Marks (collectively, “Identifiers”). You acknowledge that as between you and us, we have the sole rights to and interest in all Identifiers. If you fail to comply with this Section 15.4, you hereby authorize us and irrevocably appoint us or our designee as your attorney-in-fact to direct the telephone company, postal service, registrar, Internet Service Provider, and all listing agencies to transfer such Identifiers to us. The telephone company, the postal service, registrars, Internet Service Providers, and each listing agency may accept such direction by us pursuant to this Agreement as conclusive evidence of our exclusive rights in such Identifiers and our authority to direct their transfer.
- 15.5 Our Right to Purchase Business Assets.
- (a) Exercise of Option. Upon termination of this Agreement for any reason (other than your termination in accordance with Section 14.3 (Termination By You)) or expiration of this Agreement without our and your signing a successor franchise agreement, we have the option, exercisable by giving you written notice within thirty (30) days after the date of termination or expiration (the “Exercise Notice”), to purchase the inventory, supplies, Operating Assets, and other assets used in the operation of the Business that we designate (the “Purchased Assets”). We have the unrestricted right to exclude any assets we specify relating to the Business from the Purchased Assets and not acquire them. You agree to provide us the financial statements and other information we reasonably require, and to allow us to inspect the Business and its assets, to determine whether to exercise our option under this Section 15.5. If you or one of your affiliates owns the Site, we may elect to include a fee simple interest in the Site as part of the Purchased Assets or, at our option, lease the Site from you or that affiliate for an initial five-year term with one renewal term of five years (at our option) on commercially reasonable terms. You (and your Owners) agree to cause your affiliate to comply with these requirements. If you lease the Site from an unaffiliated lessor, you agree (at our option) to assign the Lease to us or to enter into a sublease for the remainder of the Lease term on the same terms (including renewal options) as the Lease.
- (b) Operations Pending Purchase. While we are deciding whether to exercise our option under this Section 15.5 (Our Right to Purchase Business Assets), and, if we do exercise that option, during the period beginning with our delivery of the Exercise Notice and continuing through the closing of our purchase or our decision not to complete the purchase, you must continue to operate the Business in accordance with this Agreement. However, we may, at any time during that period, assume the management of the Business ourselves or appoint a third party (who may be our affiliate or our Area Representative) to manage the Business pursuant to the terms of Section 14.2(b)(viii).

- (c) Purchase Price. The purchase price for the Purchased Assets will be their fair market value for use in the operation of a Competitive Business (but not a Skill Samurai® Business). However, the purchase price will not include any value for any rights granted by this Agreement, goodwill attributable to the Marks, our brand image, any Confidential Information or our other intellectual property rights, or participation in the network of Businesses. For purposes of determining the fair market value of all equipment (including the exercise equipment and Computer System) used in operating the Business, the equipment's useful life shall be determined to be no more than three years. If we and you cannot agree on fair market value for the Purchased Assets, we will select an independent appraiser after consultation with you, and his or her determination of fair market value will be the final and binding purchase price.
 - (d) Closing. We will pay the purchase price at the closing, which will take place within 60 days after the purchase price is determined, although we may decide after the purchase price is determined not to complete the purchase. We may set off against the purchase price, and reduce the purchase price by, any and all amounts you owe us or our affiliates. We are entitled to all customary representations, warranties and indemnities in our asset purchase, including representations and warranties as to ownership and condition of, and title to, assets, liens and encumbrances on assets, validity of contracts and agreements, and liabilities affecting the assets, contingent or otherwise, and indemnities for all actions, events and conditions that existed or occurred in connection with the Business or your business prior to the closing of our purchase. At the closing, you agree to deliver instruments transferring to us: (a) good and merchantable title to the Purchased Assets, free and clear of all liens and encumbrances (other than liens and security interests acceptable to us), with all sales and transfer taxes paid by you; and (b) all of the Business's licenses and permits which may be assigned or transferred. If you cannot deliver clear title to all of the Purchased Assets, or if there are other unresolved issues, the sale will be closed through an escrow. You and your Owners further agree to sign general releases, in a form satisfactory to us, of any and all claims against us, our Area Representatives, and our affiliates and our and their respective owners, officers, directors, employees, agents, representatives, successors and assigns.
 - (e) Assignment. We may assign our rights under this Section 15.5 (Our Right to Purchase Business Assets) to any Entity (who may be our affiliate), and that Entity will have all of the rights and obligations under this Section 15.5.
- 15.6 De-identification of the Site. If we do not exercise our option to acquire the Site Lease or the Site, you will make such modifications or alterations to the Site immediately upon termination or expiration of this Agreement that we deem necessary to distinguish the appearance of the Site from a Skill Samurai® Business, including, but not limited to, removing the signs, the Marks, and any Trade Dress so as to indicate to the public that you are no longer associated with us. If you do not comply with the requirements of this Section 15.6, we may enter the Business without being guilty of trespass or any other tort, for the purpose of making or causing to be made any required changes. You agree to reimburse us on demand for our expenses in making such changes.
- 15.7 Reimbursement of Unused Classes. In addition to any procedures that Applicable Laws require, we may require you to notify all of the Business's customers of the termination or expiration of this Agreement and offer each of them the option to receive a refund of all unused prepaid class credits, which you are solely responsible for refunding to them in a manner that we may specify. We must approve in writing the content of any such notice, prior to you contacting any of the Business's customers, or may elect to send the notice on your behalf.

- 15.8 Promote Separate Identity. You will not, directly or indirectly, in any manner, identify yourself, or any individual connected with you, as a former Skill Samurai® franchisee or as otherwise having been associated with us, or use in any manner or for any purpose any of the Marks.
- 15.9 Comply with Noncompete. You and your Owners must comply with the covenant not to compete in Section 12 (Your Covenant Not to Compete).
- 15.10 Injunctive and Other Relief. You acknowledge that your failure to abide by the provisions of this Section 15 (Your Obligations Upon Expiration or Termination) will result in irreparable harm to us, and that our remedy at law for damages will be inadequate. Accordingly, you agree that if you breach any provisions of this Section 15, we are entitled to injunctive relief (including the remedy of specific performance) in addition to any other remedies available at law or in equity.

Section 16 Dispute Resolution and Governing Law.

- 16.1 Mandatory Pre-Litigation Mediation. Except as otherwise provided in this Section, prior to filing any proceeding to resolve any dispute based upon, arising out of, or in any way connected with this Agreement, a party must submit the dispute for mediation. The mediation will be held before one mediator selected by the parties, and if the parties cannot agree upon the mediator, then a mediator selected by the American Arbitration Association (“AAA”). All parties must attend and participate in the mediation. The mediation shall not last more than one day and shall be held in Miami, Florida, unless we no longer have an office there, in which case it will be held in the metropolitan area of our then-current principal place of business. If we and you do not resolve our dispute, then thereafter any party may file for litigation, as applicable in accordance with the terms of this Agreement. The mediation shall be governed by the rules of the AAA. It is the intent of the parties that mediation shall be held not later than 14 days after a written request for mediation shall have been served on the other parties. The obligation to mediate shall not be binding upon either party with respect to claims relating to the Marks, the non-payment or underpayment of any monies due under this Agreement, the noncompetition covenants, or requests by either party for temporary restraining orders, preliminary injunctions or other procedures in a court of competent jurisdiction to obtain interim relief when deemed necessary by such court to preserve the status quo or prevent irreparable injury pending resolution of the actual dispute.
- 16.2 Forum for Litigation. You and the Owners must file any suit against us, and we may file any suit against you, in federal or state courts located in Miami, Florida, unless we no longer have an office there, in which case, you must file any suit against us, and we may file against you, in federal or state courts located in the metropolitan area of our then-current principal place of business. The parties waive all questions of personal jurisdiction and venue for the purpose of carrying out this provision.
- 16.3 Governing Law. This Agreement will be governed by, construed, and enforced in accordance with the laws of the State of Florida. In the event of any conflict-of-law question, the laws of Florida shall prevail, without regard to the application of Florida conflict-of-law rules.
- 16.4 Mutual Waiver of Jury Trial. You and we each irrevocably waive trial by jury in any litigation.
- 16.5 Mutual Waiver of Punitive Damages. Each of us waives any right to or claim of punitive, exemplary, multiple, or consequential damages against the other in litigation and agrees to be limited to the recovery of actual damages sustained.
- 16.6 Remedies Not Exclusive. Except as provided in Section 16.5 (Mutual Waiver of Punitive Damages), no right or remedy that the parties have under this Agreement is exclusive of any other right or remedy under this Agreement or under Applicable Laws. Each and every such remedy will

be in addition to, and not in limitation of or substitution for, every other remedy available at law or in equity or by statute or otherwise.

16.7 Limitations of Claims. Except for:

- (a) claims against you by us concerning the underreporting of Gross Sales and corresponding underpayment of any fees specified in Section 3 (Fees);
- (b) claims against you by us relating to third-party claims or suits brought against us as a result of your operation of the Business;
- (c) claims against you by us for injunctive relief to enforce the provisions of this Agreement relating to your use of the Marks;
- (d) claims against you by us relating to your financial obligations upon the termination or expiration of the Agreement;
- (e) claims against you by us or concerning your obligations under Section 10 (Confidential Information) or Section 12 (Your Covenant Not to Compete) of this Agreement; and
- (f) claims against you by us regarding an assignment of this Agreement or any ownership interest therein,

any and all claims arising out of or relating to this agreement or our relationship with you will be barred unless a judicial proceeding is commenced in the proper forum within one year from the date on which the party asserting the claim knew or should have known of the facts giving rise to the claim.

16.8 Our Right to Injunctive Relief. Nothing in this Agreement bars our right to obtain injunctive or declaratory relief against a breach or threatened breach of this Agreement that will cause us loss or damage. You agree that we will not be required to prove actual damages or post a bond in excess of \$1,000 or other security in seeking or obtaining injunctive relief (both preliminary and permanent) and/or specific performance with respect to this Agreement.

16.9 Attorneys' Fees and Costs. You agree to reimburse us for all expenses we reasonably incur (including attorneys' fees): (i) to enforce the terms of this Agreement or any obligation owed to us by you and/or the Owners (whether or not we initiate a legal proceeding, unless we initiate and fail to substantially prevail in such court or formal legal proceeding); and (ii) in the defense of any claim you and/or the Owners assert against us on which we substantially prevail in court or other formal legal proceedings. We agree to reimburse you for all expenses you reasonably incur (including attorneys' fees): (i) to enforce the terms of this Agreement or any obligation owed to you by us (whether or not you initiate a legal proceeding, unless you initiate and fail to substantially prevail in such court or formal legal proceeding); and (ii) in the defense of any claim we assert against you on which you substantially prevail in court or other formal legal proceedings.

Section 17 Miscellaneous.

17.1 Entire Agreement. This Agreement and the documents referred to herein constitute the entire agreement between you and us with respect to the Business and supersede all prior discussions, understandings, representations, and agreements concerning the same subject matter. Notwithstanding the foregoing, nothing in this Agreement shall disclaim or require you to waive reliance on any representations that we made in the most recent Franchise Disclosure Document (the "FDD") that we delivered to you or your representatives. This Agreement includes the terms and conditions on Attachment A, which are incorporated into this Agreement by this reference.

- 17.2 Amendments and Modifications. This Agreement may be amended or modified only by a written document signed by each party to this Agreement. The Manuals and any policies that we adopt and implement may be changed by us from time to time.
- 17.3 Waiver. Any term or condition of this Agreement may be waived at any time by the party which is entitled to the benefit of the term or condition, but such waiver must be in writing. No course of dealing or performance by any party, and no failure, omission, delay, or forbearance by any party, in whole or in part, in exercising any right, power, benefit, or remedy, will constitute a waiver of such right, power, benefit, or remedy. Our waiver of any particular default does not affect or impair our rights with respect to any subsequent default you may commit. Our waiver of a default by another franchisee does not affect or impair our right to demand your strict compliance with the terms of this Agreement. We have no obligation to deal with similarly situated franchisees in the same manner. Our acceptance of any payments due from you does not waive any prior defaults.
- 17.4 Importance of Timely Performance. Time is of the essence in this Agreement.
- 17.5 Construction. The headings in this Agreement are for convenience of reference and are not a part of this Agreement and will not affect the meaning or construction of any of its provisions. Unless otherwise specified, all references to a number of days shall mean calendar days and not business days. The words “include,” “including,” and words of similar import shall be interpreted to mean “including, but not limited to” and the terms following such words shall be interpreted as examples of, and not an exhaustive list of, the appropriate subject matter.
- 17.6 Severability. Each provision of this Agreement is severable from the others. If any provision of this Agreement or any of the documents executed in conjunction with this Agreement is for any reason determined by a court to be invalid, illegal, or unenforceable, the invalidity, illegality, or unenforceability will not affect any other remaining provisions of this Agreement or any other document. The remaining provisions will continue to be given full force and effect and bind us and you.
- 17.7 Applicable State Law Controlling. If the termination, renewal, or other provisions set forth in this Agreement are inconsistent with any applicable state statute, in effect as of the Effective Date, governing the relationship of us and franchisees, the provisions of such statute will apply to this Agreement, but only to the extent of such inconsistency.
- 17.8 Survival. Each provision of this Agreement that expressly or by reasonable implication is to be performed, in whole or in part, after the expiration, termination, or Transfer of this Agreement will survive such expiration, termination, or Transfer, including, but not limited to, Sections 9 (Intellectual Property), 10 (Confidential Information), 11 (Indemnification), 12 (Your Covenant Not to Compete), and 15 (Your Obligations Upon Expiration or Termination).
- 17.9 Consent. Whenever our prior written approval or consent is required under this Agreement, you agree to make a timely written request to us for such consent. Our approval or consent must be in writing and signed by an authorized officer to be effective.
- 17.10 Independent Contractor Relationship. This Agreement does not create, nor does any conduct by us create, a fiduciary or other special relationship or make you or us an agent, legal representative, joint venturer, partner, employee or servant of each other for any purpose. You are not authorized to make any contract, agreement, warranty, or representation on our behalf, or to create any obligation, express or implied, on our behalf. You are, and shall remain, an independent contractor responsible for all obligations and liabilities of, and for all loss or damage to, the Business and its business, including any personal property, Operating Assets, or real property and for all claims or demands based on damage or destruction of property or based on injury, illness or death of any person or persons, directly or indirectly, resulting from the operation of the Business. Further, we

and you are not and do not intend to be partners, associates, or joint employers in any way, and we shall not be construed to be jointly liable for any of your acts or omissions under any circumstances. We have no relationship with your employees and you have no relationship with our employees.

- 17.11 Notices. All notices and other communications required or permitted under this Agreement will be in writing and will be given by one of the following methods of delivery: (i) personally; (ii) by certified or registered mail, postage prepaid; or (iii) by overnight delivery service. Notices to you will be sent to the address set forth on Attachment A. Notices to us must be sent to:

Skill Samurai, Inc.
2423 SW 147th Ave., #2006
Miami, FL 33185
Attn: Corporate Counsel

Either party may change its mailing address by giving notice to the other party. Notices will be deemed received the same day when delivered personally, upon attempted delivery when sent by registered or certified mail or overnight delivery service.

- 17.12 Execution. This Agreement shall not be binding on either party until it is executed by both parties. This Agreement may be executed in two or more counterparts, each of which will be deemed an original, and all of which will constitute one and the same instrument.
- 17.13 Successors and Assigns. Except as expressly otherwise provided herein, this Agreement is binding upon and will inure to the benefit of the parties and their respective heirs, executors, legal representatives, successors, and permitted assigns.
- 17.14 No Third-Party Beneficiaries. Except as expressly otherwise provided herein, no third party shall have the right to claim any of the benefits conferred under this Agreement.
- 17.15 Additional Terms; Inconsistent Terms. The parties may provide additional terms by including the terms on Attachment A. To the extent that any provisions of Attachment A are in direct conflict with the provisions of this Agreement, the provisions of Attachment A shall control.
- 17.16 Area Representative and Delegation. We may delegate the performance of any or all of our obligations under this Agreement to an Area Representative, affiliate, agent, independent contractor, or other third party. You acknowledge that if we appoint an Area Representative in the area that includes your Territory, the Area Representative will provide training, support, marketing, and other services to you on our behalf and will have the authority to exercise many of our rights and perform many of our obligations under this Agreement. We may, without your consent, appoint an Area Representative or a substitute for the Area Representative at any time.

Section 18 Your Representations and Acknowledgments.

You (on behalf of yourself and your Owners) represent, warrant, and acknowledge as follows:

- 18.1 Truth of Information. The information (including without limitation all personal and financial information) that you and your Owners have furnished or will furnish to us relating to the subject of this Agreement is true and correct in all material respects and includes all material facts necessary to make such information not misleading in light of the circumstances when made.
- 18.2 Due Authority. This Agreement has been duly authorized and executed by you or on your behalf and constitutes your valid and binding obligation, enforceable in accordance with its terms, subject to applicable bankruptcy, moratorium, insolvency, receivership, and other similar laws affecting the rights of creditors generally.

- 18.3 Terrorist Acts. You acknowledge that under applicable U.S. law, including, without limitation, Executive Order 13224, signed on September 23, 2001 (the “Order”), we are prohibited from engaging in any transaction with any person engaged in, or with a person aiding any person engaged in, acts of terrorism, as defined in the Order. Accordingly, you represent and warrant to us that, as of the date of this Agreement, neither you nor any person holding any ownership interest in you, controlled by you, or under common control with you is designated under the Order as a person with whom business may not be transacted by us, and that you: (i) do not, and hereafter will not, engage in any terrorist activity; (ii) are not affiliated with and do not support any individual or Entity engaged in, contemplating, or supporting terrorist activity; and (iii) are not acquiring the rights granted under this Agreement with the intent to generate funds to channel to any individual or Entity engaged in, contemplating, or supporting terrorist activity, or to otherwise support or further any terrorist activity.
- 18.4 Independent Investigation. You have conducted an independent investigation of the business venture contemplated by this Agreement and recognize that it involves business risks and that your results will be largely dependent upon your own efforts and ability. You have been accorded ample time to consult with your own legal counsel and other advisors about the potential risks and benefits of entering into this Agreement, and we have advised you to do so.
- 18.5 Timely Receipt and Review of Agreement and Disclosure Document. You have received an execution ready copy of this Agreement at least seven calendar days before you executed this Agreement or any related agreements or paid any consideration to us. You have also received a FDD required by applicable state and/or federal laws, including a form of this Agreement, at least 14 calendar days (or such longer time period as required by applicable state law) before you executed this Agreement or any related agreements or paid any consideration to us. You have reviewed this Agreement and the FDD and have been given ample opportunity to consult with, and ask questions of, our representatives regarding the documents. You have no knowledge of any representations made about the Skill Samurai® franchise opportunity by us, our affiliates, or any of our or their officers, directors, owners, or agents that are contrary to the statements made in our FDD or to the terms and conditions of this Agreement. You have read this Agreement and our FDD and understand and accept that the terms and covenants in this Agreement are reasonable and necessary for us to maintain our high standards of quality and service, as well as the uniformity of those standards at each Business, and to protect and preserve the goodwill of the Marks.
- 18.6 Financial Performance Representations. Except as may be stated in the FDD, neither we, nor any of our affiliates, nor any of our or our affiliates’ officers, agents, employees, or representatives have made any representation to you, express or implied, as to the historical revenues, earnings, or profitability of any Skill Samurai® Business or the anticipated revenues, earnings, or profitability of the business subject to the License or any other business operated by us, our licensees, our franchisees, or our affiliates. In entering into this Agreement, you are not relying upon any information furnished by us or our representatives other than the information contained in this Agreement and the FDD. Any information you have acquired from other Skill Samurai® franchisees regarding their sales, profits, or cash flows is not information obtained from us, and we make no representation about that information’s accuracy.

[Signature page follows.]

IN WITNESS WHEREOF, upon signing below, each of the undersigned has executed this Agreement under seal as of the Effective Date.

FRANCHISOR

SKILL SAMURAI, INC.

By: _____

Name: _____

Title: _____

Date: _____

FRANCHISEE

[Entity Name]

By: _____

Name: _____

Title: _____

Date: _____

**ATTACHMENT A
TO THE
FRANCHISE AGREEMENT**

FRANCHISEE-SPECIFIC TERMS

1. Effective Date:

2. Franchisee's Name:

3. Franchisee's State of Organization *(if applicable)*:

4. Ownership of Franchisee (Recital C):

If the franchisee is an Entity (as defined in the Agreement), the following persons constitute all of the owners of a legal and/or beneficial interest in the franchisee:

<u>Name</u>	<u>Percentage Ownership</u>
_____	_____ %
_____	_____ %
_____	_____ %

6. Site Selection Area (Section 1.1):

7. Operating Principal (Section 1.4):

8. Key Manager (Section 1.4):

9. Franchise Fee (Section 3.1):

10. Skill Samurai Business Model: Brick-and-Mortar / On-The-Go

11. Franchisee's Address, Phone, and Fax Number for Notices (Section 17.11):

12. Additional Terms; Inconsistent Terms *(if any)* (Section 17.15):

Signature Page for Attachment A (Franchisee-Specific Terms)

FRANCHISOR

SKILL SAMURAI, INC.

By: _____

Name: _____

Title: _____

Date: _____

FRANCHISEE

[Entity Name]

By: _____

Name: _____

Title: _____

Date: _____

Schedule 1 to Attachment A of the Franchise Agreement

Franchisee-Specific Terms

(to be completed after site selection and acceptance)

1. Site (Section 4.2):

2. Territory (Section 4.3):

Skill Samurai, Inc. agrees that: effective on the date specified below, (i) the address listed above is hereby accepted by us as the Site pursuant to Section 4.2 (Site Selection) of this Agreement; and (ii) the area listed above shall be the Territory of this Agreement pursuant to Section 4.3 (Definition of the Territory) of this Agreement.

SKILL SAMURAI, INC.:

By: _____

Name: _____

Title: _____

Date: _____

Acknowledged and Agreed:

[FRANCHISEE]

By: _____

Name: _____

Title: _____

Date: _____

**ATTACHMENT B
TO THE
FRANCHISE AGREEMENT**


Marks

Registered Marks

Registered on the Principal Register of the United States Patent and Trademark Office:

Trademark	Registration Number	Registration Date
Skill Samurai	6512922	October 5, 2021

We have filed applications to register the following Marks on the Principal Register of the United States Patent and Trademark Office:

Mark	U.S. App. Serial No.	Application Date
	97030526	September 16, 2021

**ATTACHMENT C
TO THE
FRANCHISE AGREEMENT**

SKILL SAMURAI, INC.

PAYMENT AND PERFORMANCE GUARANTEE

In order to induce Skill Samurai, Inc. (“Franchisor”) to enter into a Skill Samurai® Franchise Agreement (the “Franchise Agreement”) by and between Franchisor and the Franchisee named in the Franchise Agreement dated [DATE] to which this Payment and Performance Guarantee (the “Guarantee”) is attached (“Franchisee”), the undersigned (collectively referred to as the “Guarantors” and individually referred to as a “Guarantor”) hereby covenant and agree as follows:

1. Guarantee of Payment and Performance. The Guarantors jointly and severally unconditionally guarantee to Franchisor and its affiliates the payment and performance when due, whether by acceleration or otherwise, of all obligations, indebtedness, and liabilities of Franchisee to Franchisor, direct or indirect, absolute or contingent, of every kind and nature, whether now existing or incurred from time to time hereafter, whether incurred pursuant to the Franchise Agreement or otherwise, together with any extension, renewal, or modification thereof in whole or in part (the “Guaranteed Liabilities”). The Guarantors agree that if any of the Guaranteed Liabilities are not so paid or performed by Franchisee when due, the Guarantors will immediately do so. The Guarantors further agree to pay all expenses (including reasonable attorneys’ fees) paid or incurred in endeavoring to enforce this Guarantee or the payment of any Guaranteed Liabilities. The Guarantors represent and agree that they have each reviewed a copy of the Franchise Agreement and have had the opportunity to consult with counsel to understand the meaning and import of the Franchise Agreement and this Guarantee.

2. Waivers by Guarantors. The Guarantors waive presentment, demand, notice of dishonor, protest, and all other notices whatsoever, including without limitation notices of acceptance hereof, of the existence or creation of any Guaranteed Liabilities, of the amounts and terms thereof, of all defaults, disputes, or controversies between Franchisor and Franchisee and of the settlement, compromise, or adjustment thereof. This Guarantee is primary and not secondary, and will be enforceable without Franchisor having to proceed first against Franchisee or against any or all of the Guarantors or against any other security for the Guaranteed Liabilities. This Guarantee will be effective regardless of the insolvency of Franchisee by operation of law, any reorganization, merger, or consolidation of Franchisee, or any change in the ownership of Franchisee.

3. Term: No Waiver. This Guarantee will be irrevocable, absolute, and unconditional and will remain in full force and effect as to each of the Guarantors until the later of (i) such time as all Guaranteed Liabilities of Franchisee to Franchisor and its affiliates have been paid and satisfied in full, or (ii) the Franchise Agreement and all obligations of Franchisee thereunder expire. No delay or failure on the part of Franchisor in the exercise of any right or remedy will operate as a waiver thereof, and no single or partial exercise by Franchisor of any right or remedy will preclude other further exercise of such right or any other right or remedy.

4. Other Covenants. Each of the Guarantors agrees to comply with the provisions of Sections 8 (Records, Reports, Audits, and Inspections), 9 (Intellectual Property), 10 (Confidential Information), 11 (Indemnification), and 12 (Your Covenant Not to Compete) of the Franchise Agreement as though each such Guarantor were the “Franchisee” named in the Franchise Agreement and agrees that the undersigned will take any and all actions as may be necessary or appropriate to cause Franchisee to comply with the Franchise Agreement and will not take any action that would cause Franchisee to be in breach of the Franchise Agreement.

5. Dispute Resolution. Section 16 (Dispute Resolution and Governing Law) of the Franchise Agreement is hereby incorporated herein by reference and will be applicable to any all disputes between Franchisor and any of the Guarantors, as though Guarantor were the “Franchisee” referred to in the Franchise Agreement.

6. Miscellaneous. This Agreement will be binding upon the Guarantors and their respective heirs, executors, successors, and assigns, and will inure to the benefit of Franchisor and its successors and assigns.

IN WITNESS WHEREOF, the undersigned Guarantors have caused this Guarantee to be duly executed as of the day and year first above written.

Print Name: _____

Print Name: _____

Print Name: _____

Print Name: _____

**ATTACHMENT D
TO THE
FRANCHISE AGREEMENT**

SKILL SAMURAI, INC.

LEASE RIDER

THIS LEASE RIDER is entered into this ____ day of _____, 20____ by and between Skill Samurai, Inc. ("Company"), _____ ("Franchisee"), and _____ ("Landlord").

WHEREAS, Company and Franchisee are parties to a Franchise Agreement dated _____, 20____ (the "Franchise Agreement"); and

WHEREAS, the Franchise Agreement provides that Franchisee will operate a Skill Samurai® Business ("Business") at a location that Franchisee selects and Company accepts; and

WHEREAS, Franchisee and Landlord propose to enter into the lease to which this Rider is attached (the "Lease"), pursuant to which Franchisee will occupy premises located at _____

_____ (the "Premises") for the purpose of constructing and operating the Business in accordance with the Franchise Agreement; and

WHEREAS, the Franchise Agreement provides that, as a condition to Company's authorizing Franchisee to enter into the Lease, the parties must execute this Lease Rider;

NOW, THEREFORE, in consideration of the mutual undertakings and commitments set forth in this Rider and in the Franchise Agreement, the receipt and sufficiency of which the parties acknowledge, the parties agree as follows:

1. During the term of the Franchise Agreement, Franchisee will be permitted to use the Premises for the operation of the Business and for no other purpose.
2. Subject to applicable zoning laws and deed restrictions and to prevailing community standards of decency, Landlord consents to Franchisee's installation and use of such trademarks, service marks, signs, decor items, color schemes, and related components of the Skill Samurai® system as Company may from time to time prescribe for the Business.
3. Landlord agrees to furnish Company with copies of all letters and notices it sends to Franchisee pertaining to the Lease and the Premises, at the same time it sends such letters and notices to Franchisee. Notice shall be sent to Company by the method(s) as stated in the lease to:

Skill Samurai, Inc.
ATTN: Corporate Counsel
2423 SW 147th Ave., Suite #2006
Miami, FL 33185
Tel: 1-506-899-3788
Email: admin@skillsamurai.com

4. Company will have the right, without being guilty of trespass or any other crime or tort, to enter the Premises at any time or from time to time (i) to make any modification or alteration it considers necessary to protect the Skill Samurai® system and marks, (ii) to cure any default

- under the Franchise Agreement or under the Lease, or (iii) to remove the distinctive elements of the Skill Samurai® trade dress upon the Franchise Agreement's expiration or termination. Neither Company nor Landlord will be responsible to Franchisee for any damages Franchisee might sustain as a result of action Company takes in accordance with this provision. Company will repair or reimburse Landlord for the cost of any damage to the Premises' walls, floor or ceiling that result from Company's removal of trade dress items and other property from the Premises.
5. Franchisee will be permitted to assign the Lease to Company or its designee upon the expiration or termination of the Franchise Agreement. Landlord consents to such an assignment and agrees not to impose any assignment fee or similar charge, or to increase or accelerate rent under the Lease, in connection with such an assignment.
 6. If Franchisee assigns the Lease to Company or its designee in accordance with the preceding paragraph, the assignee must assume all obligations of Franchisee under the Lease from and after the date of assignment, but will have no obligation to pay any delinquent rent or to cure any other default under the Lease that occurred or existed prior to the date of the assignment.
 7. Franchisee may not assign the Lease or sublet the Premises without Company's prior written consent, and Landlord will not consent to an assignment or subletting by Franchisee without first verifying that Company has given its written consent to Franchisee's proposed assignment or subletting.
 8. Landlord and Franchisee will not amend or modify the Lease in any manner that could materially affect any of the provisions or requirements of this Lease Rider without Company's prior written consent.
 9. The provisions of this Lease Rider will supersede and control any conflicting provisions of the Lease.
 10. Landlord acknowledges that Company is not a party to the Lease and will have no liability or responsibility under the Lease unless and until the Lease is assigned to, and assumed by, Company.

[Signature page follows]

IN WITNESS WHEREOF, the parties have executed this Lease Rider of the date first above written:

COMPANY:

FRANCHISEE:

SKILL SAMURAI, INC.

By: _____

By: _____

Name: _____

Name: _____

Title: _____

Title: _____

LANDLORD:

By: _____

Name: _____

Title: _____

EXHIBIT B

**AREA DEVELOPMENT AGREEMENT
WITH ATTACHMENTS**



AREA DEVELOPMENT AGREEMENT

between

SKILL SAMURAI, INC.

and

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ATTACHMENT A	FRANCHISEE-SPECIFIC TERMS
ATTACHMENT B	PAYMENT AND PERFORMANCE GUARANTEE

SKILL SAMURAI, INC.

AREA DEVELOPMENT AGREEMENT

THIS AGREEMENT (this “Agreement”) is made and entered into as of the date set forth on Attachment A to this Agreement (the “Effective Date”) (Attachment A and all appendices and/or schedules attached to this Agreement are hereby incorporated by this reference) between Skill Samurai, Inc., a Florida corporation doing business as Skill Samurai® (“Franchisor,” “we,” “us,” or “our”) and the person or entity identified in Attachment A as the franchisee (“Franchisee” or “you”) with its principal place of business as set forth in Attachment A.

RECITALS

- A. We and you have entered into a certain Franchise Agreement dated the same date as this Agreement (the “Initial Franchise Agreement”), in which we have granted you the right to establish and operate one Skill Samurai® business within the protected territory set forth in the Initial Franchise Agreement (a “Business”).
- B. We desire to grant to you the exclusive right to establish and operate a specified number of Businesses within a specified geographical area in accordance with a development schedule.
- C. If you are a corporation, limited liability company, partnership, or other entity (collectively, an “Entity”), all owners of a legal and/or beneficial interest in the Entity (the “Owners”) are listed in Attachment A to this Agreement.
- D. You desire to establish and operate additional Businesses upon the terms and conditions contained in our then-current standard franchise agreements (a “Franchise Agreement”).

NOW, THEREFORE, for and in consideration of the foregoing premises and the mutual covenants and agreements contained herein, and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereby agree as follows:

1. Grant of Development Rights and Development Area

1.1 Subject to the terms and conditions of this Agreement, we grant to you the right, and you undertake the obligation, to establish and operate in the area designated in Attachment A to this Agreement (the “Development Area”) the number of Businesses specified in the development schedule in Attachment A (the “Development Schedule”). This Agreement does not grant you any right to use the Marks (as defined in your Initial Franchise Agreement) or the System (as defined in your Initial Franchise Agreement). Rights to use the Marks and the System are granted only by the Franchise Agreements.

2. Fees

2.1 Upon execution of this Agreement, you must pay us a development fee in the amount specified in Attachment A (the “Development Fee”), which is based on the initial franchise fee you must pay for each Business that you develop (the “Franchise Fee”, which is also specified in Attachment A). The Development Fee will be credited towards 100% of the Franchise Fee due under the Franchise Agreement for each Business that you develop pursuant to this Agreement, including the Initial Franchise Agreement. The Development Fee is fully earned by us when we and you sign this Agreement and is non-refundable, even if you do not comply with the Development Schedule.

3. Development Schedule and Deadlines

3.1 Development Schedule. You must enter into Franchise Agreements, and open and operate Businesses in accordance with the deadlines set forth in the Development Schedule. By each “Opening Deadline” specified in the Development Schedule, you must have the specified number of Businesses open and operating. Prior to opening additional Businesses in your Development Area, you must: (i) possess sufficient financial and organizational capacity to develop, open, operate, and manage each additional Business in our reasonable judgment; (ii) be in full compliance with all brand requirements at any existing Businesses you operate; and (iii) be in compliance with any Franchise Agreement or any other agreement entered into with us.

3.2 Damaged Operating Assets. If the equipment and supplies (“Operating Assets”) used in the operation of any Business in your Development Schedule are destroyed or damaged by any cause beyond your control such that they may no longer continue to be utilized for the operation of a particular Business, you must immediately give us notice of such destruction or damage (“Destruction Event”). You must diligently work to repair and restore the Operating Assets as soon as possible to resume operation of your Business. If a Business is closed due to a Destruction Event, the Business will continue to be deemed “in operation” for the purpose of this Agreement for up to 30 days after the Destruction Event occurs. If a Business (i) is closed in a manner other than those described in this Section 3.2 or as otherwise agreed by us in writing or (ii) fails to reopen within 30 days after a Destruction Event, then we may exercise our rights under Section 6.2 (Our Remedies). In the event the Operating Assets are completely destroyed or otherwise incapable of being repaired following a Destruction Event, we will not exercise the remedies set forth under Section 6.2 provided, that (a) within the 30 days after the Destruction Event you have made arrangements with us or our designated supplier to obtain new Operating Assets for use in your Business; and (b) you are open and operating your Business in the protected territory within ninety (90) days of the Destruction Event.

4. Development Area

4.1 Development Area. Except as provided in this Section 4.1, while this Agreement is in effect, provided that you open and operate the Businesses in accordance with the Development Schedule and the minimum number of Businesses that you have open and operating in the Development Area at any given time is not less than the minimum required pursuant to the Development Schedule, we will not operate, or license any person other than you to operate, a Business under the Marks (as defined in your Initial Franchise Agreement) and the System (as defined in your Initial Franchise Agreement) within the Development Area. Each Business you open will be granted a protected territory as set forth in the individual Franchise Agreement for that Business. This Agreement does not give you the right open or operate in any portions of the Development Area until you have signed a new Franchise Agreement which includes that portion of the Development Area as your protected territory.

4.2 No Other Restriction On Us. Except as expressly provided in Section 4.1 or any other agreement between the parties, we and our affiliates retain the right, in our sole discretion, to conduct any business activities, under any name, in any geographic area, and at any location, regardless of the proximity to or effect on your Business. For example, we and our affiliates have the right to:

- (a) Establish or license franchises and/or company-owned outlets or other facilities or businesses offering similar or identical products, services, and classes and using the System or elements of the System (i) under the Marks anywhere outside of the Development Area or (ii) under names, symbols, or marks other than the Marks anywhere, including inside and outside of the Development Area;

- (b) Sell or offer, or license others to sell or offer, any products or services using the Marks or other marks through any alternative distribution channels, including, without limitation, through e-commerce, in retail stores, via recorded media, via online videos, or via broadcast media, anywhere, including inside and outside of the Development Area;
- (c) Advertise, or authorize others to advertise anywhere, using the Marks;
- (d) Acquire, be acquired by, or merge with other companies with existing similar businesses, and/or Skill Samurai® Businesses anywhere (including inside or outside of the Development Area) and, even if such businesses are located in the Development Area, (i) convert the other businesses to the Skill Samurai® name, (ii) permit the other businesses to continue to operate under another name, and/or (iii) permit the businesses to operate under another name and convert existing Businesses to such other name; and
- (e) Engage in any other activity, action or undertaking that we are not expressly prohibited from taking under this Agreement.

5. Term

This Agreement expires at midnight on the last Opening Deadline date listed on the Development Schedule unless this Agreement is terminated sooner as provided in other sections of this Agreement.

6. Termination

6.1 Events of Default. Any one or more of the following constitutes an “Event of Default” under this Agreement:

- (a) You fail to have open and operating the minimum number of Businesses specified in the Development Schedule by any Opening Deadline specified in the Development Schedule;
- (b) An Event of Default occurs under any Franchise Agreement, resulting in the termination of such Franchise Agreement; or
- (c) You breach or otherwise fail to comply fully with any other provision contained in this Agreement.

6.2 Our Remedies. If any Event of Default occurs under Section 6.1, we may, at our sole election: (i) declare this Agreement and any and all other rights granted to you under this Agreement to be immediately terminated and of no further force or effect; (ii) terminate any exclusive or territorial rights that you may have within the Development Area or otherwise under this Agreement; and/or (iii) exercise any other remedy we may have in law or equity as a result of an Event of Default hereunder. Upon termination of this Agreement for any other reason whatsoever, we will retain the Development Fee and you will not be relieved of any of your obligations, debts, or liabilities hereunder, including without limitation any debts, obligations, or liabilities which have accrued prior to such termination. All rights and remedies of the parties hereto shall be cumulative and not alternative, in addition to and not exclusive of any other rights or remedies which are provided for herein or which may be available at law or in equity in case of any breach, failure or default or threatened breach, failure or default of any term, provision or condition of this Agreement. The rights and remedies of the parties hereto shall be continuing and shall not be exhausted by any one or more uses thereof and may be exercised at any time or from time to time as often as may be expedient; and any option or election to enforce any such right or remedy may be exercised or taken at any time and from time to time. Notwithstanding anything to the contrary

herein, a termination of this Agreement resulting from your failure to open and thereafter operate Businesses in accordance with the Development Schedule will not, in itself, constitute cause for us to terminate any previously executed Franchise Agreement in effect at the time of such termination.

7. Assignment; Our Right of First Refusal

7.1 Rights Personal to You. This Agreement and the rights granted to you under this Agreement are personal to you and neither this Agreement, nor any of the rights granted to you hereunder nor any controlling equity interest in you may be voluntarily or involuntarily, directly or indirectly, by operation of law or otherwise, assigned or otherwise transferred, given away, or encumbered by you without our prior written approval, which we may grant or withhold for any or no reason.

7.2 Our Right of First Refusal.

(a) If you receive, and desire to accept, from a third party a bona fide offer to transfer any of your rights in this Agreement, you shall promptly notify us in writing and send us an executed copy of the contract of transfer. We shall have the right and option, exercisable within thirty (30) days after actual receipt of such notification or of the executed contract of transfer which shall describe the terms of the offer, to send written notice to you that we intend to purchase your interest on the same terms and conditions offered by the third party.

(b) Closing on the purchase must occur within sixty (60) days from the date of notice by us to you of our election to purchase. If we elect not to accept the offer within the thirty (30) day period, you shall have a period not to exceed sixty (60) days to complete the transfer subject to our approval of the third-party transferee of your rights, which may be withheld in our sole discretion. Any material change in the terms of any offer before closing shall constitute a new offer subject to the same rights of first refusal by us as in the case of an initial offer.

(c) Our failure or refusal to exercise the option afforded by this Section 7 shall not constitute a waiver of any other provision of this Agreement.

(d) If the offer from a third-party provides for payment of consideration other than cash or involves certain intangible benefits, we may elect to purchase the interest proposed to be sold for the reasonable cash equivalent, or any publicly traded securities, including its own, or intangible benefits similar to those being offered. If the parties cannot agree within a reasonable time on the reasonable cash equivalent of the non-cash part of the offer, then such amount shall be determined by an independent appraiser designated by us, and such appraiser's determination shall be binding.

7.3 Our Rights to Assign Unrestricted. We may assign this Agreement or any ownership interests in us without restriction.

8. Incorporation of Other Terms

All Articles of the Initial Franchise Agreement are incorporated by reference in this Agreement and will govern all aspects of our relationship and the construction of this Agreement as if fully restated within the text of this Agreement.

9. Miscellaneous

Capitalized terms used and not otherwise defined in this Agreement shall have the meanings set forth in the Initial Franchise Agreement. This Agreement, together with the Initial Franchise Agreement,

supersedes all prior agreements and understandings, whether oral and written, among the parties relating to its subject matter, and there are no oral or other written understandings, representations, or agreements among the parties relating to the subject matter of this Agreement. Notwithstanding the foregoing, nothing in this Agreement shall disclaim or require you to waive reliance on any representations that we made in the most recent Franchise Disclosure Document that we delivered to you or your representatives. This Agreement shall not be binding on either party until it is executed by both parties. This Agreement may be signed in multiple counterparts, but all such counterparts together shall be considered one and the same instrument. The provisions of this Agreement may be amended or modified only by written agreement signed by the party to be bound.

[Signature page follows]

Signature Page to the Area Development Agreement

IN WITNESS WHEREOF, each of the undersigned has executed this Agreement under seal as of the Effective Date.

FRANCHISOR

FRANCHISEE
(IF ENTITY):

SKILL SAMURAI, INC.

[Name]

By: _____

By: _____

Name: _____

Name: _____

Title: _____

Title: _____

Date: _____

Date: _____

(IF INDIVIDUALS):

Signature: _____

Print Name: _____

Date: _____

Signature: _____

Print Name: _____

Date: _____

Signature: _____

Print Name: _____

Date: _____

Signature: _____

Print Name: _____

Date: _____

FRANCHISEE SPECIFIC TERMS

1. **Effective Date (First Paragraph):**
2. **Franchisee's Name:**
3. **Franchisee's State of Organization** *(if applicable):*
4. **Development Area (Section 1):** *[provide list of counties or zip codes which make up the Development Area] [attach map if necessary]*
5. **Total Development Fee (Section 2):**
6. **Franchise Fee for each Business enter developed pursuant to this Development Agreement (Section 2):**
7. **Development Schedule (Section 3):** You agree to establish and operate a total of _____ Businesses within the Development Area during the term of this Agreement. The Businesses must be open and operating in accordance with the following Development Schedule:

<u>MINIMUM NUMBER OF BUSINESSES</u> The minimum number of Businesses open and operating by each Opening Deadline	<u>OPENING DEADLINE</u> Deadline for having the minimum number of Businesses open and operating (Month Date, Year)
1	
2	
3	
4	
5	
6	
7	
8	
9	
10	
	_____ (the Expiration Date of the Agreement)

8. **Ownership of Franchisee (Recital C):** If the franchisee is an Entity, the following persons constitute all of the owners of a legal and/or beneficial interest in the franchisee:

<u>Name</u>	<u>Percentage Ownership</u>
_____	_____ %
_____	_____ %
_____	_____ %
_____	_____ %

9. **Other Terms:**

[Signature page follows]

Signature Page to Attachment A – Franchisee Specific Terms

FRANCHISOR

SKILL SAMURAI, INC.

By: _____

Name: _____

Title: _____

Date: _____

FRANCHISEE
(IF ENTITY):

[Name]

By: _____

Name: _____

Title: _____

Date: _____

(IF INDIVIDUALS):

Signature: _____

Print Name: _____

Date: _____

Signature: _____

Print Name: _____

Date: _____

Signature: _____

Print Name: _____

Date: _____

Signature: _____

Print Name: _____

Date: _____

ATTACHMENT B TO THE AREA DEVELOPMENT AGREEMENT

PAYMENT AND PERFORMANCE GUARANTEE

In order to induce Skill Samurai, Inc. (“Franchisor”) to enter into a Skill Samurai® Area Development Agreement (the “Development Agreement”) by and between Franchisor and the Franchisee named in the Development Agreement dated [DATE] to which this Payment and Performance Guarantee (the “Guarantee”) is attached (“Franchisee”), the undersigned (collectively referred to as the “Guarantors” and individually referred to as a “Guarantor”) hereby covenant and agree as follows:

1. **Guarantee of Payment and Performance.** The Guarantors jointly and severally unconditionally guarantee to Franchisor and its affiliates the payment and performance when due, whether by acceleration or otherwise, of all obligations, indebtedness, and liabilities of Franchisee to Franchisor, direct or indirect, absolute or contingent, of every kind and nature, whether now existing or incurred from time to time hereafter, whether incurred pursuant to the Development Agreement or otherwise, together with any extension, renewal, or modification thereof in whole or in part (the “Guaranteed Liabilities”). The Guarantors agree that if any of the Guaranteed Liabilities are not so paid or performed by Franchisee when due, the Guarantors will immediately do so. The Guarantors further agree to pay all expenses (including reasonable attorneys’ fees) paid or incurred in endeavoring to enforce this Guarantee or the payment of any Guaranteed Liabilities. The Guarantors represent and agree that they have each reviewed a copy of the Development Agreement and have had the opportunity to consult with counsel to understand the meaning and import of the Franchise Agreement and this Guarantee.

2. **Waivers by Guarantors.** The Guarantors waive presentment, demand, notice of dishonor, protest, and all other notices whatsoever, including without limitation notices of acceptance hereof, of the existence or creation of any Guaranteed Liabilities, of the amounts and terms thereof, of all defaults, disputes, or controversies between Franchisor and Franchisee and of the settlement, compromise, or adjustment thereof. This Guarantee is primary and not secondary, and will be enforceable without Franchisor having to proceed first against Franchisee or against any or all of the Guarantors or against any other security for the Guaranteed Liabilities. This Guarantee will be effective regardless of the insolvency of Franchisee by operation of law, any reorganization, merger, or consolidation of Franchisee, or any change in the ownership of Franchisee.

3. **Term: No Waiver.** This Guarantee will be irrevocable, absolute, and unconditional and will remain in full force and effect as to each of the Guarantors until the later of (i) such time as all Guaranteed Liabilities of Franchisee to Franchisor and its affiliates have been paid and satisfied in full, or (ii) the Development Agreement and all obligations of Franchisee thereunder expire. No delay or failure on the part of Franchisor in the exercise of any right or remedy will operate as a waiver thereof, and no single or partial exercise by Franchisor of any right or remedy will preclude other further exercise of such right or any other right or remedy.

4. **Other Covenants.** Each of the Guarantors agrees to comply with the provisions of Sections 8 (Records, Reports, Audits, and Inspections), 9 (Intellectual Property), 10 (Confidential Information), 11 (Indemnification), and 12 (Your Covenant Not to Compete) of the Initial Franchise Agreement as though each such Guarantor were the “Franchisee” named in the Initial Franchise Agreement and agrees that the undersigned will take any and all actions as may be necessary or appropriate to cause Franchisee to comply with the Development Agreement and will not take any action that would cause

Franchisee to be in breach of the Development Agreement.

5. **Dispute Resolution.** Section 16 (Dispute Resolution and Governing Law) of the Initial Franchise Agreement is hereby incorporated herein by reference and will be applicable to any all disputes between Franchisor and any of the Guarantors, as though Guarantor were the “Franchisee” referred to in the Initial Franchise Agreement.

6. **Miscellaneous.** This Agreement will be binding upon the Guarantors and their respective heirs, executors, successors, and assigns, and will inure to the benefit of Franchisor and its successors and assigns.

IN WITNESS WHEREOF, the undersigned Guarantors have caused this Guarantee to be duly executed as of the day and year first above written.

By: _____

Print Name: _____

By: _____

Print Name: _____

By: _____

Print Name: _____

By: _____

Print Name: _____

EXHIBIT C

FINANCIAL STATEMENTS

Skill Samurai, Inc.

Financial Statements

December 31, 2022, 2021 and 2020

with Independent Auditors' Report

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INDEPENDENT AUDITORS' REPORT

To the Stockholder of
Skill Samurai, Inc.:

Opinion

We have audited the accompanying financial statements of Skill Samurai, Inc. (a Florida corporation), which comprise the balance sheets as of December 31, 2022, 2021 and 2020 and the related statements of operations, stockholder's deficit, and cash flows for the years then ended and the related notes to the financial statements.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Skill Samurai, Inc. as of December 31, 2022, 2021 and 2020 and the results of its operations and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America (GAAP).

Basis for Opinion

We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of Skill Samurai, 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.

Prior Period Financial Statements

The financial statements of Skill Samurai, Inc. as of and for the year ended December 31, 2021 and 2020, were audited by other auditors who have ceased operations. Those auditors reported on such balance sheets in their report dated April 21, 2022, before being restated.

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 Skill Samurai, Inc.'s ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

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

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of Skill Samurai, 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 Skill Samurai, 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.

Clark, Schaefer, Hackett & Co.

Cincinnati, Ohio
August 15, 2023

Skill Samurai, Inc.
Balance Sheets
December 31, 2022, 2021, and 2020

	<u>2022</u>	<u>2021 Restated</u>	<u>2020 Restated</u>
Assets			
Current assets:			
Cash	\$ 2,168	4,894	7,078
Accounts receivable	<u>-</u>	<u>61,500</u>	<u>-</u>
Total current assets	2,168	66,394	7,078
Other assets:			
Deferred contract costs	283,633	66,633	48,799
Deferred tax asset	<u>42,255</u>	<u>15,935</u>	<u>25,974</u>
Total other assets	<u>325,888</u>	<u>82,568</u>	<u>74,773</u>
Total assets	\$ <u>328,056</u>	<u>148,962</u>	<u>81,851</u>
Liabilities and Stockholder's Deficit			
Accounts payable and accrued expenses	\$ 8,263	71,201	-
Related party payables	16,780	-	56,565
Deferred revenue	<u>441,832</u>	<u>125,832</u>	<u>121,998</u>
Total liabilities	<u>466,875</u>	<u>197,033</u>	<u>178,563</u>
Common stock, no par value; 1,500 shares authorized, issued, and outstanding	1,000	1,000	1,000
Retained deficit	<u>(139,819)</u>	<u>(49,071)</u>	<u>(97,712)</u>
Total stockholder's deficit	<u>(138,819)</u>	<u>(48,071)</u>	<u>(96,712)</u>
Total liabilities and stockholder's deficit	\$ <u>328,056</u>	<u>148,962</u>	<u>81,851</u>

See accompanying notes to the financial statements.

Skill Samurai, Inc.
Statement of Operations
For the Years Ending December 31, 2022, 2021, and 2020

	<u>2022</u>	<u>2021 Restated</u>	<u>2020 Restated</u>
Franchise fees	\$ 147,000	510,166	35,000
Revenues from franchise agreements	<u>31,085</u>	<u>10,010</u>	<u>3,191</u>
Total revenues	<u>178,085</u>	<u>520,176</u>	<u>38,191</u>
Operating expenses	<u>295,153</u>	<u>461,496</u>	<u>161,854</u>
Loss before income tax benefit	(117,068)	58,680	(123,663)
Provision for income tax benefit	<u>26,320</u>	<u>(10,039)</u>	<u>25,974</u>
Net income (loss)	\$ <u><u>(90,748)</u></u>	<u><u>48,641</u></u>	<u><u>(97,689)</u></u>

See accompanying notes to the financial statements.

Skill Samurai, Inc.
Statement of Stockholder's Deficit
For the Years Ending December 31, 2022, 2021, and 2020

	<u>Common Stock</u>		<u>Retained</u>	<u>Total</u>
	<u>Shares</u>	<u>Amount</u>	<u>Earnings (Deficit)</u>	<u>Stockholder's</u>
				<u>Equity (Deficit)</u>
Balance at January 1, 2020 before restatement	-	\$ -	-	-
Effect of restatement, net of tax	<u>1,500</u>	<u>1,000</u>	<u>(23)</u>	<u>977</u>
Balance at January 1, 2020, as restated	1,500	1,000	(23)	977
Net loss	<u>-</u>	<u>-</u>	<u>(97,689)</u>	<u>(97,689)</u>
Balance at December 31, 2020, as restated	1,500	1,000	(97,712)	(96,712)
Net income	<u>-</u>	<u>-</u>	<u>48,641</u>	<u>(194,401)</u>
Balance at December 31, 2021, as restated	1,500	1,000	(49,071)	(291,113)
Net loss	<u>-</u>	<u>-</u>	<u>(90,748)</u>	<u>(485,514)</u>
Balance at December 31, 2022	<u>1,500</u>	<u>\$ 1,000</u>	<u>(139,819)</u>	<u>(776,627)</u>

See accompanying notes to the financial statements.

Skill Samurai, Inc.
Statement of Cash Flows
For the Years Ending December 31, 2022, 2021, and 2020

	<u>2022</u>	<u>2021</u> <u>Restated</u>	<u>2020</u> <u>Restated</u>
Cash flows from operating activities			
Net income (loss)	\$ (90,748)	48,641	(97,689)
Adjustments to reconcile net income (loss) to net cash provided (used) by operating activities:			
Accounts receivable	61,500	(61,500)	-
Deferred contract costs	(217,000)	(17,834)	(48,799)
Deferred tax asset	(26,320)	10,039	(25,974)
Changes in operating assets and liabilities:			
Accounts payable and accrued expenses	(62,938)	71,201	-
Deferred income	<u>316,000</u>	<u>3,834</u>	<u>121,998</u>
Net cash provided (used) by operating activities	<u>(19,506)</u>	<u>54,381</u>	<u>(50,464)</u>
Cash flows from financing activities			
Advances from related parties	<u>16,780</u>	<u>(56,565)</u>	<u>56,565</u>
Net cash provided (used) by financing activities	<u>16,780</u>	<u>(56,565)</u>	<u>56,565</u>
Net change in cash	(2,726)	(2,184)	6,101
Cash at beginning of period	<u>4,894</u>	<u>7,078</u>	<u>977</u>
Cash at end of period	\$ <u><u>2,168</u></u>	<u><u>4,894</u></u>	<u><u>7,078</u></u>
Supplemental cash flows:			
Cash paid for interest	\$ <u><u>4,523</u></u>	<u><u>-</u></u>	<u><u>-</u></u>

See accompanying notes to the financial statements.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES:

The following accounting principles and practices of Skill Samurai, Inc. (the "Company") are set forth to facilitate the understanding of data presented in the financial statements:

Nature of business

The Company offers coding and other afterschool STEM (science, technology, engineering, and mathematics) classes for students at Skill Samurai centers or at public or private locations at which such classes can be given.

Related parties

The Company is related, through common ownership, to sister organizations in Canada, Singapore, and Australia. From time to time, the organizations will enter into business transactions between each other. These transactions are properly accounted for on the financial statements. For the years ended December 31, 2022, 2021 and 2020, the Company had payments to a related party in the amounts of \$15,174, \$148,428 and \$0, respectively.

Cash

The Company maintains cash balances in a financial institution that may, at times, exceed federally insured limits. The Company has not experienced any losses in cash balances and management believes it is not exposed to any significant credit risk of loss in cash.

Accounts receivable

Accounts receivable are stated at their contractual outstanding balance. Accounts are considered past due if any portion of an account has not been paid in full within the contractual terms of the account. Delinquent receivables are written off based on individual credit evaluation and specific circumstances of the customer. For the year ending December 31, 2022, 2021 and 2020, an allowance for uncollectible accounts receivable was not deemed necessary and no receivables were written off during the periods.

Franchising program

The franchise agreement provides for an initial franchise fee ranging from \$40,000 to \$49,000 based on qualified terms. Royalty payments are set at 7% of gross sales for the previous month or a minimum royalty, which is based on months in operations. The schedule below lays out the terms for the minimum royalty:

<u>Months in Operation</u>	<u>Minimum Monthly Royalty</u>
7 - 12	\$500
13 - 24	\$750
25 - 36	\$1,000
37 - 48	\$1,250
49+	\$1,500

Franchise agreements have five to ten-year terms and can be renewed for any number of consecutive ten-year terms at a cost of \$7,500 per additional ten-year term. There is a system access fee or technology fee which is charged monthly to the franchisee. This fee ranges from \$200 - \$400 and is charged for the previous month.

Advertising

Advertising costs are generally expensed as incurred. Total advertising expense was approximately \$15,000, \$9,000, and \$38,000 for the years ended December 31, 2022, 2021 and 2020, respectively.

Revenue recognition

In January 2021, the Financial Accounting Standards Board issued Accounting Standards Update (ASU) 2021-02, *Franchisors - Revenue from Contracts with Customers (Subtopic 952-606)*. ASU 2021-02 introduces a new practical expedient that simplifies the application of the guidance regarding identification of performance obligations by permitting non-public franchisors to elect to recognize all pre-opening services provided to franchisees as a single performance obligation rather than identifying each pre-opening service as separate performance obligations. The Company's management adopted ASU 2021-02 and elected to consider all pre-opening services as a single performance obligation.

Initial franchise fees will be recognized in the period when the Company performs substantially all initial services required under the franchise agreements as a single performance obligation. Franchisees are required to pay continuing monthly royalties based on gross revenue in addition to other agreed upon fees noted in the franchise agreement which are calculated based on monthly revenue. Initial franchise fees are recognized at a point in time whereas the revenues from franchise agreements are recognized over time.

Selling expenses paid when the franchise agreement is executed are recorded as a deferred cost and are recognized when the Company performs substantially all initial services required under the franchise agreements, consistent with the recognition of the deferred revenue.

The following table summarizes the assets and liabilities related to revenue from contracts with customers at December 31, 2022, 2021 and 2020 and January 1, 2020:

	December 31, <u>2022</u>	December 31, <u>2021</u>	December 31, <u>2020</u>	January 1, <u>2020</u>
Deferred revenue	\$ <u>441,832</u>	<u>125,832</u>	<u>121,998</u>	<u>-</u>
Deferred costs	\$ <u>283,633</u>	<u>66,633</u>	<u>48,799</u>	<u>-</u>

Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America (GAAP) requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenue and expenses during the reporting period. Actual results could differ from those estimates.

Income taxes

Income taxes are recorded in accordance with Topic 740 *Income Taxes*. The asset and liability approach underlying Topic 740 requires the recognition of deferred tax assets and liabilities for the expected future tax consequences of temporary differences between the carrying amounts and tax basis of the Company's assets and liabilities. To the extent tax laws change, deferred tax assets and liabilities are adjusted in the period that the tax change is enacted.

“Provision for income taxes” includes (i) deferred tax expense or benefit, which represents the net change in the deferred tax asset or liability balance during the year, and (ii) current tax expense or benefit, which represents the amount of tax currently payable to or receivable from a tax authority. Provision for income taxes excludes the tax effects related to adjustments recorded in equity.

Under Topic 740, an uncertain tax position is recognized only if it is more likely than not to be sustained upon examination based on the technical merits of the position. The amount of tax benefit recognized in the financial statements is the largest amount of benefit that is more than fifty percent likely of being sustained upon ultimate settlement of the uncertain tax position. The Company recognizes interest related to unrecognized tax benefits, if any, in income tax expense, and penalties, if any, in operating expenses.

Subsequent events

Management has evaluated subsequent events through August 15, 2023, the date the financial statements were available for issue.

2. INCOME TAXES:

The components of income tax benefit from operations and a reconciliation of the statutory federal income tax with the provision for income taxes are as follows for the year ended December 31:

	<u>2022</u>	<u>2021</u>	<u>2020</u>
Tax based on federal statutory rate	\$ (24,584) (21.0)%	12,371 21.0%	(25,969) (21.0)%
Other	<u>(1,736) 1.5</u>	<u>(2,332) (1.2)</u>	<u>- (0.0)</u>
Effective tax rate	\$ <u>(26,320) (22.5)%</u>	10,039 <u>22.2%</u>	<u>(25,969) (21.0)%</u>

The Company files its income tax returns on the cash basis. Deferred income taxes reflect the net tax effects of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for income and for tax carryforwards. Significant components of the Company’s deferred tax assets and liabilities are as follows:

	<u>2022</u>	<u>2021</u>	<u>2020</u>
Deferred tax assets:			
Accrued expenses	\$ 1,735	14,952	-
Deferred revenue	182,035	26,425	25,620
Net operating losses	<u>7,298</u>	<u>1,466</u>	<u>10,602</u>
Total deferred tax assets	\$ 191,068	42,843	36,222
Deferred tax liability:			
Accounts receivable	\$ -	12,915	-
Deferred costs	<u>59,563</u>	<u>13,993</u>	<u>10,248</u>
Total deferred tax liability	<u>59,563</u>	26,908	<u>10,248</u>
Net deferred tax asset	\$ <u>42,255</u>	<u>15,935</u>	<u>25,974</u>

As of December 31, 2022, the Company has apportioned federal net operating loss carryforwards of approximately \$35,000 and are carried forward indefinitely. Management has evaluated the valuation allowance as of December 31, 2022, 2021 and 2020 and it was determined one is not necessary as the realization of the deferred tax assets and liability are reasonably expected.

3. RISKS AND UNCERTAINTIES:

The Company offers franchises for the “Skill Samurai” name and mark. As a result, the Company’s future revenue is dependent upon the success, growth, and support of the “Skill Samurai” name and mark, and the Company’s future franchisees.

4. SUBSEQUENT EVENT:

In April 2023, the Company closed on a stock purchase agreement with an unrelated third party to sell 150 shares or 10% of the issued stock for \$60,000.

5. RESTATEMENTS OF PRIOR PERIOD FINANCIAL STATEMENTS:

The Company became aware of accounting errors within accrued expenses, deferred taxes, deferred costs and deferred revenue at December 31, 2021, 2020 and January 1, 2020. The effects resulted in a restatement of the balance sheet as of December 31, 2021 and 2020 and the related statements of operations, stockholder’s deficit and cash flows for the years then ended. As of December 31, 2020, the previous audit reported \$0 assets, liabilities, and equity and as such, the financial statements herein reflect the restatement. The following shows the impact of the restatement as of and for the year ending December 31, 2021:

Balance sheet:

	Previously Audited	Restated	Change
Assets			
Cash	\$ 4,894	4,894	-
Accounts receivable	-	61,500	61,500
Deferred contract costs	-	66,633	66,633
Deferred tax asset	-	15,935	15,935
Total assets	\$ <u>4,894</u>	<u>148,962</u>	<u>144,068</u>
Liabilities and Stockholder's Deficit			
Accounts payable and accrued expenses	\$ -	71,201	71,201
Deferred revenue	-	125,832	125,832
Total liabilities	-	197,033	197,033
Common stock, no par value; 1,500 shares authorized, issued, and outstanding	-	1,000	1,000
Retained earnings (deficit)	4,894	(49,071)	(53,965)
Total stockholder's equity (deficit)	4,894	(48,071)	(52,965)
Total liabilities and stockholder's equity (deficit)	\$ <u>4,894</u>	<u>148,962</u>	<u>144,068</u>

Statement of operations:

	Previously Audited	Restated	Change
Franchise fees	\$ 462,510	510,166	47,656
Revenues from franchise agreements	<u>-</u>	<u>10,010</u>	<u>10,010</u>
Total revenues	462,510	520,176	57,666
Operating expenses	464,688	461,496	(3,192)
Income (loss) before income tax benefit	(2,178)	58,680	60,858
Provision for income tax benefit	<u>-</u>	<u>(10,039)</u>	<u>(10,039)</u>
Net income (loss)	\$ <u>(2,178)</u>	<u>48,641</u>	<u>50,819</u>

Statement of cash flows:

	Previously Audited	Restated	Change
Net cash provided (used) by operating activities	\$ (2,178)	54,381	56,559
Net cash provided (used) by financing activities	<u>7,072</u>	<u>(56,565)</u>	<u>(63,637)</u>
Net change in cash	\$ <u>4,894</u>	<u>(2,184)</u>	<u>(7,078)</u>



EXHIBIT D

LIST OF CURRENT AND FORMER FRANCHISEES

List of currently operating franchisees as of December 31, 2022					
Name	Address	City	State	Postal	Telephone #:
Zak Bedrick	4 Conley Rd.	Atkinson	NH	03811	603-751-3011
Frank and Terra Klarich	4151 Cross Timbers Road #110	Flower Mound	TX	75028	425-830-8152
Chris and Emily Fraughton	2806 Frasier Knolls Ct	Katy	TX	77494	8-443-4757
Caroline Ola	8070 160 th Ave NE	Redmond	WA	98052	1-425-285-9199
Jennifer Knight	3252 Aspen Grove Dr.	Franklin	TN	37067	1-615-801-0073
Randy Brady	N. Main St	Rochester Hills	MI	48307	1-949-922-8531

List of franchisees who have signed but not yet opened as of December 31, 2022					
Name	Address	City	State	Postal	Telephone #:
Zak Bedrick	TBD	Nashua	NH	03063	603-751-3011
Zak Bedrick	TBD	Seacoast	NH	03801	603-751-3011
Peter Reynolds	706 Leander Dr. Suite 504	Leander	TX	78641	218-591-4109
William Steele	931 E Bloomingdale Ave	Brandon	FL	33551	813-761-2832

List of franchisees who have left the System or who have not communicated with us within the 10-week period immediately preceding the effective date of this Disclosure Document.		
Michael Friedman	San Anselmo, CA	415-785-4367

EXHIBIT E

LIST OF STATE ADMINISTRATORS AND AGENTS FOR SERVICE OF PROCESS

List of State Regulatory Administrators

We intend to register this disclosure document as a “franchise” in some or all of the following states, if required by the applicable state laws. If and when we pursue franchise registration (or otherwise comply with the franchise investment laws) in these states, the following are the state administrators responsible for the review, registration, and oversight of franchises in these states:

LIST OF STATE ADMINISTRATORS	
<u>CALIFORNIA</u> Department of Financial Protection and Innovation 320 West 4th Street, Suite 750 Los Angeles, California 90013-2344 (213) 576-7500 Toll Free (866) 275-2677	<u>CONNECTICUT</u> State of Connecticut Department of Banking Securities & Business Investments Division 260 Constitution Plaza Hartford, Connecticut 06103-1800 (860) 240-8230
<u>HAWAII</u> Commissioner of Securities of the State of Hawaii Department of Commerce and Consumer Affairs Business Registration Division Securities Compliance Branch 335 Merchant Street, Room 203 Honolulu, Hawaii 96813 (808) 586-2722	<u>ILLINOIS</u> Franchise Bureau Office of the Attorney General 500 South Second Street Springfield, Illinois 62706 (217) 782-4465
<u>INDIANA</u> Indiana Secretary of State Franchise Section 302 Washington Street, Room E-111 Indianapolis, Indiana 46204 (317) 232-6681	<u>MARYLAND</u> Office of the Attorney General Securities Division 200 St. Paul Place Baltimore, Maryland 21202-2021 (410) 576-6360
<u>MICHIGAN</u> Michigan Attorney General's Office Corporate Oversight Division, Franchise Section 525 W. Ottawa Street G. Mennen Williams Building, 1 st Floor Lansing, Michigan 48933 (517) 373-7117	<u>MINNESOTA</u> Minnesota Department of Commerce 85 7 th Place East, Suite 280 St. Paul, Minnesota 55101-2198 (651) 539-1600
<u>NEW YORK</u> New York State Department of Law Investor Protection Bureau 28 Liberty Street, 21 st Floor New York, NY 10005 (212) 416-8222	<u>NORTH DAKOTA</u> North Dakota Securities Department State Capitol Department 414 600 East Boulevard Avenue, Fifth Floor Bismarck, North Dakota 58505 (701) 328-4712
<u>OREGON</u> Department of Business Services Division of Finance and Corporate Securities Labor and Industries Building 350 Winter Street, NE Room 410 Salem, Oregon 97310 (503) 378-4387	<u>RHODE ISLAND</u> Department of Business Regulation Securities Division, Building 69, First Floor John O. Pastore Center 1511 Pontiac Avenue Cranston, Rhode Island 02920 (401) 462-9527
<u>SOUTH DAKOTA</u> Division of Insurance Securities Regulation 124 S. Euclid, Suite 104 Pierre, South Dakota 57501 (605) 773-3563	<u>VIRGINIA</u> State Corporation Commission Division of Securities and Retail Franchising 1300 East Main Street, 9th Floor Richmond, Virginia 23219 (804) 371-9051
<u>WASHINGTON</u> Department of Financial Institutions Securities Division, 3rd Floor 150 Israel Road, Southwest Tumwater, Washington 98501 (360) 902-8760	<u>WISCONSIN</u> Division of Securities 4822 Madison Yards Way, North Tower Madison, Wisconsin 53705 (608) 266-2139

List of Agents for Service of Process

We intend to register this disclosure document as a “franchise” in some or all of the following states, if required by the applicable state law. If and when we pursue franchise registration (or otherwise comply with the franchise investment laws) in these states, we will designate the following state offices or officials as our agents for service of process in these states:

LIST OF STATE AGENT FOR SERVICE OF PROCESS	
<u>CALIFORNIA</u> Commissioner Department of Financial Protection and Innovation 320 West 4 th Street, Suite 750 Los Angeles, California 90013-2344 (213) 576-7500 Toll Free (866) 275-2677	<u>CONNECTICUT</u> Banking Commissioner Department of Banking Securities & Business Investments Division 260 Constitution Plaza Hartford, Connecticut 06103-1800 (860) 240-8230
<u>HAWAII</u> Commissioner of Securities of the State of Hawaii Department of Commerce and Consumer Affairs Business Registration Division Securities Compliance Branch 335 Merchant Street, Room 203 Honolulu, Hawaii 96813 (808) 586-2722	<u>ILLINOIS</u> Illinois Attorney General Office of the Attorney General 500 South Second Street Springfield, Illinois 62706 (217) 782-4465
<u>INDIANA</u> Indiana Secretary of State Franchise Section 302 West Washington Street, Room E-111 Indianapolis, Indiana 46204 (317) 232-6681	<u>MARYLAND</u> Maryland Securities Commissioner 200 St. Paul Place Baltimore, Maryland 21202-2021 (410) 576-6360
<u>MICHIGAN</u> Michigan Attorney General's Office Corporate Oversight Division, Franchise Section 525 W. Ottawa Street G. Mennen Williams Building, 1 st Floor Lansing, Michigan 48933 (517) 373-7117	<u>MINNESOTA</u> Minnesota Commissioner of Commerce Minnesota Department of Commerce 85 7th Place East, Suite 280 St. Paul, Minnesota 55101-2198 (651) 539-1600
<u>NEW YORK</u> New York Secretary of State New York Department of State One Commerce Plaza 99 Washington Avenue, 6th Floor Albany, NY 12231 (518) 472-2492	<u>NORTH DAKOTA</u> North Dakota Securities Commissioner State Capitol 600 East Boulevard Avenue, Fifth Floor Bismarck, North Dakota 58505 (701) 328-4712
<u>OREGON</u> Secretary of State Corporation Division - Process Service 255 Capitol Street NE, Suite 151 Salem, OR 97310-1327 (503) 986-2200	<u>RHODE ISLAND</u> Director of Department of Business Regulation Department of Business Regulation Securities Division, Building 69, First Floor John O. Pastore Center 1511 Pontiac Avenue Cranston, Rhode Island 02920 (401) 462-9527
<u>SOUTH DAKOTA</u> Division of Insurance Securities Regulation 124 S. Euclid, Suite 104 Pierre, South Dakota 57501 (605) 773-3563	<u>VIRGINIA</u> Clerk of the State Corporation Commission 1300 East Main Street, 1 st Floor Richmond, Virginia 23219 (804) 371-9733
<u>WASHINGTON</u> Director, Department of Financial Institutions Securities Division, 3rd Floor 150 Israel Road, Southwest Tumwater, Washington 98501 (360) 902-8760	<u>WISCONSIN</u> Administrator, Division of Securities 4822 Madison Yards Way, North Tower Madison, Wisconsin 53705 (608) 266-2139

DESIGNATED AGENTS FOR SERVICE OF PROCESS	
<u>FLORIDA</u> Agents and Corporations, Inc. 539 Fifth Avenue South Suite 330 Naples, Florida 34102 (800) 759-2248	<u>NORTH CAROLINA</u> NC Registered Agent 4030 Wake Forest Road, Suite 349 Raleigh, NC 27609 (919) 400-4138
<u>SOUTH CAROLINA</u> South Carolina Registered Agent LLC 6650 Rivers Ave., Suite 100 Charleston, SC 29406 (843) 414-9661	

EXHIBIT F

FRANCHISEE DISCLOSURE QUESTIONNAIRE

SKILL SAMURAI, INC.

FRANCHISE DISCLOSURE QUESTIONNAIRE

DO NOT SIGN THIS STATEMENT IF YOU ARE A RESIDENT OF, OR INTEND TO OPERATE THE FRANCHISED BUSINESS IN, ANY OF THE FOLLOWING STATES: CA, HI, IL, IN, MD, MI, MN, NY, ND, RI, SD, VA, WA, WI (EACH A REGULATED STATE).

FOR PROSPECTIVE FRANCHISEES THAT RESIDE IN OR ARE SEEKING TO OPERATE THE FRANCHISED BUSINESS IN ANY REGULATED STATE, SUCH PROSPECTIVE FRANCHISEE IS NOT REQUIRED TO COMPLETE THIS QUESTIONNAIRE OR TO RESPOND TO ANY OF THE QUESTIONS CONTAINED IN THIS QUESTIONNAIRE.

As you know, Skill Samurai, Inc. (“we” or “us”), and you are preparing to enter into a Franchise Agreement for the operation of a Skill Samurai franchise. The purpose of this questionnaire is to determine whether any statements or promises were made to you that we have not authorized or that may be untrue, inaccurate, or misleading, to be certain that you have been properly represented in this transaction, and to be certain that you understand the limitations on claims you may make by reason of the purchase and operation of your franchise. **You cannot sign or date this questionnaire the same day as the Receipt for the Franchise Disclosure Document, but you must sign and date it the same day you sign the Franchise Agreement.** Please review each of the following questions carefully and provide honest responses to each question. If you answer “No” to any of the questions below, please explain your answer in the table provided below.

1.	Yes	No	Have you received and personally reviewed the Franchise Agreement and each attachment or exhibit attached to it that we provided?
2.	Yes	No	Have you received and personally reviewed the Franchise Disclosure Document and each attachment or exhibit attached to it that we provided?
3.	Yes	No	Did you sign a receipt for the Franchise Disclosure Document indicating the date you received it?
4.	Yes	No	Do you understand all the information contained in the Franchise Disclosure Document and Franchise Agreement?
5.	Yes	No	Have you reviewed the Franchise Disclosure Document and Franchise Agreement with a lawyer, accountant, or other professional advisor, or have you had the opportunity for such review and chosen not to engage such professionals?
6.	Yes	No	Have you had the opportunity to discuss the benefits and risks of developing and operating a Skill Samurai Business with an existing Skill Samurai franchisee?
7.	Yes	No	Do you understand the risks of developing and operating a Skill Samurai Business?

8.	Yes	No	Do you understand all disputes or claims you may have arising out of or relating to the Franchise Agreement must be arbitrated in Florida, if not resolved informally or by mediation?
9.	Yes	No	Do you understand that you must satisfactorily complete the initial training program before we will allow your Skill Samurai Business to open or consent to a transfer of Skill Samurai Business to you?
10.	Yes	No	Do you agree that no employee or other person speaking on our behalf made any statement or promise regarding the costs involved in operating a Skill Samurai Business that is not contained in the Franchise Disclosure Document or that is contrary to, or different from, the information contained in the Franchise Disclosure Document?
11.	Yes	No	Do you agree that no employee or other person speaking on our behalf made any statement or promise or agreement, other than those matters addressed in your Franchise Agreement and any addendum, concerning advertising, marketing, media support, marketing penetration, training, support service, or assistance that is contrary to, or different from, the information contained in the Franchise Disclosure Document?
12.	Yes	No	Do you agree that no employee or other person speaking on our behalf made any statement or promise regarding the actual, average, or projected profits or earnings, the likelihood of success, the amount of money you may earn, or the total amount of revenue a Skill Samurai Business will generate that is not contained in the Franchise Disclosure Document or that is contrary to, or different from, the information contained in the Franchise Disclosure Document?
13.	Yes	No	Do you understand that the Franchise Agreement, including each attachment or exhibit to the Franchise Agreement, contains the entire agreement between us and you concerning Skill Samurai Business, meaning any prior oral or written statements not set out in the Franchise Agreement or the attachments or exhibits to the Franchise Agreement will not be binding?
14.	Yes	No	Do you understand that we are relying on your answers to this questionnaire to ensure that the franchise sale was made in compliance of state and federal laws?

YOU UNDERSTAND THAT YOUR ANSWERS ARE IMPORTANT TO US AND THAT WE WILL RELY ON THEM. BY SIGNING THIS QUESTIONNAIRE, YOU ARE REPRESENTING THAT YOU HAVE CONSIDERED EACH QUESTION CAREFULLY AND RESPONDED TRUTHFULLY TO THE ABOVE QUESTIONS.

FOR MARYLAND FRANCHISEES: 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.

FOR WASHINGTON FRANCHISEES: THIS QUESTIONNAIRE DOES NOT WAIVE ANY LIABILITY THE FRANCHISOR MAY HAVE UNDER THE WASHINGTON FRANCHISE INVESTMENT PROTECTION ACT, RCW 19.100, AND THE RULES ADOPTED THEREUNDER.

PLEASE EXPLAIN ANY NEGATIVE RESPONSES ON THE BACK OF THIS PAGE
(REFER TO QUESTION NUMBER):

FRANCHISE APPLICANT(S):

By:

Date:

By:

Date:

EXHIBIT G

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EXHIBIT H

STATE SPECIFIC ADDENDA

The following modifications are made to this disclosure document given to you and may supersede, to the extent then-required by valid applicable state law, certain portions of the Franchise Agreement between you and us dated as of the Effective Date set forth in your Franchise Agreement. When the term “Franchisor’s Choice of Law State” is used, it means the laws of the state of Florida, subject to any modifications as set forth in the addenda below. When the term “Supplemental Agreements” is used, it means Area Development Agreement.

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

If your state requires these modifications, you will sign the signature page to the Addenda along with the Franchise Agreement and any Supplemental Agreements.

CALIFORNIA ADDENDUM TO DISCLOSURE DOCUMENT

OUR WEBSITE (www.skillsamurai.com) HAS NOT BEEN REVIEWED OR APPROVED BY THE CALIFORNIA DEPARTMENT OF FINANCIAL PROTECTION & INNOVATION. ANY COMPLAINTS CONCERNING THE CONTENTS OF THIS WEBSITE MAY BE DIRECTED TO THE CALIFORNIA DEPARTMENT OF FINANCIAL PROTECTION & INNOVATION AT dfpi.ca.gov.

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

ITEM 3 – LITIGATION

1. Neither the Franchisor, nor any person identified 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. 79a et seq., suspending or expelling such persons from membership in such association or exchange

ITEM 17 - RENEWAL, TERMINATION, TRANSFER AND DISPUTE RESOLUTION

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

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

3. The Franchise Agreement and the Development Agreement contain provisions requiring application of the laws of Florida. This provision may not be enforceable under California law.

4. The Franchise Agreement and the Development Agreement require venue to be limited to Florida. This provision may not be enforceable under California law.

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

6. THE FRANCHISE AGREEMENT MAY REQUIRE THE FRANCHISEE TO EXECUTE A GENERAL RELEASE OF CLAIMS UPON EXECUTION OF THE FRANCHISE AGREEMENT. CALIFORNIA CORPORATIONS CODE SECTION 31512 VOIDS A WAIVER OF YOUR RIGHTS UNDER THE FRANCHISE INVESTMENT LAW (CALIFORNIA CORPORATIONS CODE SECTIONS 31000 THROUGH 31516). BUSINESS AND PROFESSIONS CODE SECTION 20010 VOIDS A WAIVER OF YOUR RIGHTS UNDER THE FRANCHISE RELATIONS ACT (BUSINESS AND PROFESSIONS CODE SECTIONS 20000 THROUGH 20043).

7. California Corporations Code, Section 31125 requires us to give you a disclosure document, approved by the Department of Corporations before we ask you to consider a material modification of your Franchise Agreement or the Development Agreement.

8. 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.

9. The Franchise Agreement and Area Development Agreement require binding arbitration. The arbitration will occur in Florida. If we are the substantially prevailing party, we will be entitled to recover reasonable attorneys' fees and litigations costs and expenses in connection with the arbitration. Prospective Skill Samurai Inc.

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

10. 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. For California franchisees who sign a development agreement, the payment of the development and initial fees attributable to a specific unit in your development schedule is deferred until that unit is open.

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

12. No disclaimer, questionnaire, clause, or statement signed by a franchisee in connection with the commencement of the franchise relationship shall be construed or interpreted as waiving any claim of fraud in the inducement, whether common law or statutory, or as disclaiming reliance on or the right to rely upon any statement made or information provided by any franchisor, broker, or other person acting on behalf of the franchisor that was a material inducement to a franchisee's investment. This provision supersedes any other or inconsistent term of any document executed in connection with the franchise.

13. Each owner of the franchise is required to execute a personal guaranty. Doing so could jeopardize the marital assets of non-owner spouses domiciled in community property states such as California.

HAWAII ADDENDUM TO DISCLOSURE DOCUMENT

The following paragraphs are added in the state cover pages:

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

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

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

The name and address of the Franchisor's agent in this state authorized to receive service of process is: Commissioner of Securities, Department of Commerce and Consumer Affairs, Business Registration Division, Securities Compliance Branch, 335 Merchant Street, Room 203, Honolulu, Hawaii 96813.

In recognition of the requirements of the Hawaii Franchise Investment Law, Hawaii Rev. Stat. §§ 482E, et seq., the Franchise Disclosure Document for Skill Samurai, Inc. in connection with the offer and sale of franchises for use in the State of Hawaii shall be amended to include the following:

This proposed registration is effective/exempt from registration or will shortly be on file in California, Hawaii, Illinois, Indiana, Kentucky, Maryland, Michigan, Minnesota, Nebraska, New York, North Dakota, Rhode Island, South Dakota, Texas, Utah, Virginia, Washington, and Wisconsin. No states have refused, by order or otherwise, to register these franchises. No states have revoked or suspended the right to offer these franchises. The proposed registration of these franchises has not been involuntarily withdrawn in any state.

Each provision of this Addendum to the Disclosure Document shall be effective only to the extent, with respect to such provision, that the jurisdictional requirements of the Hawaii Franchise Investment Law, Hawaii Rev. Stat. §§ 482E, et seq., are met independently without reference to this Addendum to the disclosure document.

ILLINOIS ADDENDUM TO DISCLOSURE DOCUMENT

Illinois law governs the Disclosure Document and Franchise Agreement(s).

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

Your rights upon Termination and Non-Renewal are set forth in Sections 19 and 20 of the Illinois Franchise Disclosure Act.

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

Based upon Franchisor's financial condition, the Illinois Office of the Attorney General has required a financial assurance. Therefore, all initial fees and payments owed by franchisees shall be deferred until Franchisor completes its pre-opening obligations under this Agreement.

INDIANA ADDENDUM TO DISCLOSURE DOCUMENT

Notwithstanding anything to the contrary set forth in the Franchise Agreement or Area Development Agreement, the following provisions shall supersede and apply to all franchises offered and sold in the State of Indiana:

1. The Franchise Agreement and Area Development Agreement will be governed by Indiana law. Venue for litigation will not be limited to a venue outside of the State of Indiana, as specified in the Franchise Agreement and Area Development Agreement.
2. The prohibition by Indiana Code 23-2-2.7-1 (7) against unilateral termination of the franchise without good cause or in bad faith, good cause being defined therein as a material breach of the Franchise Agreement, shall supersede any conflicting provisions of the Franchise Agreement and the Area Development Agreement in the State of Indiana to the extent they may be inconsistent with such prohibition.
3. No release language set forth in the Franchise Agreement or Area Development Agreement will relieve us or any other person, directly or indirectly, from liability imposed by the laws concerning franchising of the State of Indiana.
4. The post-termination non-competition covenants set forth in the Franchise Agreement and Area Development Agreement shall be limited in time to a maximum of three (3) years and in geographic scope to the designated territory granted by the Agreement.
5. Nothing in the Franchise Agreement or Area Development Agreement will relieve us or any other person, directly or indirectly, from liability imposed by the laws concerning franchising of the State of Indiana, and the laws of the State of Indiana supersede any conflicting choice of law provisions set forth herein if such provision is in conflict with Indiana law.
6. You will not be required to indemnify us and the other Indemnities for any liability caused by your proper reliance on or use of procedures or materials provided by us or caused by our negligence.
7. If we receive any payments related to purchases from you that we do not pass on in full to the supplier, we will promptly account for the amount of the payment that we retained and we will transmit the retained amount to you.

IOWA ADDENDUM TO DISCLOSURE DOCUMENT

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

The following language will be added to the Franchise Agreement:

NOTICE OF CANCELLATION

_____ (enter date of transaction)

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

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

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

To cancel this transaction, mail or deliver a signed and dated copy of this cancellation notice or any other written notice to Skill Samurai, Inc., c/o Jeff Hughes, 2423 SW 147th Ave #2006, Miami, FL 33185, not later than midnight of the third business day after the Effective Date.

I hereby cancel this transaction.

Franchisee: _____

Signed: _____

Name: _____

Date: _____

MARYLAND ADDENDUM TO DISCLOSURE DOCUMENT

The following provisions will supersede anything to the contrary in the Franchise Disclosure Document, Franchise Agreement or Area Development Agreement and will apply to all franchises offered and sold under the laws of the State of Maryland:

Item 17 - RENEWAL, TERMINATION, TRANSFER AND DISPUTE RESOLUTION

1. No release language in the Franchise Agreement or Area Development Agreement will relieve us or any other person, directly or indirectly, from liability imposed by the laws concerning franchising of the State of Maryland. Any 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.
2. A franchisee may sue in Maryland for claims arising under the Maryland Franchise Registration and Disclosure Law. Any claims arising under the Maryland Franchise Registration and Disclosure Laws must be brought within three years after the grant of the franchise.
3. The provision in the Franchise Agreement which provides for termination upon bankruptcy of the franchisee may not be enforceable under federal bankruptcy law (11 U.S.C. Section 101 et seq.).
4. Based upon 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 Franchisor completes its pre-opening obligations under this Agreement.

**ADDENDUM TO FRANCHISE DISCLOSURE DOCUMENT PURSUANT TO
THE MICHIGAN FRANCHISE INVESTMENT LAW**

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

- (a) A prohibition on the right of a franchisee to join an association of franchisees.
- (b) A requirement that a franchisee assent to a release, assignment, novation, waiver, or estoppel which deprives a franchisee of rights and protections provided in this act. This shall not preclude a franchisee, after entering into a franchise agreement, from settling any and all claims.
- (c) A provision that permits a franchisor to terminate a franchise prior to the expiration of its term except for good cause. Good cause shall include the failure of the franchisee to comply with any lawful provisions of the franchise agreement and to cure such failure after being given written notice thereof and a reasonable opportunity, which in no event need be more than 30 days, to cure such failure.
- (d) A provision that permits a franchisor to refuse to renew a franchise without fairly compensating the franchisee by repurchase or other means for the fair market value, at the time of expiration, of the franchisee's inventory, supplies, equipment, fixtures, and furnishings. Personalized materials which have no value to the franchisor and inventory, supplies, equipment, fixtures, and furnishings not reasonably required in the conduct of the franchised business are not subject to compensation. This subsection applies only if: (i) the term of the franchise is less than 5 years; and (ii) the franchisee is prohibited by the franchise or other agreement from continuing to conduct substantially the same business under another trademark, service mark, trade name, logotype, marketing, or other commercial symbol in the same area subsequent to the expiration of the franchise or the franchisee does not receive at least 6 months advance notice of franchisor's intent not to renew the franchise.
- (e) A provision that permits the franchisor to refuse to renew a franchise on terms generally available to other franchisees of the same class or type under similar circumstances. This section does not require a renewal provision.
- (f) A provision requiring that arbitration or litigation be conducted outside this state. This shall not preclude the franchisee from entering into an agreement, at the time of arbitration, to conduct arbitration at a location outside this state.¹
- (g) A provision which permits a franchisor to refuse to permit a transfer of ownership of a franchise, except for good cause. This subdivision does not prevent a franchisor from exercising a right of first refusal to purchase the franchise. Good cause shall include, but is not limited to:
 - (i) the failure of the proposed franchisee to meet the franchisor's then-current reasonable qualifications or standards;
 - (ii) the fact that the proposed transferee is a competitor of the franchisor or subfranchisor;
 - (iii) the unwillingness of the proposed transferee to agree in writing to comply with all lawful obligations; and

¹NOTE: Notwithstanding paragraph (f) above, we intend to fully enforce the provisions of the arbitration section of our agreements. We believe that paragraph (f) is preempted by the Federal Arbitration Act and that paragraph (f) is therefore unconstitutional.

- (iv) the failure of the franchisee or proposed transferee to pay any sums owing to the franchisor or to cure any default in the franchise agreement existing at the time of the proposed transfer.
- (h) A provision that requires the franchisee to resell to the franchisor items that are not uniquely identified with the franchisor. This subdivision does not prohibit a provision that grants to a franchisor a right of first refusal to purchase the assets of a franchise on the same terms and conditions as a bona-fide third party willing and able to purchase those assets, nor does this subdivision prohibit a provision that grants the franchisor the right to acquire the assets of a franchise for the market or appraised value of such assets if the franchisee has breached the lawful provisions of the franchise agreement and has failed to cure the breach in the manner provided in subdivision (c).
- (i) A provision which permits the franchisor to directly or indirectly convey, assign, or otherwise transfer its obligations to fulfill contractual obligations to the franchisee unless provision has been made for providing the required contractual services.

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

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

The name and address of the franchisor's agent in this state authorized to receive service of process is: Michigan Department of Commerce, Corporation and Securities Bureau, 6546 Mercantile Way, P.O. Box 30222, Lansing, MI 48910.

Any questions regarding this notice should be directed to:

Department of the Attorney General's Office
Corporate Oversight Division
Attn: Franchise
670 G. Mennen Williams Building
Lansing, MI 48913

INFORMATION REQUIRED BY THE STATE OF MINNESOTA

Notwithstanding anything to the contrary set forth in the Disclosure Document, the Franchise Agreement, or the Area Development Agreement, the following provisions will supersede and apply:

1. We will protect your right to use the trademarks, service marks, trade names, logotypes, or other commercial symbols and/or indemnify you from any loss, costs or expenses arising out of any claim, suit, or demand regarding the use of the same.
2. Minn. Stat. §80C.21 and Minn. Rule 2860.4400J prohibit the Franchisor from requiring litigation to be conducted outside Minnesota, requiring waiver of a jury trial, or requiring you to consent to liquidated damages, termination penalties or judgment notes. In addition, nothing in the disclosure document or agreement(s) can abrogate or reduce any of your rights as provided for in Minnesota Statutes, Chapter 80C, or your rights to any procedure, forum or remedies provided for by the laws of the jurisdiction.
3. No release language set forth in the Franchise Agreement or Area Development Agreement will relieve us or any other person, directly or indirectly, from liability imposed by the laws concerning franchising of the State of Minnesota.
4. Minnesota law provides franchisees with certain termination and non-renewal rights. Minnesota Statutes, Section 80C.14, subdivisions 3, 4, and 5 require, except in certain specified cases, that you be given 90 days' notice of termination (with 60 days to cure) and 180 days' notice for non-renewal of the Franchise Agreement or Area Development Agreement.
5. Under the terms of the Franchise Agreement and Area Development Agreement, as modified by the Minnesota Addendum to the Franchise Agreement, you agree that if you engage in any non-compliance with the terms of the Franchise Agreement or unauthorized or improper use of the System Marks, or Proprietary Materials during or after the period of the Agreements, we will be entitled to seek both temporary and permanent injunctive relief against you from any court of competent jurisdiction, in addition to all other remedies which we may have at law, and you consent to the seeking of these temporary and permanent injunctions.

Based upon Franchisor's financial condition, the Minnesota Department of Commerce has required a financial assurance. Therefore, all initial fees and payments owed by franchisees shall be deferred until Franchisor completes its pre-opening obligations under this Agreement.

NEW YORK ADDENDUM TO DISCLOSURE DOCUMENT

NOTICE TO PROSPECTIVE FRANCHISEES IN THE STATE OF NEW YORK

1. The following information is added to the cover page of the Franchise Disclosure Document:

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

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

Except as provided above, with regard to the franchisor, its predecessor, a person identified in Item 2, or an affiliate offering franchises under the franchisor's principal trademark:

- a. No such party has an administrative, criminal, or civil action pending against that person alleging: a felony, a violation of a franchise, antitrust, or securities law, fraud, embezzlement, fraudulent conversion, misappropriation of property, unfair or deceptive practices, or comparable civil or misdemeanor allegations.
- b. No such party has pending actions, other than routine litigation. incidental to the business, which are significant in the context of the number of franchisees and the size, nature or financial condition of the franchise system or its business operations.
- c. No such party has been convicted of a felony or pleaded nolo contendere to a felony charge or, within the 10-year period immediately preceding the application for registration, has been convicted of or pleaded nolo contendere to a misdemeanor charge or has been the subject of a civil action alleging: violation of a franchise, antifraud, or securities law; fraud; embezzlement; fraudulent conversion or misappropriation of property; or unfair or deceptive practices or comparable allegations.
- d. No such party is subject to a currently effective injunctive or restrictive order or decree relating to the franchise, or under a Federal, State, or Canadian franchise, securities, antitrust; trade regulation or trade practice law, resulting from a concluded or pending action or proceeding brought by a public agency; or is subject to any currently effective order of any national securities association or national securities exchange, as defined in the Securities and Exchange Act of 1934, suspending or expelling such person from membership in such association or exchange; or is subject to a currently effective injunctive or restrictive order relating to any other business activity as a result of an action brought by a public agency or department, including, without limitation, actions affecting a license as a real estate broker or sales agent.

3. The following is added to the end of the "Summary" section of Item 17(c), titled **"Requirements for franchisee to renew or extend,"** and Item 17(m), entitled **"Conditions for franchisor approval of transfer"**:

However, to the extent required by applicable law, all rights you enjoy and any causes of action arising in your favor from the provisions of Article 33 of the General Business Law of the State of New York and the regulations issued thereunder shall remain in force; it being the intent of this proviso that the non-waiver provisions of General Business Law Section 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" section of Item 17(o), titled **"Assignment of contract by franchisor"**:

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

6. The following is added to the end of the "Summary" section 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.

7. Any requirements of an Area Representative Agreement that you consent to the entry of an injunction prohibiting any breach by you of your obligations under the Franchise Agreement are modified in the State of New York to provide only that you consent to the seeking of such an injunction.
8. The following sentence is added at the end of the section entitled "Modifications to System" in Item 17 of the Franchise Disclosure Document:

However, any new or different requirement set forth will not unreasonably increase your obligations or place an excessive economic burden on your operations.

NORTH DAKOTA ADDENDUM TO DISCLOSURE DOCUMENT

In North Dakota, the Disclosure Document is amended as follows to conform to North Dakota law:

1. Item 17(c) “**Requirements for Franchisee to Renew or Extend**” of the Disclosure Document is amended to provide as follows: “Any provision in the Franchise Agreement which requires the franchisee to sign a general release upon renewal of the Franchise Agreement is unfair, unjust, or inequitable within the intent of Section 51-19-09 of the North Dakota Franchise Investment Law.”
2. Item 17(r) “**Non-competition Covenants**” of the Disclosure Document is amended to provide as follows: “Any provision in the Franchise Agreement restricting competition is contrary to Section 9-08-06 of the North Dakota Century Code, without further disclosing that such covenants may be subject to this statute, are unfair, unjust or inequitable within the intent of Section 51-09-09 of the North Dakota Franchise Investment Law.”
3. Item 17(u) “**Dispute Resolution**” of the Disclosure Document is amended to provide as follows: “Any provision in the Franchise Agreement which provides that the parties agree to an arbitration or mediation of disputes which place at a location that is remote from the site of Franchisee’s business is unfair, unjust or inequitable within the intent of Section 51-19-09 of the North Dakota Franchise Investment Law.”
4. Item 17(v) “**Venue**” of the Disclosure Document is amended to provide as follows: “Any provision in the Franchise Agreement which designates jurisdiction or venue or requires the Franchisee to agree to jurisdiction or venue in a forum outside of North Dakota is void with respect to any cause of action which is otherwise enforceable in North Dakota.”
5. Item 17(w) “**Governing Law**” is amended to provide as follows: “Any provision in the Franchise Agreement requiring that the Franchise Agreement be construed according to the laws of a state other than North Dakota is unfair, unjust, or inequitable within the intent of Section 51-19-09 of the North Dakota Franchise Investment Law.”

OHIO ADDENDUM TO DISCLOSURE DOCUMENT

The following language will be added to the front page of the Franchise Agreement:

You, the purchaser, may cancel this transaction at any time prior to midnight of the fifth business day after the date you sign this agreement. See the attached notice of cancellation for an explanation of this right.

Initials: _____

Date: _____

NOTICE OF CANCELLATION

_____(enter date of transaction)

You may cancel this transaction, without penalty or obligation, within five business days from the above date. If you cancel, any payments made by you under the agreement, and any negotiable instrument executed by you will be returned within ten business days following the seller's receipt of your cancellation notice, and any security interest arising out of the transaction will be cancelled. If you cancel, you must make available to the seller at your business address all goods delivered to you under this agreement; or you may, if you wish, comply with the instructions of the seller regarding the return shipment of the goods at the seller's expense and risk. If you do make the goods available to the seller and the seller does not pick them up within 20 days of the date of your notice of cancellation, you may retain or dispose of them without further obligation. If you fail to make the goods available to the seller, or if you agree to return them to the seller and fail to do so, then you remain liable for the performance of all obligations under this agreement. To cancel this transaction, mail or deliver a signed and dated copy of this cancellation notice or any other written notice to Skill Samurai, Inc., c/o Jeff Hughes, 2423 SW 147th Ave #2006, Miami, FL 33185, not later than midnight of the fifth business day after the Effective Date.

I hereby cancel this transaction.

Franchisee: _____

Signed: _____

Name: _____

Date: _____

RHODE ISLAND ADDENDUM TO DISCLOSURE DOCUMENT

Notwithstanding anything to the contrary set forth in the Franchise Disclosure Document, the following provisions shall supersede and apply to all franchises offered and sold in the State of Rhode Island.

ITEM 17 - RENEWAL, TERMINATION, TRANSFER AND DISPUTE RESOLUTION

§19-28.1.-14 of the Rhode Island Franchise Investment Act provides that “A provision in a Franchise Agreement restricting jurisdiction or venue to a forum outside this state or requiring the application of the laws of another state is void with respect to a claim otherwise enforceable under this Act.”

VIRGINIA ADDENDUM TO DISCLOSURE DOCUMENT

In recognition of the restrictions contained in Section 13.1-564 of the Virginia Retail Franchising Act, the Franchise Disclosure Document for Skill Samurai, Inc., for use in the Commonwealth of Virginia shall be amended as follows:

Additional Disclosure: The following statements are added to Item 17:

Pursuant to Section 13.1-564 of the Virginia Retail Franchising Act, it is unlawful for a franchisor to cancel a franchise without reasonable cause. If any grounds for default or termination stated in the Franchise Agreement do 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.

**WASHINGTON ADDENDUM TO THE FRANCHISE DISCLOSURE DOCUMENT,
FRANCHISE AGREEMENT, AREA DEVELOPMENT AGREEMENT, AND RELATED
AGREEMENTS**

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

RCW 19.100.180 may supersede the franchise agreement in your relationship with the franchisor including the areas of termination and renewal of your franchise. There may also be court decisions which may supersede the franchise agreement in your relationship with the franchisor including the areas of termination and renewal of your franchise.

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

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

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

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

RCW 49.62.060 prohibits a franchisor from restricting, restraining, or prohibiting a franchisee from (i) soliciting or hiring any employee of a franchisee of the same franchisor or (ii) soliciting or hiring any employee of the franchisor. As a result, any such provisions contained in the franchise agreement or elsewhere are void and unenforceable in Washington.

In lieu of an impound of franchise fees, the Franchisor will not require or accept the payment of any initial franchise fees until the franchisee has (a) received all pre-opening and initial training obligations that it is entitled to under the franchise agreement or offering circular, and (b) is open for business. Because Franchisor has material pre-opening obligations with respect to each franchised business Franchisee opens under the Area Development Agreement, payment of the franchise fee will be released with respect to each franchise outlet opened and until franchisor has met all its pre-opening obligations under the Agreement and Franchisee is open for business with respect to each such location.

WISCONSIN ADDENDUM TO DISCLOSURE DOCUMENT

The Wisconsin Fair Dealership Law, Chapter 135 of the Wisconsin Statutes supersedes any provision of the Franchise Agreement if such provision is in conflict with that law. The Franchise Disclosure Document, the Franchise Agreement and the Supplemental Agreements are amended accordingly.

SIGNATURE PAGE FOR APPLICABLE ADDENDA

If any one of the preceding Addenda for specific states (“Addenda”) is checked as an “Applicable Addenda” below, then that Addenda shall be incorporated into the Franchise Disclosure Document, Franchise Agreement, and any other specified agreement(s) entered into by us and the undersigned Franchisee. To the extent any terms of an Applicable Addenda conflict with the terms of the Franchise Disclosure Document, Franchise Agreement, or other specified agreement(s), the terms of the Applicable Addenda shall supersede the terms of the Franchise Agreement.

☐ California
☐ Hawaii
☐ Illinois
☐ Iowa
☐ Indiana
☐ Maryland

☐ Michigan
☐ Minnesota
☐ New York
☐ North Dakota
☐ Ohio

☐ Rhode Island
☐ South Dakota
☐ Virginia
☐ Washington
☐ Wisconsin

Date: _____, _____

FRANCHISOR:

SKILL SAMURAI, INC.

By: _____

Title: _____

FRANCHISEE:

By: _____

Title: _____

EXHIBIT I

CONTRACTS FOR USE WITH SKILL SAMURAI FRANCHISE

The following contracts contained in this exhibit are contracts that a Franchisee is required to utilize or execute after signing the Franchise Agreement in the operation of Skill Samurai Business. The following are the forms of contracts that Skill Samurai, Inc. uses as of the issuance date of this Disclosure Document.

EXHIBIT I-1

SKILL SAMURAI, INC.

GENERAL RELEASE AGREEMENT

This Waiver and Release of Claims (“Release”) is made as of [DATE] by [FRANCHISEE LEGAL NAME], a(n) [STATE ENTITY TYPE] (“Franchisee”), and each individual holding an ownership interest in Franchisee (collectively with Franchisee, “Releasor”) in favor of Skill Samurai, Inc, a Florida Corporation (“Franchisor,” and together with Releasor, the “Parties”).

WHEREAS, Franchisor and Franchisee have entered into a Franchise Agreement (“Agreement”) pursuant to which Franchisee was granted the right to own and operate a Skill Samurai business;

WHEREAS, Franchisee has notified Franchisor of its desire to transfer the Agreement and all rights related thereto, or an ownership interest in Franchisee, to a transferee, and Franchisor has consented to such transfer; and

WHEREAS, as a condition to Franchisor’s consent to the transfer, Releasor has agreed to execute this Release upon the terms and conditions stated below.

NOW, THEREFORE, in consideration of Franchisor’s consent to the transfer, and for other good and valuable consideration, the sufficiency and receipt of which are hereby acknowledged, and intending to be legally bound, Releasor hereby agrees as follows:

1. *Representations and Warranties.* Releasor represents and warrants that it is duly authorized to enter into this Release and to perform the terms and obligations herein contained, and has not assigned, transferred, or conveyed, either voluntarily or by operation of law, any of its rights or claims against Franchisor or any of the rights, claims, or obligations being terminated and released hereunder. The undersigned represents and warrants that he/she is duly authorized to enter into and execute this Release on behalf of Franchisee. Releasor further represents and warrants that all individuals that currently hold a direct or indirect ownership interest in Franchisee are signatories to this Release.
2. *Release.* Releasor and its subsidiaries, affiliates, parents, divisions, successors and assigns, and all persons or firms claiming by, through, under, or on behalf of any or all of them, hereby release, acquit, and forever discharge Franchisor, any and all of its affiliates, parents, subsidiaries, or related companies, divisions, and partnerships, and its and their past and present officers, directors, agents, partners, shareholders, employees, representatives, successors and assigns, and attorneys, and the spouses of such individuals (collectively, the “Released Parties”), from any and all claims, liabilities, damages, expenses, actions, or causes of action which Releasor may now have or has ever had, whether known or unknown, past or present, absolute or contingent, suspected or

unsuspected, of any nature whatsoever, including without limiting the generality of the foregoing, all claims, liabilities, damages, expenses, actions, or causes of action directly or indirectly arising out of or relating to the execution and performance of the Agreement and the offer and sale of the franchise related thereto, except to the extent such liabilities are payable by the applicable indemnified party in connection with a third-party claim.

3. *Non-disparagement.* Releasor expressly covenants and agrees not to make any false representation of facts, or to defame, disparage, discredit, or deprecate any of the Released Parties or otherwise communicate with any person or entity in a manner intending to damage any of the Released Parties, their business, or their reputation.
4. *Confidentiality.* Releasor agrees to hold in strictest confidence and not disclose, publish, or use the existence of, or any details relating to, this Agreement to any third party without Franchisor's express written consent, except as required by law.
5. *Miscellaneous.*
 - a. Releasor agrees that it has read and fully understands this Release and that the opportunity has been afforded to Releasor to discuss the terms and contents of said Release with legal counsel and/or that such a discussion with legal counsel has occurred.
 - b. This Release shall be construed and governed by the laws of the State of Florida.
 - c. Each individual and entity that comprises Releasor shall be jointly and severally liable for the obligations of Releasor.
 - d. In the event that it shall be necessary for any Party to institute legal action to enforce or for the breach of any of the terms and conditions or provisions of this Release, the prevailing Party in such action shall be entitled to recover all of its reasonable costs and attorneys' fees.
 - e. All of the provisions of this Release shall be binding upon and inure to the benefit of the Parties and their current and future respective directors, officers, partners, attorneys, agents, employees, shareholders, and the spouses of such individuals, successors, affiliates, and assigns. No other party shall be a third-party beneficiary to this Release.
 - f. This Release constitutes the entire agreement and, as such, supersedes all prior oral and written agreements or understandings between and among the Parties regarding the subject matter hereof. This Release may not be modified except in a writing signed by all of the Parties. This Release may be executed in multiple counterparts, each of which shall be deemed an original and all of which together shall constitute but one and the same document.

- g. If one or more of the provisions of this Release shall for any reason be held invalid, illegal, or unenforceable in any respect, such invalidity, illegality, or unenforceability shall not affect or impair any other provision of this Release, but this Release shall be construed as if such invalid, illegal, or unenforceable provision had not been contained herein.
- h. Releasor agrees to do such further acts and things and to execute and deliver such additional agreements and instruments as any Released Party may reasonably require consummating, evidence, or confirm the Release contained herein in the matter contemplated hereby.

For Releasors in Washington: This General Release is not applicable to claims arising under the Franchise Investment Protection Act, chapter 19.100 RCW, or the rules adopted thereunder in accordance with RCW 19.100.220(2).

IN WITNESS WHEREOF, Releasor has executed this Release as of the date written below.

RELEASOR:

By: **[SIGNATURE]**

Name: **[PRINTED NAME]**

Title: **[TITLE]**

FRANCHISOR:

SKILL SAMURAI, INC.

By: **[SIGNATURE]**

Name: **[PRINTED NAME]**

Title: **[TITLE]**

EXHIBIT I-2

SKILL SAMURAI, INC.

SYSTEM PROTECTION AGREEMENT

This System Protection Agreement (“Agreement”) is entered into by the undersigned (“you” or “your”) in favor of Skill Samurai, Inc., a Florida Corporation, and its successors and assigns (“us,” “we,” or “our”), upon the terms and conditions set forth in this Agreement.

1. Definitions. For purposes of this Agreement, the following terms have the meanings given to them below:

“*Competitive Business*” means any business that: (i) sells or offers to sell products the same as or similar to the type of products sold by you in and/or from the Franchisee Territory (including, but not limited to, the products we authorize); or (ii) provides or offers to provide services the same as or similar to the type of services sold by you in and/or from the Franchisee Territory (including, but not limited to, the services we authorize), but excludes a Skill Samurai business operating pursuant to a franchise agreement with us.

“*Copyrights*” means all works and materials for which we or our affiliate have secured common law or registered copyright protection and that we allow franchisees to use, sell, or display in connection with the marketing and/or operation of a Skill Samurai business or the solicitation or offer of a Skill Samurai franchise, whether now in existence or created in the future.

“*Franchisee*” means Skill Samurai franchisee for which you are a manager or officer.

“*Franchisee Territory*” means the territory granted to you pursuant to a franchise agreement with us.

“*Intellectual Property*” means, collectively or individually, our Marks, Copyrights, Know-how, and System.

“*Know-how*” means all of our trade secrets and other proprietary information relating to the development, construction, marketing, and/or operation of a Skill Samurai business, including, but not limited to, methods, techniques, specifications, proprietary practices and procedures, policies, marketing strategies, and information comprising the System and the Manual.

“*Manual*” means our confidential operations manual for the operation of a Skill Samurai business, which may be periodically modified by us.

“*Marks*” means the logotypes, service marks, and trademarks now or hereafter involved in the operation of a Skill Samurai business, including “Skill Samurai,” and any other trademarks, service marks, or trade names that we designate for use by a Skill Samurai business. The term “Marks”

also includes any distinctive trade dress used to identify a Skill Samurai business, whether now in existence or hereafter created.

“Prohibited Activities” means any or all of the following: (i) owning, operating, or having any other interest (as an owner, partner, director, officer, employee, manager, consultant, shareholder, creditor, representative, agent, or in any similar capacity) in a Competitive Business (other than owning an interest of five percent (5%) or less in a publicly-traded company that is a Competitive Business); (ii) diverting or attempting to divert any business from us (or one of our affiliates or franchisees); and/or (iii) inducing or attempting to induce: (a) any of our employees or managers (or those of our affiliates or franchisees) to leave their position; or (b) any customer of ours (or of one of our affiliates or franchisees) to transfer their business to you or to any other person that is not then a franchisee of ours.

“Restricted Period” means the two-year period after you cease to be a manager or officer of Franchisee’s Skill Samurai business; provided, however, that if a court of competent jurisdiction determines that this period of time is too long to be enforceable, then the “Restricted Period” means the one-year period after you cease to be a manager or officer of Franchisee’s Skill Samurai business.

“Restricted Territory” means the geographic area within: (i) a 15-mile radius from Franchisee’s Skill Samurai business (and including the premises of the approved location or the geographical Skill Samurai Business of the territory of Franchisee); and (ii) a 15-mile radius from all other Skill Samurai businesses that are operating or under construction as of the beginning of the Restricted Period; provided, however, that if a court of competent jurisdiction determines that the foregoing Restricted Territory is too broad to be enforceable, then the “Restricted Territory” means the geographic area within a 25-mile radius from Franchisee’s Skill Samurai business or geographical Skill Samurai Business of the territory (and including the premises of the approved location of Franchisee).

“System” means our system for the establishment, development, operation, and management of a Skill Samurai business, including Know-how, proprietary programs and products, Manual, and operating system.

2. Background. You are a manager or officer of Franchisee. As a result of this relationship, you may gain knowledge of our System. You understand that protecting the Intellectual Property and our System are vital to our success and that of our franchisees and that you could seriously jeopardize our entire System if you were to unfairly compete with us. In order to avoid such damage, you agree to comply with the terms of this Agreement.

3. Know-How and Intellectual Property. You agree: (i) you will not use the Know-how in any business or capacity other than Skill Samurai business operated by Franchisee; (ii) you will maintain the confidentiality of the Know-how at all times; (iii) you will not make unauthorized copies of documents containing any Know-how; (iv) you will take such reasonable steps as we may ask of you from time to time to prevent unauthorized use or disclosure of the Know-how; and

(v) you will stop using the Know-how immediately if you are no longer a manager or officer of Franchisee's Skill Samurai business. You further agree that you will not use all or part of the Intellectual Property or all or part of the System for any purpose other than the performance of your duties for Franchisee and within the scope of your employment or other engagement with Franchisee. These restrictions on Know-how, Intellectual Property and the System shall not apply to any information which is information publicly known or becomes lawfully known in the public domain other than through a breach of this Agreement or is required or compelled by law to be disclosed, provided that you will give reasonable notice to us to allow us to seek protective or other court orders.

4. Unfair Competition During Relationship. You agree not to unfairly compete with us at any time while you are a manager or officer of Franchisee's Skill Samurai business by engaging in any Prohibited Activities.

5. Unfair Competition After Relationship. You agree not to unfairly compete with us during the Restricted Period by engaging in any Prohibited Activities; provided, however, that the Prohibited Activity relating to having an interest in a Competitive Business will only apply with respect to a Competitive Business that is located within or provides competitive goods or services to customers who are located within the Restricted Territory. If you engage in any Prohibited Activities during the Restricted Period, then you agree that your Restricted Period will be extended by the period of time during which you were engaging in the Prohibited Activity.

6. Immediate Family Members. You acknowledge that you could circumvent the purpose of this Agreement by disclosing Know-how to an immediate family member (i.e., spouse, parent, sibling, child, grandparent or grandchild). You also acknowledge that it would be difficult for us to prove whether you disclosed the Know-how to family members. Therefore, you agree that you will be presumed to have violated the terms of this Agreement if any member of your immediate family: (i) engages in any Prohibited Activities during any period of time during which you are prohibited from engaging in the Prohibited Activities; or (ii) uses or discloses the Know-how. However, you may rebut this presumption by furnishing evidence conclusively showing that you did not disclose the Know-how to the family member.

7. Covenants Reasonable. You acknowledge and agree that: (i) the terms of this Agreement are reasonable both in time and in scope of geographic area; and (ii) you have sufficient resources and business experience and opportunities to earn an adequate living while complying with the terms of this Agreement. **YOU HEREBY WAIVE ANY RIGHT TO CHALLENGE THE TERMS OF THIS AGREEMENT AS BEING OVERLY BROAD, UNREASONABLE, OR OTHERWISE UNENFORCEABLE.**

8. Breach. You agree that failure to comply with the terms of this Agreement will cause substantial and irreparable damage to us and/or other Skill Samurai franchisees for which there is no adequate remedy at law. Therefore, you agree that any violation of the terms of this Agreement will entitle us to injunctive relief. You agree that we may apply for such injunctive relief without bond, but upon due notice, in addition to such further and other relief as may be available at equity

or law, and the sole remedy of yours in the event of the entry of such injunction will be the dissolution of such injunction, if warranted, upon hearing duly held (all claims for damages by reason of the wrongful issuance of any such injunction being expressly waived hereby). If a court requires the filing of a bond notwithstanding the preceding sentence, the parties agree that the amount of the bond shall not exceed \$1,000. None of the remedies available to us under this Agreement are exclusive of any other, but may be combined with others under this Agreement, or at law or in equity, including injunctive relief, specific performance, and recovery of monetary damages. Any claim, defense, or cause of action that you may have against us, our owners or our affiliates, or against Franchisee, regardless of cause or origin, cannot be used as a defense against our enforcement of this Agreement.

9. Miscellaneous.

a. If we pursue legal remedies against you because you have breached this Agreement and prevail against you, you agree to pay our reasonable attorneys' fees and costs in doing so.

b. This Agreement will be governed by, construed, and enforced under the laws of Florida, and the courts in that state shall have jurisdiction over any legal proceedings arising out of this Agreement.

c. Each section of this Agreement, including each subsection and portion thereof, is severable. If any section, subsection, or portion of this Agreement is unenforceable, it shall not affect the enforceability of any other section, subsection, or portion; and each party to this Agreement agrees that the court may impose such limitations on the terms of this Agreement as it deems in its discretion necessary to make such terms reasonable in scope, duration, and geographic area.

d. You and we both believe that the covenants in this Agreement are reasonable in terms of scope, duration, and geographic area. However, we may at any time unilaterally modify the terms of this Agreement upon written notice to you by limiting the scope of the Prohibited Activities, narrowing the definition of a Competitive Business, shortening the duration of the Restricted Period, reducing the geographic scope of the Restricted Territory, and/or reducing the scope of any other covenant imposed upon you under this Agreement to ensure that the terms and covenants in this Agreement are enforceable under applicable law.

EXECUTED on the date stated below.

By: **[SIGNATURE]**

Name: **[PRINTED NAME]**

Date: **[DATE]**

EXHIBIT I-3

SKILL SAMURAI, INC.

CONFIDENTIALITY AGREEMENT

This Confidentiality Agreement (“Agreement”) is entered into by the undersigned (“you”) in favor of Skill Samurai, Inc, a Florida Corporation, and its successors and assigns (“us”), upon the terms and conditions set forth in this Agreement.

1. Definitions. For purposes of this Agreement, the following terms have the meanings given to them below:

“*Copyrights*” means all works and materials for which we or our affiliate(s) have secured common law or registered copyright protection and that we allow Skill Samurai franchisees to use, sell, or display in connection with the marketing and/or operation of a Skill Samurai Business, whether now in existence or created in the future.

“*Franchisee*” means Skill Samurai franchisee for which you are an employee, independent contractor, agent, representative, or supplier.

“*Skill Samurai Business*” means a business that teaches computer science coding and robotics classes, primarily for primary school age children and teens, and other related products and services using our Intellectual Property.

“*Intellectual Property*” means, collectively or individually, our Marks, Copyrights, Know-how, Manual, and System.

“*Know-how*” means all of our trade secrets and other proprietary information relating to the development, construction, marketing, and/or operation of a Skill Samurai Business, including, but not limited to, methods, techniques, specifications, proprietary practices and procedures, policies, marketing strategies, and information comprising the System and the Manual.

“*Manual*” means our confidential operations manual for the operation of a Skill Samurai Business.

“*Marks*” means the logotypes, service marks, and trademarks now or hereafter involved in the operation of a Skill Samurai Business, including “Skill Samurai” and any other trademarks, service marks, or trade names that we designate for use by a Skill Samurai Business. The term “Marks” also includes any distinctive trade dress used to identify a Skill Samurai Business, whether now in existence or hereafter created.

“*System*” means our system for the establishment, development, operation, and management of a

Skill Samurai Business, including Know-how, proprietary programs and products, confidential operations manuals, and operating system.

2. Background. You are an employee, independent contractor, agent, representative, or supplier of Franchisee. Because of this relationship, you may gain knowledge of our Intellectual Property. You understand that protecting the Intellectual Property is vital to our success and that of our franchisees, and that you could seriously jeopardize our entire Franchise System if you were to use such Intellectual Property in any way other than as described in this Agreement. In order to avoid such damage, you agree to comply with this Agreement.

3. Know-How and Intellectual Property: Nondisclosure and Ownership. You agree:

- (i) you will not use the Intellectual Property in any business or capacity other than for the benefit of Skill Samurai Business operated by Franchisee or in any way detrimental to us or to the Franchisee;
- (ii) you will maintain the confidentiality of the Intellectual Property at all times;
- (iii) you will not make unauthorized copies of documents containing any Intellectual Property;
- (iv) you will take such reasonable steps as we may ask of you from time to time to prevent unauthorized use or disclosure of the Intellectual Property; and
- (v) you will stop using the Intellectual Property immediately if you are no longer an employee, independent contractor, agent, representative, or supplier of Franchisee. You further agree that you will not use the Intellectual Property for any purpose other than the performing your duties for Franchisee and within the scope of your employment or other engagement with Franchisee.

The Intellectual Property is and shall continue to be the sole property of Skill Samurai, Inc. You hereby assign and agree to assign to us any rights you may have or may acquire in such Intellectual Property. Upon the termination of your employment or engagement with Franchisee, or at any time upon our or Franchisee's request, you will deliver to us or to Franchisee all documents and data of any nature pertaining to the Intellectual Property, and you will not take with you any documents or data or copies containing or pertaining to any Intellectual Property.

4. Immediate Family Members. You acknowledge you could circumvent the purpose of this Agreement by disclosing Intellectual Property to an immediate family member (i.e., spouse, parent, sibling, child, or grandchild). You also acknowledge that it would be difficult for us to prove whether you disclosed the Intellectual Property to family members. Therefore, you agree you will be presumed to have violated the terms of this Agreement if any member of your immediate family uses or discloses the Intellectual Property. However, you may rebut this presumption by furnishing evidence conclusively showing you did not disclose the Intellectual

Property to the family member.

5. Covenants Reasonable. You acknowledge and agree that:

- (i) the terms of this Agreement are reasonable both in time and in scope of geographic area; and
- (ii) you have sufficient resources and business experience and opportunities to earn an adequate living while complying with the terms of this Agreement.

YOU HEREBY WAIVE ANY RIGHT TO CHALLENGE THE TERMS OF THIS AGREEMENT AS BEING OVERLY BROAD, UNREASONABLE, OR OTHERWISE UNENFORCEABLE.

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

7. Miscellaneous.

a. Although this Agreement is entered into in favor of Skill Samurai, Inc., you understand and acknowledge that your employer/employee, independent contractor, agent, representative, or supplier relationship is with Franchisee and not with us, and for all purposes in connection with such relationship, you will look to Franchisee and not to us.

b. If we pursue legal remedies against you because you have breached this Agreement and prevail against you, you agree to pay our reasonable attorney fees and costs in doing so.

c. This Agreement will be governed by, construed, and enforced under the laws of Florida, and the courts in that state shall have jurisdiction over any legal proceedings arising out of this Agreement.

d. Each section of this Agreement, including each subsection and portion, is severable. If any section, subsection, or portion of this Agreement is unenforceable, it shall not affect the

enforceability of any other section, subsection, or portion; and each party to this Agreement agrees that the court may impose such limitations on the terms of this Agreement as it deems in its discretion necessary to make such terms enforceable.

EXECUTED on the date stated below.

By: **[SIGNATURE]**

Name: **[PRINTED NAME]**

Date: **[DATE]**

EXHIBIT I-4

SKILL SAMURAI, INC.

ELECTRONIC FUNDS TRANSFER AUTHORIZATION FORM

Bank Name:

ABA#:

Acct. No.:

Acct. Name:

Federal EIN:

Effective as of the date of the signature below, [FRANCHISEE] (the “Franchisee”) hereby authorizes Skill Samurai, Inc. (the “Franchisor”) or its designee to withdraw funds from the above-referenced bank account, electronically or otherwise, to cover the following payments that are due and owing Franchisor or its affiliates under the franchise agreement dated [FA EFFECTIVE DATE] (the “Franchise Agreement”) for the business located at: [FRANCHISEE ADDRESS] (the “Business”): (i) all Royalty Fees; (ii) Fund Contributions; (iii) any amounts due and owing the Franchisor or its affiliates in connection with marketing materials or other supplies or inventory that is provided by Franchisor or its affiliates; and (iv) all other fees and amounts due and owing to Franchisor or its affiliates under the Franchise Agreement. Franchisee acknowledges each of the fees described above may be collected by the Franchisor (or its designee) as set forth in the Franchise Agreement.

The parties further agree that all capitalized terms not specifically defined herein will be afforded the definition they are given in the Franchise Agreement.

Such withdrawals shall occur on a monthly basis, or on such other schedule as Franchisor shall specify in writing. This authorization shall remain in full force and effect until terminated in writing by Franchisor. Franchisee shall provide Franchisor, in conjunction with this authorization, a voided check from the above-referenced account.

AGREED:

FRANCHISEE

[FRANCHISEE]

By: [SIGNATURE]

Name: [PRINT NAME]

Title: [TITLE]

FRANCHISOR APPROVAL

SKILL SAMURAI, INC.

By: [SIGNATURE]

Name: [PRINT NAME]

Title: [TITLE]

Please attach a voided blank check, for purposes of setting up Bank and Transit Numbers.

EXHIBIT I-5

SKILL SAMURAI, INC.

APPROVAL OF REQUESTED ASSIGNMENT

This Approval of Requested Assignment (“Agreement”) is entered into this **[DATE]**, between Skill Samurai, Inc. (“Franchisor”), **[INSERT FORMER FRANCHISEE NAME]** (“Former Franchisee”) and **[INSERT NEW FRANCHISEE NAME]** (“New Franchisee”).

RECITALS

WHEREAS, Franchisor and Former Franchisee entered into that certain franchise agreement dated **[INSERT FA EFFECTIVE DATE]** (“Franchise Agreement”), in which Franchisor granted Former Franchisee the right to operate a Skill Samurai franchise located at **[INSERT FRANCHISE ADDRESS]** (“Franchised Business”); and

WHEREAS, Former Franchisee desires to assign (“Requested Assignment”) the Franchised Business to New Franchisee, New Franchisee desires to accept the Requested Assignment of the Franchised Business from Former Franchisee, and Franchisor desires to approve the Requested Assignment of the Franchised Business from Former Franchisee to New Franchisee upon the terms and conditions contained in this Agreement.

NOW, THEREFORE, in consideration of the mutual covenants, promises, and agreements herein contained, the parties hereto hereby covenant, promise, and agree as follows:

1. Payment of Fees. In consideration for the Requested Assignment, Former Franchisee acknowledges and agrees to pay Franchisor the Transfer Fee, as required under the Franchise Agreement (“Franchisor’s Assignment Fee”).

2. Assignment and Assumption. Former Franchisee hereby consents to assign all of its rights and delegate its duties with regard to the Franchise Agreement and all exhibits and attachments thereto from Former Franchisee to New Franchisee, subject to the terms and conditions of this Agreement, and conditioned upon New Franchisee’s signing of a franchise agreement pursuant to Section 5 of this Agreement.

3. Consent to Requested Assignment of Franchised Business. Franchisor hereby consents to the Requested Assignment of the Franchised Business from Former Franchisee to New Franchisee upon receipt of the Franchisor’s Assignment Fee from Former Franchisee and the mutual execution of this Agreement by all parties. Franchisor waives its right of first refusal set forth in the Franchise Agreement and waives any obligation for Former Franchisee to enter into a subordination agreement pursuant to the Franchise Agreement.

4. Termination of Rights to the Franchised Business. The parties acknowledge and agree that all of Former Franchisee's rights to operate the Franchised Business and rights under the Franchise Agreement are hereby relinquished and that from the date of this Agreement only New Franchisee shall have the sole right to operate the Franchised Business. Former Franchisee and its owners agree to comply with all of the covenants in the Franchise Agreement that expressly or by implication survive the termination, expiration, or transfer of the Franchise Agreement. Unless otherwise precluded by state law, Former Franchisee shall execute Franchisor's current form of General Release Agreement.

5. New Franchise Agreement. New Franchisee shall execute Franchisor's current form of Franchise Agreement and attachments for the Franchised Business (as amended by the form of Addendum prescribed by Franchisor, if applicable), and any other required contracts for the operation of a Skill Samurai franchise as stated in Franchisor's Franchise Disclosure Document.

6. Franchisee's Contact Information. Former Franchisee agrees to keep Franchisor informed of its current address and telephone number at all times during the three-year period following the execution of this Agreement.

7. Acknowledgement by New Franchisee. New Franchisee acknowledges and agrees that the purchase of the rights to the Franchised Business ("Transaction") occurred solely between Former Franchisee and New Franchisee. New Franchisee also acknowledges and agrees that Franchisor played no role in the Transaction and that Franchisor's involvement was limited to the approval of Requested Assignment and any required actions regarding New Franchisee's signing of a new franchise agreement for the Franchised Business. New Franchisee agrees that any claims, disputes, or issues relating New Franchisee's acquisition of the Franchised Business from Franchisee are between New Franchisee and Franchisee and shall not involve Franchisor.

8. Representation. Former Franchisee warrants and represents that it has not heretofore assigned, conveyed, or disposed of any interest in the Franchise Agreement or Franchised Business. Buyer hereby represents that it received Franchisor's Franchise Disclosure Document and did not sign the new Franchise Agreement or pay any money to Franchisor or its affiliate for a period of at least 14 calendar days after receipt of the Franchise Disclosure Document.

9. Notices. Any notices given under this Agreement shall be in writing, and if delivered by hand, or transmitted by U.S. certified mail, return receipt requested, postage prepaid, or via telegram or telefax, shall be deemed to have been given on the date so delivered or transmitted, if sent to the recipient at its address or telefax number appearing on the records of the sending party.

10. Further Actions. Former Franchisee and New Franchisee each agree to take such further actions as may be required to effectuate the terms and conditions of this Agreement,

including any and all actions that may be required or contemplated by the Franchise Agreement.

11. Affiliates. When used in this Agreement, the term “Affiliates” has the meaning as given in Rule 144 under the Securities Act of 1933.

12. Miscellaneous. This Agreement may not be changed or modified except in a writing signed by all of the parties hereto. This Agreement may be executed in any number of counterparts, each of which shall be deemed to be an original, and all of which together shall constitute one and the same document. This Agreement shall be binding upon and inure to the benefit of the parties and their respective successors and assigns.

13. Governing Law. This Agreement shall be governed by, and construed and enforced in accordance with, the laws of the State of Florida.

[Signature page follows.]

IN WITNESS WHEREOF, the parties have executed this Agreement under seal, with the intent that this be a sealed instrument, as of the day and year first above written.

FRANCHISOR:

SKILL SAMURAI, INC.

By: **[SIGNATURE]**

Name: **[PRINTED NAME]**

Title: **[TITLE]**

FORMER FRANCHISEE:

[FORMER FRANCHISEE]

By: **[SIGNATURE]**

Name: **[PRINTED NAME]**

Title: **[TITLE]**

NEW FRANCHISEE:

[NEW FRANCHISEE]

By: **[SIGNATURE]**

Name: **[PRINTED NAME]**

Title: **[TITLE]**

EXHIBIT J

STATE EFFECTIVE DATES

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

This document is effective and may be used in the following states, where the document is filed, registered or exempt from registration, as of the Effective Date stated below:

State	Effective Date
California	
Hawaii	
Illinois	
Indiana	
Maryland	
Michigan	
Minnesota	
New York	
North Dakota	
Rhode Island	
South Dakota	
Virginia	
Washington	
Wisconsin	

RECEIPT
(Retain This Copy)

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

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

Under Iowa law, if applicable, Skill Samurai, Inc. must provide this disclosure document to you at your first personal meeting to discuss the franchise. Michigan requires Skill Samurai, Inc. to give you this Disclosure Document at least 10 business days before the execution of any binding franchise or other agreement or the payment of any consideration, whichever occurs first. New York requires you to receive this Disclosure Document at the earlier of the first personal meeting or 10 business days before the execution of the franchise or other agreement or the payment of any consideration that relates to the franchise relationship.

If Skill Samurai, 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 law and state law may have occurred and should be reported to the Federal Trade Commission, Washington, DC 20580, and the appropriate state agency identified in Exhibit E.

The name, principal business address, and telephone number of each franchise seller offering the franchise is:
Jeff Hughes, 2423 SW 147th Ave #2006, Miami, FL 33185; 1-506-899-3788
Other franchise sellers (if any) Name: _____ Address: _____ Phone: _____

Issuance Date: August 15, 2023

I received a Disclosure Document which included the following exhibits:

Exhibit A	Franchise Agreement with Attachments
Exhibit B	Area Development Agreement with Attachments
Exhibit C	Financial Statements
Exhibit D	List of Current and Former Franchisees
Exhibit E	List of State Administrators and Agents for Service of Process
Exhibit F	Franchise Disclosure Questionnaire
Exhibit G	Operations Manual Table of Contents
Exhibit H	State Specific Addenda and Agreement Riders
Exhibit I	Contracts for use with Skill Samurai
Exhibit J	State Effective Dates

Date	Signature:	Printed Name:
Date	Signature:	Printed Name:

PLEASE RETAIN THIS COPY FOR YOUR RECORDS.

RECEIPT
(Mail This Copy)

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

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

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Exhibit G	Operations Manual Table of Contents
Exhibit H	State Specific Addenda and Agreement Riders
Exhibit I	Contracts for use with Skill Samurai
Exhibit J	State Effective Dates

Date	Signature:	Printed Name:
Date	Signature:	Printed Name:

Please sign this copy of the receipt, date your signature, and return it to:
Skill Samurai, Inc., 2423 SW 147th Ave #2006, Miami, FL 33185