



FRANCHISE DISCLOSURE DOCUMENT

Blue Eagle Franchising, LLC

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BLUE EAGLE INVESTIGATIONS®

Blue Eagle Franchising, LLC
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Overland Park, KS 66209
(913) 685-2583
info@blueeaglefranchising.com
www.blueeagleinvestigations.com

As a Blue Eagle Investigations® franchisee, you will operate a private investigations business within the insurance fraud industry.

The total investment necessary to begin operation of a Blue Eagle Investigations® franchised business is \$56,840 to \$165,575. This includes \$50,000 to \$102,775 that must be paid to the franchisor or its affiliates.

This disclosure document summarizes certain provisions of your franchise agreement and other information in plain English. Read this disclosure document and all accompanying agreements carefully. You must receive this disclosure document at least 14 calendar days before you sign a binding agreement with, or make any payment to, 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 to you. To discuss the availability of disclosures in different formats, contact Stu Macfarlane, Blue Eagle Franchising, LLC, 6709 West 119th Street, Suite 125, Overland Park, KS 66209, and info@blueeaglefranchising.com.

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

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

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

Issuance Date: March 21, 2024



How to Use This Franchise Disclosure Document

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

QUESTION	WHERE TO FIND INFORMATION
How much can I earn?	Item 19 may give you information about outlet sales, costs, profits or losses. You should also try to obtain this information from others, like current and former franchisees. You can find their names and contact information in Item 20 or Exhibit “C.”
How much will I need to invest?	Items 5 and 6 list fees that you will be paying to the franchisor or at the franchisor’s direction. Item 7 lists the initial investment to open. Item 8 describes the suppliers you must use.
Does the franchisor have the financial ability to provide support to my business?	Item 21 or Exhibit “B” 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 Blue Eagle Investigations® 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 Blue Eagle Investigations® franchisee?	Item 20 or Exhibit “C” 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 “F.”

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

Special Risks to Consider About *This Franchise*

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

1. **Out-of-State Dispute Resolution.** The franchise agreement requires you to resolve disputes with the franchisor by mediation, arbitration and/or litigation only in Kansas. Out-of-state mediation, arbitration, or litigation may force you to accept a less favorable settlement for disputes. It may also cost more to mediate, arbitrate, or litigate with the franchisor in Kansas than in your own state.
2. **Unregistered Trademark.** The primary logo/design trademark that you will use in your business is not federally registered. If the franchisor's right to use this trademark in your area is challenged, you may have to identify your business and its products or services with a logo/design mark that differs from that used by other franchisees or the franchisor. This change can be expensive and may reduce brand recognition of the products or services you offer.
3. **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.

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.

**STATE REGULATIONS
FOR THE 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 under a franchise:

1. A prohibition on the right of a franchisee to join an association of franchisees.
2. A requirement that a franchisee assent to a release, assignment notation, 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 before the expiration of its term except for good cause. Good cause shall include the failure of the franchisee to comply with any lawful provision of the franchise agreement and to cure failure after being given written notice thereof and a reasonable opportunity, which in no event need to be more than 30 days, to cure 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 after 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.
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 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:
 - a. The failure of the proposed transferee to meet the franchisor's then current reasonable qualifications or standards.
 - b. The fact that the proposed transferee is a competitor of the franchisor or sub franchisor.

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

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

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

Any questions regarding this notice may be directed to the following address:

Michigan Attorney General's Office
Consumer Protection Division
525 W. Ottawa Street
Lansing, MI 48909
Telephone: (517) 373-7117

TABLE OF CONTENTS

ITEM NO.	PAGE NO.
1. The Franchisor and any Parents, Predecessors, and Affiliates.....	9
2. Business Experience	10
3. Litigation.....	11
4. Bankruptcy.....	11
5. Initial Fees.....	11
6. Other Fees	12
7. Estimated Initial Investment	17
8. Restrictions on Sources of Products and Services	19
9. Franchisee’s Obligations.....	21
10. Financing	22
11. Franchisor’s Assistance, Advertising, Computer Systems, and Training.....	23
12. Territory	30
13. Trademarks	31
14. Patents, Copyrights and Proprietary Information	33
15. Obligation to Participate in the Actual Operation of the Franchise Business.....	34
16. Restrictions on What the Franchisee May Sell	35
17. Renewal, Termination, Transfer and Dispute Resolution.....	36
18. Public Figures	40
19. Financial Performance Representations.....	40
20. Outlets and Franchisee Information.....	41
21. Financial Statements	45
22. Contracts	45
23. Receipts.....	45

Addenda of State Regulations

EXHIBITS

- A. Franchise Agreement and its Exhibits
- B. Financial Statements
- C. Schedule of Franchisees
- D. Table of Contents for the Operations Manual
- E. List of Agents for Service of Process
- F. List of State Agencies Responsible for Franchise Disclosure and Registration Laws
- G. Deposit Agreement
- H. Release Agreement (Form)

RECEIPTS

FRANCHISE DISCLOSURE DOCUMENT

ITEM 1

THE FRANCHISOR AND ANY PARENTS, PREDECESSORS, AND AFFILIATES

The Franchisor

The name of the franchisor is Blue Eagle Franchising, LLC. In this disclosure document Blue Eagle Franchising, LLC is referred to as “we” or “us” or “our” or “Blue Eagle”; “you” or “yours” means the person or persons, individually and collectively, who buys the franchise from us and includes the current and future owners of a franchisee that is a corporation, partnership or other entity.

Our limited liability company was organized on April 6, 2018, in the State of Kansas under the name Blue Eagle Investigations, LLC. Our principal place of business is 6709 W 119th St., #125, Overland Park, Kansas 66209.

Our agents for service of process in various states are disclosed in Exhibit “E.”

Affiliates

Our affiliate, Blue Eagle Investigations, Inc., a Missouri corporation, was incorporated on April 25, 1994, in the State of Missouri. Its principal place of business is 6709 W 119th St., #125, Overland Park, Kansas 66209.

Franchisor Business Activities

We do not have any other business activities other than franchising the Blue Eagle Investigations® brand. We do not do business under any name other than Blue Eagle Franchising, LLC or Blue Eagle Investigations®. We do not conduct a business similar to the one offered as part of this FDD.

As of the date of this disclosure document, we have not offered for sale or sold franchises in any other line of business. We began offering and selling Blue Eagle Investigations® franchises in December of 2018.

Parent, Affiliate, and/or Predecessor Business Activities Involving Blue Eagle Investigations®

Affiliate

Our affiliate, Blue Eagle Investigations, Inc., has operated a Blue Eagle Investigations® business similar to the one you will operate for 29 years. Our affiliate does not have offices in other states but does have investigators throughout the United States. Our affiliate does not offer and has not sold franchises in this line of business or any other line of business.

Our affiliate, Blue Eagle Investigations, Inc., provides the following products or services to our franchisees: back-office services, marketing, administrative assistance, and training and may provide additional services in the future.

We have no other affiliates, parents or predecessors required to be disclosed in this Item.

Franchise Offered

We license and train others to operate Blue Eagle Investigations® businesses. As a Blue Eagle Investigations® business you will offer a private investigations business within the insurance fraud industry.

The grant of a franchise authorizes you to engage in our complete system under the name Blue Eagle Investigations® and other proprietary marks.

You are required to purchase specific materials, supplies and equipment and to strictly follow our standards, methods, policies and procedures in the operation of your franchise business that are described in more detail in our franchise agreement attached as Exhibit “A” to this disclosure document.

General Description of Market and Competition

The general market for private investigation for insurance fraud services is well-developed and competitive. You will typically compete with other established private investigation businesses dealing in insurance fraud. There are many of these competitors from large national chains to small independent operators. You may also encounter competition from other Blue Eagle Investigations® franchises operated by us or other franchisees outside your territory.

Laws and Regulations

You are required to follow all laws and regulations that apply to business generally. In addition, each state has enacted its own private investigation licensing standards, with which you must familiarize yourself and comply. You must carry and maintain at all times a private investigator license and where required, a private investigation agency license.

You must investigate local zoning rules because they may limit where you can locate your franchise business office. Some jurisdictions have passed laws that require businesses to pay their employees a higher minimum wage than what is required under federal law, which laws may disproportionately affect franchised businesses.

At your cost and expense, you must investigate and ensure that you comply with all payment card industry (“PCI”) and data security standard (“DSS”) standards, regulations, and requirements. You are not permitted to collect, store, transfer, etc., any unnecessary customer information. Additional information can be found at <https://www.pcisecuritystandards.org/>.

The details of state, county and local laws and regulations vary from place to place. It is your responsibility to research these matters. Please be aware that the changes in these laws may increase the cost to operate your business. You are solely responsible to determine what local or state regulations, permits and licenses you will need to comply with and/or obtain to conduct the franchise business in a particular state, city or town.

**ITEM 2
BUSINESS EXPERIENCE**

NAME	Company Name and Location	POSITION	FROM
Stu Macfarlane	Blue Eagle Franchising, LLC	President	April 2018 to the present
	Blue Eagle Investigations, Inc.; Paola, Kansas	President	August 1994 to the present
Cathy Macfarlane	Blue Eagle Investigations, Inc.; Paola, Kansas	CEO and Sales Director	March 2003 to the present

John Lederhaus	Blue Eagle Franchising, LLC	COO	May 2022 to the present
	Blue Eagle Investigations, Inc.; Paola, Kansas	COO	May 2022 to the present
	Lederhaus Investigations, LLC; Lexington, South Carolina	President	January 2002 to present

**ITEM 3
LITIGATION**

Filed: November 28, 2023, in the Johnson County District Cour, State of Kansas; Blue Eagle Franchising, LLC v. Blue Eagle of Michigan LLC and Steven Taylor. Case No. 23LA09795. Plaintiff filed claims to enforce the promissory note entered into by Defendants with Plaintiff.

Other than described above, no litigation is required to be disclosed in this Item.

**ITEM 4
BANKRUPTCY**

No bankruptcy is required to be disclosed in this Item.

**ITEM 5
INITIAL FEES**

Initial Franchise Fee

On the signing of the franchise agreement, all franchisees pay an initial franchise fee that is set depending on the population of the territory which you are purchasing as follows:

Type of Territory	Population	Initial Franchise Fee
Large Market Territory	More than ten million people	\$100,000
Mid-Market Territory	Five million to ten million people	\$75,000
Small Market Territory	Less than five million people	\$50,000

The amounts payable to us or an affiliate for the initial franchise fee are payable in installments as set forth in Item 10. We offer a 25% discount on the initial franchise fee for territories located in states west of the Mississippi river.

Additional Franchise Purchases

During the term of your franchise, you may purchase additional franchises for the reduced franchise fee equal to 10% off the then-current initial franchise fee, and you must sign the then-current franchise agreement. This option will only be available to you if there are franchise territories available, you meet our then-current criteria for new franchisees, you are current and not in default of your franchise agreement and, in our sole discretion, we determine to sell you another franchise.

Deposit Agreement

In addition, you may sign a deposit agreement (Exhibit “G”) to reserve your franchise for up to 30 days. The non-refundable deposit fee is \$5,000 for a single territory and which is applied to the initial franchise fee if you purchase a franchise. This option is available only after you have had this disclosure document for at least 14 calendar days or 10 business days as applicable.



Software Fee

If you do not already have the software required by us, you will be required to license the software from us or our affiliate. The software currently required and licensed from us is Dropbox, Salesforce, and Google Business G Suite. The license fee is between \$925 (for a single user) and \$2,775 (for 3 users).

Initial Training

There is no training fee for up to 2 attendees. We allow additional attendees for an additional fee of \$300 per attendee, per day.

Uniformity and Refunds

Except as otherwise described above, these costs and fees are uniform and are non-refundable for all franchisees.

**ITEM 6
OTHER FEES⁸**

TYPE OF FEE	AMOUNT	DUE DATE	REMARKS
Royalty ¹	20% of gross sales	Payable bi-weekly to be received on the 15 th and last day of each month	See Note 1 below.
Marketing Fund Fee ^{1,2}	2% of gross sales	Payable bi-weekly to be received on the 15 th and last day of each month	See Note 2 below.
Successor Franchise Fee	\$25,000	Prior to your entering into a successor franchise agreement	A successor franchise agreement is available to you only if you meet each of the requirements described in the franchise agreement at the time of your timely election to enter into a successor agreement.
Installment Agreement Termination Fee ¹	\$250	On demand	If your franchise agreement is terminated prior to the full payment of the initial franchise fee under the installment agreement, you will be required to pay the remaining amount plus the termination fee.
Late Charges ¹	\$25 per day (up to \$500 per month, per instance)	Payable with royalty or on demand	Charges begin to accrue after the due date of any required payment or report.

TYPE OF FEE	AMOUNT	DUE DATE	REMARKS
Non-Sufficient Funds Fee ¹	5% of amount on check, or \$50 per bounced check or insufficient or disputed draft, whichever is higher	Payable with royalty or on demand	If this fee is higher than what is allowed under state law, the fee will be reduced to the maximum allowed by state law (see state specific addendum).
Interest on Late Fees and Reports ¹	18% interest or maximum rate permitted by state law, whichever is less	Payable with royalty or on demand	Interest begins to accrue on the total amount (fee plus any late charge) after the due date of any required payment or report.
Sales or Use Tax ¹	Sum equal to tax imposed	Upon demand	If a sales, use, or value added tax is assessed on fees you pay to us, you must also pay us the applicable tax when invoiced.
Audit Charge ¹	Cost of audit	On billing	Payable only if an audit shows an understatement of 2% or more of gross sales for the period audited or records are unavailable.
System Non-Compliance Fines ^{1,4}	\$150 for the first violation; \$300 for the second violation; \$500 for the third and subsequent violations	On demand, as incurred	See Note 4 below.
Additional Trainees at Initial Training ¹	\$300 per attendee, per day	Before training	For each additional person attending initial training, you must pay this fee.
Retraining Fee ¹	\$300 per attendee, per day	Before training	If you or any person required to pass initial training, fails to pass training, or if you would like a person to retake training, there is a per person/per day retraining fee.
Rescheduling Fee ¹	\$300	As incurred, prior to training	If you postpone or reschedule a training within three days of the scheduled date, or if you fail to complete certain requirements prior to a training
Replacement Training ¹	\$300 per person, per day for additional training	Before training	Any new operating principal or managers must complete the initial training program within 30 days of hire or assumption of duties as operating principal or manager. You must pay the travel, lodging, food, and other expenses of your attendees or our representatives.

TYPE OF FEE	AMOUNT	DUE DATE	REMARKS
Additional Training ¹	\$300 per day, per person	Upon billing	At your reasonable request or at our discretion, provide assistance either remotely or in person. We can also require you to attend refresher training classes if you do not pass our inspections or otherwise determined by us in our sole discretion. You must pay the travel, lodging, food, and other expenses of your attendees or our representatives during this additional training.
Insurance Reimbursement Fee ¹	Reimbursement of premium amount, plus \$50 per person, per hour	Upon demand	You are required to hold and maintain your own insurance, but if you fail to do so, we have the right to obtain insurance on your behalf .
Workers Compensation Fee ¹	2.5% of gross sales	Upon demand	If you fail to obtain and maintain workers compensation insurance, even if you don't have employees, we will deduct 2.5% of your gross sales from amounts paid to you from customer payments.
PCI and DSS Audit Reimbursement Fee ¹	Costs of the audit	Upon demand	You must reimburse us all costs related to an audit for your non-compliance with DSS requirements.
Customer Complaint Resolution Fee ¹	\$150	Upon demand	In the event we step in to resolve any customer dispute with you or the franchise business we will charge a fee.
Interim Management Fee ¹	\$300 per day, per representative	Time of service	Payable if we elect to operate your business during your unapproved closing, unapproved absence, incapacity, death, or after you have been given a notice of default and failed to cure. You must also pay the travel, lodging, food, and other expenses for our representative(s) and other expenses which may be incurred by us to perform such services, plus royalties, advertising fees, and other applicable fees. The interim management period will not last more than 6 months unless otherwise agreed between us.

TYPE OF FEE	AMOUNT	DUE DATE	REMARKS
Additional Copies of Marketing Materials ¹	Our costs, plus 10%, and the costs for shipping and handling	Time of delivery	You will receive one copy of marketing and promotional materials at no cost to you, other than shipping and handling.
Fees on Default ¹	Our costs associated with your default	On demand, as incurred	Paid in addition to other payments to us.
Early Termination Liquidated Damages ¹	Average royalty from the previous 12 months multiplied by the lesser of 24 months or the remaining term of your franchise agreement	Upon termination	Payable if your franchise agreement is terminated prior to the expiration of the term. This is only to compensate for lost royalties and is not our only remedy.
Post-Termination, De-Identification, Non-Compliance Fee ^{1,5}	\$100 per day	As incurred and upon demand	See Note 5.
Franchise Agreement Transfer Fee ¹	\$10,000	At time of approved transfer	Payable when you sell your franchise and prior to our signing any approval or new agreement. All owners of the franchise must personally guarantee the franchise agreement for us to approve the transfer. Subject to state law.
Minority Interest Transfer Fee ¹	Our legal fees and administrative costs related to the transfer	On demand	This fee applies to transfers of up to 40% of your franchisee entity – cumulative during the term of the franchise agreement. All transferees owners must personally guarantee the franchise agreement for us to approve the transfer. Subject to state law.
Indemnification ³	Our damages and costs	As incurred or on demand	See Note 3 below.
Liquidated Damages for Non-Compete Violations ^{1,6}	\$500 per day for each competing business	Upon demand	See Note 6 below.
Dispute Resolution Fees ¹	Our legal fees and costs if we prevail	As incurred or on demand	You are required to pay half of the mediation or arbitration fee prior to the start of any mediation or arbitration. The prevailing party will be entitled to reimbursement of its legal fees and expenses.

NOTES

¹ **Royalty and Fees.** Except as shown in the remarks column, all fees are uniformly imposed and payable to us. We collect payments from your customers and then deduct the royalty amount and other payments owing to us. We will send to you the remaining amount on the 16th day and the last day of each month so long as the client payment has been received by us, processed, and cleared. All fees payable to us or an affiliate are



non-refundable. You should verify with third-party payees whether such payments, deposits, or fees are refundable or not. Gross sales include all revenue from the franchise business but do not include sales tax.

We have the right to require you to establish a bank sweep, draft or other similar type of electronic funds transfer (“EFT”) account in which you must deposit the gross sales of your franchise (not including local sales & use taxes) which account we may automatically access for any payment due to us. You must pay all service charges and fees charged to you by your bank so that we may electronically debit your bank account. You cannot close or terminate any EFT account without receiving our prior written consent. If you enter into an Area Development Agreement or open multiple units, these fees will apply, respectively, to each separate unit.

² Advertising Fees. We currently do not collect marketing fund fees. Upon collection, the marketing fund fee may be used by us for one or more national or regional marketing and brand development programs, as we choose. These fees are uniformly imposed.

³ Indemnification. You must indemnify us from damages and costs related to your acts, errors or omissions in the operation of your franchise business or your franchise business generally, and including any allegation that you are our employee, or that we are a joint employer or otherwise responsible for the acts or omissions relating to your employees, and other laws regarding public accommodations for persons with disabilities. You are not required to indemnify us for liability caused by our willful misconduct, gross negligence, strict liability, or fraud.

⁴ System Non-Compliance. If you do not correct the violation within the time required by us, we have the right to put you in default. All fines are to be paid in accordance with our electronic funds transfer or automatic withdraw program.

⁵ Post-Termination, De-Identification, Non-Compliance Fee. In the event you fail to comply promptly with any of your post termination de-identification obligations: (a) you must pay us \$100 per day for each day that you are in default, as a reasonable estimate of the damages suffered by us; and (b) to prevent further injury, we may hire a third-party or use our own personnel to de-identify your unit and/or to carry out any other obligations on your behalf, for which costs you will be responsible. In addition to your post-termination de-identification non-compliance daily fee you will also be responsible to pay us any post-termination expenses, including attorney’s fees and costs to enforce your post-term obligations. This post-termination fee obligation will not affect our right to obtain appropriate injunctive relief and other remedies to enforce the franchise agreement and your obligations.

⁶ Liquidated Damages for Breach of Non-Competition. This fee is applied if you violate the non-compete covenants in the franchise agreement or any related agreements, or if you use our system without our express written permission or approval. This fee is not our only remedy, does not represent a price for the privilege of not performing, nor does the payment represent an alternative manner of performance.

⁷ Fee Increases. If a fee is subject to increase by us (rather than a third party), the increase will not be more than the equivalent of 10% per year during the term of your franchise agreement to adjust to increased costs. This only applies to fees that are subject to change by us. If we do not designate that a fee is subject to change, the fee will remain the same during the term of the franchise agreement. Costs charged by third parties are subject to change at any time and do not have an annual cap.

**ITEM 7
ESTIMATED INITIAL INVESTMENT**

YOUR ESTIMATED INITIAL INVESTMENT

TYPE OF EXPENDITURE	AMOUNT	METHOD OF PAYMENT	WHEN DUE	TO WHOM PAYMENT IS TO BE MADE
Initial franchise fee ¹	\$50,000 - \$100,000	Lump sum or Installments	Upon signing the franchise agreement	Us
Initial training ²	Up to \$600 per person	Lump sum	Upon signing the franchise agreement	Us
Travel, lodging, food, and other expenses while training ³	\$500 - \$1,500	As Incurred	Prior to and during training	Airlines, hotels and restaurants
Real estate improvements ⁴	\$0	As incurred	As negotiated	Suppliers and contractors
Equipment and supplies ⁵	\$0 - \$2,000	As incurred	Before opening if paid to us or an affiliate or as negotiated	Us, affiliates, and suppliers
Computer and mobile phone ⁶	\$0 - \$1,000	As incurred	As negotiated	Suppliers
Software ⁷	\$0 - \$1,200	As incurred	As negotiated	Suppliers
Software from Us ⁷	\$540 - \$2,775	As incurred	Before opening	Us or our affiliate
Vehicle ⁸	\$0 - \$30,000	As incurred	As negotiated	Suppliers
Misc. opening costs ⁹	\$200 - \$10,000	As incurred	As incurred	Suppliers, government departments, utilities, etc.
Opening inventory ¹⁰	\$2,000 - \$5,000	Lump sum	As negotiated	Us, affiliates, and suppliers
Advertising – 3 months ¹¹	\$0 - \$1,500	As incurred	As negotiated	Suppliers
Additional funds – 3 months ¹²	\$3,000 - \$10,000	As incurred	As incurred	Suppliers, employees, etc.
*TOTAL¹³	\$56,840 - \$165,575			

NOTES

¹ **Initial Franchise Fee.** The initial franchise fee is non-refundable. We may finance a portion of the initial fee for qualified franchisees.

² **Initial Training.** There is no initial training fee for 2 people to attend the initial training. If you would like to send additional people to attend the initial training, the fee is \$300 per person, per day.



³ Travel, Lodging, Food, and Other Expenses While Training. You are responsible to pay all travel, lodging, food, and other expenses for your attendees during training directly to the supplier (hotels, airlines, restaurants, rental car companies, etc.). We estimate that you will have 2 people attend training. These costs will vary widely as a function of the distance traveled and the choice of accommodations, meals and transportation.

⁴ Real Estate Improvements. The majority of our franchisees operate their franchise business from a home office. You are not required to have an office outside of your home, and as such, we are not providing an estimate for real estate or associated security deposits, improvements or fixturation.

⁵ Equipment and Supplies. Included in this estimate are the cost of investigation and surveillance cameras, recording devices, and other relevant accessories. If you already have the required equipment that meets our standards and specifications, you will not need to purchase additional equipment. This is only an initial supply and will require replenishment on a regular on-going basis based on your franchise business.

⁶ Computer and Mobile Phone. The high range is if you do not have a computer and/or business mobile phone that is compatible with our requirements and required software.

⁷ Software. If you do not have the required software licensed, you must license the software from us, our affiliate, or a third-party supplier. The software currently licensed from us is CrossTrax and Google Suite. The low range is for a single user and the high range is for 3 users.

⁸ Vehicle. You are required to have a suitable surveillance vehicle. The low estimate assumes that you already have a vehicle and the high assumes you will need to purchase or lease.

⁹ Miscellaneous Costs. These miscellaneous costs include legal fees, utility set up fees, business entity organization expenses, employee training, deposits, insurance and licenses. The cost of insurance may vary depending on the insurer, the location of your franchise business, and your claims history. We strongly recommend that you hire a lawyer, accountant, and other professionals to advise you on this franchise offering. Rates for professionals can vary significantly based on locale, area of expertise and experience.

¹⁰ Opening Inventory. Opening inventory items include marketing materials and related supplies. This is only an initial supply and will require replenishment on a regular on-going basis based on the volume of sales for your franchise business.

¹¹ Advertising. This estimates the cost of advertising for the first 3 months of operations.

¹² Additional Funds. This estimates your operating expenses during your first 3 months of operations, not including cash flows. Employee compensation is between you and your employees and may vary widely. Additionally, if you elect to finance your investment, you need to account for the additional costs of repaying that financing. We have relied upon the experience since 1994 of our principals, and the experience of our franchisees in opening and operating territories to compile these estimates.

¹³ Total. These figures are estimates for the development of a single franchise territory, and we cannot guarantee that you will not have additional expenses starting your franchise business. All purchase agreements or leases must be negotiated with suppliers. For any items purchased from us or an affiliate, we require immediate payment.

ITEM 8
RESTRICTIONS ON SOURCES OF PRODUCTS AND SERVICES

Approved Suppliers, Proprietary Products and Required Purchases

You must operate your franchise business according to our system, including purchasing or leasing certain items or services according to our specifications or from approved suppliers, which could be us or our affiliates. You may not deviate from these methods, standards, and specifications without our prior written consent.

You must purchase or lease the following products and services from us, other sources designated or approved by us, or according to our specifications as set forth in the manuals:

Item or Service	Is the franchisor or an affiliate an approved supplier of this item?	Is the franchisor or an affiliate the only approved supplier of this Item?
Software: Dropbox, Salesforce, Google Business G Suite	Yes	No

We may also require you to purchase advertising materials only from approved suppliers. We reserve the right for us or an affiliate to be an approved supplier or the only approved supplier of any of the items listed in the above table. Additionally, we reserve the right to require that all items used in the operation of your business be purchased from sources approved by us.

Insurance

You must at all times during the entire term of the franchise agreement and at your own expense keep in full force, by advance payment(s), the following minimum insurance policies, obtained from a company rated “A-” or better by A.M. Best & Company, Inc., which minimums may be adjusted from time to time in our sole discretion:

Type of Insurance	Minimum Required Amount(s)
Commercial general liability insurance	\$1,000,000 per occurrence and \$1,000,000 in the aggregate
Commercial automobile insurance	At least \$500,000 (combined single limit for personal injury, including bodily injury or death, and property damage)
Crime policy	\$100,000 (written on a loss discovered basis)
Errors & omissions	\$1,000,000 covering each person in your franchise business
Data breach & cyber security breach insurance	\$500,000 per occurrence
Umbrella insurance	\$1,000,000
Government required insurances	You must maintain and keep in force all worker’s compensation and employment insurance on your employees that is required under all federal and state laws.

If you sign an employment agreement, you are only required to obtain commercial general liability insurance, workers compensation insurance, and a business rider for auto insurance.

These policies (excluding worker’s compensation) will insure you, us, and our officers, directors and nominees as additional insureds against any liability that may accrue by reason of your ownership, maintenance or operation of the franchise business. These policies will stipulate that we will receive a 30-day written notice prior to cancellation or termination, and we must receive a 30-day notice of any

modification. Original or duplicate copies of all insurance policies, certificates of insurance, or other proof of insurance acceptable to us must be furnished to us together with proof of payment prior to you beginning operations and within 15 days of our request. Our insurance coverage requirements are only minimums. You need to make an independent determination as to whether increased amounts or additional types of insurance are appropriate.

If you fail to obtain or maintain insurance we may obtain insurance for you, and you will pay us the premium costs, plus an administration fee of \$50 per person, per hour for our time. We may periodically modify or adjust the amounts of coverage required and/or require different or additional coverage. We do not derive revenue from your purchase of insurance. We recommend you consult with your insurance agent prior to signing the franchise agreement. Failure to maintain workers compensation insurance will result in our charging an amount equivalent to 2.5% of your gross sales from client reimbursements to you until you provide proof of insurance.

Approved Suppliers

We may enter into contracts with suppliers for items or services purchased by our franchisees. Pursuant to these contracts, you must purchase items or services from approved suppliers.

All currently approved suppliers and specifications are made available to you before the beginning of operations. We consider our approved suppliers and specifications to be of critical importance to the success of the system. You must receive our prior written approval to deviate in any manner from our specifications.

None of our officers have an ownership interest in any of our suppliers.

Proportion of Required Purchases and Leases

We estimate that the proportion of required purchases or leases will represent 80% to 90% of your overall purchases in opening your franchise business and 10% to 20% of your overall purchases in operating your franchise business.

Revenue to Us and Our Affiliates from Required Purchases

We or our affiliates may derive revenue from the sale of goods and supplies sold directly to you, or we may receive a fee or rebate from approved suppliers based off purchases from our franchisees. In the last fiscal year, we did not derive any revenue from the sale of these products and services to franchisees.

Non-Approved Suppliers

Except for certain trademark and private label items and designated source items described above, if you desire to use a particular supplier and if that supplier meets the specifications and requirements of our system, at our discretion, we may approve that supplier to become an approved supplier.

You may establish suppliers on the approved list by making an appropriate application to us. The following general criteria is used in considering whether a supplier will be designated as an approved source: the ability of the supplier to make the product to our standards and specifications; a willingness by the supplier to cooperate and work with you and other franchisees; the supplier's production and delivery capabilities; price and quality; reputation of the supplier; quality assurance systems; the financial condition of the supplier; the ability and willingness of the supplier to train you and us on the effective and safe use of the product; and the supplier's professional competence and performance abilities. We will use our best judgment in setting and modifying specifications to maintain quality and integrity of the franchise system.

If you desire to purchase any of the items listed in this Item 8 from an unapproved supplier, you will submit to us a written request for this approval or request the supplier itself to do so. We may require you to submit sufficient information and data to permit us to ascertain whether a supplier meets our specifications. There is no fee for our evaluation of a supplier. We will notify you in writing within 30 days after completing our evaluation as to whether the supplier has been approved or disapproved. We may make changes or alterations in the standards and specifications for approving suppliers. At our discretion, we may revoke our approval from an approved supplier upon 30 days' written notice to you.

Standards and Specifications

We may issue new specifications and standards for any aspect of our brand system, or modify existing specifications and standards, at any time by revising our manuals and/or issuing new written directives (which may be communicated to you by any method we choose).

Other than as stated above, there is no obligation for you under the terms of the franchise agreement to purchase or lease any goods or services regarding the establishment or operation of the franchise business from approved sources.

Negotiated Arrangements

At this time, there are no purchasing or distribution cooperatives. We currently negotiate purchase arrangements with suppliers, including price and terms for the benefit of franchisees.

Benefits Provided to You for Purchases

We do not provide material benefits to you based on your purchase of particular products or services or use of particular suppliers (e.g., grant renewals or additional franchises based on your purchases).

**ITEM 9
FRANCHISEE’S OBLIGATIONS**

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

	Obligation	Section in Agreement	Disclosure Document Item
a.	Site selection and acquisition/lease	Sections 4.1	Item 11
b.	Pre-opening purchases/leases	Section 8.4 and paragraphs 6.1.8, 6.1.10, and 6.1.12	Item 8
c.	Site development and other pre-opening requirements	Sections 4.1 and 4.3	Items 7 and 11
d.	Initial and ongoing training	Paragraph 6.1.3	Item 11
e.	Opening	Section 4.2	Item 11
f.	Fees	Article V	Items 5, 6 and 7
g.	Compliance with standards and policies/operating manual	Section 6.2 and article IX	Items 8 and 11
h.	Trademarks and proprietary information	Article III	Items 13 and 14
i.	Restrictions on products/services offered	Article VIII	Item 8 and 16
j.	Warranty and customer service requirements	Section 8.5	Item 11



	Obligation	Section in Agreement	Disclosure Document Item
k.	Territorial development and sales quotas	Not Applicable	Item 12
l.	Ongoing product/service purchases	Article VIII	Item 8
m.	Maintenance, appearance and remodeling requirements	Paragraph 6.2.2(iii)	Item 11
n.	Insurance	Paragraph 6.1.8	Item 8
o.	Advertising	Article X	Items 6, 7 and 11
p.	Indemnification	Section 15.2	Item 6
q.	Owner's participation/management/staffing	Paragraphs 6.1.5, 6.1.6, and 6.1.7	Items 11 and 15
r.	Records and reports	Sections 5.4 and 5.5	Item 6
s.	Inspections and audits	Paragraphs 5.6.1, 5.6.2 and 6.2.2(iv)	Items 6 and 11
t.	Transfer	Article XIV	Item 17
u.	Renewal	Section 2.2	Item 17
v.	Post-termination obligations	Section 12.1	Item 17
w.	Non-competition covenants	Article XVI	Items 14, 15 and 17
x.	Dispute resolution	Article XVII	Item 17
y.	Compliance with government regulations	Section 4.1 and paragraph 6.1.1	Item 12
z.	Guarantee of franchisee obligations	Paragraph 6.3.1	Item 15

ITEM 10 FINANCING

In certain circumstances, we may permit new franchisees to finance the initial franchise fee. The following table describes the type of potential financing available to franchisees.

Installments for Initial Franchise Fee	
Identity of Lender	Blue Eagle Franchising, LLC
Relationship of Lender to Us	Us
Amount of Financing Offered	Up to 75% of the initial franchise fee
Term of Financing	Until paid off
Number of Payments	Dependent on monthly gross revenue
Payment Due Date	1 st and 16 th day of each month
Bi-Weekly Payment	Equal to 5% of gross revenue
Nature of Security Interest	Contracts for services
Interest Rate	8%
Debt Prepayment	The debt can be prepaid without penalty.
Other Terms	Owners of the franchisee entity must personally guarantee the loan, sign a security agreement, and sign a confession of judgment (not entered until default)

Liability Upon Default	Accelerated obligation to pay the entire amount due; obligations to pay court costs and attorneys' fees incurred in collecting the debt; termination of the franchise agreement
Waiving Defenses or Legal Rights	After the first default, if we choose to not terminate your franchise agreement, we will submit to the courts your signed confession of judgment. You must waive presentment for payment, demand, protest, and further notice of dishonor of any kind.
Liability Upon Termination of Your Franchise Agreement	If your franchise agreement is terminated prior to the full payment of the initial franchise fee, you will be obligated to pay the remaining amount, plus a termination of installment agreement fee of \$250, and sign a release in our favor.
Selling or Assigning to Third Parties	If the financing is assigned or transferred, we will remain primarily obligated to provide the financed goods or services. You will lose all defenses against the lender in a sale or assignment.

Upon entering into a payment plan with us, you must waive all claims, remedies, defenses and causes of action arising out of or relating to this disclosure document or the franchise agreement, whether now known or discovered later, against us, our officers, directors, members, managers, agents and employees.

Other than allowing for monthly installment payments, neither we nor any agent or affiliate offers direct or indirect financing to you, guarantees any note, lease or obligation of yours, or has any practice or intent to sell, assign or discount to a third party all or any part of any financing arrangement of yours.

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

Except as listed below, Blue Eagle Franchising, LLC is not required to provide you with any assistance.

Pre-Opening Assistance

Before you open your franchise business, we will:

- 1) Designate your territory [franchise agreement section 1.1]. Your territory will generally comprise an entire state, with the exception of Florida, California, New York, and Texas, which may have multiple franchise units, or states where we determine to place more than one territory. Aside from operations in a state, there is no specific site for your franchise or from which you will be restricted to operations within the state.
- 2) Make available general written specifications for those items listed in Item 8. We offer assistance in delivery or installation of these items if purchased from us or our affiliate [franchise agreement section 7.1].
- 3) Provide you with the names of approved suppliers [franchise agreement section 7.1].
- 4) Loan you a copy or provide electronic access to our confidential manuals containing mandatory policies, operating procedures, sales and marketing, and other information. The manuals are

confidential, will remain our property, and may be used by you only in association with your Blue Eagle Investigations® franchise business and only during the term of the franchise agreement. You must keep the contents of the manuals confidential. The master copy of the manuals maintained by us will be controlling in the event of a dispute relative to the contents of the manuals. You may not copy any part of the manuals either physically or electronically. The table of contents for the operations manual is included as Exhibit “D” to this disclosure document. Our operations manual is approximately 75 pages [franchise agreement article IX].

5) We provide an initial training program for your operating principal and manager, described at the end of this Item 11 [franchise agreement paragraph 6.1.3].

Lease, Construction and Commencing Operations

By opening of your franchise business, you are required to have an office from which you will operate your franchise business, which may be within your residence. Most of our franchisees operate their franchise business from a home office. If you have an office location other than your home, it must be located within your territory. We do not assist in locating a site for your office location and you are not required to gain our approval for the office location so long as the location is within the territory. Notice of the address and location of the office is all that we require [franchise agreement section 4.2]. We do not generally own and lease or sublease properties to you.

You are required to commence operations not later than 3 months after signing the franchise agreement. You must also give us at least 1 day written notice before opening your franchise business. Upon receipt of your notice of opening, we will provide you with a commencement notice [franchise agreement section 4.2].

Estimated Length of Time Before Operation

It is estimated that the length of time between the signing of the franchise agreement with the accompanying payment of the initial franchise fee and the opening of your franchise business is 1 week to 3 months. Factors affecting this length of time usually include financing arrangements, obtaining required licenses, training, and delivery and installation of equipment and inventory items.

Failure to meet these deadlines for any reason may result in a termination of the franchise agreement without a refund [franchise agreement section 4.4].

Assistance During Operation

During the operation of your franchise business, we will:

1) Provide you with updates to the manuals, which updates may be in the form of emails, newsletters, announcements, technical bulletins, or other written directives through means determined by us. We have the right to modify the manuals to reflect changes in the system including the development of or change in products and services [franchise agreement section 9.1]. The modifications may obligate you to invest additional capital in your franchise business and to incur higher operating costs. You must incorporate all such modifications within the time periods that we specify [franchise agreement paragraph 6.2.2(iii)].

2) At your reasonable request or at our discretion, provide assistance either remotely or in person. For additional in-person training, you may be charged a fee and be required to cover all travel, lodging, food, and other expenses of your attendees or our representatives [franchise agreement section 7.2].

During the operation of your franchise business, we may:

3) Maintain a website for the Blue Eagle Investigations® brand that will include your business information and telephone number for your franchise business [franchise agreement section 7.6].

4) Hold conferences to discuss improvements, new developments, mutual concerns and business issues. At this time, attendance will not be mandatory and there will not be a conference fee, but this policy may change at some time in the future. If held, you may be required to pay all your travel, lodging, food, and other expenses of your attendees or our representatives. These conferences will be held at various locations chosen by us [franchise agreement paragraph 6.1.11].

5) Make periodic inspections of your franchise business including your financial records, contracts, and by speaking with current and former customers, which may be done in person or through remote access such as video or live video conferencing and may be performed through a third-party provider. Upon our request, at all reasonable times, you will provide us with video and/or digital images of your equipment, vehicle, and any document related to the franchise business as set forth in the manuals [franchise agreement paragraph 6.2.2(iv)].

6) Conduct additional seminars, which may be through online webinars, live video conferencing or other electronic media, phone conference or in person, to discuss improvements, new developments, mutual concerns and business issues, sales, marketing, personnel training, bookkeeping, accounting, inventory control and performance standards. We may charge a seminar fee, and you may be required to pay all your travel, lodging, food, and other expenses. In-person seminars are normally held at our headquarters or as available at regional facilities [franchise agreement paragraph 6.1.11].

7) Provide you with such continuing assistance in the operation of the franchise business as we deem advisable [franchise agreement section 7.4].

8) Not replace defective products purchased directly from us or our affiliate. Products purchased directly from us or our affiliate may carry a manufacturer's warranty. For items purchased through third parties you must work directly with your supplier or manufacturer of such items regarding warranties, defective products, training and support [franchise agreement paragraph 8.5].

9) Provide you with an email address which must be used in all correspondence and communications involving your franchise business. If we provide you with an email account/address, we have the right to access your email account. You are not allowed to use a non-approved email for business purposes involving the franchise business. You must at all times maintain and frequently check a valid and approved email address, provided by, known and available to us, to facilitate our communication with you. [franchise agreement paragraph 6.2.2(i)].

10) Refine and develop products or services that you will offer to your customers [franchise agreement paragraph 6.2.2(i)].

11) To the degree permitted by law, we may suggest retail price, specify maximum and minimum pricing above and below which you will not sell any goods or services. You must honor all coupon, price reductions and other programs established by us [franchise agreement paragraph 6.1.9].

12) At your expense, require you to repair or otherwise update your vehicle from time to time as we may reasonably direct, but not more often than every 5 years, and we will not obligate you to invest additional capital at a time when the investment cannot in our reasonable judgment be amortized during the remaining term of the franchise agreement (except for required changes to the trademarks, or changes due to health or government mandates, guidelines, or public concerns which we may require at any time). We may also require you to invest in new or updated equipment and technology at any time [franchise agreement section 6.1.14]. You must implement all changes within the time frames required by us.

Employment Matters

We do not assist you with the hiring, firing, discipline, scheduling, management, compensation, supervision, assignment of duties, work rules, or working conditions of your employees. That is your responsibility. We may provide you with a sample employee guide or manual, but if we do it will only be an example of certain employment matters that you may adopt or not. It is your responsibility to comply with state and federal employment laws [franchise agreement paragraph 6.1.7].

Advertising and Promotion

We may provide you with samples of marketing materials developed by us and provide new marketing techniques as developed [franchise agreement section 10.2].

You are not allowed to develop marketing materials for your use; without our prior written approval, which may be withheld for any reason. However, if you do, any marketing materials or concepts you create becomes our property and will be considered a “work-made-for-hire” that can be used by us and other franchisees without compensation to you. Marketing that has been submitted by verified receipt or submission will be deemed approved if you do not receive written approval or disapproval within 10 business days of the date we receive the submission of your marketing materials [franchise agreement sections 3.5 and 10.3].

You are required to market your franchise business in your territory in accordance with our standards and specifications. Neither you nor we are restricted from marketing your franchise business in your territory, but we do not have an obligation to do so on your behalf [franchise agreement section 10.3].

Advertising Fund

We currently do not collect a marketing fund fee. We have the right, upon 60 days’ written notice to you, to institute a marketing fund. Once established, You must pay to us a monthly, non-refundable, assessment of 2% of your Gross Sales, or such lesser amount as we may specify (the “Marketing Fund Fee”) for regional or national marketing or public relations programs as we, in our sole discretion, may deem necessary or appropriate to advertise and promote the franchise system. Each franchise owned and company-owned store will contribute Marketing Fund Fees at the same rate [franchise agreement section 10.1].

We are responsible for administering the marketing fund. We will direct all uses of the advertising fund, with sole discretion over: 1) the creative concepts, materials, endorsements and media used in connection with such programs; 2) the source of the marketing or public relation efforts; 3) the placement, timing and allocation of these programs; and 4) the composition of all geographic territories and market areas for the development and implementation of these programs [franchise agreement paragraph 10.1.1].

We are not required to spend any amount on marketing directly in the area or territory where you are located. We make no representations that advertising expenditures the marketing fund will benefit you or any other franchisee directly, on a pro-rata basis, proportionally, or at all. We do not use marketing funds to solicit new franchisees [franchise agreement paragraph 10.1.2].

We may use the marketing fund to offset a portion of direct costs to manage and maintain the fund, including the payment of staff salaries and other expenses for those employees who may be involved in the marketing fund [franchise agreement paragraph 10.1.2].

Advertising Expenditures in the Last Fiscal Year

During the 2023 fiscal year we did not collect any marketing funds. Any unused marketing funds in any calendar year will be applied to the following year's fund. The marketing fund will be unaudited. Once each calendar year, you may send us a written request to receive an unaudited annual report of marketing expenditures from the previous fiscal year but such written request must be received within 90 days of our fiscal year end [franchise agreement paragraph 10.1.2].

Advertising Cooperative

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

Advertising Council

No franchisee advertising council is anticipated at this time.

Internet and Social Media

You may not create a website for your franchise business. Additionally, you cannot engage in social media on behalf of your franchise business or in marketing on the Internet without our prior written permission. If we do provide written approval to create your own website or social media for the franchise business, all content must be pre-approved by us in writing, and you are required to provide us administrative access, account information and any other information related to any of your websites and social media. All social media you develop, or use must be attached only to the email address we provide to you or that we have approved. You may not claim or register web listing on sites such as Yelp, etc. but upon termination or upon our request, you must turn over access to these web listings to us. To the extent that you have any web listings using our trademarks, you must assign such accounts to us, and you must facilitate, at your cost and expense, any transition and assignment with the online directory or social media platform within 30 days of signing the franchise agreement or of creating such listing. You must strictly comply with our policies and procedures regarding websites, social media, and Internet marketing. We reserve the right to restrict your right to use these sites in the future [franchise agreement section 10.4].

You must at all times maintain and frequently check a valid and approved email address, known and available to us, to facilitate our communication with you [franchise agreement paragraph 6.2.2(i)].

Software

You are required to use and pay for all software as designated by us in the operation of your franchise [franchise agreement 6.1.12].

Computer / Point of Sale System

At the present time, we do not require you to buy or use a POS system, but you must have a business mobile phone and a computer system for use in the operation of your franchise business. The business mobile phone and computer system must meet our specifications, at an estimated cost of \$0 to \$1,000. We will have independent access to the information and data collected or generated by the computer system. There are no contractual limits on our rights to do so. You must keep these systems online and available for our access 24 hours a day, 7 days a week. We require you to use the following software as part of your franchise business: Salesforce, Dropbox, Microsoft Office, Google Suite, and Ring Central. We may require updates and upgrades to your computer and mobile phone hardware, software and licenses at your expense during the term of the franchise agreement at an estimated cost of not more than \$1,000 annually. There are no

contractual limitations on our right to do so. We are not required to maintain, repair, update and/or upgrade your computer or mobile phone systems. There are no contractual limitations to the frequency and cost of the obligation to upgrade and maintain the computer or mobile phone systems [franchise agreement paragraph 6.1.10].

Miscellaneous

We may approve exceptions to our changes in the uniform standards for you or any other franchise that we believe are necessary or desirable based on particular circumstances. You have no right to object to such variances [franchise agreement section 20.15].

Initial Training

We provide an initial training program. Your operating principal and your manager (if not the same person) are required to attend and successfully complete a training program which is held at our headquarters in Paola, Kansas or another place designated by us, including at locations of our investigators. The training program is held as needed [franchise agreement paragraph 6.1.3]

Your “operating principal” is: a) if the franchisee is an individual, that individual; or b) if the franchisee is an entity, an individual that owns at least 51% of the ownership and voting interests in the franchisee entity (unless you obtain our written approval of a lower percentage), has authority over all business decisions related to the franchise business, and has the power to bind the franchise business in all dealings with us. The operating principal must be involved with the business as described in Item 15 [franchise agreement article XXI].

Successful completion of training must be completed at least 2 days before you may open your franchise business. Training must be successfully completed to the franchisor’s satisfaction. Successful completion of training will be determined by our trainers and is based on your attendees’ knowledge and demonstration of competency in the various aspects of operating a Blue Eagle Investigations® franchise business. The length of training depends on the prior experience of your attendees but should last 2 to 4 days[franchise agreement paragraph 6.1.3].

There is no training fee for up to 2 people to attend training, but we charge a training fee of \$300 per day, per additional person trained. You are also responsible to pay all travel, food, living, and other expenses for each attendee during training directly to the supplier (hotels, airlines, restaurants, rental car companies, etc.) The estimated cost of attending training is listed in Item 5 and Item 7.

Below is a table listing the subjects taught and the amount of classroom and onsite training provided as part of the initial training.

TRAINING PROGRAM¹

Subject	Hours of Classroom Training	Hours of On–The-Job Training	Location
Operations Manual	8	0	Paola, Kansas and/or at a Blue Eagle Investigations® investigator location
Sales and Marketing	8	0	Paola, Kansas and/or at a Blue Eagle Investigations® investigator location

Surveillance	Only if needed 2-8	Only if needed	Paola, Kansas and/or at a Blue Eagle Investigations® investigator location
Investigations	Only if needed 2-8	Only if needed	Paola, Kansas and/or at a Blue Eagle Investigations® investigator location
Totals	16 If needed: 20-32	0	

¹ The training program for franchisees may be changed due to updates in materials, methods, manuals, and personnel without notice to you. The subjects and time periods allocated to the subjects actually taught to you and personnel may vary based on the experience of those persons being trained.

The initial training is provided by instructors whose experience is described below and in Item 2 if the trainer is part of management.

Trainers	Subject(s) Taught	Length of Experience in the Field	Length of Experience with the Franchisor	Experience Relevant to Subject(s) Taught and Franchisor's Operations
Stu Macfarlane	Operations manual	Since 1994	Since 2018	Stu is an owner and has operated his own insurance fraud investigations business since 1994
Cathy Macfarlane	Sales and marketing	Since 2003	Since 2018	Cathy is an owner and has worked in the industry since 2003
John Lederhaus	Operations manual, sales and marketing	Since 2003	Since 2019	John is our COO and owns several Blue Eagle Investigations franchise businesses

Materials Provided at the Initial Training

We will provide access to our manuals during training and other handouts to facilitate training. All attendees at any training must sign a non-disclosure agreement acceptable to us before attending the training.

Replacement Training

After the initial training, any new operating principal and manager must complete initial training within 30 days of hire or designating as operating principal. New managers may be trained by your operating principal, but operating principals must be trained by us. Training will be held at our headquarters or an affiliate's location, or at your location depending on our discretion and advanced notice. Our fee for this additional training is currently \$300 per person, per day. You will also be responsible to cover the travel, food, and lodging for your attendees or our representatives (as applicable) [franchise agreement paragraph 6.1.4(i)].

Additional Training

We can require your operating principal and/or other key personnel to attend additional trainings if you are in default, or if we reasonably believe such training would be in the best interest of your franchise. We can limit additional training to a certain number of days, attendees, and/or representatives at a time. Our fee for this training is \$300 per person, per day. You will also be responsible for the costs of travel, food, lodging and compensation of your attendees or our representatives [franchise agreement paragraph 6.1.4(ii)].

At this time, other than listed above, no additional trainings or refresher courses are required.

ITEM 12 TERRITORY

Exclusive Territory

You will receive an exclusive territory for your franchise business meaning that we will not establish another franchise, affiliate or company owned unit using the Blue Eagle Investigations® trademark within your territory so long as you are in strict compliance with your franchise agreement.

Grant of Territory

Under the franchise agreement, we will grant you the right to use the system and proprietary marks solely within a specific geographic area, the boundaries of which will be negotiated prior to signing the franchise agreement and are described in the franchise agreement.

Size of Your Territory

Generally, a franchise territory will comprise an entire state, with the exception of Florida, California, New York, and Texas, which may have multiple franchise units. In addition, if you are unable to timely fulfill all contracts in the territory, we have the right to divide the state and offer another franchise in the state. We will not place another franchise or company owned unit within your territory during the term of the agreement.

Territory Restrictions

You are restricted to operations within your territory and cannot service customers outside your territory without first receiving our prior written consent. Due to the territory comprising an entire state or part of a state for larger and more populated states, you cannot relocate your franchise to another state without entering into another franchise agreement with us and paying the applicable initial franchise fee.

Minimum Client Contacts Requirement

Your territory is not dependent upon achievement of a minimum sales volume or market penetration, but you are required to achieve a minimum of 200 client contacts per month. A client contact is a phone call, meeting or other contact that has been documented and confirmed in Salesforce. If you do not achieve the minimum monthly contacts in your territory, then you will be given a notice of default and a 30-day period to cure. If you do not cure within the 30-day cure period, we have the right to terminate your franchise.

Your Rights to Use Channels of Distribution

You do not have the right to sell products or services through other channels of distribution, including the Internet, apps, or social media.

Advertising Within and Outside the Territory

Other franchisees may not advertise within your territory and you may not directly advertise within other territories. However, it is the nature of this business that advertising to a company in your territory may result in advertising in another territory if the company has multiple locations across state lines. This type of advertising is not prohibited.

Options to Acquire Additional Franchises

If you are fully compliant with your current franchise agreement, you will have the first right to acquire another neighboring territory/state. There is no right to acquire a state or territory that is not adjacent to your current territory/state.

Our Rights to Use Channels of Distribution in Your Territory

We and our affiliates reserve the right to market both within and outside your territory and sell and distribute products and services under the Blue Eagle Investigations® marks and other brands and trademarks both within and outside your territory using distribution channels, such as through the Internet, websites, apps, television, radio, social media, direct marketing, telemarketing, national accounts, and having booths and presentations at conferences and seminars.

We do not pay you for soliciting or accepting orders for any products or services under the Blue Eagle Investigations® brand through other channels inside your territory.

Our Previous Activities in Your Territory

In the past, if we had clients in your territory, we, or an affiliate have used one or more of the following distribution channels to sell and distribute products and services in your territory under the Blue Eagle Investigations® brand: websites, television, radio, apps, social media, direct marketing, telemarketing, national accounts, and having booths and presentations at conferences and seminars.

National Accounts

We reserve the right to sell, market and distribute the Blue Eagle Investigations® products services to national accounts in your territory. A “national account” is defined as a company with multiple units or outlets located in more than one geographical area or market. We will designate if and how franchisees will sell or service national accounts.

Competition by Us Under Different Trademarks

Neither we, nor an affiliate operates, franchises or has plans to operate or franchise a business that sells or will sell goods or services similar to those sold in your franchise using a different trademark, in or outside of your territory, but we reserve the right to do so in the future.

ITEM 13 TRADEMARKS

Non-Exclusive Grant of the Trademark

We grant you the non-exclusive right to use certain of our trademarks in the operation of your franchise business. You may also use future trademarks in the operation of your franchise business, as we designate. You will not at any time acquire any rights in the trademarks. By trademarks we mean our trade names, trademarks, commercial symbols, service marks and logos.

Agreements Regarding the Trademark

Under a license agreement entered into between Blue Eagle Investigations, Inc. and us in 2019, we were granted the right to use and sublicense the trademarks for 20 years with automatic annual renewal terms. The license may be terminated for our default; however, all franchisees in good standing will be able to continue to use the Blue Eagle Investigations® trademarks through the end of their respective then-current franchise agreement term. The terms and provisions of the license agreement cannot be modified without written authorization from both parties.

Registered Trademarks

The following trademarks, service marks, trade names, logotypes or other commercial symbols listed below are registered or have been filed for registration with the United States Patent and Trademark Office on the Principal Register, or they have not been filed for registration, and we claim common law rights in them. All required affidavits and renewals have been filed.

Registration/ Serial Number	Word or Design Mark	Registry	Registration/ Filing Date	Status
5615964	Blue Eagle Investigations®	Principal	November 27, 2018	Registered
N/A		N/A	N/A	N/A

Although we have a registered trademark for the name “Blue Eagle Investigations” we do not have a federal registration for our principal trademark logo. Therefore, our trademark logo does not have as many legal benefits and rights as a federally registered trademark. If our right to use the trademark logo is challenged, you may have to change to an alternative trademark logo, which may increase your expenses.

Registered Domain Names

We have registered, among many others, the Uniform Resource Locators (domain names) www.blueeagleinvestigations.com. You may not register or own a domain name, social media account, email account, etc. using our trademark or any derivative of our trademark in a domain name, and you may not create or register any domain name in connection with your franchise business or the franchise system without our prior written permission.

Use of the Trademark

You must use all trademarks in strict compliance with our manuals and Blue Eagle Investigations® system. You must promptly modify or discontinue the use of a trademark at your cost if we modify or discontinue it, and you have no right to compensation or otherwise under the franchise agreement if we require you to modify or discontinue using a trademark. You cannot make application for registration for any of our marks, or for any derivation of our marks. You cannot use the name “Blue Eagle Investigations” as part of your corporate name, but you must use the name Blue Eagle Investigations® as part of an assumed business name or dba (“doing business as”) registered with the applicable governmental authority. This use is non-exclusive. You cannot make application for registration or other protection of Blue Eagle Investigations® names, derivatives or any other trademark used by us.

You may only use the trademarks with the letters “™” or “SM” or “®” as appropriate. You cannot use any trademark in the sale of any unauthorized product or service. You cannot use any other trademark as part

of your franchise business that is not affiliated with us or approved by us. You must follow all security procedures required by us to maintain the secrecy of proprietary information.

Governmental Determinations Regarding the Trademarks

There are presently no effective determinations by the United States Patent and Trademark Office, Trademark Trial and Appeal Board, the trademark administrator of any state or any court or pending interference, opposition or cancellation proceeding, or pending material litigation involving the trademarks. There are no agreements currently in effect that significantly limit our rights to use or license the use of the trademarks.

Superior Prior Rights and Infringing Uses

We are unaware of any superior rights in or infringing uses of the trademarks that could materially affect your use of the trademarks in your territory.

Protection Against Infringement

You are obligated to immediately notify us when you learn about an infringement of or challenge to your use of our trademarks. We will have the discretion to take the action we deem appropriate. We are not obligated to protect any rights that you have to use the trademarks, or to protect you against claims of infringement or unfair competition. You are given the right to protect yourself, at your sole cost, from any of these claims if we elect not to prosecute the claim of infringement or unfair competition; however, we have the right to control any administrative proceedings or litigation involving the trademarks, and you will proceed in strict coordination and oversight by us. You may not act contrary to our rights in the marks. We are not required to defend or indemnify you for expenses or damages if you are party to an administrative or judicial proceeding involving the licensed trademarks.

You may not contest, directly or indirectly, our right and interest in our trademarks, names or marks, trade secrets, methods, and procedures that are part of our business. Any goodwill associated with the trademarks or system belongs to us.

ITEM 14 PATENTS, COPYRIGHTS, AND PROPRIETARY INFORMATION

Patents

You do not receive the right to use an item covered by a patent, and we do not have any pending patent applications with the United States Patent and Trademark Office. We do not own rights to, or licenses in, any patent that is material to the franchise system.

Copyrights

We have not registered our manuals or logos with the United States Copyright Office, but we claim a copyright and consider the information proprietary, and we, or our parent or an affiliate, claim protected trade secrets and copyrights in parts of our franchise system.

We claim other copyrights in sales literature and marketing materials that we, or our franchisees, develop for our use and for use by our franchisees, and your use of these materials will be limited to the uses required or allowed by us. We or an affiliate may develop software or apps. If so, we claim copyright protection on all such items.

You must modify or discontinue the use of any copyright, at your cost, if we modify or discontinue it, at our reasonable discretion.

Proprietary Information

You can use the proprietary information in our manuals but only in connection with the system and only during the term of your franchise agreement. The manuals may not be copied. The manuals must be returned to us or permanently deleted by you upon termination, transfer or non-renewal of your franchise agreement. Portions of the “system,” including certain processes, protocols, products, customer lists, etc., are a trade secret or confidential and proprietary to us.

With regards to our proprietary information, the franchise agreement also provides that you will: (a) strictly follow all confidential security procedures required by us, (b) disclose this information to your employees only as needed to market our products and services; (c) not use this information in any other business; (d) exercise the highest degree of diligence to maintain this information as confidential; and (e) promptly notify us if you learn of any unauthorized use of our trade name, trade secrets or proprietary information. Your use of our proprietary information is limited to the uses required or allowed by us.

Agreements Regarding Patents, Copyrights, and Other Intellectual Property

Under a license agreement entered into between Blue Eagle Investigations, Inc. and us in 2019, we were granted the right to use and sublicense the patents, copyrights, and other intellectual property for 20 years. The license may be terminated for our default; however, all franchisees in good standing will be able to continue to use the Blue Eagle Investigations® intellectual property through the end of their respective then-current franchise agreement term. The terms and provisions of the license agreement cannot be modified without written authorization from both parties.

Protection Against Infringement

You must also promptly tell us when you learn about unauthorized use of our copyrights, manuals, and any other proprietary information. We are not obligated to take any action but will respond to this information as we believe appropriate. We have the right to control any administrative proceedings or litigation. We are not required to defend or indemnify you for any damages from any proceeding based on patents or copyright. You must modify or discontinue the use of any patent or copyright, at your cost, if we modify or discontinue it. You are given the right to protect yourself, at your sole cost, from any of these claims if we elect not to prosecute the claim of infringement or unfair competition; however, we have the right to control any administrative proceedings or litigation involving the patents or copyrights, and you will proceed in strict coordination and oversight by us. You may not act contrary to our rights in the patents or copyrights.

Superior Prior Rights and Infringing Uses

We are unaware of any superior rights or infringing uses of the copyrights or patents that could materially affect your use of the copyrights or patents in your territory.

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

Participation and “On-Premises” Supervision

We require personal ongoing supervision of business operations by your operating principal. Your operating principal must personally participate in the direct operation and supervision of the franchise business. Your operating principal must manage the day-to-day operations of the franchise business. Unless your operating principal will act as the full-time manager of the franchise business, your operating principal is not required to work a certain or minimum number of hours; nevertheless, your operating principal must

work sufficient hours to operate your franchise or supervise your managers so that your franchise business is operating at maximum capacity and efficiency. You must have either the operating principal or at least one manager available during regular business hours.

Your operating principal must conduct frequent inspections of the franchise business and review client interactions and reports to ensure the highest standards of professionalism and compliance with our approved methods.

Who Must Attend and Successfully Complete Initial Training

Your operating principal and manager (if the 2 are separate people) must attend and successfully complete our initial training program.

Restrictions on the On-Premises Supervisor

We do not put a limitation on whom you can hire as your on-premises or in-office supervisor or manager. However, both your operating principal and manager must have and maintain all appropriate licensing and must have necessary experience to perform the franchise business requirements. Your on-premises supervisor is not required to have an equity interest in the franchise business.

No Competing Enterprises

Neither you, your operating principal, nor your management employees can have an interest in or business relationship with any competing business during the term of the franchise agreement and must keep free from activities that would be detrimental to or interfere with the operation of your franchise business or detrimental to the franchise system. You, your partners, directors, members, shareholders, and operating principal, must sign our standard brand protection agreement for principals agreeing to protect and keep confidential our trade secrets and confidential information and to conform with the covenants not to compete described in Item 17 [franchise agreement exhibit A-4]. Your employees will also be required to sign a brand protection agreement. Some states may impose certain restrictions on non-competition agreements. We provide you this form for employees, but it is your responsibility to conform it to the laws and regulations of your state [franchise agreement exhibit A-5].

Required Operations

You must operate the franchise business and be available to work as many days and hours in a week as dictated by the cases and client requests. In other words, you must have your franchise business available for operations 7 days a week throughout the year and work the number of hours as is required by your caseload and the client requests and requirements.

Personal Guarantees

Any individual who owns any ownership interest in the franchise business must personally guarantee the performance of all your obligations under the franchise agreement and agree to be personally bound by, and liable for, the breach of every provision of the franchise agreement.

ITEM 16 RESTRICTIONS ON WHAT THE FRANCHISEE MAY SELL

You must provide and sell only those products and services specified and approved by us in writing and only to those customers within your territory. You are not permitted to market in another franchisee's territory. No product or service may be added to, altered, or discontinued by your franchise business unless it is first approved by us in writing. You must offer all products and services required by us. We reserve the right to add, modify, or delete products and/or services that you may offer. There are no limits on our right

to do so. You must strictly follow our policies, procedures, specifications, methods and techniques concerning all our products and services.

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

THE FRANCHISE RELATIONSHIP¹

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

	Provision	Section in Franchise or other Agreement	Summary
a.	Length of the franchise term	Section 2.1	The term is 10 years. The franchise term will begin upon signing the franchise agreement.
b.	Renewal or extension of the term	Section 2.2	If you are in good standing at the end of the franchise term, you can enter into a successor franchise agreement for an additional term of 10 years.
c.	Requirements for franchisee to renew or extend	Section 2.2	In order to renew, you must, among other things, not be in default, pay a successor franchise fee, and sign the then-current standards, and sign the then-current franchise agreement. When renewing, you may be required to sign a contract with materially different terms and conditions than your original contract. You are required to give us notice of your intent to renew between 6 and 12 months prior to the expiration of your franchise agreement (subject to state law). If at the time for renewal we are not offering franchises in the US or cannot by law offer a renewal franchise to you, your existing franchise agreement will be extended for a one-year period. If, at the end of the one-year extension we still are not or cannot offer a renewal franchise to you, the franchise agreement will automatically expire, and you will not have any further renewal or extension rights.

	Provision	Section in Franchise or other Agreement	Summary
d.	Termination by franchisee	Section 11.4	You have the right to terminate the franchise agreement upon 30 days written notice to us. However, if you do terminate and have financed your initial franchise fee, all amounts owing to us are immediately due and payable in full and the non-competition provisions will remain in full force and effect for the post-termination term.
e.	Termination by franchisor without cause	Section 11.1	We must have cause to terminate the franchise agreement.
f.	Termination by franchisor with cause	Section 11.1	We can terminate if you materially breach and fail to cure. There are certain breaches for which we can terminate without giving you an opportunity to cure (see (h) below).
g.	“Cause” defined – curable defaults	Paragraphs 11.1 N-U	You have 24 hours to 30 days to cure certain material defaults of the franchise agreement.
h.	“Cause” defined - non-curable defaults	Paragraphs 11.1 A-M	Non-curable defaults include insolvency, bankruptcy, conviction of a felony, fraud, repeated defaults even if cured, harm or threat of harm to the public, abandonment, trademark misuse, etc.
i.	Franchisee’s obligations on termination/non-renewal	Section 12.1	Obligations include complete de-identification, payment of amounts due, and compliance with the brand protection agreement, etc. (see also (r) below).
j.	Assignment of contract by franchisor	Section 14.1	There are no restrictions on our right to assign.
k.	“Transfer” by franchisee - defined	Section 14.2	The definition of transfer by you includes the assignment and transfer of contracts, security interests, transfer of ownership interest, the sale of substantially all your assets, etc.
l.	Franchisor approval of transfer by franchisee	Section 14.2	We must approve all transfers.

	Provision	Section in Franchise or other Agreement	Summary
m.	Conditions for franchisor approval of transfer	Sections 14.3 - 14.8	Conditions to transfer include you are not in default, all fees are current, new franchisee qualifies and is approved by us, transfer and training fees are paid, purchase agreement is approved, training for new transferee arranged, new transferee signs the then-current franchise agreement, a release is signed by you, etc. You must also coordinate with the transferee to ensure coverage during the transferee's initial training. These conditions are subject to state law (see state specific addenda).
n.	Franchisor's right of first refusal to acquire franchisee's business	Section 14.9	We have the right of first refusal to acquire your franchise business during the term of the franchise agreement. We can match any offer for your franchise business or business assets within 30 days of written notice to us of the offer.
o.	Franchisor's option to purchase franchisee's business	Sections 13.1 and 14.12	Upon termination or expiration of the franchise agreement, we can elect to buy all or part of your business assets at fair market value within 60 days. Additionally, if we receive an offer to acquire a majority of the franchises or an offer to purchase a majority of our assets or stock, or to merge or go public or similar transactions, we have the option to purchase all your rights and interests in and under the franchise agreement and your franchise business at fair market value.
p.	Death or disability of franchisee	Section 14.10	Within 30 days of death or disability of your majority owner, your personal representative must be approved, and a new manager must be trained, if applicable, or franchise must be assigned to an approved buyer. We have the right to operate your franchise business until a trained manager is in place for which fees will apply. The franchise agreement must be transferred to an approved transferee within 12 months of death or disability.

	Provision	Section in Franchise or other Agreement	Summary
q.	Non-competition covenants during the term of the franchise	Section 16.1	No involvement in competing business anywhere without our written consent. Non-competition provisions are subject to state law.
r.	Non-competition covenants after the franchise is terminated, transferred or expires	Sections 16.3 – 16.4	No competing business in the insurance fraud industry for 2 years within your former territory or within 25 miles of your territory, or within 25 miles of any other Blue Eagle Investigations® franchise, company or affiliate owned Blue Eagle Investigations® business (including after assignment). If you compete within the restrictive period, then this non-compete period will be tolled and extended for the period of your competition, plus 6 months. Non-competition provisions are subject to state law. For a period of 3 years from termination, transfer, or expiration of your franchise agreement, you may not solicit to or on behalf of a competing business any former customer of your franchise business that you serviced as a Blue Eagle Investigations® franchisee, or customer of ours or of an affiliate with whom you interacted during the term of the franchise agreement. You must also not divert or attempt to divert any business or customer from us or our franchisees or injure our goodwill; influence or attempt to influence your previous clients or other franchisees to discontinue their contracts with us.
s.	Modification of the agreement	Section 20.11	Modifications must be made in writing and signed by both parties, but policies and procedures and the manuals are subject to change by us.

	Provision	Section in Franchise or other Agreement	Summary
t.	Integration / merger clause	Section 20.10	Only the terms of the franchise agreement are binding (subject to state law). All representations and promises outside the disclosure document and franchise agreement may not be enforceable. No provision in the franchise agreement is intended to disclaim the representations made in this Franchise Disclosure Document. Any representations or promises made outside of the Franchise Disclosure Document and other agreements may not be enforceable.
u.	Dispute resolution by arbitration or mediation	Section 17.2	Except for certain claims, for all disputes, there must be a face-to-face meeting, mediation and arbitration (see state specific addenda). All disputes must be resolved by arbitration in Overland Park, Kansas (subject to applicable state law).
v.	Choice of forum	Sections 17.2 and 19.2	All dispute resolution must be held in Overland Park, Kansas or the city where our then-current headquarters is located (subject to state law).
w.	Choice of Law	Sections 19.1 and 19.5	Kansas law, the Federal Arbitration Act, and the United States Trademark Act apply (subject to applicable state law).

**ITEM 18
PUBLIC FIGURES**

We do not use any public figure 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 representations about a franchisee’s future financial performance or the past financial performance of company-owned or franchised outlets. We also do not authorize our employees or representatives to make any such representations either orally or in writing. If you are purchasing an existing

outlet, however, we may provide you with the actual records of that outlet. If you receive any other financial performance information or projections of your future income, you should report it to the franchisor's management by contacting Stu Macfarlane at 6709 W 119th St., #125, Overland Park, Kansas 66209, (913) 685-2583, the Federal Trade Commission, and the appropriate state regulatory agencies.

**ITEM 20
OUTLETS AND FRANCHISEE INFORMATION**

**Table No. 1
Systemwide Outlet Summary
For Years 2021 to 2023**

Outlet Type	Year	Outlets at the Start of the Year	Outlets at the End of the Year	Net Change
Franchised	2021	9	12	+3
	2022	12	19	+7
	2023	19	16	-3
Company Owned	2021	2	2	+0
	2022	2	1	-1
	2023	1	1	+0
Total Outlets	2021	11	14	+3
	2022	14	20	+6
	2023	20	17	-3

**Table No. 2
Transfers of Outlets from Franchisees to New Owners
(other than the Franchisor)
For Years 2021 to 2023**

State	Year	Number of Transfers
Ohio	2021	0
	2022	1
	2023	0
Texas	2021	0
	2022	0
	2023	1
West Virginia	2021	0
	2022	1
	2023	0
Total	2021	0
	2022	2
	2023	1

**Table No. 3
Status of Franchised Outlets
For Years 2021 to 2023**

State	Year	Outlets at Start of Year	Outlets Opened	Terminations	Non-Renewals	Reacquired by Franchisor	Ceased Operations for Other Reasons	Outlets at End of Year
Alabama	2021	0	1	0	0	0	0	1
	2022	1	0	0	0	0	0	1
	2023	1	0	0	0	0	0	1
Arizona	2021	0	0	0	0	0	0	0
	2022	0	1	0	0	0	0	1
	2023	1	0	1	0	0	0	0
Florida	2021	1	0	1	0	0	0	0
	2022	0	0	0	0	0	0	0
	2023	0	0	0	0	0	0	0
Georgia	2021	1	0	0	0	0	0	1
	2022	1	0	0	0	0	0	1
	2023	1	0	0	0	0	0	1
Illinois	2021	0	1	0	0	0	0	1
	2022	1	0	0	0	0	0	1
	2023	1	0	0	0	0	0	1
Indiana	2021	0	0	0	0	0	0	0
	2022	0	1	0	0	0	0	1
	2023	1	0	0	0	0	0	1
Iowa	2021	0	1	0	0	0	0	1
	2022	1	0	0	0	0	0	1
	2023	1	0	0	0	0	0	1
Kansas	2021	0	0	0	0	0	0	0
	2022	0	1	0	0	0	0	1
	2023	1	0	0	0	0	0	1
Louisiana	2021	0	0	0	0	0	0	0
	2022	0	1	0	0	0	0	1
	2023	1	0	0	0	0	0	1
Michigan	2021	1	0	0	0	0	0	1
	2022	1	0	0	0	0	0	1
	2023	1	0	1	0	0	0	0
Mississippi	2021	0	0	0	0	0	0	0
	2022	0	1	0	0	0	0	1
	2023	1	0	0	0	0	0	1

State	Year	Outlets at Start of Year	Outlets Opened	Terminations	Non-Renewals	Reacquired by Franchisor	Ceased Operations for Other Reasons	Outlets at End of Year
Nebraska	2021	1	0	0	0	0	0	1
	2022	1	0	0	0	0	0	1
	2023	1	0	0	0	0	0	1
North Carolina	2021	1	0	0	0	0	0	1
	2022	1	0	0	0	0	0	1
	2023	1	0	0	0	0	0	1
Ohio	2021	0	1	0	0	0	0	1
	2022	1	0	0	0	0	0	1
	2023	1	0	1	0	0	0	0
Oklahoma	2021	0	0	0	0	0	0	0
	2022	0	1	0	0	0	0	1
	2023	1	0	0	0	0	0	1
South Carolina	2021	1	0	0	0	0	0	1
	2022	1	0	0	0	0	0	1
	2023	1	0	0	0	0	0	1
Tennessee	2021	1	0	0	0	0	0	1
	2022	1	0	1	0	0	0	0
	2023	0	0	0	0	0	0	0
Texas	2021	1	0	0	0	0	0	1
	2022	1	0	0	0	0	0	1
	2023	1	0	0	0	0	0	1
Virginia	2021	1	0	0	0	0	0	1
	2022	1	0	0	0	0	0	1
	2023	1	0	0	0	0	0	1
Washington	2021	0	0	0	0	0	0	0
	2022	0	1	0	0	0	0	1
	2023	1	0	0	0	0	0	1
West Virginia	2021	1	0	0	0	0	0	1
	2022	1	0	0	0	0	0	1
	2023	1	0	0	0	0	0	1
Total	2021	9	4	1	0	0	0	12
	2022	12	7	1	0	0	0	19
	2023	19	0	3	0	0	0	17

Table No. 4
Status of Company-Owned Outlets¹
For Years 2021 to 2023

State	Year	Outlets at Start of Year	Outlets Opened	Outlets Reacquired from Franchisees	Outlets Closed	Outlets Sold to Franchisee	Outlets at End of Year
Kansas	2021	1	0	0	0	0	1
	2022	1	0	0	0	1	0
	2023	0	0	0	0	0	0
Missouri	2021	1	0	0	0	0	1
	2022	1	0	0	0	0	1
	2023	1	0	0	0	0	1
Total	2021	2	0	0	0	0	2
	2022	2	0	0	0	1	1
	2023	1	0	0	0	0	1

¹ These territories are owned by our affiliate, Blue Eagle Investigations, Inc. We do not own or operate any territories.

Table No. 5
Projected Openings as of December 31, 2023

State	Franchise Agreements Signed But Outlet Not Opened	Projected New Franchised Outlet In The Next Fiscal Year	Projected New Company-Owned Outlet In the Next Fiscal Year
Arizona	0	0-1	0
California	0	0-1	0
Oregon	0	0-1	0
Tennessee	0	0-1	0
Utah	0	0-1	0
Total	0	0-5	0

List of Franchisees

Exhibit “C” contains a list of our current franchisees. Exhibit “C” also contains a list of franchisees who have had an outlet terminated, cancelled, not renewed or otherwise voluntarily or involuntarily ceased to do business under a franchise agreement during the most recently completed fiscal year or who have not communicated with us within 10 weeks of the issuance date. If you buy this franchise, your contact information may be disclosed to other buyers when you leave the franchise system.

Disclosure of Franchisee Information

If you invest in this franchise, your contact information and financial information may be disclosed in our disclosure document.

Sale of Previously Owned Outlet

We are not selling a previously owned franchised outlet now under our control.

Confidentiality Agreements

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

Franchisee Organizations

We do not know of any trademark specific franchisee organization associated with our system that is required to be disclosed in this Item.

ITEM 21 FINANCIAL STATEMENTS

Our fiscal year ends on December 31 of each year. Attached as Exhibit “B” are our audited financial statements dated December 31, 2023, December 31, 2022, and December 31, 2021.

ITEM 22 CONTRACTS

We have attached the following contracts: as Exhibit “A,” the Franchise Agreement and its Exhibits; as Exhibit “G,” the Deposit Agreement; and as Exhibit “H,” the Form Release Agreement. All other contracts and agreements are to be entered into with persons of your choice and therefore cannot be attached.

ITEM 23 RECEIPT

The last 2 pages of this disclosure document contain a receipt, in duplicate. The receipt is a detachable acknowledgement that you have received this Franchise Disclosure Document. Both receipts should be signed and dated by you. One copy should be returned to us, and you should keep the other for your records. If you do not sign this receipt via our electronic signature platform, then you need to send us a signed and dated copy. You may return the signed and dated receipt by mailing it to us at Stu Macfarlane, Blue Eagle Franchising, LLC or by emailing it to us at info@blueeaglefranchising.com.

**ADDENDUM TO THE BLUE EAGLE INVESTIGATIONS® FDD
STATE REGULATIONS**

**SCHEDULE “A-1”
TO THE FDD**



STATE REGULATIONS FOR THE STATE OF CALIFORNIA

The registration of this franchise offering by the California Department of Financial Protection and Innovation does not constitute approval, recommendation, or endorsement by the commissioner.

1. 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 at least 14 days prior to the execution by the prospective franchisee of any binding franchise or other agreement, or at least 14 days prior to the receipt of any consideration, whichever occurs first, a copy of the disclosure document, together with a copy of all proposed agreements relating to the sale of the franchise.
2. The California Franchise Relations Act, Business and Professions Code Sections 20000 through 20043 provide rights to the franchisee concerning termination, transfer, or non-renewal of a franchise. If the franchise agreement contains a provision that is inconsistent with California law, California law controls.
3. 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.)
4. The franchise agreement contains a covenant not to compete which extends beyond the termination of the franchise. This provision may not be enforceable under California law.
5. The franchise agreement contains a liquidated damages clause. Under California Civil Code Section 1671, certain liquidated damages clauses are unenforceable.
6. The franchise agreement requires binding arbitration. The arbitration will occur in Johnson County, Kansas with the costs being borne by you for travel to, and lodging in, Johnson County, Kansas and other costs associated with arbitration. Prospective franchisees are encouraged to consult private legal counsel to determine the applicability of California and Federal laws (this or these as Business and Professions Code Section 20040.5, Code of Civil Procedure Section 128a, and the Federal Arbitration Act) to any provisions of a franchise agreement restricting venue to a forum outside the State of California.
7. The franchise agreement requires application of the laws of Kansas. This provision may not be enforceable under California law. You may want to consult an attorney to understand the impact of out-of-state governing law on the franchise agreement.
8. You must sign a general release if you transfer, renew or terminate your franchise. California Corporations Code 31512 voids a waiver of your rights under the Franchise Investment Law (California Corporations Code 31000 through 31516). Business and Professions Code 20010 voids a waiver of your rights under the Franchise Relations Act (Business and Professions Code 20000 through 20043).
9. Neither franchisor nor any person listed in Item 2 of the disclosure document is subject to any currently effective order of any national securities association or national securities exchange, as defined in the Securities Exchange Act of 1934, 15 U.S.C.A. 78a et seq., suspending or expelling this or these persons from membership in such association or exchange.
10. Section 31125 of the California Corporations Code requires the Franchisor to give the franchisee a disclosure document, in a form and containing such information as the Commissioner may by rule or order require, before a solicitation of a proposed modification of an existing franchise.
11. Our website at www.blueeagleinvestigations.com has not been reviewed or approved by the California Department of Financial Protection and Innovation. Any complaints concerning the content of the website may be directed to the California Department of Financial Protection and Innovation at www.dfpi.ca.gov



12. The franchise agreement provides for waiver of a jury trial. This may not be enforceable in California.

13. **Section 31512.1 Franchise Agreement Provisions Void as Contrary to Public Policy.** Any provision of a franchise agreement, franchise disclosure document, acknowledgement, questionnaire, or other writing, including any exhibit thereto, disclaiming or denying any of the following shall be deemed contrary to public policy and shall be void and unenforceable:

- (a) Representations made by the franchisor or its personnel or agents to a prospective franchisee.
- (b) Reliance by a franchisee on any representations made by the franchisor or its personnel or agents.
- (c) Reliance by a franchisee on the franchise disclosure document, including any exhibit thereto.
- (d) Violations of any provision of this division.

14. California's Franchise Investment Law (Corporations Code section 31512 and 31512.1) states that any provision of a franchise agreement or related document requiring the franchisee to waive specific provisions of the law is contrary to public policy and is void and unenforceable. The law also prohibits a franchisor from disclaiming or denying (i) representations it, its employees, or its agents make to you, (ii) your ability to rely on any representations it makes to you, or (iii) any violations of the law.

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

16. Franchisee owners must sign a personal guaranty, making you and your spouse individually liable for your financial obligations under the agreement if you are married. The guaranty will place your and your spouse's marital and personal assets at risk, perhaps including your house, if your franchise fails.

17. Item 6 under Late Fees is amended to include the following: "The highest interest rate allowed in California is 10% annually."

**STATE FDD ADDENDUM
FOR THE STATE OF MARYLAND**

ITEM 17 of the Disclosure Document is amended to add the following:

- The general release required as a condition of renewal, sale and/or assignment/transfer shall not apply to any liability under the Maryland Franchise Registration and Disclosure Law.
- 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 and Disclosure Law.
- A franchisee may bring a lawsuit in Maryland for claims arising under the Maryland Franchise Registration and Disclosure Law.
- The franchise agreement provides that disputes are resolved through arbitration. A Maryland franchise regulation states that it is an unfair or deceptive practice to require a franchisee to waive its rights to file a lawsuit in Maryland claiming a violation of the Maryland Franchise Law. In light of the Federal Arbitration Act, there is some dispute as to whether this forum selection requirement is legal enforceable.
- Any claims arising under the Maryland Franchise Registration and Disclosure Law must be brought within 3 years after the grant of the franchise.
- Maryland law shall prevail.
- The Franchise Agreement provides for termination upon bankruptcy. This provision may not be enforceable under federal bankruptcy law.
- No statement, questionnaire, or acknowledgment signed or agreed to by a franchisee in connection with the commencement of the franchise relationship shall have the effect of (i) waiving any claims under any applicable state franchise law, including fraud in the inducement, or (ii) disclaiming reliance on any statement made by any franchisor, franchise seller, or other person acting on behalf of the franchisor. This provision supersedes any other term of any document executed in connection with the franchise.
- Section 20.14 of the franchise agreement regarding representations and Section 20.18 of the franchise agreement regarding acknowledgement of receipt of the FDD are not applicable to franchisees in Maryland.

**STATE REGULATIONS
FOR THE STATE OF MINNESOTA**

THESE FRANCHISES HAVE BEEN REGISTERED UNDER THE MINNESOTA FRANCHISE ACT. REGISTRATION DOES NOT CONSTITUTE APPROVAL, RECOMMENDATION OR ENDORSEMENT BY THE COMMISSIONER OF COMMERCE OF MINNESOTA OR A FINDING BY THE COMMISSIONER THAT THE INFORMATION PROVIDED HEREIN IS TRUE, COMPLETE AND NOT MISLEADING.

THE MINNESOTA FRANCHISE ACT MAKES IT UNLAWFUL TO OFFER OR SELL ANY FRANCHISE IN THIS STATE WHICH IS SUBJECT TO REGISTRATION WITHOUT FIRST PROVIDING TO THE PROSPECTIVE FRANCHISEE, AT LEAST 7 DAYS PRIOR TO THE EXECUTION BY THE PROSPECTIVE FRANCHISEE OF ANY BINDING FRANCHISE OR OTHER AGREEMENT, OR AT LEAST 7 DAYS PRIOR TO THE PAYMENT OF ANY CONSIDERATION, BY THE FRANCHISEE, WHICHEVER OCCURS FIRST, A COPY OF THIS PUBLIC OFFERING STATEMENT, TOGETHER WITH A COPY OF ALL PROPOSED AGREEMENTS RELATING TO THE FRANCHISE. THIS PUBLIC OFFERING STATEMENT CONTAINS A SUMMARY ONLY OF CERTAIN MATERIAL PROVISIONS OF THE FRANCHISE AGREEMENT. THE CONTRACT OR AGREEMENT SHOULD BE REFERRED TO FOR AN UNDERSTANDING OF ALL RIGHTS AND OBLIGATIONS OF BOTH THE FRANCHISOR AND THE FRANCHISEE.

The disclosure document, franchise agreement, and other related agreements are amended to conform to the following:

1. Governing law, choice of forum, and jurisdiction and venue provisions of the disclosure document and franchise agreements are amended to include the following:

Minnesota statute ' 80C.21 and Minnesota Rule 2860.4400J prohibit us from requiring litigation to be conducted outside Minnesota. In addition, nothing in the disclosure document or agreement 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 or the jurisdiction.

2. With respect to franchises governed by Minnesota law, the franchisor will comply with Minn. Stat. ' 80C.14, subdivisions 3, 4 and 5 which require, except in certain specified cases, that a franchisee be given 90 days' notice of termination (with 60 days to cure) and 180 days' notice for non-renewal of the franchise agreement; and that consent to the transfer of the franchise will not be unreasonably withheld.
3. As required by the Minnesota Franchise Act, Minn. Stat. Sec. 80C.12(g), franchisor will reimburse the franchisee for any costs incurred by the franchisee in the defense of the franchisee's right to use the Marks, so long as the franchisee was using the Marks in the manner authorized by franchisor, and so long as franchisor is timely notified of the claim and is given the right to manage the defense of the claim including the right to compromise, settle or otherwise resolve the claim, and to determine whether to appeal a final determination of the claim.
4. Minnesota Rule Part 2860.4400D prohibits requiring a franchisee from waiving his rights to a jury trial or waiving his rights to any procedure, forum, or remedies provided for by the laws of Minnesota, or consenting to liquidated damages, termination penalties or judgment notes.
5. The disclosure document and franchise agreements are hereby amended to exclude from any release requirements the release of claims under Minnesota Franchise Law.

6. Any limitation of claims must comply with Minn. Stat. ' 80C.17, subdivision 5.
7. Any fee regarding insufficient funds for a dishonored check must comply with Minn. Stat. § 604.113, subdiv. 2(a), which puts a cap of \$30 on service charges.
8. No statement, questionnaire, or acknowledgement signed or agreed to by a franchisee in connection with the commencement of the franchise relationship shall have the effect of (i) waiving any claims under any applicable state franchise law, including, fraud in the inducement, or (ii) disclaiming reliance on any statement made by any franchisor, franchise seller, or other person acting on behalf of the franchisor. This provision supersedes any other term of any document executed with the franchise.

Franchisee (Signature)

**STATE REGULATIONS
FOR THE STATE OF NEW YORK**

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

INFORMATION COMPARING FRANCHISORS IS AVAILABLE. CALL THE STATE ADMINISTRATORS LISTED IN EXHIBIT A OR YOUR PUBLIC LIBRARY FOR SERVICES OR INFORMATION. REGISTRATION OF THIS FRANCHISE BY NEW YORK STATE DOES NOT MEAN THAT NEW YORK STATE RECOMMENDS IT OR HAS VERIFIED THE INFORMATION IN THIS FRANCHISE DISCLOSURE DOCUMENT. IF YOU LEARN THAT ANYTHING IN THIS FRANCHISE DISCLOSURE DOCUMENT IS UNTRUE, CONTACT THE FEDERAL TRADE COMMISSION AND THE APPROPRIATE STATE OR PROVINCIAL AUTHORITY. THE FRANCHISOR MAY, IF IT CHOOSES, NEGOTIATE WITH YOU ABOUT ITEMS COVERED IN THE FRANCHISE DISCLOSURE DOCUMENT. HOWEVER, THE FRANCHISOR CANNOT USE THE NEGOTIATING PROCESS TO PREVAIL UPON A PROSPECTIVE FRANCHISEE TO ACCEPT TERMS WHICH ARE LESS FAVORABLE THAN THOSE SET FORTH IN THIS FRANCHISE DISCLOSURE DOCUMENT.

2. The following is to be 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” sections of Item 17(c), titled “**Requirements for franchisee to renew or extend,**” and Item 17(m), entitled “**Conditions for franchisor approval of transfer**”:

However, to the extent required by applicable law, all rights you enjoy and any causes of action arising in your favor from the provisions of Article 33 of the General Business Law of the State of New York and the regulations issued thereunder shall remain in force; it being the intent of this proviso that the non-waiver provisions of General Business Law Sections 687(4) and 687(5) be satisfied.

4. The following language replaces the “Summary” section of Item 17(d), titled “**Termination by franchisee**”: You may terminate the agreement on any grounds available by law.

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

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

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

7. Receipts--Any sale made must be in compliance with § 683(8) of the Franchise Sale Act (N.Y. Gen. Bus. L. § 680 et seq.), which describes the time period a Franchise Disclosure Document (offering prospectus) must be provided to a prospective franchisee before a sale may be made. New York law requires a franchisor to provide the Franchise Disclosure Document at the earlier of the first personal meeting, ten (10) business days before the execution of the franchise or other agreement, or the payment of any consideration that relates to the franchise relationship.

STATE REGULATIONS FOR THE STATE OF NORTH DAKOTA

The disclosure document, franchise agreement, and other related agreements are amended to conform to the following:

1. Item 17 of the Disclosure Document is amended as follows:
 - No general release shall be required as a condition of renewal and/ or transfer which is intended to exclude claims arising under North Dakota Franchise Investment Law Section 51-19-09.
 - In case of any enforcement action, the prevailing party is entitled to recover all costs and expenses including attorneys' fees.
 - The statute of limitations under North Dakota Law will apply.
 - Covenants not to compete upon termination or expiration of the Franchise Agreement are generally unenforceable in the State of North Dakota except in limited instances as provided by law.
 - A provision requiring litigation or arbitration to be conducted in a forum other than North Dakota is void with respect to claims under North Dakota Law.
 - In the event of a conflict of laws, North Dakota Law will control.
 - Franchisee may not assent to a waiver of rights to a jury trial, waiver of rights to exemplary or punitive damages, or waiving his rights to any procedure, forum, or remedies provided for by the laws of North Dakota, or consenting to liquidated damages, termination penalties or judgment notes.

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

**ADDENDUM TO THE DISCLOSURE DOCUMENT
FOR THE STATE OF WISCONSIN**

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

1. REGISTRATION DOES NOT CONSTITUTE APPROVAL, RECOMMENDATION OR ENDORSEMENT BY THE COMMISSIONER OF SECURITIES OF THE STATE OF WISCONSIN.
2. The following shall apply to Franchise Agreements in the State of Wisconsin:
 - a. The Wisconsin Fair Dealership Act, Wisconsin Statutes, Chapter 135 (the “Act”), shall apply to and govern the provisions of Franchise Agreements issued in the State of Wisconsin.
 - b. The Act’s requirements, including that in certain circumstances a Franchisee receive ninety (90) days’ notice of termination, cancellation, non-renewal or substantial change in competitive circumstances, and sixty (60) days to remedy claimed deficiencies, shall supersede the provisions of Section VIII of the Franchise Agreement to the extent they may be inconsistent with the Act’s requirements.

EXHIBIT "A"
TO THE FDD
FRANCHISE AGREEMENT





FRANCHISE AGREEMENT

By and Between

BLUE EAGLE FRANCHISING, LLC

and

(Franchisee)

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This Agreement and the Schedules and Exhibits attached hereto are subject to the copyright of The Franchise & Business Law Group, LLC



FRANCHISE AGREEMENT

TABLE OF CONTENTS

ARTICLE		PAGE
I.	AWARD OF FRANCHISE.....	3
II.	TERM AND SUCCESSOR FRANCHISE	4
III.	INTELLECTUAL PROPERTY.....	5
IV.	CONSTRUCTION, COMMENCING OPERATIONS, AND LEASE.....	8
IV.	FEES AND REPORTS.....	9
VI.	FRANCHISEE’S OPERATIONAL COVENANTS	12
VII.	FRANCHISOR’S OPERATIONAL ASSISTANCE.....	19
VIII.	PURCHASE OF PRODUCTS.....	20
IX.	MANUALS.....	21
X.	MARKETING	21
XI.	BREACH AND TERMINATION.....	23
XII.	TERMINATION AND EXPIRATION	26
XIII.	PURCHASE OPTION.....	29
XIV.	SALES OR TRANSFER OF THE FRANCHISE.....	30
XV.	RELATIONSHIP OF THE PARTIES.....	33
XVI.	COVENANT NOT TO COMPETE.....	34
XVII.	DISPUTE RESOLUTION.....	36
XVIII.	NOTICES.....	38
XIX.	CONSTRUCTION AND JURISDICTION	39
XX.	MISCELLANEOUS	39
XXI.	DEFINITIONS.....	42

Exhibits

A-1	Territory
A-2	Company Representations and Warranties
A-3	Fee Chart
A-4	Brand Protection Agreement for Principals
A-5	Employee Brand Protection Agreement
A-6	Authorization Agreement for Direct Payments (ACH Debits)
A-7	Guaranty and Assumption of Obligations
A-8	Installment Agreement
A-9	Digital and Social Media Authorization for Assignment
A-10	Franchisee Report
A-11	State Addenda



BLUE EAGLE FRANCHISING, LLC FRANCHISE AGREEMENT

THIS FRANCHISE AGREEMENT (“Agreement”) is entered into and made effective as of _____ by and between **BLUE EAGLE FRANCHISING, LLC**, a Missouri limited liability company (“Franchisor” or “We,” “Us” or “Our” as further defined in Article XXI below) and _____ (“Franchisee” or “You” or “Your” as further defined in Article XXI below).

WHEREAS, We have developed a system for the operation of a business known as Blue Eagle Investigations®, utilizing the Marks and System, and offering private investigations business within the insurance fraud industry and other related products and services (“Franchise Business”); and

WHEREAS, You are desirous of entering into an agreement with Us so as to be able to obtain the rights to operate a Franchise Business using the System.

NOW, THEREFORE, in consideration of the mutual covenants, agreements, recitals, obligations, terms and conditions herein contained, and the acts to be performed by the respective parties hereto, the parties hereto agree as follows:

ARTICLE I AWARD OF FRANCHISE

1.1 Award of Franchise. We hereby grant to You, and You accept, subject to the terms, conditions and obligations herein, the non-exclusive, non-sublicensable, personal right to establish and conduct a Franchise Business as a Blue Eagle Investigations® franchisee and the right to use the System and the Marks only as specifically set forth herein. This right is granted for use only within Your Territory listed on Exhibit “A-1” (“Territory”). You must operate Your Franchise Business in strict compliance with the terms and conditions of this Franchise Agreement and the Manuals.

1.1.1 Territory Rights. Except as set forth in this Agreement, during the term of this Agreement, We will not establish or operate a company-owned outlet or grant to any person or entity a franchise within the Territory using the same or similar System as that licensed by this Agreement. However, if You are unable to timely fulfill all contracts and investigation jobs, and You have not cured this default, We have the right to divide Your Territory and offer another franchise in the state.

1.2 Scope of Franchise Operations. You must at all times comply with Your obligations hereunder and must continuously use Your best efforts to promote and operate Your Franchise Business.

1.3 Our Reservation of Rights. All rights not specifically granted to You in this Agreement are reserved to Us. You expressly acknowledge and agree that this license is non-exclusive, and that We retain, among other rights, the right, in Our sole discretion: 1) to establish and license others to establish and operate Blue Eagle Investigations® businesses outside Your Territory; and 2) to operate and license others to operate businesses anywhere that do not operate under the Blue Eagle Investigations® brand name.

1.4 Rights to Use Channels of Distribution. Except for the rights expressly given to You, there will be no limitation on Our rights to deal with potential or actual customers located anywhere. We and Our affiliates expressly reserve the right to Market in Your Territory and elsewhere using Marketing strategies and distribution channels including websites, the Internet, television, radio, Social Media, apps, direct marketing, telemarketing, catalog sales, direct sales, retail location, wholesale locations, and co-branding with other outlets. You may not sell Our products and/or services using such reserved Marketing strategies



and distribution channels without Our prior written permission. We do not pay You for soliciting or accepting orders for any products or services We make inside Your Territory. You are not permitted to target Market or sell to customers in another franchisee's territory; however, it is the nature of this business that advertising to a company in your territory may result in advertising in another territory if the company has multiple locations across state lines. This type of advertising is not prohibited.

1.5 Entity Franchisee. If You are operating as a partnership or an entity, You must designate the Operating Principal in connection with Your Franchise Business. The Operating Principal must have at least 51% of ownership in Your franchisee entity and must be listed on Exhibit "A-2." Your Operating Principal will have the authority to speak for and bind You in all matters pertaining to this Agreement and Your Franchise Business. You must not use Our Marks or any other name similar thereto in the name of any partnership or entity owned or formed by You, whether to own or operate Your Franchise Business or otherwise. However, You are required to file a DBA as set forth in Section 3.9.

1.6 Restriction of Territory Rights. The rights and privileges granted to You under this Agreement are personal in nature. This Agreement is granted solely for the operation of a Franchise Business in the Territory, and do not extend to the operation of a Franchise Business or any other use of the System from any other location within or outside Your Territory, or in any other manner, except as may be allowed by this Agreement and Our Manuals. You may only service customers within Your Territory.

1.7 National and Regional Accounts. We have the right to sell, market and distribute the Blue Eagle Investigations® services to all National and Regional Accounts, both within and without Your Territory. A "National or Regional Account" is defined as a company with multiple units or outlets located in more than one geographical area or territory. Due to the nature of the insurance industry Our Marketing efforts to these National or Regional Accounts may overlap with Your Marketing efforts. There is no compensation or other consideration for overlapping Marketing efforts.

ARTICLE II TERM AND SUCCESSOR FRANCHISE

2.1 Term. This Agreement will be effective when executed by both You and Us. The franchise term will be for a period of 10 years unless terminated earlier pursuant to Article XI herein, If We are required by law or otherwise to give You notice before the Termination of this Agreement and fail to do so, this Agreement will remain in effect from month-to-month until We have given the required notice.

2.2 Successor Franchise. You have the right to be awarded a successor franchise ("Successor Franchise") upon the expiration of the original term for an additional term of 10 years if all the following conditions are met at the time You elect to renew: 1) You are not in default of this Agreement; 2) You have complied with and timely met material terms and conditions of this Agreement throughout the initial term; 3) You have complied with Our material operating and quality standards and procedures and any required modification to such standards and procedures; 4) You have timely paid all monetary obligations owed to Us during the term of this Agreement; 5) You are not subject to any pending litigation or governmental proceeding which could have a material adverse effect upon You or Your Franchise Business; and 6) You give Us written notice of Your intent to renew at least six months and not more than 12 months prior to the expiration date of the term hereof. Your failure to give such notice will constitute an election not to enter into a Successor Franchise Agreement (defined below). If You fail to enter into a Successor Franchise Agreement for any reason but continue to operate Your Franchise Business, at Our election You will be deemed to have renewed on a month-to-month basis, requiring You to abide by Our then-current Fees. In addition to Our rights to terminate as set forth in Article XI, Your month-to-month Franchise Business may be terminated by Us upon 30 days' prior written notice to You for any reason whatsoever.

2.2.1 Commencement Date for Successor Franchise Term. Unless another date is specified in a Successor Franchise Agreement, which date will supersede, said Successor Franchise term Including any month-to-month term, will commence on the day following the expiration date of the initial or applicable Successor Franchise term.

2.2.2 Notice of Non-Approval. Upon receiving Your election to enter into a Successor Franchise, We will have 45 days to provide written notice in the event You do not qualify for a Successor Franchise or as otherwise required by law.

2.2.3 Successor Franchise Agreement. If approved as a Successor Franchise, You must execute Our then-current form of Our successor franchise agreement (“Successor Franchise Agreement”). The Successor Franchise Agreement Includes personal guarantees and a general release of all claims against Us (existing at that time) arising from this Agreement, the relationship created herein, and Your Franchise Business. If You fail to execute such a release, the signing of the Successor Franchise Agreement will be the equivalent of the granting of such a release. The Successor Franchise Agreement will supersede in all respects the terms and conditions of this Agreement, and You shall pay royalties and other continuing Fees at the then-existing levels required to be paid by new franchisees. You must sign and return to Us the Successor Franchise Agreement at least 90 days prior to the expiration of this Agreement, or You will, at Our election, be deemed to have withdrawn Your request to enter into a Successor Franchise Agreement. **You acknowledge that You will be bound by the form of the Successor Franchise Agreement in effect at the time which may contain Fees and charges, territorial, and other changes in material provisions different from those contained in this Agreement, Including, terms affecting payments to Us or Our affiliates.** You acknowledge and agree that We can require You, at Your expense, to reasonably upgrade Your equipment and supplies in performing the obligations under this Agreement to the extent and in the manner specified by Us to conform with and bring it up to the standards and image as We determine. Unless otherwise waived by Us, such improvements must be made within six months of signing the Successor Franchise Agreement.

2.2.4 Successor Franchise Fee. If approved for a Successor Franchise, You shall pay to Us a non-refundable Successor Franchise Fee set forth in Exhibit “A-3,” payable in full at the time of execution of the Successor Franchise Agreement.

2.2.5 Successor Franchise Training. Your Operating Principal and/or other key personnel may also be required to attend and successfully complete trainings, certifications and other programs at such times and locations as We specify. You may be required to cover the expense of travel, meals, lodging, and other related costs for such training and certifications.

2.2.6 Unable to Offer Successor Franchise. Notwithstanding the preceding paragraphs of this Section, if at the time You provide Your notice of desire to enter into a Successor Franchise Agreement, We are no longer offering franchises in the United States, or not able by law to offer a successor agreement to You, then this Agreement will automatically be extended for a period of one year. If at the end of the one-year extension, We still have not offered franchises in the United States, or We are unable by law to offer a successor franchise to You, this Agreement will automatically terminate unless further extended by mutual consent, which consent We can withhold for any reason.

ARTICLE III INTELLECTUAL PROPERTY

3.1 Intellectual Property and Confidential Information. You acknowledge that: 1) We have the



sole rights in and to the Intellectual Property and Confidential Information; 2) Your right to use the System is granted by Us solely pursuant to the terms of this Agreement; and 3) We have the sole right to license and control Confidential Information and Intellectual Property. Our Intellectual Property and Confidential Information provided to You by or through Us will remain Our sole property. You acknowledge that Our Confidential Information and Intellectual Property are unique and/or confidential and contain trade secrets and other material proprietary to Us.

3.2 Use of Confidential Information and Intellectual Property. You have a non-exclusive right to use the Confidential Information and Intellectual Property and only in connection with Your Franchise Business and in accordance with Our Manuals and this Agreement. You understand and agree that the use of Our Confidential Information, Intellectual Property, and goodwill are all temporary benefits and expire with the Termination of this Agreement. You expressly covenant that during the term of this Agreement and after the Termination thereof, not to: 1) directly or indirectly contest or aid in contesting the validity of Our ownership of, or rights in, the Confidential Information or Intellectual Property; 2) in any manner interfere with or attempt to prohibit Our use of the Intellectual Property and derivatives thereof or any other name, trademark or service mark that is or becomes a part of Our System; or 3) interfere with the use of the Our Confidential Information or Intellectual Property by Our other franchisees or licensees at any time.

3.3 Our Marks. You acknowledge that as between You and Us, the Marks and derivatives thereof are valid trade names, trademarks and service marks owned by Us or licensed to Us.

3.4 Use of Marks and System. You have the non-exclusive right to use Our Marks and the System as directed by Us. You shall only use Our Marks licensed by this Agreement and only with the letters “TM,” “SM” or “®,” as appropriate, approved and as instructed by Us, whenever and wherever such Marks are used. You shall not use Your own name or any other name service or product in connection with any of Our Marks without Our prior written consent. You are prohibited from using any Mark in connection with the performance or sale of any unauthorized service or product. You cannot use the Marks or System in any manner, or otherwise take any action (or inaction) that would or may cause the Marks or the System to be subject to any ill repute or negative publicity. You cannot use the Marks on any intercompany documents to identify Your Franchise Business or entity (Including in or on employee manuals, handbooks, emails, letterhead) or on business checks or bank accounts. All communications with Your employees must be under Your entity name.

3.4.1 Cooperation. You shall execute any and all additional papers, documents and assurances in connection with the Marks as reasonably requested by Us and agree to cooperate fully with Us and any of Our other franchisees or licensees in securing all necessary and required consents of any state agency or legal authority for the use of the Marks or any other name, trademark, service mark, logo or slogan that is now or later becomes a part of Our System. You shall to immediately notify Us as soon as You become aware of any infringement or apparent or alleged infringement of the Marks, Our Confidential Information, or any part of Our Intellectual Property.

3.4.2 Use in Marketing. The use of the Marks in Marketing efforts is set forth in Article X.

3.4.3 Modification of Marks. We have the right, in Our reasonable discretion, to require You to change, modify or discontinue the Marks or to use one or more additional trademarks, service marks, logos and/or other symbols in connection with the operation of the Franchise Business. In that event, You must bear the cost of using such additional or modified Marks or items in accordance with Our reasonable directives.

3.4.4 No Registration. You cannot make application for registration, domain name, or other protection of any of the Marks, or any other trademarks, service marks, symbols, names, slogans, logos, trade names or any items that are similar or derivatives therefrom in any jurisdiction without Our prior written consent and then only upon the terms and conditions specified by Us in connection therewith.

3.5 Copyrights. All right, title and interest in and to Copyright Materials are Our sole and exclusive property and cannot be reproduced or replicated either during or after this Agreement. You have no rights to make any direct or indirect use of the Copyrighted Materials except as allowed under this Agreement.

3.6 Sole Control. As between You and Us, We will have the sole control over any legal or administrative action concerning the Confidential Information or Intellectual Property. You must promptly notify Us in writing of any unauthorized use of Our Confidential Information and Intellectual Property, or of any claim, demand or suit by any person, corporation or other entity based upon or in connection with any of Our Confidential Information or Intellectual Property licensed hereunder in which We have an interest. We are not obligated to protect any rights that You have to use the Confidential Information and Intellectual Property, or to protect You against claims of infringement or unfair competition. However, in the event We do undertake the defense or prosecution of any litigation pertaining to any such Confidential Information or Intellectual Property, You must execute any and all documents and do such acts and things as may, in the opinion of Our counsel, be necessary to carry out such defense or prosecution. If We fail to undertake action within a reasonable time after receipt of Your notice regarding any such claim, demand or suit, then You may, with Our prior written consent (but You will not have the obligation) undertake the defense of any such proceeding and will do so at Your sole cost and in strict coordination and oversight with Us. You shall not do any act or make any claim which is contrary to or in conflict with Our rights in Our Confidential Information or Intellectual Property.

3.7 Goodwill. All goodwill associated with the Marks and the System belongs exclusively to Us. You acknowledge that valuable goodwill is attached to the Marks and System, and that We have invested and continue to invest time and capital into promoting the System and that such promotion creates goodwill and customer association which benefits Us, You, and all other franchisees in the System. Furthermore, even goodwill associated with the Marks and System, that might be deemed to have arisen through Your activities, is Our sole property and inures directly and exclusively to Our benefit, except as otherwise provided herein or by applicable law.

3.7.1 Customer Data. All Customer Data is Our sole property and inures directly and exclusively to Our benefit. All client contracts belong to Us. You have a royalty-free non-exclusive right to use the Customer Data during the term of this Agreement. You must gather, upload, and/or store all Customer Data as required by Us. To the extent that We do not otherwise have access, You must provide Us copies of all Customer Data upon request. You must abide by all applicable laws pertaining to the privacy of consumer, employee, and transaction information, and do not contact laws. If We allow You to use the Customer Data to transmit advertisements to customers and potential customers, You are solely responsible to comply with the laws pertaining to calling or texting customers, the sending of emails, or any other transmission of information, including any anti-spam legislation.

3.8 Use of Name. Within 30 days of signing this Agreement, You must file for a certificate of assumed or fictitious name or a “doing business as” name (“DBA”) in the manner required by the law in the state where Your Franchise Business is located so as to notify the public that You are operating Your Franchise Business as an independent business pursuant to this Agreement and must include Your assigned franchise designation in such filing. You must provide Us with a copy of Your DBA registration and/or certificate upon receipt of the same, and upon Our request from time to time. You must display a standard

sign or notice, as may be provided or required by Us, on Your communications and/or at Your office location indicating that the business is independently operated and owned as a franchised business.

3.9 Maintaining Secrecy. You shall: 1) fully and strictly adhere to all security procedures prescribed by Us in Our sole discretion for maintaining the secrecy of Our Confidential Information; 2) disclose such information to Your employees only to the extent necessary to Market Our products and services and for the operation of the Franchise Business in accordance with this Agreement; 3) not use any such information in any other business or in any manner not specifically authorized or approved in writing by Us; and 4) exercise the highest degree of diligence and make every effort to maintain the absolute confidentiality of all such information during and after the term of this Agreement.

3.10 Changes to the System. You shall fully disclose all Innovations to Us, without disclosing the Innovation to others and shall obtain Our written approval before using or implementing an Innovation. All Innovations are owned by Us and considered a “work-made-for-hire.” If all or part of any Innovation that You create is for any reason deemed not to be a work-made-for-hire, then You hereby irrevocably transfer and assign to Us or Our affiliate all right, title, interest and ownership, Including license rights, in the Innovation, and You agree to sign (or have the creator sign) any document necessary to effectuate the transfer and assignment. To the extent You have any moral or similar rights in an Innovation or derivative, You expressly waive those rights. Any Innovation may be used by Us and all other franchisees without any obligation to compensate You. We reserve the right to make application for and own Intellectual Property relating to any Innovation, and You shall cooperate with Us in securing these rights. We may also consider an Innovation as part of Our trade secret. At Our discretion, We may authorize You to utilize Innovations that may be developed by You, Us, or other franchisees.

3.11 Association with Causes; or Co-Branding. You cannot, in the name of the Franchise Business, (i) donate money, products, or services to any charitable, political, social, religious, or other organization, cause, or position; or (ii) act in support of or against, any such organization, cause or position without Our prior written approval. You may not “co-brand” or associate any other business activity with the Franchise Business in a manner which is likely to cause the public to perceive the activity to be related to the brand or System.

ARTICLE IV COMMENCING OPERATIONS

4.1 Office Premises. You are required to have an office from which You will operate Your Franchise Business, which may be within Your residence. Most of Our franchisees operate their franchise business from a home office. If You have an office location other than Your home, it must be within Your Territory. It will be Your responsibility, at Your sole cost and expense to select Your office location within Your Territory. **We do not prepare demographic studies or otherwise evaluate the potential success of Your proposed site, nor do We provide You with a site checklist or other similar information, and We do not warrant or guarantee the success of the location or site.** Your office must not be used for any competing business without Our prior written consent. You must strictly comply with local zoning and, state and federal laws, rules and regulations.

4.2 Commencing Operations. You are required to commence operations not later than three months from signing this Agreement. You must give Us not less than one business day prior written notice of the start of operations date. Upon receipt of Your notice of opening, We will issue a written commencement notice. We have the right to inspect Your equipment, storage unit, office, and other aspects of Your operations relating to Your compliance with this Agreement prior to opening.

4.3 Relocation of Territory. You are prohibited from relocating Your Franchise Business to another state without entering into another franchise agreement with Us and paying the applicable initial franchise fee. We have the right to deny a request for relocation in Our sole discretion.

4.4 Failure to Meet Deadlines. If You fail to meet a deadline and fail to cure, this Agreement is subject to Termination by Us, at Our option.

ARTICLE V FEES AND REPORTS

5.1 Initial Franchise Fee. You shall pay Us the initial franchise fee listed in Exhibit “A-3” in one lump sum at the time of execution of this Agreement unless We allow You to pay this fee in installments. If Your Territory is west of the Mississippi river, Your initial franchise fee will be reduced by 25%. The initial franchise fee must be paid by wire transfer (with wire fees paid by You) or certified check. The initial franchise fee is fully earned by Us and is non-refundable.

5.1.1 Installment Agreement. The installment agreement is attached as Exhibit “A-8.” If this Agreement is terminated prior to the payment in full of the initial franchise fee under the Installment Agreement, including for an approved Transfer of the Franchise Business, You will be required to pay a termination fee (see Exhibit “A-3”) in addition to all other fees due and owing under the Installment Agreement.

5.1.2 Additional Franchises. During the term of this Agreement, You have the option, but not the right, and as determined and allowed at Our sole discretion, to purchase additional franchises at a discounted initial franchise fee per location as listed on Exhibit “A-3,” and subject to the following conditions:

(i) Notice by Us. In the event We receive a bona fide offer to acquire a franchise territory, We will provide written notice to each neighboring Blue Eagle Investigations® who is not in default of their franchise agreement. Such notice will provide the location of the territory, but no other details are required to be provided by Us. Notice does not create an obligation on Us to grant a territory to You.

(ii) Your Notice of Intent. In the event You desire to acquire an additional franchise as allowed under Paragraph 5.1.2, and regardless of whether You have received notice of a bona fide offer of a neighboring territory by Us or You seek to acquire the territory independently, You must provide such notice of intent. Such notice must follow the procedures as outlined herein and as supplemented in the Manuals: 1) written notice to Us asking for the most current Blue Eagle Investigations® Franchise Disclosure Document (“FDD”); 2) signing, dating, and returning the Receipt page of the FDD; 3) provide a business plan outlining Your plan to open and operate the new territory and which plan includes, Your financial abilities to acquire an additional territory including without limitation a statement of your capital resources, and Your operational and marketing capabilities and plans.

(iii) Our Rights in Granting an Additional Franchise. Any option allowed to You to acquire an additional franchise territory will be based upon Your meeting the notice requirements as well as: 1) Your being in full compliance and not in default in any manner with Your current franchise agreement; 2) You meet Our then-current criteria for new franchisees; 3) Your current Franchise Business is located adjacent to or neighboring the additional franchise territory; 4) as determined in Our sole discretion, to grant the franchise territory. You do not have the automatic right to acquire an additional franchise territory. In the event We determine to grant you an additional franchise territory, You will be

required to sign Our then-current franchise agreement, which may have material terms different from this Agreement, including a higher initial franchise fee.

5.2 Royalty. You shall pay Us a non-refundable, on-going, bi-weekly royalty as listed in Exhibit “A-3.” The royalty is in consideration of Your right to use Our Intellectual Property and certain Confidential Information in accordance with this Agreement, and not in exchange for any specific services We render. We receive and process payment from Your customers on Your behalf, and We will automatically deduct Our royalties, marketing fund fees, and other fees owing to Us from these payments We receive from customers on Your behalf. We will remit the remainder to You on the 16th day and the last day of each month so long as the client payment has been processed and cleared.

5.3 Change in Law. In the event there is a change in the law or a discovery of a law affecting the collection of payments to Us, You agree to allow Us to modify the definition of “Gross Sales” and the calculation of other Fees due to Us in order to comply with the law. However, in no event will the modification of the term “Gross Sales” or the calculation of other Fees due to Us result in Your payment in excess of the Fees listed in Exhibit “A-3.”

5.4 Marketing Fees. We currently do not collect a marketing fund fee. Upon Our institution of the Marketing Fund, You will be required to pay Us the bi-weekly Marketing fee listed in Exhibit “A-3” for Our Marketing programs as further described in Sec. 10.1 below.

5.5 Calculation and Reporting. The calculation, reporting and payment of the Fees specified in Sections 5.2 and 5.3 above will be made as follows:

5.5.1 Gross Sales Report. We currently do not require You to submit a Gross Sales Report. However, if We change this requirement in the future, You must submit to Us, not later than Monday of each week, a report of the financial activity of the immediately preceding week showing all monies received or accrued, sales or other services performed and such other information concerning Your financial affairs, as We may reasonably require. For purposes of this Agreement, such information will be referred to as the “Gross Sales Report.” As needed, we reserve the right to require all reports to be submitted at more frequent intervals.

5.5.2 Payments; Due Date. Royalties, and Marketing Fund Fees (when instituted), are due on the 15th and last day of each month in accordance with Our then-current electronic funds transfer, ACH or other automatic withdrawal program or as specifically directed by Us. Our current ACH agreement is attached hereto as Exhibit “A-6” and may be modified by Us at any time in Our sole discretion. You shall pay all service charges and fees charged to You by Your bank so that We may electronically debit Your bank account. We reserve the right to change the payment due date or require an alternative payment frequency payment for any or all Fees in the future. You agree that Your obligation to pay all Fees due under this Agreement are absolute and unconditional.

(i) Operating Account. You shall not have more than one Operating Account associated with the Franchise Business. If We require You to report Gross Sales and You fail to timely report such, We may automatically sweep or debit an estimated amount of Fees due to Us. You shall pay Us any amount owing if We underestimate Your payment to Us, and We will credit You with any overage that We charge.

5.5.3 Late Fees. You will be charged a late Fee if a required Fee, payment to Us or an affiliate, or report is not timely received by Us or an affiliate (see Exhibit “A-3”), and You will be charged per bounced check or insufficient funds transfer. See Exhibit “A-3.” These Fees are due with Your royalty

payment or upon demand. These amounts may be adjusted by Us from time to time in the Manuals.

5.5.4 Interest. In addition, all Fees not paid when due will be assessed and accrue interest from the due date to the date of payment, both before and after judgment at the rate of 18% per annum or the maximum rate allowed by law, whichever is less. In no event will any amount be charged as interest or late fees that otherwise exceeds or violates any applicable legal restrictions. Unpaid interest charges will compound annually.

5.5.5 Sales Tax. If there is hereafter assessed any nature of sales tax or use tax or other value added tax on Fees that You pay to Us, You shall also pay Us the applicable tax when invoiced.

5.6 Financial Statements. You shall submit the following reports by the following due dates. We reserve the right to require all reports to be submitted at more frequent intervals.

TYPE OF REPORT	DUE DATE	REMARKS
State Tax Return	May 1, or 15 days following submission	If You file annually, the due date is May 1 for the prior year tax filing; if You file quarterly, the due date is 15 days following submission for the prior quarter tax filing.
Federal Tax Return	May 1, or 15 days following submission	If You file annually, the due date is May 1 for the prior year tax filing; if You file quarterly, the due date is 15 days following submission for the prior quarter tax filing.
IRS Form 941 (Employer's Quarterly Federal Tax Return)	15 days following Your submission	
Other Reports	Upon request	Those additional reports that We may from time to time require, Including by way of example and not limitation, sales and cost data and analysis, advertising budget, expenditures, etc.

5.6.1 Access and Use of Financial Records. We or Our certified public accountants or other duly authorized agents, have the right during normal business hours to conduct computer and other audits and to examine and make copies of Your books, records, financial statements and sales and income tax returns, and You must keep complete and accurate books and records of the operation of Your Franchise Business. You shall provide Us with access to, or copies of, all financial records in the time We require.

5.6.2 Audit of Books and Records. If any audit or investigation discloses a deficiency of 2% or more of the Gross Sales in the computation or payment of Fees due to Us, You shall immediately pay Us the amount of the deficiency, the appropriate Fee for late charges, and You shall reimburse Us for the total expense of the audit or investigation, Including, the charges for the accountant and the travel expenses, room, board and other costs incurred in connection with the audit. Your failure to report Gross Sales for any period, or Your failure to retain and have available, readable, and organized required records will be deemed an understatement by more than 2%.

5.7 Application of Payments. We can apply any payments received from You to any past due or then-current indebtedness of Yours for any payments owing to Us.

5.8 No Refunds. The Fees set forth in this Agreement are not refundable.



5.9 Funding. You are solely responsible for obtaining all funding for Your Franchise Business. Failure to obtain sufficient initial funding for opening Your Franchise Business is grounds for termination of this Agreement.

5.10 Non-Compliance Fines. In Our sole discretion, as an alternative to putting You in default, as determined on a case by case basis, Including for failure to cure a prior default even if a fine has been imposed, We have the option to issue You a fine for certain violations of this Agreement and/or the Manuals. See Exhibit “A-3.” If You do not correct the violation within the time required by Us, We have the right to put You in default. We are not obligated to charge You a fine before putting You in default. All fines and charges are to be paid upon billing or in accordance with Our electronic funds or automatic withdrawal program, if established. Such fines are not Our sole remedy. Our decision to impose, or not to impose, a fine for Your non-compliance does not constitute a waiver of any other right that We may have under this Agreement, Including Termination of this Agreement.

5.11 Fee Increase. Unless otherwise set forth herein, if a Fee is subject to increase by Us (as opposed to by an affiliate or third-party), the increase will not be more than the equivalent of 10% per year during the term of this Agreement.

ARTICLE VI FRANCHISEE’S OPERATIONAL COVENANTS

6.1 Business Operations. In addition to other obligations, requirements, and covenants set forth in this Agreement:

6.1.1 Compliance with Applicable Laws. You must adapt, at Your expense, the specifications to Your Franchise Business in accordance with local, state and federal laws, rules and ordinances. You are solely responsible for ensuring compliance with all applicable laws, ordinances and regulations or ruling of every nature whatsoever which in any way regulate or affect the operation of Your Franchise Business.

(i) Permits and Licensing. You shall obtain and maintain all required permits and licenses for the operation of Your Franchise Business.

(ii) Contracting Prohibitions. You cannot contract with any person listed or included on: (i) the United States Department of Health and Human Services (“HHS”) Office of Inspector General’s (“OIG”) List of Excluded Persons/Entities; (ii) the excluded provider list promulgated by the applicable state Medicaid program; or (iii) the General Services Administration (“GSA”) List of Parties Excluded from Federal procurement and non-procurement programs.

6.1.2 Customer Service. You must perform work competently and in a workmanlike manner; give prompt, professional, courteous and efficient service to the public adhering to the highest standards of honesty, integrity, fair dealing, and ethical conduct, and otherwise operate Your Franchise Business in strict compliance with Our System, policies, practices, and procedures contained in the Manuals or otherwise communicated to You so as to preserve, maintain, and enhance the reputation and goodwill of Our System. We reserve the right to require that Your employees comply with any dress code, Mark or other brand- related standards that We may require.

6.1.3 Training. Your Operating Principal and Your designated manager, if other than Your Operating Principal, are required to attend and successfully complete Our training program at least two days prior to opening Your Franchise Business. The length of training is generally two to four days but



could be longer if Your Operating Principal or Your designated manager needs surveillance or investigations training, or if either fails to successfully complete the training. Successful completion will be determined by Our trainers but may include demonstrating knowledge of basic techniques, knowledge of policies and procedures, marketing, sales, and customer service. Failure to successfully complete training is a default of this Agreement. The training instruction is provided by Us without charge to You for up to two management and/or executive level persons. We also allow additional persons to attend the initial training. The cost for additional trainees to attend the initial training is listed in Exhibit “A-3.” Each person must attend the same training session. Attendees must sign a non-disclosure agreement acceptable to Us before attending training. Trainees, who do not pass training may retake the initial training for a Fee listed in Exhibit “A-3.” You must cover the travel, food, and lodging costs as well as compensation for Your attendees.

(i) Replacement Training. Any new Operating Principal or managers must complete the initial training program 30 days prior to taking over as the Operating Principal or manager. Depending on availability and advanced written notice, this training may take place at Your location, but more likely, the training will take place at Our headquarters or at an affiliate’s location. New managers may be trained by You, but Operating Principals must be trained by Us. Our Fee for this additional training is listed in Exhibit “A-3.” You must also bear the costs of travel, food, lodging and salaries of Your attendees or Our representatives, as applicable.

(ii) Additional Training. We can also require Your Operating Principal and/or other key personnel to attend additional trainings if You are in default, if you do not pass an inspection or if We determine, in our sole discretion, that such training would be in the best interest of Your Franchise Business. We have the right in Our sole discretion to limit additional training to the number of days We determine is necessary, even if that amount of time is shorter or longer than You have requested. Our current Fee for this training is listed in Exhibit “A-3.” For all training, You shall also bear the costs of travel, food, lodging and compensation of Your attendees or Our representatives (as applicable) in connection with training.

(iii) Non-Disclosure. All attendees at a training must sign a non-disclosure agreement acceptable to Us before attending a training.

(iv) Rescheduling Fee. You shall pay Us the rescheduling Fee listed in Exhibit “A-3” if You cancel, postpone, or reschedule a training within three days of the scheduled date, or if You fail to complete certain requirements prior to a training.

6.1.4 Other Agreements. You must execute all other agreements required under this Agreement or as reasonably requested by Us from time to time and to provide Us with a copy within 15 days of execution.

6.1.5 Management. Your Franchise Business must be managed by either Your Operating Principal or a designated manager who will be required to devote their full time, attention and best efforts to the management and operation of Your Franchise Business. You must disclose the identity of Your Operating Principal and designated manager to Us, and You must immediately notify Us in writing if Your Operating Principal is no longer acting in such capacity. We must approve of Your Operating Principal and any replacement Operating Principal.

(i) Unless Your Operating Principal will act as the full-time manager of the Franchise Business, Your Operating Principal is not required to work a certain or minimum number of hours; nevertheless, Your Operating Principal must work sufficient hours to operate Your Franchise

Business or supervise Your trained manager so that the Franchise Business is operating at maximum capacity and efficiency. You must have either the Operating Principal or at least one manager available during regular business hours.

(ii) We require personal ongoing supervision of Your Franchise Business by Your Operating Principal. At a minimum, Your Operating Principal is required to participate in Your Franchise Business as follows: (i) be directly responsible for overseeing all accounting, reporting and bookkeeping, and all financial components of the Franchise Business; (ii) attend and complete all training and retraining courses required by Us; (iii) attend any annual or special meetings of franchisees called by Us; (v) be directly involved in all personnel decisions affecting the Franchise Business; and (vi) conduct frequent inspections of the Franchise Business operations to ensure the highest standards of professionalism in compliance with Our approved methods.

(iii) Your Operating Principal must devote their primary attention to the Franchise Business, and You, Your Operating Principal and Your manager(s) must keep free from any conflicting or competing enterprises or any other activities that would be detrimental to or interfere with the operation of Your Franchise Business.

6.1.6 Operational Hours. You must have the Franchise Business open and operating 365 days a year and at the days and hours as dictated by the cases and client requests. In other words, You must have Your Franchise Business available for operations seven days a week throughout the year and work the number of hours as is required by Your caseload and the client requests and requirements. If You will be unavailable to provide client services at any time, You must immediately notify Us so that We can fulfill the client request. You will not be compensated for the payment received for Our work if We are required to fulfill all or any part of a client contract.

6.1.7 Your Employees. You, Your principals, and Your employees are not Our employees, You are solely responsible for the hiring, firing, discipline, scheduling, management, compensation, supervision, assignment of duties, directions governing the manner, means, and methods of the performance of duties, work rules, working conditions, and training of Your employees. Other than management training, We do not assist You in employment related decisions, or in creating any policies or terms and conditions related to the management of Your employees or their employment. We may provide You with a sample employee guide or manual, but it will only be an example of certain employment matters that You may choose to adopt or not. You must use Your own discretion on what policies to implement for Your employees based on Your own circumstances and management decisions. The sample manual is not edited or reviewed frequently to stay up to date with current or state specific employment laws. You must seek Your own legal counsel to determine those policies that are legally compliant with current employment laws in Your state to draft Your own employee handbook. It is Your responsibility to comply with local and federal labor and employment laws.

6.1.8 Insurance.

(i) Minimum Limit Requirements. You shall at all times during the entire term of this Agreement and at Your own expense keep in full force, by advance payment(s), the following minimum insurance policies, obtained from a company rated “A” or better by A.M. Best & Company, Inc. However, if You sign a limited scope employment agreement with Us, then You are only required to maintain General Liability Insurance, Workers Compensation Insurance and a Business Rider on auto insurance.

Type of Insurance	Minimum Required Amount(s)
Commercial General Liability Insurance	\$1,000,000 per occurrence and \$1,000,000 in the aggregate
Commercial Automobile Insurance	At least \$500,000 (combined single limit for personal injury, including bodily injury or death, and property damage)
Crime policy	\$100,000 (written on a loss discovered basis)
Errors & omissions	\$1,000,000 covering each person in Your Franchise Business
Data Breach & Cyber Security Breach Insurance	\$500,000 per occurrence
Umbrella Insurance	\$1,000,000
Government Required Insurances	You must maintain and keep in force all worker's compensation and employment insurance on Your employees that is required under all federal and state laws.

(ii) **Policy Requirements.** Other than worker's compensation, these policies must insure You and Us (Blue Eagle Franchising, LLC, 6709 W 119th St., #125, Overland Park, Kansas 66209) and Our nominees as additional insureds, without regard to any other insurance program that We may have in effect, against any liability that may accrue by reason of or relating to Your ownership, maintenance or operation of the Franchise Business wherever it may be located. Failure to maintain workers compensation insurance will result in Our charging an amount equivalent to 2.5% of Your Gross Sales from client reimbursements to You until You provide proof of insurance. These policies must stipulate that We will receive a 30-day written notice prior to renewal or termination, and We must receive a 30-day notice of any modifications. Original or duplicate copies of all insurance policies, certificates of insurance, or other proof of insurance acceptable to Us must be furnished to Us together with proof of payment prior to You beginning operations and within 15 days of any request which We may make from time to time.

These insurance coverage requirements are only minimums. You need to make an independent determination as to whether increased amounts or additional types of insurance are appropriate. If You fail to obtain insurance and keep the same in full force and effect, We may obtain insurance at Our discretion and You must reimburse Us upon demand the premium costs, plus an administration Fee for Our time (see Exhibit "A-3). We may periodically increase the amounts of coverage required and/or require different or additional coverage.

6.1.9 **Pricing.** We may, to the degree permitted by law, suggest retail prices and specify maximum and/or minimum pricing You may charge for products and services. If We impose a maximum price for any product or service, You may charge any price for the product or service up to and Including the maximum pricing We impose, but You may not charge any price in excess of the maximum pricing. If We impose minimum pricing for any product or service, You may charge any price down to and Including the minimum pricing imposed, but You may not charge any price below the minimum pricing set by Us. Unless otherwise agreed to by Us in writing, You cannot advertise or promote prices lower than, or inconsistent with, Our suggested prices. Our pricing policies are intended to benefit the System as a whole and may not maximize Your profits.

6.1.10 **Computer System and Mobile Phone.** At the present time, We do not require You to buy or use a POS system, but You must have a business mobile phone and a computer system for use in the operation of Your Franchise Business. If We adopt a different computer system, POS system or other system in the future, You must adopt it at Your expense. You must maintain, repair, modify and upgrade, all such items, at Your sole expense. You must provide Us full 24-hour/7 day a week access, Including online access, and the right to "upload" or "download" information to and from all computer and other systems, and to the information and data contained in them. There is no contractual limitation on Our right



to receive information through Your computer or other systems or to the frequency and cost of the obligation to upgrade and maintain them. You hereby waive any claim against Us or Our affiliates for any loss, damage, liability or expense caused by or related to failures, errors, acts, omissions, or otherwise of any computer, hardware or software system. We are not required to maintain, repair, update and/or upgrade your computer or mobile phone systems. There are no contractual limitations to the frequency and cost of the obligation to upgrade and maintain the computer or mobile phone systems.

(i) Retention of Records. You must record all sales at the time of the sale in Your computer and/or mobile phone or other sales recordation system approved or designated by Us. You must retain all computer records, charge account records, orders, sales tax reports and all Your other business records and related back-up material, tax returns and financial reports for at least five years following the end of the year in which the items pertain, Including after the Termination of this Agreement.

(ii) Accounting Systems. You must use and pay for the accounting software designated by Us. You are required to follow Our accounting procedures, line items, and templates and charts of accounts as provided and updated in Our Manuals. You shall provide Us with independent, view-only access to Your account.

(iii) Data Security Standards. At Your cost and expense, You must investigate and ensure that You comply with all data security standard (“DSS”) standards, regulations, and requirements; however, We reserve the right to approve of the supplier You use for compliance. You must meet the requirements of, and comply with enhancements and changes to, the DSS and maintain DSS compliance with the current version of DSS. We reserve the right to require an audit (and to designate the auditor) to verify compliance. You must reimburse Us for all costs related to the audit if You are not in compliance. You are responsible to use all required tools, systems, and vendors to complete ongoing DSS requirements, Including quarterly external security scans and annual self-assessment questionnaires. You are solely responsible for all costs relating to DSS compliance and data security issues, Including, security threats, breaches, and malware. It is Your responsibility to alert Us, not later than 24-hours following a suspected or confirmed data security breach, so that appropriate action can be taken to protect Customer Data and notify relevant parties. You are not permitted to collect, store, transfer, etc., any unnecessary customer information.

6.1.11 Conferences and Seminars. In Our discretion, We may hold annual conferences or seminars on a regional or national basis for all franchisees in good standing. If We determine to hold a conference or seminar, attendance is mandatory for Your Operating Principal. The conferences and seminars may be held at various locations chosen by Us. We may conduct additional conferences and/or seminars to discuss information relevant to Your Franchise Business as determined by Us. If any conference or seminar is held, You may be required to attend, and You must pay all Fees associated with such conference or seminar (see Exhibit “A-3”). You are required to pay all travel, lodging, food, and other expenses for each of Your attendees.

6.1.12 Required Software; Reporting; Technology. You must use all software and other technology and platforms as required by Us, which may be changed from time to time. You must input all required information into Our designated software and platforms as set forth in Our Manuals. CrossTrax (or other required software as we designate) entry is a required daily report.

6.1.13 Non-Delegation of Obligations. You may not outsource any part of Your services to a third party, including to another franchisee without Our prior written approval.

6.1.14 Upgrades. You shall Update Your vehicle from time to time as We may reasonably

direct, but not more often than every five years, and We will not obligate You to invest additional capital at a time when the investment cannot in Our reasonable judgment be amortized during the remaining term of this Agreement (except for required changes to the trademarks, or changes due to health or government mandates, guidelines, or public concerns which We may require at any time). We may also require You to invest in new or updated equipment and technology at any time. You must implement all changes within the time frames required by Us.

6.2 Quality Control.

6.2.1 Correction of Defects. You shall immediately correct defects, deficiencies or unsatisfactory conditions in the appearance or conduct of Your Franchise Business. You shall establish and maintain an image and reputation for Your Franchise Business consistent with the standards set forth in this Agreement, in the Manuals, or as otherwise specified by Us.

6.2.2 System Compliance. You shall strictly follow Our System, the Manuals, and other directives promulgated or provided by Us from time to time.

(i) Email Address. You must at all times use and maintain the email address provided by Us or approved by Us for use in relation to Your Franchise Business, be frequently checked by You to facilitate Our communications, and that You must use as the sole email for all Franchise Business-related communications and accounts. If We provide You with an email account/address, We have the right to access Your email account at any time and without notice to You, and You understand and acknowledge that You have no expectation of privacy in the assigned email accounts. All Social Media You develop, or use must be attached only to the email address We provide to You or that is approved by Us.

(ii) Required Purchases. You must purchase all designated products, equipment, logoed, branded and other items and supplies from sources designated or approved by Us.

(iii) Modifications. We have the right to modify, delete, add to and otherwise make systematic and other changes to the System, Intellectual Property, Manuals and operations, etc. We may issue new specifications and standards for any aspect of Our System, or modify existing specifications and standards, at any time by revising Our Manuals and/or issuing new written directives (which may be communicated to You by any method We choose). You must accept, comply with, use, and implement any and all such changes to the System or operations. The modifications may obligate You to invest additional capital in Your Franchise Business and to incur higher operating costs. You must incorporate all such modifications within the time that We specify. You are prohibited from making modifications to the System or Your Franchise Business without Our prior written approval.

(iv) Inspections and Visits. You hereby consent to reasonable inspections and audits during normal business hours. We may conduct periodic evaluations, inspections, and audits of all aspects of Your Franchise Business at reasonable intervals by Our duly authorized representative for compliance with the System, reporting, customer service and the standards and procedures set forth in the Manuals. These inspections may be conducted in-person or through remote access such as video or live video conferencing. Our inspections may include speaking with current and former customers, job sites, reviewing business records, bank accounts, Venmo (and the like), operating procedures, reports, computer drives, electronic storage devices, POS system, account records, tax records, etc. We also have the right to speak with and interact with Your employees and customers, and to remove samples of products, supplies and materials. Upon Our request, at all reasonable times, You shall provide Us with video and/or digital images of Your equipment, vehicle, and any document related to Your Franchise Business as more fully set forth in the Manuals. If any inspection reveals that You are in noncompliance with Our System,

We have the right to send a notice of default and opportunity to cure, unless the default is non-curable, at which point We shall have the right to immediately terminate this Agreement. In the event You fail to cure any default, We have the right to immediately terminate this Agreement.

(v) Customer Complaints. In the event We step in to resolve any customer dispute with You or the Franchise Business, We will charge a Fee (see Exhibit “A-3”).

6.2.3 Interim Management. If We give You notice of default and You fail to cure (or as set forth in Section 14.10), We have the right at Our sole discretion (but not the obligation) to step in to manage Your Franchise Business for up to six months, as We deem advisable for a Fee. See Exhibit “A-3.” This Fee reflects the estimated fair market value of Our services. You shall also pay all travel, lodging, food and other expenses for Our representative(s) and other expenses that may be incurred by Us to perform such services, plus royalties, advertising fees and other applicable fees.

(i) Operations, Access to Information and Operating Account. During the Interim Management Period, You hereby grant Us authority to assist You in managing any or all aspects of Your Franchise Business. We will work directly with Your Operating Principal and Your manager, and We may require additional training for Your Operating Principal, Your manager, employees, and other contracted personnel. You shall cooperate to provide Us with all pertinent information regarding Your Franchise Business and access to the applicable operating accounts to enable Us to efficiently assist with management operations. All accounts must remain in Your name during the Interim Management Period, but You shall add Us or Our representative as a co-signer on certain accounts. You shall cooperate with Us in communicating with all vendors and suppliers related to Our interim management. You hereby grant Us permission to speak directly with Your landlord, suppliers, banks, IRS, state agencies, creditors, etc., regarding Your Franchise Business, and You shall cooperate with Us to facilitate such communication. We may require You to establish a new bank account for Your Franchise Business during the Interim Management Period into which all operating income will be deposited. You and We (at Our option) will have authority over this account, and You or We will make payments on Your accounts payable as cash is available, but only with Your prior authorization and direction when possible. You are ultimately responsible for all operating costs both before and during the Interim Management Period. You shall provide Us with a list of all accounts payable with direction on which accounts are to be paid, but with the understanding that all taxing authorities will be paid first. Any excess funds in the Operating Account or any new account after all applicable costs and Fees have been paid and after an additional amount has been set aside sufficient for the Franchise Business to fulfill its business purposes as determined by Us, will be transferred to You monthly. We may provide monthly internal profit and loss statements to You. We have no obligation to infuse capital into Your Franchise Business, but if We do, such amounts will be treated as a loan, which must be repaid within an agreed upon time and bear market interest as agreed. We have the right to direct Your employees and contract personnel during the Interim Management Period. Both You and We agree that in no way does Our interim management create a relationship of trustee, beneficiary or any type of fiduciary relationship over or in relationship to Your Franchise Business.

(ii) Your Obligation to Cure. During the Interim Management Period, You are obligated to cure all applicable defaults within the applicable cure periods as set forth in this Agreement. We have the right to terminate this Agreement during the Interim Management Period for defaults not cured within the applicable cure periods.

6.3 Miscellaneous Obligations.

6.3.1 Personal Guarantees. Each individual owner, partner, shareholder, and member of Your Franchise Business respectively, who own any interest in the Franchise Business must each personally sign an agreement not to compete and must personally guarantee the performance of all Your obligations

under this Agreement and agree to be personally bound by, and liable for, the breach of every provision of this Agreement. The Guaranty and Assumption of Obligations is attached as Exhibit “A-7” to this Agreement.

6.3.2 Drug Testing. We may require You and Your management employees to submit to random drug testing at the time and place We feel necessary to ensure Your compliance with Our policies regarding drug use in the System; however, We are under no obligation to perform such testing on Our or Your behalf. You are required to provide Us a copy of all drug testing results within 30 days from the time You receive such test results.

6.4 Standards and Control. Any required standards exist to protect Our interest in the System and the Marks and not for the purpose of establishing control or duty to take control over those matters that are reserved to You.

6.5 Required Notices. You shall provide Us with prompt notice (within five business days of receipt) of any default with regards to late payment of any taxes, government fines, payments owing to any vendors, landlords, or amounts owing to employees or contractors.

6.6 Non-Contravention; Non-Disparagement. You shall not undertake any action or inaction to circumvent, contravene, or undermine the purposes of this Agreement. Additionally, during and after the term of this Agreement, You shall not make any negative, disparaging, false or misleading statements, published or made orally, in any form or medium about Us, Our officers, owners, partners, directors, members, managers, representatives, agents or employees, the brand, the System, Our products and services, or other franchisees.

6.7 Minimum Performance Standards. At all times during the term of this Agreement, You must maintain the minimum performance standards (“Minimum Performance Standards”) as follows: You are required to achieve a minimum of 200 client contacts per month. A client contact is a phone call, meeting or other contact that has been documented and confirmed in Salesforce.

6.8 Non-Delegation. You may not outsource to a third party, any part of Your obligations to Us or services to customers, including to another franchisee, without Our prior written approval.

ARTICLE VII FRANCHISOR’S OPERATIONAL ASSISTANCE

7.1 Suppliers and Products. We shall provide You with a list of specifications and a list of approved suppliers. We may add to or discontinue working with any of Our suppliers.

7.2 Operations Assistance. We shall furnish You with guidance relating to the general operation of Your Franchise Business but are not obligated to do so. Upon Your reasonable request as determined by Us, We will make Ourselves available to consult with You by telephone, email, video conference, teleconferences, or website posting during regular business hours during the continuing operation of Your Franchise Business. However, for problems and training for items purchased from a supplier, You must consult with the respective manufacturer or supplier of those items. Other than initial training and opening assistance, We are not required to provide additional training to You. If You feel additional in-person training is necessary (such as management training), We may provide such training to You based on advance notice, availability of personnel, and Your payment of a per day per person Fee (see Exhibit “A-3”). You shall be responsible to cover the cost of travel, food, wages, lodging and other costs incurred by Your trainees or Our representatives, as applicable. We have the right to communicate directly

with Your Operating Principal, designated managers, and assistant managers concerning operational matters that We reasonably believe may affect Our goodwill, Marks, or the System.

7.3 Initial Training. We shall train Your Operating Principal and other attendees in the various practices, policies and procedures of operation of Your Franchise Business. This training will take place in at headquarters in Paola, Kansas and/or at the location of one of Our investigators as designated by Us. The training program is described in Paragraph 6.1.4.

7.4 Additional Guidance. Additional guidance, at Our sole discretion, will be furnished in the form of written Manuals, videos, audio recordings, bulletins or other written materials.

7.5 Advisory Committees. In Our sole discretion, We may choose to create franchisee committees to advise Us in various aspects of the System. Only franchisees who are in good standing and have maintained good standing for the six-month period prior to serving on a committee may serve on any advisory committee. Each committee will establish rules for admitting and retaining committee members, but the initial rules will be established by Us.

7.6 Website. We may choose to maintain a website for the Blue Eagle Investigations® brand that will include Your business information and telephone number for Your location.

ARTICLE VIII PURCHASE OF PRODUCTS

8.1 Approved Products and Services; Suppliers. You shall purchase, use, provide, and sell only those products and services that meet Our specifications and/or that are purchased from Our approved suppliers. You shall timely pay all suppliers, including Us and Our affiliates for purchased goods and services. The prices, delivery terms, terms of payment, and other terms relating to the sale of such goods and services are subject to change by the supplier (including Us and affiliates) without prior notice at any time. In no event will We or an affiliate be liable to You for unavailability of or delay in shipment or receipt of merchandise due to temporary product shortages or unavailability, order backlogs, production difficulties, delays in or unavailability of transportation, fire, strikes, work stoppages, or other such causes. A list of approved goods, services, and suppliers may be set forth in Our Manuals, which list We may update from time to time. No goods or services may be added to, altered, or discontinued by Your Franchise Business unless it is first approved by Us in writing. Any additional goods or services that are unique to Your area requires written approval from Us before such goods and/or services are offered. For the purpose of this Article, “goods” means any product, good, inventory, supply item, equipment, tool, item, etc.

8.1.1 Delivery and Installation. For delivery and installation, You are required to work directly with the manufacturer or supplier of these items. We do not assist in delivery or installation of any required or approved purchases.

8.2 Supplier Compensation. We or Our affiliate have the right to derive revenue from the sale of required products and services through mark-ups in prices We charge to You for products and services purchased from Us, or We or an affiliate may receive compensation or discounts from the supplier for Your purchase of such products and services. Any monies paid to Us for products or services are non-refundable. No compensation is due to you for compensation or discounts We receive from suppliers.

8.3 Unapproved Suppliers. If You desire to purchase any products or services from an unapproved supplier, You must submit to Us a written request for such approval or request the supplier itself to do so. We may require You to submit samples and other data to permit Us to ascertain whether any



such supplier meets Our specifications. There is no fee for our evaluation of a supplier. We will notify You in writing and within 30 days of completing Our evaluation as to whether that supplier has been approved. A supplier who is able to meet Our specifications may, as determined in Our sole discretion, become an approved supplier for Your Franchise Business only or for the System as a whole. We may make changes in the standards and specifications for approved suppliers. At Our discretion, We may revoke Our approval of an approved supplier upon 30 days' prior written notice.

8.4 Equipment. You shall maintain such all equipment of Your Franchise Business in good working order.

8.5 Warranties. You must look to the respective manufacturers or suppliers for issues related to warranties for any third-party goods purchased for Your Franchise Business. We do not provide any warranty for items purchased from Us.

ARTICLE IX MANUALS

9.1 Manuals. We shall loan You a copy of or provide electronic access to Our Manuals. You may not copy any part of the Manuals either physically or electronically. The Manuals are confidential and remain Our property. The Manuals may be used by You only in association with Your Franchise Business and only during the term of this Agreement. We have the right to revise the Manuals at Our sole discretion. You must promptly and continuously comply, at Your expense, with all provisions of, and modifications to the Manuals. The master or most updated copy of the Manuals maintained by Us will be controlling in the event of a dispute relative to the contents of the Manuals. You are responsible for periodically checking the Manuals to ensure that You are aware of and compliant with the most up-to-date information and system requirements.

9.2 Standards and Procedures. We may establish performance procedures, standards and specifications ("Standards") for the operation of Your Franchise Business. We may change these Standards at Our discretion and You must strictly follow and implement all such Standards within the periods required by Us.

ARTICLE X MARKETING

10.1 Marketing Fund. We currently do not collect a Marketing Fund fee. We have the right, upon 60 days' written notice to You, to institute, maintain and administer a national Marketing and brand development fund ("Marketing Fund") for Marketing activities as We, in Our sole discretion, may deem necessary or appropriate to Market and promote the System. The Fees for the Marketing Fund are listed in Exhibit "A-3." You must participate in all Marketing programs instituted by Us. We can terminate, suspend, or postpone the Marketing Fund at any time. Upon termination of the Marketing Fund, the unused funds will either be returned to those that contributed the funds, or We will cease to collect new funds while We spend the remainder of funds.

10.1.1 Marketing Fund Administration. Upon formation, We will direct all such programs, with sole discretion over: 1) the creative concepts, materials, endorsements and media used in connection with such programs; 2) the source of the Marketing or public relation efforts; 3) the placement, timing, and allocation of such programs; and 4) the composition of all geographic territories and market areas for the development and implementation of such programs. The Marketing Fund can be operated through an entity separate from Us that has all Our rights and duties relating to the Marketing Fund. We

will not be liable for any act or omission with respect to the Marketing Fund or otherwise which is consistent with this Agreement, or which is done in subjective good faith. The Marketing Fund may be used, in Our reasonable discretion, to reimburse Us for costs related to the administration of the Marketing Fund and Marketing efforts intended to benefit the System. We have the right to loan money to the Marketing Fund to cover any deficits. The Marketing Fund is not in the nature of a trust, fiduciary relationship or similar special arrangement and We disclaim any such relationship.

10.1.2 Use of Marketing Fund Fees. We may use the Marketing Fund to offset a portion of direct costs to manage and maintain the Marketing Fund, Including the payment of staff salaries and other expenses for those groups who may be involved in Marketing Fund activities. You must participate in all Marketing programs instituted by the Marketing Fund or by Us and We may receive payment for providing goods or services to the Marketing Fund. We reserve the right to use fees from the Marketing Fund to place Marketing in national or regional media. We are not required to spend any amount on Marketing directly in Your area or Territory, and We do not have any obligation to ensure that expenditures are or will be used equally in each region or that they will be equivalent to contributions to the fund by other franchisees operating in any geographic area. We make no representations that Marketing expenditures will benefit You or any other franchisee directly, on a pro-rata basis, proportionally, or at all. Any unused Marketing funds in any calendar year will be applied to the following years' fund. Once each calendar year, and within 90 days of the end of each year, You may request (in writing) an unaudited annual report of Marketing expenditures.

10.2 Sample Marketing Materials. We may provide You samples of Marketing materials developed by Us from time to time. Additional copies will be made available at cost, plus 10%, plus shipping and handling.

10.3 Your Obligations to Market. You are required to Market within the Territory. Subject to restrictions and conditions set forth in the Manuals, You have the right to Market outside of Your Territory and other franchisees may Market in Your Territory. There are no restrictions on Our right to Market inside Your Territory. You are not permitted to Market or sell to customers in another franchisee's territory or in a territory of Our affiliate(s).

10.3.1 Approval of Marketing. You are allowed to develop Marketing materials but shall receive Our prior written permission prior to use. You must submit to Us, prior to publication, copies of all Marketing, promotional and public relations materials, proposed to be used by You, Including, any use of the Internet, or other digital, electronic or Social Media along with a description of how it will be used, by what media published and such other information thereon as may be reasonably requested by Us. All Marketing materials must be approved by Us in advance and in writing in accordance with Our Manuals. Submitted Marketing materials will be deemed approved/unapproved if You do not receive written approval or disapproval within 10 business days of the date We receive the submission. We have the right to disapprove previously approved Marketing materials at any time.

10.3.2 Marketing Compliance. All Your Marketing activities must be done in strict compliance with Our Manuals and in good taste and must reflect favorably upon the brand and System. You shall participate in all Marketing, email, texting, and other programs as developed by Us, Including the collection of Customer Data and participation in using and promoting apps, as developed by Us.

10.4 Internet and Social Media. You may not create a website, apps, or Social Media, or similar electronic media whether now or later developed, or use or obtain a domain name consisting of all or any part of the Marks, or that would be confusingly similar to all or any part of the Marks without Our prior written permission. You may not engage in Marketing on the Internet without Our prior written permission.

We have the right (but not the obligation) to manage and control all online reviews for Your Franchise Business. If You receive permission from Us for Your own website, use of apps, or Social Media, or similar electronic media, all content must be pre-approved in writing by Us, and You may be required to use Our or other designated website designers to create the site for a fee, and any such website must be ADA compliant. You may be allowed to place pre-approved information concerning Your Franchise Business on Our website and Social Media, as developed by Us. You must provide Us all usernames, passwords and account information and any other information related to any of Your websites and Social Media and/or provide Us with administrator access, immediately upon Our request. Additionally, You must sign the Digital and Social Media Authorization for Assignment attached as Exhibit “A-9.” You may not claim, link, or frame, any web listing on sites such as Yelp, etc. To the extent that You have any web listings using Our Marks, You hereby assign such accounts to Us, and You must facilitate any transition and assignment with the online directory or Social Media platform within 30 days of signing this Agreement or of creating such listing. You must strictly comply with the policies and procedures established by Us regarding websites, Social Media and Internet Marketing. We can prohibit or condition any use by You of the Internet, or other digital, electronic or Social Media at Our discretion.

10.5 Marketing Fund Council. At Our discretion, We may create a Marketing Fund council that provides input for how the Marketing Fund is used. We may appoint franchisees to this council. This council serves only in an advisory capacity and has no operational or decision-making authority. We have the ability to make changes to this council or dissolve it at any time.

ARTICLE XI BREACH AND TERMINATION

11.1 Default and Termination. We may terminate this Agreement before the expiration of its term if You breach this Agreement and fail to cure, if curable. If curable, You must cure all defaults within the times set forth below after receiving notice of default. If the default is one which is incapable of cure, Termination is effective as of the date of the notice of default and Termination.

No Cure Period:

A. Insolvency. You become insolvent or commit an act of bankruptcy or make a general assignment for the benefit of creditors or to an agent authorized to liquidate Your property or assets, or become or are adjudicated bankrupt, or voluntarily file a petition in bankruptcy or for reorganization.

B. Repeated Breaches. You repeatedly breach (three or more times) the same or different conditions of this Agreement or the Manuals within a 12- month period.

C. Unauthorized Use. You duplicate the System or use Our Confidential Information or Intellectual Property other than in connection with the operation of Your Franchise Business.

D. Misrepresentations. You make any material misrepresentations relating to the acquisition of the Franchise Business, or Your misrepresentation to customers, including deception relating to the source, nature, or quality of goods sold or services provided.

E. Abandonment. You abandon Your Franchise Business or You state or clearly demonstrate any intent not to operate the Franchise Business.

F. Unauthorized Transfer. You Transfer or attempt to Transfer (as defined in Article XIV below) all or any part of this Agreement, Your Franchise Business, or any material portion of the

property associated with Your Franchise Business, or an unapproved percentage of Your franchise entity, or You sublicense or attempt to sublicense to another any of the rights licensed to You hereunder, or You otherwise fail, refuse or neglect to obtain Our prior written consent or approval required hereunder.

G. False Reporting. You knowingly or intentionally conceal revenues, maintain false books, or records, (Including purposely uploading or storing incorrect or incomplete information on a designated platform) or submit any false report or payment or otherwise defraud Us.

H. Crimes and Adverse Behavior. You commit or are convicted of or plead guilty or no contest to, or enter into a plea in abeyance, stipulated order of continuance, or related agreement, to a felony, a crime involving moral turpitude or You engage in any conduct or behavior that We believe is reasonably likely to have an adverse effect on the System, the Marks, the goodwill associated therewith or Our interest therein; or You make disparaging remarks against Us, Our management, employees, the System, or Our brand to Our other franchisees or in a public forum, Including radio, television, newspapers, the Internet, or Social Media.

I. Unauthorized Competition. You fail to comply with the covenant not to compete during the term of this Agreement or intentionally or recklessly disclose or use Our Confidential Information or Intellectual Property in violation of this Agreement.

J. Illegal Drug Use/Intoxication on the Job. You or Your officers, directors, members, managers or principals use illegal drugs or abuse prescription medication or refuse to submit to a drug test. Additionally, You go to a job or provide services while intoxicated whether by use of alcohol, illegal or legal drugs.

K. Failure to Obtain Financing. You fail to qualify for or fail to receive the necessary financing to open and operate Your Franchise Business.

L. Termination of Another Agreement. Another agreement between Us or an affiliate or Ours and You or with an affiliate of Yours is terminated due to Your failure to cure any breach after notice, or for Your incurable breach of such agreement.

M. Repeated Failure to Fulfill Client Requests. You are unable to fulfill any client contract or client request for five consecutive days, or for five days within any 30-day period.

24-Hour Cure Period:

N. Public Safety. Your maintenance or operation of Your Franchise Business results in a threat or danger to public health or safety. You fail to cure a health code or safety violation within 24 hours of an inspection by us or the applicable government agency.

O. Unauthorized Closure or Relocation. You fail to have Your Franchise Business operational 365 days a year without Our prior authorization and without having made accommodation for the fulfilment of all client contracts and requests or services. If You close or the Franchise Business is unavailable for more than 24 hours without having first received Our written consent to such closure, We have the right to automatically terminate this Agreement. This is in addition to the above.

P. Failure to Use or Provide Access to a Designated Account. You refuse to use, or to enable, or to allow Us access to Your account for a designated platform or software, Social Media account, or branded email account.

Q. Failure to Obtain or Maintain Insurance. You fail to obtain or maintain all required insurance.

10-Day Cure Period:

R. Failure to Pay. You fail to pay any Fee or an amount due to Us, any of Our affiliates, or other designated, approved or other suppliers or assigns, within the time specified for such payments by this Agreement, the Manuals or an agreement specifying the payment concerned.

S. Failure to Accurately Report. You fail to accurately report or fail to submit any reports or records required under this Agreement or the Manuals, including the daily reporting requirement.

T. Act in Contravention. You perform or undertake any action to undermine or circumvent this Agreement, the System, or Us.

30-Day Cure Period:

U. Other Breaches. Except as otherwise provided herein, You fail to comply with any other provision of this Agreement or the Manuals.

11.1.1 Adequate Assurance. When reasonable grounds for insecurity arise with respect to the performance of Your obligations under this Agreement, We may demand adequate assurance of due performance and, until We receive such assurance, We may reasonably suspend any performance of Our obligations. Failure to provide Us with adequate assurances within 30 days, when properly demanded, will be considered a default of this Agreement for which no additional cure period will be granted.

11.2 Event of Default. In the event of any default by You, We will give You written notice of default specifying the default(s) and, if curable, state what You must do to cure the specific default(s) within the cure period. In the event of a default by You, all Our costs and expenses arising from such default(s), including reasonable legal fees and reasonable costs for Our employee's time related to the default(s) must be paid to Us by You within 10 days following Our demand for payment.

Notwithstanding anything to the contrary herein, We have the right, to be exercised in Our sole discretion, to grant You an extended period of time to cure. Any such extension will not be construed as a waiver of Our rights in the future.

11.3 Failure to Cure. If You fail to cure any default within the time allotted, a fine for non-compliance may be issued and collected, and We may proceed to enforce any or all of the following non-exclusive remedies in accordance with this Agreement, and the pursuit of any one remedy will not be deemed an election or waiver by Us to pursue additional remedies:

11.3.1 Actionable Claim. Bring an action or claim for the balance of any monies due hereunder, including, penalties and interest as provided for in this Agreement and for all other damages sustained by Us as a result of Your breach of this Agreement. As part of any such action, We may accelerate and bring an action for the balance of any outstanding installment obligation due hereunder.

11.3.2 Injunctive Relief. Bring an action for temporary or permanent injunctions and orders of specific performance enforcing the provisions of this Agreement and otherwise stop You from engaging in actions prohibited hereby.

11.3.3 Termination. Terminate this Agreement and proceed to enforce Our rights under the appropriate provisions. Such Termination will be effective upon delivery of a notice of Termination to You without further action by Us.

11.3.4 Other Remedies. Seek any other remedy available to Us at law or in equity, including lost profits.

11.4 Your Right to Terminate. You have the right to terminate this Agreement upon 30 days' written notice to Us; however, if You terminate and have financed the Initial Franchise Fee, all amounts owing to Us will be immediately due and payable in full and all non-competition provisions will be in full force and effect.

11.5 Opportunity to Cure. Prior to taking any action against Us You must first give Us 60 days' prior written notice detailing the alleged default and an opportunity to cure any alleged act or omission. If such act or omission cannot be cured within such 60-day period, and We are diligently continuing efforts to attempt to cure such alleged act or omission, You must give Us such additional time as is reasonably necessary to cure.

ARTICLE XII TERMINATION AND EXPIRATION

12.1 Upon Termination of this Agreement for any reason, You immediately cease to be Our franchisee. To be compliant with Your Termination obligations, You shall sign a termination agreement in a form provided and acceptable by Us and You, and must:

12.1.1 Payments Due. Immediately pay for all product purchases, Fees and other obligations owed or accrued to Us, Our affiliates or designated suppliers.

12.1.2 Cease Use. Not hold Yourself out as a Blue Eagle Investigations® franchisee or business and immediately and permanently cease to Market or in any way use Our Intellectual Property or Confidential Information, provided by or licensed to You by Us or in any way connected with the Franchise Business or System.

12.1.3 Trade Secret and Confidential Information and Products. Except as provided below in Paragraph 12.1.7, within five days, You must demonstrate with video proof sent to Us that You have permanently destroyed all information and/or products that We deem trade secret or confidential, or in the alternative, provide proof to Us that You have sold such products or information to Us or another System franchisee.

12.1.4 Disassociation. Within five days of Termination, take all necessary steps to disassociate Yourself from the System and Your Franchise Business, including the destruction or removal of letterheads, Marketing material, the change of Your Franchise Business telephone listings, telephone numbers, email addresses, URLs, Internet websites, and any other property that bears Our brand or is affiliated with Our brand. All such property and listings, excluding Your operating assets and inventory that are associated with and considered part of Our brand, Intellectual Property, and System revert back to Us upon termination of this Agreement. If any of Your Operating Assets and inventory bear Our brand and Marks to Our System, You must take the steps necessary to dissociate it all from Our brand, Marks, and Intellectual Property. You shall assist Us to assign, transfer, or disconnect (at Our option) the telephone listing, telephone numbers, Marketing accounts, e-mail addresses, URL's, Internet sites, web pages, and Social Media to Us. If You fail or refuse to do so, the telephone company, URL and hosting companies,



and other listing agencies may accept this Agreement as evidence of Our exclusive rights in and to such telephone number(s), Internet websites, URL's, email accounts, and Social Media and listing and its authority to direct their transfer. You hereby appoint Us as Your attorney-in-fact for the above transfers, which appointment is coupled with an interest. You must not identify any present or future business owned or operated by You as having been in any way associated with Us or the System.

12.1.5 Cancel DBA. Within five days of Termination, take such action as will be necessary to amend or cancel any assumed name, fictitious or business name or equivalent registration, which contains any Mark of Ours or in any way identifies You as being affiliated with Our System.

12.1.6 Notify Suppliers; Communication with Customers. Immediately notify all suppliers, utilities, creditors and concerned others that You are no longer affiliated with Us or the System and provide proof to Us of such notification. All communications with customers and clients of the Franchise Business must be pre-approved by Us, and We can require that all such communication be handled by or through Us. We also have the right to communicate directly with all customers and clients of the Franchise Business.

12.1.7 Return Materials. At Your cost, permanently delete electronic copies and return to Us by first class prepaid United States Mail, (Including originals and any copies) physical copies of Our Manuals, all training materials, Marketing materials and all other printed and electronic materials and any other Confidential Information obtained by You from Us pertaining to the operation of Your Franchise Business.

12.1.8 Pay Damages. Pay to Us all costs, damages and expenses, Including post-term expenses and reasonable attorney's fees incurred by Us to enforce the provisions of this Agreement, Including to obtain injunctive or other relief to enforce any provision of this Agreement. In the event You fail to comply with this Section 12.1, at Your expense, We may hire a third-party or use Our own personnel to carry out Your obligations on Your behalf.

12.1.9 Proprietary Information. Cease using or availing Yourself of any of Our proprietary or Confidential Information.

12.1.10 Customer Data. To the extent we do not have access, You shall provide Us with (and then permanently destroy) the Customer Data of the Franchise Business.

12.1.11 General Release. Execute a general release by You and Your guarantors within ten days of Termination, subject to state law.

12.1.12 Evidence of Compliance. Otherwise furnish evidence satisfactory to Us of compliance with this Section 12.1 within 30 calendar days after the Termination of this Agreement.

12.1.13 Financial Inspections. You must provide Us with access to all Your financials, books, and other accounting records for six months following the date of Termination.

12.2 Upon Termination of this Agreement, for any reason:

12.2.1 No Compensation. No payment is due to You from Us or any source on account of any goodwill, intangible assets or other equity claimed by You arising from or relating to Your operation or ownership of Your Franchise Business, or otherwise. All goodwill connected in any way with Your Franchise Business or the System belongs now and, in the future, exclusively to Us.

12.2.2 No Refund. No Fees, charges, or other payments of any kind from You to Us are refundable in whole or in part.

12.2.3 No Equity. You will have no equity or other continuing rights to use the System, Intellectual Property or goodwill of the Franchise Business.

12.3 Survival of Provisions. All provisions of this Agreement, which by implication apply following the Termination of this Agreement are enforceable following Termination of this Agreement, Including Your obligation to indemnify Us and pay all amounts owed and Your obligations to dissociate from Our brand. You shall also still be bound to the confidentiality, brand protection, indemnification, non-disparagement, non-competition, non-solicitation, arbitration and dispute resolution, choice of forum and law selection, clauses and other restrictions of this Agreement that have terms or duties owing after Termination of this Agreement.

12.4 Liquidated Damages. If this Agreement is Terminated, other than for an approved Transfer, non-renewal or mutual termination, in addition to other remedies available under this Agreement, We will be entitled to liquidated damages, not as a penalty, and solely to compensate Us for lost future royalties. You and We recognize the difficulty of calculating damages caused by lost future royalties but nevertheless recognize and agree that such damages could arise, and You and We hereby agree to the formula listed on Exhibit "A-3" as a compromise on the calculation of such damages. You and We agree that such amount will be reduced to the present value of such payments as of the date of termination utilizing an interest rate of 5% compounded annually. This amount is payable within 10 days of Termination.

12.4.1 Additional Equitable Remedies. The amount contemplated under Section 12.4 does not represent a price for the privilege of not performing nor does the payment represent an alternative manner of performance. Accordingly, as a purely liquidated damages provision, Section 12.4 does not preclude and is not inconsistent with a court granting Us specific performance, other damages set forth herein, or any other equitable remedies, such as an injunction, to prevent future breaches.

12.4.2 Fee for Non-Compliance; Payment of Our Costs in Securing Compliance. In addition to any other remedy We may have under this Agreement and under law, in the event You fail to comply promptly with any of Your post-termination obligations: (a) You agree to pay Us a Fee for each day that You are in default, as a reasonable estimate of the damages suffered by Us; and (b) to prevent further injury, We may hire a third-party or use Our own personnel to carry out any other post-termination obligations on Your behalf, for which costs you will be responsible. These costs will include any attorneys' fees and costs incurred and associated with enforcing Your post-termination obligations. We have the right to automatically debit by EFT or other electronic withdrawal means, Your bank account for these payments. This post-termination Fee obligation will not affect Our right to obtain appropriate injunctive relief and other remedies to enforce this Article XII, Our trademark rights, or the covenants to not compete.

12.4.3 Additional Non-Compliance Costs. In addition to the daily post-termination non-compliance Fee, You will pay to Us: (a) the amount of expenses reasonably incurred by Us to perform any obligation that You failed to perform, calculated on hourly rates of Our personnel, and time, travel, lodging, food and other expenses where applicable; and (b) all damages, costs and expenses, Including attorneys' fees and costs incurred by Us in obtaining injunctive or other relief. Upon Your Termination, You are prohibited from removing any money from Your Operating Account and We have the right to transfer from Your account by EFT or other electronic withdrawal means the daily non-compliance fee referred to in Section 12.5.

12.5 Cumulative Rights. Our rights provided above are cumulative and in addition to any other right or remedy available at law or in equity.

ARTICLE XIII PURCHASE OPTION

13.1 Purchase Option. Upon Termination of this Agreement, You hereby grant to Us the right to:

13.1.1 Acquisition of Assets. Acquire, in Our sole discretion, all or any part of Your Operating Assets at the then-existing fair market value of such item or items as of the date of Termination of this Agreement. You hereby grant Us permission to speak directly with Your creditors, Including, suppliers, banks, the IRS and state agencies (and You will cooperate with Us to facilitate such communication), regarding any loans and/or liens or obligations that would encumber Your Operating Assets. If the fair market value is not agreed to between us, the fair market value will be established by an independent appraisal. The appraisal will be done at Our expense by an appraiser selected by Us. No goodwill will be considered associated with Your Franchise Business or said items. We must exercise this option within 60 days of such Termination or within 15 days of the establishment of the price of the Operating Assets, whichever is later (“Option Period”) by giving written notice to You of Our intent to exercise Our option to purchase. We have the right to off-set any amounts You owe to Us against the purchase price. If We have not notified You of Our election to exercise this option within the Option Period, it will be conclusively presumed that We have elected not to exercise Our option, and You are then free to sell or transfer such assets to any person or entity on such terms as You may so choose, so long as the Operating Assets have been de-identified as set forth herein. If any of the Operating Assets are subject to liens or taxes, We may withhold a portion of purchase price to pay off such lien or taxes. We may also withhold 25% of the purchase price for 90 days to ensure that all other liabilities affecting the Operating Assets are paid.

13.1.2 Interim Management During Option Period. We have the right, but not the obligation, to use Your Operating Assets and to hire Your personnel to operate the Franchise Business during the Option Period. You and We understand and agree that We will not be operating Your Franchise Business during this time, but if We choose, We will be using Your Operating Assets to operate Our own, separate Blue Eagle Investigations® business (“New Business”) in order to keep the business open during the Option Period. We will pay You the fair market rental value for such use of the Operating Assets as agreed, but not to exceed fair market rental value. For any inventory or other items sold or consumed by us during the Option Period, We will reimburse You the actual price You paid for such items. You will be required to cooperate to provide Us with all pertinent information regarding Your Franchise Business, as We deem necessary. We will establish Our own bank accounts and other accounts for the New Business during the Option Period. During the Option Period, We will pay all costs and expense of the New Business, and all proceeds of the New Business will belong to Us. We will not assume any of Your debts or obligations, and We will not be responsible to pay any debts or expenses incurred by Your Franchise Business. You shall indemnify and hold Us harmless from and against any and all claims, damages, losses, deficiencies, liabilities and costs, Including attorney’s fees, of or related in any way to the Franchise Business prior to Us operating the New Business and We will indemnify and hold You harmless from and against any and all claims, damages, losses, deficiencies, liabilities and costs arising solely from the New Business.

13.1.3 Warranties. The purchase contract for the Operating Assets, as set forth in Paragraph 13.1.1 above, will include standard representations, warranties, covenants and indemnities from You as to the Operating Assets being purchased, Including warranties of good title, absence of liens, compliance with laws, absence of defaults under contracts, litigation and tax compliance.



13.1.4 Prepaid Services. If We determine to service a customer that had prepaid for the services to Your Franchise Business, We can offset the costs of fulfilling those services against amounts owing to You, and We are entitled to seek those amounts as damages.

ARTICLE XIV SALES OR TRANSFERS OF THE FRANCHISE

14.1 Our Right of Assignment. This Agreement and all rights and obligations hereunder are fully assignable and transferable, whether in part or whole, by Us, and if so assigned or transferred, will be binding upon and inure to the benefit of Our successors and assigns. We may be sold, or We may sell any part of or all Our Confidential Information and/or Intellectual Property or other assets to a competitive or other entity. In addition, We may go public, may engage in a private or other placement of some or all of Our securities, may merge, acquire other entities or assets which may be competitive with the System or not, be acquired by a competitive or other entity, and may undertake any refinancing, leveraged buy-out or other transaction, including arrangements in which: 1) the territories, locations or other facilities are, or are not, converted to the System or other format or brand (including using the System or Marks), or 2) the System is converted to another format or brand, maintained under the System or a different system. You shall fully cooperate with any such proposal, merger, acquisition, conversion, sale or financing.

14.2 No Assignment by You Without Our Approval. This Agreement is personal as to You and is being entered into in reliance upon and in consideration of Your qualifications and representations, including representations of all current owners. Therefore, none of Your Franchise Assets may be Transferred in any manner by You or anyone else unless Our prior written approval is obtained. You shall provide Us with all documentation relating to the Transfer of Your Franchise Assets. Said approval will not be unreasonably withheld but will be conditioned upon Our satisfaction with the qualifications set forth in Section 14.3 below of the proposed transferee and its owners and officers.

14.2.1 Transfers to Competitors Prohibited. You cannot Transfer any part of Your Franchise Assets to a Competing Business or to owners of a Competing Business without Our written permission. Any such Transfer without Our written approval is considered void ab initio.

14.3 Qualifications of Transferee. In determining the acceptability of the proposed transferee, We will consider, among other things, Our then-current standards for new franchisees, including the net worth, financial resources, credit worthiness, health, background, training, personality, reputation, and business experience of the proposed transferee, including that of the new Operating Principal, the terms and conditions of the Transfer, and any circumstances that would make the Transfer not in the best interests of Us or the System, including the proposed purchase price. We may meet and candidly discuss all matters relating to Your Franchise Business with the potential transferee, including providing a proposed transferee with corrected information or information in addition to what You have provided. In no case will You or a proposed transferee rely on Us to review or evaluate any proposed Transfer.

14.4 Application for Transfer. You must provide Us written notice of Your intent to Transfer prior to listing or offering the Franchise Business for sale and upon any proposed Transfer of Your Franchise Assets, or any interest therein. You must also submit to Us an application in the form specified by Us on behalf of the proposed transferee.

14.5 Transfer Fee. As a condition of Our approving the Transfer of any part of Your Franchise Assets, You shall pay Us the non-refundable Transfer Fee listed in Exhibit "A-3" at the time of the approved Transfer.

14.6 Minority Interest Transfers. If a proposed Transfer is for less than 40% of Your entity (cumulative during the term of this Agreement), there will be no transfer Fee, but You must reimburse Us Our legal and corporate fees incurred related to the Transfer, and We will not be entitled to exercise Our right of first refusal set forth in Section 14.9 below. Each ownership certificate of a corporation or limited liability company franchisee must have endorsed upon its face that a Transfer is subject to the restrictions of this Agreement. Additionally, any new Operating Principal and other applicable personnel are required to complete the necessary training required by Us. Any new owner in Your Franchise Business or Your entity must personally guarantee the obligations of this Agreement.

14.7 Involuntary Transfers Void. Involuntary Transfers of this Agreement by You, such as by legal process, are not permitted, are not binding on Us, and are grounds for termination of this Agreement. Using this Agreement as security for a loan, or otherwise encumbering this Agreement is prohibited unless We specifically consent to any such action in writing prior to the proposed transaction. You cannot grant a sub- franchise under this Agreement nor otherwise seek to license or permit others to use this Agreement or any of the rights derived by You under it. Any attempt to transfer any part of the Franchise Assets, whether or not binding on Us, will be grounds for the immediate Termination of this Agreement, unless such Transfer is authorized in writing by Us.

14.8 Conditions of Transfer. Prior to the effective date of Transfer of any part of Your Franchise Assets and as a condition for Our approval of any Transfer:

14.8.1 Compliance. You must be in full compliance with this Agreement and not be in default hereunder, and You must comply with Our policies related to a Transfer as set forth in the Manuals. All accounts payable and other monetary obligations to Us or Our affiliates or subsidiaries must be paid in full. You must have submitted to Us all required reports, financial statements, and other documents.

14.8.2 Written Proposal. The terms and conditions of the proposed Transfer must be provided in writing to Us within the time frames specified by Us. The price and other proposed terms of the Transfer must not, in Our reasonable business judgment, have the effect of negatively impacting the future viability of the Franchise Business.

14.8.3 Assumption of Obligations. All Your obligations in connection with the Franchise Assets must be assumed by the transferee in a form acceptable to Us, and the transferee(s) must provide personal guarantees approved by Us. See Section 6.3 above.

14.8.4 New Franchise Agreement. At Our discretion, the transferee must sign the then-current form of the Franchise Agreement and fully upgrade the Franchise Business equipment and software to the level required of new franchisees. The transferee must sign the then-current form of the franchise agreement for a term equal to the remaining term of this Agreement, or the term set forth in the then-current franchise agreement and fully Update the Franchise Business to the level required of new franchisees.

14.8.5 Transfer Fee. You shall pay the transfer Fee set forth on Exhibit “A-3.”

14.8.6 General Release. You shall execute a general release releasing Us of any claims You may have against Us.

14.8.7 Survival of Covenants. Your non-competition, indemnity, confidentiality obligations, the provisions relating to dispute resolutions, and other applicable terms of this Agreement, will survive any Transfer.

14.9 First Right of Refusal.

14.9.1 Right of First Refusal. You hereby grant to Us the right of first refusal to purchase Your Franchise Assets on such terms and conditions specified in a bona fide written offer from a third-party, who would satisfy the criteria for approval under Section 14.3. You must notify Us in writing of the terms and conditions of the Transfer, including the Franchise Assets proposed to be Transferred, the purchase price or other consideration, any creditor financing terms being extended by You, the date of the proposed Transfer, and all other pertinent provisions of the proposed Transfer. In addition, a copy of any contract, agreement, memorandum of sale, deposit receipt, letter of intent and the like, must also be forwarded to Us as soon as it is signed by You. Following receipt of all pertinent data and documents concerning the proposed Transfer, and data concerning Your Franchise Business, financials, and employee information. We will have 30 days in which to advise You in writing of Our election to have the Franchise Assets transferred and assigned to Us on the terms and conditions agreed to by the prospective transferee. Should We elect to purchase the Franchise Assets proposed to be Transferred pursuant to Our right of first refusal, You and We agree to cooperate to accomplish the Transfer as set forth in the provisions submitted to Us by You, provided that the date for the completion of the Transfer can be extended at Our option for up to 30 days beyond the date originally indicated for the completion of the Transfer in order to allow the completion of the transaction in a manner more convenient to Us. We have the right to off-set any amounts You owe to Us against the purchase price.

14.9.2 Non-Election of Rights. If We do not elect to purchase the Franchise Assets proposed to be Transferred, You may complete the proposed Transfer on the terms and conditions set forth in Your notice to Us subject to Our right to approve the proposed transferee and the terms and conditions set forth under this Article. However, if there are any material changes in the terms and conditions of the proposed Transfer and any of those changes are more favorable to the purchaser, You must notify Us of the changes in writing and We will have an additional 15 days to elect to purchase the Franchise Assets proposed to be Transferred on the revised terms and conditions. Additionally, if Your Franchise Business is not Transferred to such third-party within 5 months after We elect not to purchase the Franchise Assets, You must re-offer the Franchise Assets to Us before You may Transfer to an approved third-party. We have no obligation to purchase Your Franchise Assets.

14.10 Death or Incapacity and Interim Management. In the event of the death or incapacity of an individual franchisee, or the majority owner of the franchisee entity (the term “incapacity” means any physical or mental infirmity that prevents the person from performing the obligations under this Agreement: (i) for a period of 60 or more consecutive days, or (ii) for 100 total days during a calendar year), the heirs or personal representative will have the right to continue Your Franchise Business; for no more than 180 days after such death or incapacity (or such longer period required by the laws of the state where Your Franchise Business is located) the heirs must transfer the Franchise Business to an approved transferee. If We are required to operate Your Franchise Business for a time due to death or incapacity or as otherwise allowed under this Agreement, the provisions of Paragraph 6.2.3 above will apply.

14.11 Assumption of Obligations. The parties agree that in the event a court of competent jurisdiction orders You to Transfer to Your spouse or a third-party all or any part of Your Franchise Assets, such an order will constitute a Transfer of this Agreement and will cause the transferee to be subject to all the terms and conditions concerning Transfers set forth herein above.

14.12 Acquisitions. If We receive an offer to acquire a majority of the franchises or to purchase a majority of Our assets or stock, or to merge or go public or similar transactions, We have the option, but not the obligation, to purchase all Your rights and interests in and under this Agreement and Your Franchise Business at fair market value payable on terms as reasonably negotiated. The purchase price will not include compensation for any successor term or goodwill. All goodwill belongs to Us. If the purchase option is

exercised, You must execute a general release to Us. We will close Our purchase and make payment within 60 days after closing or as soon thereafter as reasonably practical.

14.13 Transfer for Convenience of Ownership. If You are an individual or individuals, You may Transfer this Agreement to a corporation or limited liability company formed for the convenience of ownership (without paying a transfer fee to Us) provided You: (1) give Us at least 15 days' prior written notice of the proposed Transfer; (2) send Us copies of the entity's charter documents, bylaws (or operating agreement), ownership interests of the owners, and similar documents, as We may request for Our review; and (3) own all equity and voting securities of the corporation or limited liability company. Additionally, You and the new entity must sign an assumption and assignment agreement in the form required by Us, whereby the transferee assumes all obligations of the Agreement, and all personal guarantors remain as personal guarantors after the Transfer. Furthermore, Your Operating Principal must continue in the same capacities as before the Transfer.

ARTICLE XV RELATIONSHIP OF THE PARTIES

15.1 Independent Contractors. In all matters, You are an independent contractor. Nothing in this Agreement or in the franchise relationship constitutes You as Our partner, agent, employee, joint employer, or joint venturer with Us, and this Agreement does not create a fiduciary relationship between You and Us. Neither party is liable for the debts, damages, losses, liabilities, taxes, duties, obligations, defaults, compliance, intentional acts, wages, negligence, errors or omissions of the other. You are solely responsible for the management and control of Your Franchise Business, Including its daily operations, managing and directing employees, contractors, and salespersons and paying all costs and expenses of Your Franchise Business. The parties agree not to hold themselves out by action or inaction contrary to the foregoing and to indemnify each other for any liability, cost or expense, Including attorney's fees, incurred by either of them for any act, omission, finding or result to the contrary. None of Your employees will be deemed to be Our employee and each employee will be so notified by You. Neither party has the authority to act as agent for the other, and neither You nor We guaranty the obligations of the other or in any way become obligated for the debts or expenses of the other unless agreed to in writing. You must post promptly and maintain any signs or notices specified by Us or by applicable law indicating the status of the parties as described above.

15.2 Indemnification. You shall defend, indemnify, and hold Us harmless from any and against any and all losses, liabilities, damages, costs and expenses whatsoever, Including reasonable attorney's fees arising out of or related to, or in any way connected with You or Your acts, errors, negligence, or omissions in the operation of Your Franchise Business or Your Franchise Business generally, Including any allegation that You are Our employee, or that We are a joint employer or otherwise responsible for the acts or omissions relating to Your employees, and other laws regarding public accommodations for persons with disabilities. You agree not to file any crossclaim or counterclaim against Us for any action made by a third-party or make any response that would infer or represent We are liable as a party or defendant to any action that is contrary to this Section. This Agreement and the terms in this Article and related terms in this Agreement is a bona fide defense to any claim You may contradictorily make against Us as to Our liability or proportion of fault. You shall bear all costs to defend Us from claims raised by a third-party. If We incur any costs or liabilities to any third-party, You shall reimburse Us for costs associated with Our defense to those claims. We will have the right to defend any such claim against Us by employing counsel of Our choice, subject to full reimbursement of all legal fees by You. We will use Our reasonable efforts to cooperate with You in any litigation, judicial or administrative proceeding to avoid duplication of time, effort or expenditure to the greatest extent possible without compromising Our interest in such matter. You are not required to indemnify Us for liability caused by Our willful misconduct, gross negligence, strict liability, or fraud. This indemnity will continue in full force and effect subsequent to and notwithstanding



the Termination of this Agreement.

ARTICLE XVI COVENANT NOT TO COMPETE

16.1 In-Term Covenants. During the term of this Agreement and for any extensions or Successor Franchises hereof, You agree that You, Your Principals, and Your Immediate Family shall not, directly or indirectly, be a Participant, assist, or serve in any other capacity whatsoever or have any interest in a Competing Business in any capacity, territory, or location, except with Our prior written consent. Your Principals must each execute the standard Brand Protection Agreement for Principals attached as Exhibit “A-4.” Your personnel must execute Our Employee Brand Protection Agreement attached hereto as Exhibit “A-5.” (Although We provide You this form, it is Your responsibility to conform it to the laws and regulations of Your state.) You shall promptly deliver a copy of all such agreements to Us within 10 days of hiring of the respective employee.

16.1.1 Exception to In-Term Non-Competition. Notwithstanding the above, it will not be considered a breach of Section 16.1 in the event You accept investigative work from third parties so long as such third parties are not insurance companies. You are prohibited from accepting work directly from insurance companies as such will be considered a breach of this Agreement. All subcontracted work must be done through a non-Blue Eagle entity and all parties involved must clearly understand that the subcontract work is separate and apart from Your Blue Eagle Franchise Business. You agree to indemnify and hold Us and Our affiliates harmless from and against all work, Disputes and issues that arise or may arise out of Your subcontract work. For indemnification purposes, the parameters of Section 15.2 will apply.

16.2 Confidentiality. During the term of this Agreement and any extensions or Successor Franchises hereof, and at any time after the Termination of this Agreement, You and those over whom You have control shall not make any unauthorized disclosure or use of Our Confidential Information or Intellectual Property other than as authorized by this Agreement. You shall adopt and implement all reasonable procedures to prevent unauthorized use or disclosure of the Confidential Information and Intellectual Property, which procedures may be prescribed from time to time by Us. You shall never contest the validity of Our exclusive ownership of and rights to the System or Confidential Information. Without limiting the foregoing, any communication (email, paper, etc.) from Us to You cannot be forwarded to another email account You control or share, or forwarded to anyone, Including employees, without first receiving Our express written consent.

16.2.1 Confidentiality of this Agreement. You agree that all terms of this Agreement that are not otherwise made public under franchise disclosure laws will remain confidential, and You will not make any public announcement, issue any press release or publicize, make any confirmation of statements made by third parties concerning the terms of this Agreement, or make any other disclosures without Our prior written consent. It is agreed and understood that You may disclose the confidential terms of this Agreement only to Your professional lenders, advisors, and government authorities.

16.2.2 Prior Disclosures. You acknowledge and agree that prior to the execution of this Agreement, You may have received information and met and corresponded with Our principals, agents and/or representatives and that any such Confidential Information obtained or received is subject to the protection and restrictions of this Agreement.

16.3 Post-Term Covenants. Upon Termination of this Agreement and for a continuous, uninterrupted period of two years thereafter, You, Your Principals, and Your Immediate Family shall not, directly or indirectly, be a Participant, assist, or serve in any other capacity whatsoever, or have any interest



in a Competing Business in any capacity, territory, or location within Your Territory or within 25 miles of Your Territory or within 25 miles of the territory of any Blue Eagle Investigations® business operation at the time of Termination of this Agreement.

16.3.1 Exception to Post-Term Non-Competition. Notwithstanding the above, it will not be considered a breach of Section 16.3 in the event You accept investigative work from third parties so long as such third parties are not insurance companies. You are prohibited from accepting work directly from insurance companies as such will be considered a breach of this Agreement. You agree to indemnify and hold Us and Our affiliates harmless from and against all work, Disputes and issues that arise or may arise out of Your subcontract work. For indemnification purposes, the parameters of Section 15.2 will apply.

16.4 Non-Solicitation of Customers. During the term of this Agreement and for three years after the Termination of this Agreement, You, Your Principals, and Your Immediate Family shall not, directly or indirectly, contact any customer serviced by the Franchise Business, a prospective customer, or any former or then-current customer of Ours (with whom You had contact during the term of this Agreement) for the purpose of soliciting from any such customer to a Competing Business. For clarity, a “prospective customer” does not mean any possible customer. It means a potential customer who has been engaged in some way, or has provided some personal information, or has elected to receive some communication, but who has not yet done business to be considered an actual customer.

16.5 Survival of Covenants; Tolling of Covenants. The foregoing covenants survive the Termination of this Agreement and apply regardless of whether this Agreement was Terminated by lapse of time, by default of either party, or for any other reason. In addition to other remedies available to Us, in the event You violate a non-competition and/or non-solicitation covenant, the applicable non-competition or non-solicitation period will be tolled for the period of Your violation plus an additional six months.

16.6 Acknowledgement of Harm. You acknowledge that Your violation or breach of the covenants and provisions of this Article is likely to cause substantial and irreparable harm to Us and the System. The existence of any claims You may have against Us, whether or not arising from this Agreement, will not constitute a defense to Our ability to enforce the covenants set forth in this Article.

16.7 Enforceability. It is the desire and intent of the parties to this Agreement that the provisions of this Article be enforced to the fullest extent permissible under applicable laws. If any of the restrictions of this Article are determined to be unenforceable because of duration, scope or coverage or otherwise, then We have the right in Our sole discretion to reduce the scope of any covenant set forth above or any portion thereof, without Your consent, effective immediately upon receipt by You of written notice thereof, which modified covenant will be fully enforceable notwithstanding any other provision of this Agreement.

16.8 Liquidated Damages for Breach of Non-Competition. You and We recognize the difficulty of calculating damages caused by Your breach of Your non-competition obligations and agree that such damages could arise, and You and We hereby agree to the following as a compromise on the calculation of such damages. If You operate a Competing Business in violation of this Agreement, in addition to any other remedy We may have under this Agreement and under law, You shall pay Us the liquidated damages Fee listed on Exhibit “A-3.”

16.9 Additional Equitable Remedies. The amount contemplated under Section 16.8 does not represent a price for the privilege of not performing nor does the payment represent an alternative manner of performance. Section 16.8 does not preclude recovery for damages for other breaches of this Agreement and is not inconsistent with a court granting Us specific performance or any other equitable remedies, such as an injunction, to prevent future breaches. Additionally, We have the right to automatically debit by EFT

or other electronic withdrawal means, Your bank account for the amounts payable to Us under Section 16.8.

ARTICLE XVII DISPUTE RESOLUTION

17.1 Quick Resolution. You and We understand that there is always a possibility of differences of opinion or other disagreements in any business relationship and agree that it is important to resolve any Disputes amicably, quickly, inexpensively, and professionally and to return to business as soon as possible.

17.2 Manner of Handling Disputes. In the event any Dispute arises between Us and You in connection with, arising from, or with respect to, any provision hereof, the relationship created herein, or the validity of this Agreement or any provision hereof, or the offer and sale to You, such Dispute will be:

17.2.1 Face-to-Face Meeting. First discussed in a face-to-face meeting between You and Us in Overland Park, Kansas, or at Our then-current headquarters within 30 days after either You or We give written notice to the other proposing such a meeting. We have the right, in Our sole discretion, to waive this requirement.

17.2.2 Mediation. If, in the opinion of either You or Us, the face-to-face meeting has not successfully resolved such Dispute, and if desired by either You or Us, the Dispute will be submitted to non-binding mediation before Franchise Arbitration and Mediation Services (“FAM”) or as otherwise mutually agreed. The mediation will be conducted exclusively in Overland Park, Kansas. On election by either party, arbitration as provided below may proceed forward at the same time as mediation. The mediator will be disqualified as a witness, consultant, expert, or counsel for any party with respect to the Dispute and any related matters.

17.2.3 Arbitration. If in the opinion of either You or Us the mediation has not successfully resolved such matters, at the request of either You or Us, the Dispute will be submitted for arbitration to the offices of the American Arbitration Association in accordance with its commercial arbitration rules in effect. All arbitration hearings will be conducted exclusively in Johnson County, Kansas. The arbitrator will have the power and jurisdiction to decide such Dispute solely in accordance with the express provisions of this Agreement. The arbitrator will render a written opinion setting forth the facts found, law applied, and reasons for the decision.

(i) Arbitration Procedures. In any arbitration, the parties will be entitled to specific performance of the obligations under this Agreement. The arbitrator may award or otherwise provide for temporary restraining orders, preliminary injunctions, injunctions, attachments, claim and delivery proceedings, temporary protective orders, receiverships and other pre-judgment, equitable and/or interim relief as appropriate pending final resolution by binding arbitration of a Dispute, as well as in connection with any such final resolution, and may issue summary orders disposing of all or part of a Dispute at any point. Each party consents to the enforcement of such orders, injunctions, etc., by any court having jurisdiction. Offers and/or other communications made in connection with, or related in any way to, mediation, possible settlement or other resolution of a Dispute will not be admitted into evidence or otherwise used in connection with any arbitration or other proceeding, and any arbitration award in violation of this provision will be vacated by the arbitration appeal panel (described below) and/or any court having jurisdiction. The arbitrator will have the power to order compliance with such discovery procedures, as well as assess sanctions for non-compliance with any order. Discovery will be controlled by the arbitrator and will be permitted to the extent set out in this Paragraph. Each party may submit in writing to the other party, and the other party will respond, to a maximum of any combination of 25 (none of which may have subplots) of the following: interrogatories, demands to produce documents, and requests for admission. You and We

are also entitled to take the oral deposition of one individual of the other party. Additional discovery may be permitted upon mutual agreement of the parties. The arbitrator, and not a court, will decide any questions relating in any way to the parties' agreement or claimed agreement to arbitrate, including a claim for fraud in the inducement or otherwise. Each participant must submit or file any Dispute that would constitute a compulsory counterclaim (as defined by the applicable rule under the Federal Rules of Civil Procedure) within the same proceedings as the Dispute to which it relates. Any such Dispute that is not submitted or filed in such proceedings will be forever barred. The award and findings of the arbitrator will be conclusive and binding upon all parties hereto and the judgment upon the award may be entered in any court of competent jurisdiction.

(ii) Individual Disputes. All Disputes must be conducted and resolved on an individual basis only and not on a class-wide, multiple plaintiff or similar basis between You and Us and will not be consolidated with any other arbitration or court proceeding involving Us and any other party. You thereby fully waive any right You may have to any potential class action claim and agree that any legal action will only be on an individual party basis.

(iii) Agreed Limitations. Except for payments owed by one party to the other, claims attributable to Your underreporting of sales, indemnification under Article XV, or claims related to an act of Yours allowing Us to immediately terminate this Agreement, any legal action or arbitration proceeding (including the offer and sale of a franchise to You) brought or instituted with respect to any Dispute hereunder must be brought or instituted within one year from the date upon which a party discovered, or should have discovered, the facts giving rise to an alleged claim; provided that no claim may be brought more than two years after the first act or omission giving rise to an alleged claim. The initiation of mediation or arbitration hereunder will toll the applicable statute of limitations for the duration of any such proceedings.

(iv) Limited Damages. You and We waive any right or claim of any consequential, punitive or exemplary damages against each other and agree that in the event of a Dispute between You and Us, each will be limited to the recovery of actual damages sustained. In the event we are found liable in any Dispute, whether in contract or in tort, You agree that Our total monetary responsibility and liability will not exceed a total of the initial franchise fee less the balance due and owing to Us under a financing arrangement for the initial franchise fee.

(v) Exceptions to Arbitration. You and We agree that nothing in this Agreement obligates Us to arbitrate or mediate Disputes or issues relating to: (a) the validity of the Marks, or any trademarks, service marks or other Intellectual Property; (b) rights to obtain a writ of attachment or other prejudgment remedies; (c) rights to receive and enforce a temporary restraining order, preliminary injunction, permanent injunction or other equitable relief; or (d) Disputes solely for fees and other monies owed by one party to the other under this Agreement.

(vi) Appeals. If any party to an arbitration wishes to appeal any final award by an arbitrator (there will be no appeal of interim awards or other interim relief), that party can appeal, within 30 days of such final award, to a three-person arbitrator panel to be appointed by the same organization as conducted the arbitration to be held exclusively at the same location as specified above. The issues on appeal will be limited to the proper application of the law to the facts found at the arbitration and will not include any trial *de novo* or other fact-finding function. The party requesting such appeal must pay all costs and fees of the arbitrators and arbitration proceedings, subject to reimbursement as set forth below.

(vii) Sharing of Fees. Except for an appeal, the parties to the Dispute or action will share the fees and expenses of the mediation and the arbitration equally during the mediation and

arbitration. If a party is unable or unwilling to pay its share of the cost of the mediation or arbitration, the other party has the right to cover those costs; however, the prevailing party in arbitration, Including on appeal, will be awarded costs and attorney’s fees as set forth in Section 19.3 below.

(viii) Federal Arbitration Act. You and We mutually agree that all issues relating to arbitrability are governed exclusively by the Federal Arbitration Act and the federal common law of arbitration to the exclusion of any state statutes or common law and will be decided by the arbitrator. All provisions of this Agreement pertaining to venue, choice-of-laws, dispute avoidance and resolution will be strictly enforced, and You and We will rely on federal preemption under the Federal Arbitration Act.

17.3 Continued Performance. During the pendency of any Dispute or any such interim relief proceeding, the parties shall continue to perform their respective obligations under this Agreement.

**ARTICLE XVIII
NOTICES**

18.1 Notices. All notices permitted or required under this Agreement must be in writing and must be delivered as follows with notice deemed given as indicated: (i) by personal delivery when delivered personally; (ii) by overnight courier upon written verification of receipt; (iii) by facsimile transmission when confirmed by facsimile transmission, during normal business hours, Monday through Friday, holidays excepted; (iv) by sending an email to the email address below or other verified email address when confirmed by receipt verification, which verification will not be withheld or otherwise denied; or (v) by certified or registered mail, return receipt requested addressed as follows:

FRANCHISOR:	FRANCHISEE:
Blue Eagle Franchising, LLC 6709 W 119 th St., #125 Overland Park, Kansas 66209 (or Our then-current headquarters) Email: SAM@BLUEEAGLEINVESTIGATIONS.COM	_____ _____ _____ Email: _____
With a courtesy copy to (which will not act as notice or service to Blue Eagle Franchising, LLC): The Franchise & Business Law Group Attn: Kara Martin 222 South Main Street, Suite 500 Salt Lake City, Utah 84101 Email: KMARTIN@FBLGLAW.COM	

18.2 Delivery. If You refuse or fail to accept any certified or overnight delivery, acceptance will be deemed to have occurred 48 hours after rejection or failure to accept such notice. Any notice delivered by mail in the manner herein specified will be deemed delivered and received three days after mailing.

18.3 Listed Addresses. The address specified herein for services of notices may be changed at any time by the party making the change by giving written notice to the other party by certified mail or as otherwise agreed by You and Us. Any notice to You may be delivered to the address set forth above or to the address of Your Franchise Business or office.



ARTICLE XIX CONSTRUCTION AND JURISDICTION

19.1 Governing Law. Except as provided in Section 19.5, this Agreement will be governed, construed and interpreted in accordance with the laws of the state of Kansas without giving effect to its conflicts of law provisions. You and We agree that the provisions of this Agreement will control the state or provincial laws by which this Agreement will be governed and any provisions of state or provincial law to the contrary or any statements in Our franchise disclosure document or otherwise required as a condition of registration or otherwise. If the governing law requires terms other than or in addition to those in this Agreement, then such terms will be deemed incorporated herein but only to the extent necessary to prevent the invalidity of this Agreement or any of the provisions hereof or the imposition of civil or criminal penalties or liability. To the extent permitted by the laws of the state whose laws govern this Agreement, You hereby waive any provisions of law or regulations which render any portion of this Agreement invalid or unenforceable in any respect.

19.2 Jurisdiction. In order to facilitate our joint interests in having franchise issues determined in a consistent manner for application throughout the System, without in any way limiting or otherwise affecting Your and Our obligations regarding mediation and arbitration in accordance with the provisions of Article XVII, if there is any litigation between us, You and We hereby irrevocably consent to the exercise of general personal jurisdiction in the courts of record of the state of Kansas even though it may be otherwise possible to obtain jurisdiction elsewhere, and You and We agree that Overland Park, Johnson County, Kansas will be the exclusive venue for any litigation between Us and You. Each party waives any objection they may have to the personal jurisdiction of or venue in the state and federal courts of Kansas.

19.3 Costs and Attorney's Fees. In the event any action in law or equity or any arbitration or other proceeding is brought for the enforcement of this Agreement or in connection with any of the provisions of this Agreement, the successful or prevailing party or parties are entitled to reasonable attorney's fees and other costs reasonably incurred in such action or arbitration proceeding. The costs of mediation will also be awarded to the prevailing party in arbitration or litigation, if applicable. For purposes of this Agreement, "prevailing party" Includes, the party which obtains a judgment in their favor or agrees to dismiss an action or proceeding upon the other's payment of sums allegedly due or performance of the covenants allegedly breached, or which obtains substantially the relief sought. Reimbursement is due within 30 days of written notice after prevailing.

19.4 No Jury Trial. You and We waive, to the fullest extent permitted by law, all rights to trial by jury in any action or Dispute, whether at law or in equity, brought by either party.

19.5 Exception. Notwithstanding the foregoing, the Federal Arbitration Act (9 U.S.C. §§ 1 Et. Seq.) and the United States Trademark Act (Lanham Act, U.S.C § 1051 Et. Seq.) will apply to this Agreement and the relationship of the parties and preempt any state law to the contrary.

ARTICLE XX MISCELLANEOUS

20.1 Headings. Headings used in this Agreement are for reference and convenience purposes only and are not to be used in construing the provisions of this Agreement. As used herein, the male or female gender will include the other and the neuter. The singular will include the plural and the plural will include the singular as appropriate.

20.2 No Third-Party Rights. The parties intend to confer no benefit or right on any person or



entity not a party to this Agreement and no third parties will have any right or claims, benefit or right or a third-party beneficiary under this Agreement or any provision hereof. Similarly, You are not entitled to claim any rights or benefits, Including those of a third-party beneficiary, under any contract, understanding or agreement between Us and any other person or entity, unless that contract, understanding, or agreement specifically refers to You by name and specifically grant rights or benefits to You.

20.3 Authority. Where an entity is a party to this Agreement, the person or persons signing this Agreement on behalf of the entity warrant to Us that he, she or they have the requisite authority to sign this Agreement. At Our request, the concerned company signatory agrees to promptly provide Us with a certified copy of the resolution authorizing the execution of this Agreement and naming the officers, directors, members, or managers of the entity who are authorized to sign this Agreement on behalf of the entity. No field representative or salesperson has the right or authority to sign this Agreement or make oral representations or written modifications hereof on Our behalf.

20.4 No Partial Payments. No payment by You or receipt by Us of any amount less than that required to be paid under this Agreement, or otherwise, to Us or any person or entity affiliated with Us, will be deemed to be anything except payment on account, regardless of any endorsement to the contrary contained on any such payment or in any oral or written communication transmitted in connection therewith.

20.5 Joint and Several Liability. If more than one person, corporation, limited liability company, partnership, or other entity, guarantor or any combination thereof, sign this Agreement on behalf of the franchisee, the liability of each will be joint and several. All members of a general partnership and all members of any association or other unincorporated entity, which is part of the franchisee hereunder, are jointly and severally liable for Your performance hereunder.

20.6 No Off-Set or Withholdings. You shall not offset or withhold the payment of any Fees, payments or other amounts due to Us or Our affiliates or suppliers on grounds of the alleged non-performance by Us of any of Our covenants or obligations hereunder, any Dispute of any nature or otherwise.

20.7 Disclosure. We can disclose, in disclosure documents or otherwise, information relating to Your Franchise Business, Including Your name, address, phone numbers, financial information, copies or reports, and other information.

20.8 Binding Agreement. This Agreement is binding upon the heirs, administrators, personal representatives, assigns and successors in interest to the parties hereto.

20.9 Force Majeure. Neither party will be liable by reason of any failure or delay in the performance of such applicable party's obligations hereunder on account of strikes, fires, flood, storm, explosion, government shutdown or mandate, or other similar causes which is beyond such party's reasonable control. This Section 20.9 will not be interpreted to relieve You from Your obligation to pay Us when due all payments required to be made by You under this Agreement.

20.10 Entire Agreement. The parties intend this Agreement and all attached Exhibits hereto to be the full and complete agreement between Us and You and the entire integration of all our understandings of every nature concerning the matters contained in this Agreement or in any way related thereto, whether oral or written, and whether occurring before or contemporaneously with the execution of this Agreement. You represent and acknowledge that no agreements, representations, negotiations, promises, commitments, inducements, assurances, terms, conditions, or covenants of any nature exist between You and Us except as specifically set forth in this Agreement, whether pertaining to this Agreement or to any future, further or

additional rights of either You or Us. Nothing in this Agreement, or in any related agreement, is intended to be a disclaimer of the representations We made to You in the franchise disclosure document. If any term of this Agreement is determined as void and unenforceable, the remaining terms and duties under this Agreement will still be considered enforceable and severable as if it was its own separate agreement from the voided term.

20.11 Amendments. No amendment, change or variance from this Agreement will be binding on either party unless executed in writing and signed by both parties; however, the Manuals and policies and procedures may be modified by Us from time to time as set forth in this Agreement, and are binding.

20.12 Effective Date. Delivery of a draft of this Agreement to You does not constitute an offer. This Agreement will become effective only when fully executed and accepted by Us.

20.13 No Course of Dealing. No course of dealing between You and Us will affect Your or Our rights under this Agreement or otherwise.

20.14 No Representations. You understand that the success or failure of Your Franchise Business depends, in major part, upon Your efforts. You agree that We have not made nor have You received any promise, representation or warranty that: 1) any payments by You are refundable at Your option; 2) We will repurchase any rights granted hereunder; 3) You will achieve any particular sales, income or other levels of performance, or that You will be successful in Your Franchise Business licensed by this Agreement; 4) You will have any exclusive rights of any type other than as expressly set forth herein; 5) You will receive any level of Marketing assistance, site location, development or other services, operational assistance, or otherwise other than as expressly set forth in this Agreement; 6) You will not be required to obtain any licenses or permits in order to operate Your Franchise Business; 7) any location or territory will be successful; or 8) that You will be awarded additional or further franchises or other rights, except as expressly set forth in a written document signed by Us.

20.15 Variations. You understand and agree that: 1) We may have offered franchises in the past, may currently be offering franchises, or may offer franchises in the future, on economic or other terms, conditions and provisions which may significantly differ from those offered by this Agreement and any related documents; and 2) there may be instances where We have varied, or will approve exceptions to or changes in the uniform standards, or the terms on which We offer franchises, the charges We make, or otherwise deal with Our franchisees to suit the circumstances of a particular transaction as We believe necessary or desirable under particular circumstances. You have no right to object to such variations or to obtain the same variations for Yourself.

20.16 No Misrepresentations. You further represent to Us, as an inducement to Our entry into this Agreement, that You have made no misrepresentations in obtaining the award of this franchise.

20.17 Representations of Non-Violation. You represent and warrant that You can enter into this Agreement and that the execution and performance of this Agreement will not be in violation or breach, or cause the violation or breach, of any agreement or covenant between any third-party, or the violation or breach of any order, decree or judgment of any court or administrative agency.

20.18 FDD Acknowledgement. You represent that You have had a copy of Our franchise disclosure document (“FDD”) for at least 14 calendar days or 10 business days, whichever is applicable in Your state, prior to signing this Agreement or making any payment to Us.

20.19 Waiver. We may, in writing, unilaterally waive any of Your obligations or requirements

under this Agreement. Waiver by Us of any particular default by or obligation of You does not affect or impair Our rights with respect to any subsequent default by You or any of Our other rights to declare the same or subsequent acts a breach or default. Unless otherwise agreed to by Us in writing, Our acceptance of any payments due from You does not waive any prior defaults.

20.20 Counterpart and Electronic Signatures. This Agreement and its exhibits may be signed in counterparts by facsimile, electronic signature, or scanned and emailed signature, or similar electronic means, which will be deemed the same as an original signature with full legal force and effect and may be used for all purposes as if it were an original.

20.21 Owners of the Franchise. You represent and We rely upon Your representations in entering into this Agreement that the individuals in Exhibit “A-2” are the owners of and sole holders of a legal and beneficial interest in the franchise entity and in Your Franchise Business.

20.22 Drafting. You acknowledge that You have read this Agreement, have had the opportunity to review it with an attorney of Your respective choice and have agreed to all its terms. The rule of construction that a contract be construed against the drafter will not be applied in interpreting this Agreement.

ARTICLE XXI DEFINITIONS

“Competing Business” means a private investigation business in insurance fraud and other similar products and services, or a business offering products or services the same as or substantially similar to those offered at Your Franchise Business or as part of the System during the term hereof or at the time of Termination.

“Confidential Information” means any non-public information (through no fault of Yours) relating to Your Franchise Business, Our products or services, or the development or operation of a Blue Eagle Investigations® business or relating to the System as a whole, including: (i) methods, specifications, hardware, software, systems, proprietary technology, procedures, equipment; sales and Marketing programs, techniques, pricing bidding methods, etc., and knowledge and experience in the development and operation of Blue Eagle Investigations® businesses; (ii) knowledge of, specifications for, and suppliers of, certain Blue Eagle Investigations® products, materials, supplies, equipment, furnishings and fixtures; (iii) knowledge of operating results, margins, expenses and financial performance of Blue Eagle Investigations® businesses; (iv) strategic plans and concepts for the development, operation, or expansion of Blue Eagle Investigations® businesses; (v) the contents of Our Manuals or any other information obtained from Us in confidence at any time by virtue of the franchise or license relationship; (vi) all Customer Data; (vii) login, passwords, access information, etc., to the email accounts, Social Media, Manuals or other internal sites or shared documents; (viii) Intellectual Property that is generally deemed confidential (ix) all Innovations; and (x) and other information obtained from Us in confidence at any time by virtue of the franchise or license relationship.

“Copyright Materials” means all writings, video and audio recordings, photographs, images, materials, Manuals, artwork, websites, logos, Marketing materials, and designs used with the Marks or in association with the System.

“Customer” and “Client” whether or not capitalized have interchangeable meanings in this Agreement.

“Customer Data” means any and all customers and customer and prospective customer data and



lists, Including phone numbers, emails, mailing addresses, name and contact information for key personnel of the customer, Social Media followers' information, etc., even if maintained by You or deemed to have arisen through Your activities. For clarity, a "prospective customer" does not mean any possible customer. It means a potential customer who has been engaged in some, or has provided some personal information, or has elected to receive some communication, but who has not yet done business to be considered an actual customer.

"Dispute" means any claim, controversy, disagreement, or dispute of any type whatsoever.

"Fees" refers to those fees, payments, and costs that You are required to pay to Us as more fully set forth on Exhibit "A-3."

"Gross Sales" Includes the total of all sales of all products, equipment, goods and services sold, traded, bartered, or rendered by You and income of every kind and nature Including the value of a trade or other bartering, arising from Your Franchise Business and tangible property of every kind sold by You during the term of this Agreement. Gross sales also Includes insurance proceeds and/or condemnation awards for loss of sales, profits, or business. "Gross Sales" excludes bona fide credits or returns and excludes amounts paid by You for sales or use taxes on the sale of any products or services.

"Franchise Assets" means this Agreement, or rights or privileges associated with this Agreement, or any shares or units in the ownership of Your entity, Your Franchise Business, or substantially all Your assets.

"Immediate Family" means spouses, domestic partners, parents, stepparents, children, stepchildren, sons-in-law, and daughters-in law.

"Innovation" means any idea conceived or developed, or any actual improvement, change, modification, enhancement, or addition to the System, Including to Your Franchise Business, Copyrighted Materials, Manuals, Confidential Information, website, Social Media, Marketing materials, apps or any other documents or information pertaining to or relating to the System, or any Intellectual Property related to the System, or any creative concepts, Marketing ideas or inventions related to the System, and all derivatives thereof, whether implemented in the System or not.

"Including" or "Includes" means "including but not limited to," "including, without limitation," and similar all-inclusive and non-exhaustive meanings.

"Intellectual Property" means all Marks, trade dress, names, Copyright Materials, systems, patents, patent applications, trade secrets, websites, Social Media, apps, and software.

"Interim Management Period" refers to the period of time when We step in to manage Your Franchise Business as allowed under this Agreement.

"Internet" means any present or future interactive system for electronic communications, using lines, cables, wireless, satellite, radio or any other technology; and which involves one or more of the following: the system of interconnected computer networks that use the internet protocol suite (TCP/IP) or its successor; websites or similar remotely-accessible electronic information sources (whether password protected or not); use of domain names, other locators, or emails that use our trademarks; internet phone services; cellular or similar messaging; mobile applications; social networks or Social Media; or wikis, podcasts, online content sharing communities, or blogging.

"Marketing" or "Market" Includes advertising, brand development, promotion, public relations



campaigns, content creation, influencer incentives or compensation, market research and other related processes.

“Manuals” consists of one or more guides or manuals, including an operations manual, brand standards manual, training manuals, and/or policies and procedures manual, technical bulletins or other written materials as may be developed, modified and supplemented by Us periodically. The Manuals may be in printed or in an electronic format in Our discretion.

“Marks” means the federally registered and common law names, trade names, trademarks, slogans, service marks, logos and/or other commercial property or symbols owned by Us or licensed to Us, whether now or later developed, used in connection with the Blue Eagle Investigations® System.

“Operating Account” means that account into which all receipts of Your Franchise Business must be deposited.

“Operating Assets” means Your assets, contracts, inventory, supplies, furniture, equipment, signs, service vehicles, accessories, and other personal property relating to Your Franchise Business.

“Operating Principal” is: a) You if You as the franchisee are an individual; or b) if You are an entity, an individual that owns at least 51% of the ownership and voting interests in the franchisee entity (unless You obtain Our written approval of a lower percentage), has authority over all business decisions related to the Franchise Business, and has the power to bind You in all dealings with Us.

“Participant” means an owner, operator, shareholder, director, partner, member, manager, consultant, agent, employee (management-level or higher), contractor, advisor, officer, lessor, lessee, licensor, or licensee.

“Principal” means shareholders, owners, partners, directors, members, managers, officers, and principal employees and contractors.

“Shall” when used in this Agreement (even if not capitalized) means must, mandatory, or other similar affirmative obligation, as the context requires.

“Social Media” means any and all websites, apps and web or Internet pages for social interaction, business operation, Marketing, and other online information communications, whether now or later developed.

“System” Includes the Franchise Business, specific Marks, standards, Manuals, processes, services, know-how, operating procedures and Marketing concepts, business formats, specifications for and the use of certain equipment, supply items, and the use of proprietary and Confidential Information and other Intellectual Property.

“Termination” or “Terminate” Includes expiration, non-renewal, repurchase of Your rights, non-granting of a Successor Franchise, non-renewal, Transfer, or any other means by which this Agreement is no longer in effect, and You are no longer a franchisee of the Blue Eagle Investigations® System.

“Transfer” Includes any direct or indirect assignment, transfer, division, trade, sale, gift, pledge, sublicense, mortgage, granting of any security interest, or sale at judicial sale under power of sale, conveyance or retention of collateral in satisfaction of debt, or other procedure to enforce the terms of any pledge, encumbrance, or security interest.

“Update” Includes renovations, remodeling, redecorating, redesigning, refixturing, upgrading, refurbishing, modernizing, etc.

“We,” “Our(s)” or “Us” only as applied to Paragraphs 2.2.3, 10.1.1, 10.1.2, and 14.8.7, Sections 3.1, 3.5, 11.1, and 16.4, and Articles XI, XV Includes Our predecessors, parents, affiliates, subsidiaries, successors, and assigns and Our officers, directors, shareholders, members, managers, employees, agents, development agents, or others with whose conduct We are chargeable, as applicable.

“You” or “Your” Includes all signers of this Agreement, all current and subsequent guarantors, all subsequent and current members, Operating Principals, owners, partners, shareholders, managers, directors, officers, agents, affiliates, principal employees and with those whose conduct You are chargeable.

IN WITNESS WHEREOF, the parties have respectively signed this Franchise Agreement effective as of the day and year first written above.

FRANCHISOR:

FRANCHISEE:

BLUE EAGLE FRANCHISING, LLC

(Signature)

(Signature)

Name: _____

Name: _____

Title: _____

Title: _____

If the franchisee is not an entity, each person must sign personally.

By: _____ (Signature)

Name: _____, personally

By: _____ (Signature)

Name: _____, personally

SIGNATURE PAGE TO FRANCHISE AGREEMENT



(Check if applicable) At the same time as the parties execute this Agreement, they are also executing an Addendum to the Franchise Agreement pursuant to:

- Maryland
- Minnesota
- New York
- North Dakota
- Other



EXHIBIT "A-1"
TO THE FRANCHISE AGREEMENT

TERRITORY:
(Map may be attached)

A description of Your Territory is listed below: _____

_____.

Our approval of the Territory is not a guarantee or a warranty of the potential success of a territory.

Franchisee Initial and Date

Franchisor Initial and Date



EXHIBIT "A-2"
TO THE FRANCHISE AGREEMENT
COMPANY REPRESENTATIONS AND WARRANTIES

You make the following additional warranties and representations: You are a (check one):

- Partnership Corporation
 Sole Proprietorship Limited Liability Company

Name of Your entity: _____

The state in which Your entity was formed: _____

Date of Formation: _____

EIN: _____

The name and address of each shareholder, partner, or member holding an ownership interest in the corporation, partnership, or limited liability company (please print or type the information and add extra lines if necessary):

Name	Address	Percentage of Ownership*

*Corporation: Percentage owned of outstanding voting stock.

*Partnership: Percentage owned in voting and in capital and profits.

*Limited Liability Company: Percentage owned in membership interest.

The names of the officers of the Company (please print or type the information and add extra lines if necessary):

Name	Title

The address where Your company records are maintained is:

_____.

The name and address of the Operating Principal who has been approved by Us and who will be directly responsible for supervising Your business operations and who has authority to work with Us and make



decisions relating to the operations of the Franchise Business:

Name: _____

Address: _____

Email: _____

You must provide Us a copy of Your articles of organization and operating agreement or articles of incorporation and bylaws within one week of the date below.

Dated _____.

FRANCHISEE:

(Signature)

Name: _____

Title: _____



**EXHIBIT “A-3”
TO THE FRANCHISE AGREEMENT FEE CHART¹**

The following Fees as more fully described in the Franchise Agreement.

Type of Fee	Amount	Notes
Initial Franchise Fee	Large Market Territory (more than 10 million people) = \$100,000 Mid-Market Territory (five million to 10 million people) = \$75,000 Small Market Territory (less than five million people) = \$50,000	See Section 5.1
Royalty	20% of Gross Sales	See Section 5.2
Marketing Fund Fee	2% of Gross Sales	See Section 5.3
Successor Franchise Fee*	\$25,000	See Paragraph 2.2.4
Installment Agreement Termination Fee	\$250	See Paragraph 5.1.1
Acquisition of Additional Franchise Units During Term	10% discount from the then- current initial franchise fee	See Paragraph 5.1.2
Late Charges	\$25 per day, up to a maximum of \$500 per fee per month	See Paragraph 5.4.3
Non-Sufficient Funds Fee	\$5% of amount on check, or \$50 per bounced check or draft, whichever is higher, or the maximum allowed by state law	See Paragraph 5.4.3
Interest on Late Fees and Reports	18% interest, or the maximum interest allowed by state law	See Paragraph 5.4.4
Sales or Use Tax	Sum equal to tax imposed	See Paragraph 5.4.5
Audit Charge	Cost of audit	See Paragraph 5.5.2
System Non-Compliance Fines	\$150 for the first violation; \$300 for the second violation; \$500 for the third and subsequent violations	See Section 5.9
Additional Trainees at Initial Training	\$300 per attendee, per day	See Paragraph 6.1.3
Retraining Fee	\$300 per attendee, per day	See Paragraph 6.1.3
Rescheduling Fee	\$300	See Paragraph 6.1.3(iv)
New Operating Principal or New Manager Training	\$300 per attendee, per day	See Paragraph 6.1.3(i)
Additional Training or Assistance	\$300 per attendee, per day	See Paragraph 6.1.3(ii) and Section 7.2
Insurance Reimbursement Fee	Varies	See Paragraph 6.1.8
Workers Compensation Fee	2.5% of gross sales	See Paragraph 6.1.8
Administrative Fee	\$50 per person, per hour	See Paragraph 6.1.8
PCI and DSS Audit Reimbursement Fee	Reasonable costs of the audit	See Paragraph 6.1.10(ii)
Conference/Seminar Fee	Currently no fee; TBD at the time the conference or seminar is held	See Paragraph 6.1.11



Customer Complaint Resolution Fee	\$150	See Paragraph 6.2.2(iv)
Interim Management Fee	\$300 per day, per representative	See Paragraph 6.2.3 and 14.10
Additional Copies of Marketing Materials	Our costs, plus 10% and the costs for shipping and handling	See Section 10.2
Fees on Default	Our costs associated with Your default	See Paragraph 12.1.8
Early Termination Liquidated Damages	Average royalty from the previous 12 months multiplied by 24 months or the remaining term of the Franchise Agreement, whichever is less.	See Section 12.4
Post-Termination Non-Compliance Fee	\$100 per day	See Section 12.5
Post Termination Fees	Varies	See Paragraph 12.5.1
Franchise Agreement Transfer Fee*	\$10,000	See Section 14.5
Minority Interest Transfer Fee	Legal and corporate fees and costs incurred	See Section 14.6
Indemnification	Varies	See Section 15.2
Liquidated Damages for Non-Compete Violations	\$500 per day for each competing business	See Section 16.8
Dispute Resolution Fees	Varies	See Section 17.2

¹ If a fee is subject to change by Us rather than by a third party, the increase will not be more than the equivalent of 10% per year during the term of this Agreement.



**EXHIBIT “A-4”
TO THE FRANCHISE AGREEMENT**

BRAND PROTECTION AGREEMENT FOR PRINCIPALS

This BRAND PROTECTION AGREEMENT FOR PRINCIPALS (the “Agreement”) is entered into and made effective as of the effective date listed below by and between **BLUE EAGLE FRANCHISING, LLC** (“Franchisor”) and the undersigned (individually and collectively, the “Principals”).

WHEREAS, Franchisor has developed a system for the operation of a business known as Blue Eagle Investigations®, offering private investigations business within the insurance fraud industry and other related products and services (“Blue Eagle Investigations® Business”). The system Includes: the Franchise Business; specific Marks; Manuals; the use of required equipment; processes, services, uniform standards, and know-how; a Marketing plan, operations, training procedures and Marketing concepts; the sale of services under the name Blue Eagle Investigations® and other trademarked items; and the use of Confidential Information (collectively the “System” or “Blue Eagle Investigations® System”); and

WHEREAS, Principals or his or her or their company entered into an agreement with Franchisor (“Franchise Agreement”) so as to be able to obtain the rights to operate a Blue Eagle Investigations® Business using the System developed by Franchisor, Including certain Confidential Information of Franchisor (“Franchise Agreement”); and

WHEREAS, Principals will have access to certain parts of the Confidential Information; and

WHEREAS, Principals recognize the value of the System and the intangible property rights licensed under the Franchise Agreement, and the importance of maintaining the Confidential Information, and recognize that the Franchisor’s entering into the Franchise Agreement is conditioned upon each Principal entering into this Agreement; and

WHEREAS, all capitalized terms used, but not defined, herein will have the respective meanings assigned to them pursuant to the Franchise Agreement

NOW THEREFORE, in consideration of Franchisor entering into the Franchise Agreement with Principals or his or her or their company, the recitals and other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the parties hereto agree as follows:

1. Acknowledgment. Principals individually acknowledge that he or she has obtained or may obtain access to Confidential Information and made available to Principal that is necessary and essential to the operation of the Franchise Business, without which information the Franchise Business could not efficiently, effectively, and profitably operate. Principals further acknowledge that such Confidential Information was not known to him or her prior to the association with Franchisor.

2. Non-Disclosure and Non-Use. Except as may be required or allowed under the Franchise Agreement, Principals and any of a Principal’s Immediate Family, shall not, during the term of the Franchise Agreement and any time thereafter, in perpetuity, directly or indirectly, use, or disclose to any third-party, or authorize any third-party to use, any information relating to the Franchise Business or interest of Franchisor, Confidential Information, the System, or other information or materials that he or she knows, or reasonably should know, is regarded as confidential to Franchisor. Principals shall also adopt and implement all reasonable procedures prescribed by Franchisor, from time to time, to prevent unauthorized use and/or disclosure of the



Confidential Information, including restrictions on disclosure to employees and other third parties.

2.1 Duty to Notify. Principals agree to notify Franchisor of any reasonably suspected attempts to violate the terms or purposes of this Confidentiality Agreement and further agree to require all personnel to report to it any reasonably suspected attempts to violate this Confidentiality Agreement. In the event it is discovered that Principals knew or had reason to know of any suspected attempts to violate this Agreement, Principals agree to indemnify Franchisor for all costs and fees associated with enforcement, and to reimburse Franchisor for those losses sustained due to such violation.

3. Non-Competition; Non-Solicitation. The following covenants will be enforced during and after the term of the Franchise Agreement:

3.1 In-Term Covenant. During the term of the Franchise Agreement and for any extensions or Successor Franchises thereof, except as permitted under the Franchise Agreement, Principals and each Principal's Immediate Family, shall not be a Participant, assist, or serve in any other capacity whatsoever, or have any interest in a Competing Business in any capacity or location, except with Franchisor's prior written consent. Principals understand and acknowledge that to violate this Section creates irreparable harm.

3.1.1 Exception to In-Term Non-Competition. Notwithstanding the above, it will not be considered a breach of Paragraph 3.1 in the event a Principal accepts investigative work from third parties so long as such third parties are **not** insurance companies. All sub-contracted work must be done through a non-Blue Eagle entity and all parties involved must clearly understand that the subcontract work is separate and apart from Principals' Blue Eagle Franchise Business. Principals each agree to indemnify and hold Franchisor and Its affiliates harmless from and against all work, Disputes and issues that arise or may arise out of any Principal's subcontract work. For indemnification purposes, the parameters of Section 15.2 to the Franchise Agreement will apply.

3.2 Post-Term Covenant. Upon Termination for any reason of the Franchise Agreement, and any extensions or Successor Franchise Agreements thereof, or upon any Transfer or repurchase of a Principal's rights under the Franchise Agreement or the franchise entity, or a principal's dissociation from the Franchise Business, and for a continuous, uninterrupted period of two years thereafter, Principals, and Principal's Immediate Family, shall not, directly or indirectly, be a Participant, assist, or serve in any other capacity whatsoever, or have any interest in a Competing Business within the Territory or within 25 miles of the Territory or within 25 miles of the territory of any System franchise or Blue Eagle Investigations® business operation at the time of such Termination or Transfer. The ownership of not more than 2% of the voting stock of a publicly held corporation will not be considered a violation of the foregoing provision. Principals agree that the Franchise Business attracts customers from up to 25 miles, and that such geographical restraint is not unreasonable.

3.2.1 Exception to Post-Term Non-Competition. Notwithstanding the above, it will not be considered a breach of Paragraph 3.2 in the event You accept investigative work from third parties so long as such third parties are not insurance companies. You are prohibited from accepting work directly from insurance companies as such will be considered a breach of this Agreement. You agree to indemnify and hold Us and Our affiliates harmless from and against all work, Disputes and issues that arise or may arise out of Your subcontract work. For indemnification purposes, the parameters of Section 15.2 to the Franchise Agreement will apply.

4. Non-Solicitation of Customers. Principals shall not, during the term of the Franchise



Agreement and any extensions or Successor Franchise and for three years thereafter, directly or indirectly, contact any former or then-current customer of the Franchise Business, or any former, then-current customer of Franchisor (with whom the Principal had contact during the term of the Franchise Agreement), or prospective customer for the purpose of soliciting such customer to a Competing Business. All Customer Data, Including client contracts, belong to Franchisor. For clarity, a “prospective customer” does not mean any possible customer. It means a potential customer who has been engaged in some way, or has provided some personal information, or has elected to receive some communication, but who has not yet done business to be considered an actual customer.

4.1 Violation of Non-Competition, Non-Solicitation Provisions; Tolling of Covenants.

In addition to other remedies available to Franchisor, in the event a Principal violates a non-competition and/or non-solicitation covenant, the applicable non-competition or non-solicitation period will be tolled and extended for the period of that Principal’s violation, plus an additional six months.

5. Return of Materials. Upon the Termination of the Franchise Agreement, or a Principal’s disassociation from the Franchise Business, each Principal agrees to deliver to Franchisor (and shall not keep a copy in his or her possession or deliver to anyone else) the Blue Eagle Investigations® Manuals and any and all Customer Data and Confidential Information.

6. Non-Disparagement. Principals shall not, during and after the term of this Agreement, make any negative, disparaging, false or misleading statements, published or made orally, in any medium about Franchisor, Franchisor’s officers, owners, partners, directors, members, managers, representatives, agents or employees, the brand, the System, products and services, or other franchisees.

7. Irreparable Harm. Principals hereby acknowledge and agree that any breach by him or her of any portion of Sections 1 through 6 above, inclusive, will cause damage to Franchisor in an amount difficult to ascertain. Accordingly, in addition to any other relief to which Franchisor may be entitled, Franchisor will be entitled to temporary, preliminary, and/or permanent injunctive relief for any breach or threatened breach by any Principal of any of the terms of Section 1 through 6 above, inclusive, without proof of actual damages that have been or may be caused to Franchisor by such breach and without the requirement of posting bond. Additionally, Principals agree that the existence of any claims Principal may have against Franchisor, whether or not arising from this Agreement or the Franchise Agreement, will not constitute a defense to Franchisor’s ability to enforce the covenants set forth in this Agreement.

8. Reasonableness and Enforceability. Principals agree that the terms of this Agreement are fair and reasonable in light of the circumstances and were in part, based on the perceived or potential value of the System and the business relationship that Principals and/or his or her or their company have and will have with Franchisor. If any portion of this Agreement will be held invalid or inoperative, then, so far as is reasonable and possible, the remainder of this Agreement will be considered valid and operative, and effect will be given to the intent manifested by the portion held invalid or inoperative. Whenever the context so requires, the masculine will include the feminine and neuter and the singular will include the plural and conversely. Principals understand that a separate action may be brought or prosecuted against a Principal whether or not the action is brought or prosecuted against any other Principal or against the franchisee, or any or all of them, or whether any other Principal or the franchisee is or are joined in the action.

9. Governing Law and Jurisdiction. The validity, enforcement, construction, rights and liabilities of the parties and provisions of this Agreement will be governed by and interpreted in accordance with the laws of the state of Kansas without giving effect to its conflicts of law provisions. If for any reason court action is filed, Principals individually consent to the jurisdiction of the courts of record in the state of



Kansas, and unless the enforcement of this Agreement is brought in connection with a Dispute under the Franchise Agreement (in which case this matter may be handled through arbitration as set forth in the Franchise Agreement), each Principal agree that proper jurisdiction and venue for all Dispute resolution will be exclusively in the state and federal courts of Johnson County, state of Kansas.

10. Attorneys' Fees and Costs. In the event any action in law or equity or any arbitration or other proceeding is brought for the enforcement of this Agreement or in connection with any of the provisions of this Agreement, the successful or prevailing party or parties will be entitled to reasonable attorney's fees and other costs reasonably incurred in such action or proceeding.

11. Binding Agreement. This Agreement will bind each parties' respective heirs, personal representatives, successors and assigns. No rights under this Agreement are assignable by any Principal without Franchisor's written approval, and any purported assignment will be null and void and of no force or effect.

12. Survival of Covenants. All covenants made in this Agreement by Principals survive the Termination of this Agreement or the Franchise Agreement or Principal's disassociation with the Franchise Business or the System in any way.

13. Modification of Agreement. This Agreement may be amended in whole or in part only by an agreement in writing signed by the parties.

14. Waiver. Each Principal understands and acknowledges that Franchisor can require the use of cameras in business vehicles, and each Principal waives any expectation of privacy in the business vehicle.

15. Counterpart and Electronic Signatures. This Agreement may be signed in counterparts by facsimile, electronic signature, or scanned and emailed signature, or similar electronic means, which will be deemed the same as an original signature and may be used for all purposes as if it were an original.

16. Prior Disclosures. The parties intend that the information disclosed by Franchisor prior to the actual execution of this Agreement constitutes Confidential Information and is subject to all the terms and conditions of this Agreement as if such information had been disclosed following the execution of this Agreement.

PRINCIPALS INDIVIDUALLY ACKNOWLEDGE THAT HE OR SHE HAS READ THIS AGREEMENT AND UNDERSTANDS ITS CONTENTS.

[Remainder of page intentionally left blank; signature page follows]

IN WITNESS WHEREOF, the parties have executed this Agreement effective as of the date below.

DATED _____.

FRANCHISOR:

Blue Eagle Franchising, LLC

(Signature)

Name: Stu Macfarlane

Title: _____

PRINCIPALS:

(Signature)
Name: _____

(Signature)
Name: _____



**EXHIBIT “A-5”
TO THE FRANCHISE AGREEMENT
EMPLOYEE BRAND PROTECTION AGREEMENT**

This EMPLOYEE BRAND PROTECTION AGREEMENT (“Agreement”) is entered into as of _____, between _____ (“Franchisee”) and _____ (“Employee”), residing at _____.

A. Franchisee is the holder of a Blue Eagle Investigations® franchise developed by Blue Eagle Franchising, LLC (“Franchisor”).

B. Franchisor has developed certain confidential and proprietary information for the operation of a Blue Eagle Investigations® franchise, including without limitation, processes, methods, trade secrets, systems, software, pricing, financial information, customer data and lists, manuals, marketing techniques, and procedures (“Proprietary Information”).

NOW, THEREFORE, in consideration of the employment of Employee by Franchisee, the parties hereto agree as follows:

1. Acknowledgement. Employee acknowledges that during the course of his or her employment by Franchisee he or she has obtained or may obtain knowledge of the Proprietary Information and other confidential matters and procedures developed, licensed to or owned by Franchisor and made available to Franchisee, which are necessary and essential to the operation of the business of Franchisee, which without such information, Franchisee could not efficiently, effectively and profitably operate its Blue Eagle Investigations® franchise. Employee further acknowledges that such Proprietary Information was not known to him or her prior to the association with Franchisee or its Blue Eagle Investigations® franchise.

2. Non-Use, Non-Disclosure. Except as may be required in the performance of duties for Franchisee, Employee shall not, during the course of his or her employment or at any time thereafter, directly or indirectly, use, or disclose to any third-party, or authorize any third-party to use any portion of the Proprietary Information, and agrees not to copy, transmit, recreate or otherwise reproduce all or any part of the Proprietary Information at any time.

3. Duty to Notify. Employee agrees to notify Franchisor or Franchisee or Employee’s immediate superiors of any reasonably suspected attempts to violate the terms or purposes of this Agreement or to otherwise disclose, copy, or reproduce any part of the Proprietary Information. In the event it is discovered that Employee knew or had reason to know of any suspected attempts to violate this Agreement and fails to report such knowledge, Employee agrees to indemnify Franchisor and Franchisee for all costs and fees associated with enforcement, and to reimburse Franchisor and Franchisee for those losses sustained due to such violation. Employee agrees to cooperate with Franchisor and Franchisee in its or their attempts to enforce the terms of this Agreement and to otherwise protect the Proprietary Information, and to cooperate with Franchisee and Franchisor to the extent Franchisee is obligated to cooperate with Franchisor’s attempts to enforce its rights in and to the Proprietary Information.

4. Return of Materials. Immediately upon the termination of employment, Employee agrees to deliver to Franchisee (and shall not keep in his or her possession or deliver to anyone else whether in hard or electronic soft copy) any and all records, data, photographs, notes, manuals, lists, correspondence, specifications, materials, other documents or property, or reproductions relating to, directly or indirectly, to the Proprietary Information.



5. Non-Solicitation of Customers. Employee shall not, during the course of his or her employment and for two years thereafter, directly or indirectly, contact any customer or former customer of Franchisee for the purpose of soliciting such customer to be a customer of a business that is the same as or similar to a Blue Eagle Investigations® business.

6. Non-Disparagement. Employee shall not make any negative, disparaging, false or misleading statements, published or made orally, in any medium about Franchisee and/or Franchisor (including their respective owners, officers, and employees), or the Blue Eagle Investigations® brand.

7. Irreparable Harm. In addition to other remedies available to Franchisee and/or Franchisor, in the event Employee violates a non-competition and/or non-solicitation covenant, the applicable non-competition or non-solicitation period will be tolled for the period of Employee's violation. Additionally, Employee hereby acknowledges and agrees that any breach by him or her of any portion of Sections 1 through 6 above, inclusive, will cause damage to Franchisee and Franchisor in an amount difficult to ascertain. Accordingly, in addition to any other relief to which Franchisee may be entitled, either Franchisee and/or Franchisor will be entitled to enforce this Agreement and to seek temporary, preliminary, and/or permanent injunctive relief for any breach or threatened breach by Employee of any of the terms of Section 1 through 6 above, inclusive, without proof of actual damages that have been or may be caused to Franchisee or Franchisor by such breach, and without the requirement of posting bond. The existence of a claim against Franchisee or Franchisor will not constitute a defense to enforce the covenants of this Agreement.

8. Modification. Employee hereby agrees that, without limitation, any modifications, alterations, changes, or improvements conceived, designed, devised, developed, perfected or made by Employee, whether alone or in conjunction with others, and related in any manner to the actual or anticipated operation of the Franchise, or the Blue Eagle Investigations® system, or to any area of research and development related to the operation of the business, must be promptly disclosed to the Franchisee and will become the property of Franchisor, and Employee hereby irrevocably assigns, transfers, and conveys any such to Franchisor.

9. Enforceability. If any portion of this Agreement will be held invalid or inoperative, then, so far as is reasonable and possible, the remainder of this Agreement will be considered valid and operative, and effect will be given to the intent manifested by the portion held invalid or inoperative.

10. Survival of Covenants. All covenants made in this Agreement by Employee survive the termination of Employee's employment with Franchisee or the expiration, transfer, or termination of this Agreement.

11. Modification of Agreement. This Agreement may be amended in whole or in part only by an agreement in writing signed by both parties.

12. Attorneys' Fees. In the event any action in law or equity or any arbitration or other proceeding is brought for the enforcement of this Agreement or in connection with any of the provisions of this Agreement, the successful or prevailing party or parties will be entitled to reasonable attorney's fees and other costs reasonably incurred in such action or proceeding.

13. Waiver. Employee understands and acknowledges that Franchisee may employ the use of cameras in the business vehicle(s), and Employee waives any expectation of privacy in the business vehicle(s).

14. Counterpart and Electronic Signatures. This Agreement may be signed in counterparts by



facsimile, electronic signature, or scanned and emailed signature, or similar electronic means, which will be deemed the same as an original signature and may be used for all purposes as if it were an original.

15. Third-party Beneficiary. It is agreed and acknowledged that Franchisor and/or its affiliate, Blue Eagle Investigations, Inc. is a third-party beneficiary to this Agreement.

16. Prior Disclosures. Employee acknowledges and agrees that prior to the execution of this Agreement, Employee may have received information from Franchisee, Franchisor, and/or their representatives, and that any such Proprietary Information obtained or received is subject to the protection and restrictions of this Agreement.

EMPLOYEE ACKNOWLEDGES THAT HE OR SHE HAS READ THIS AGREEMENT AND UNDERSTANDS ITS CONTENTS.

IN WITNESS WHEREOF, the parties have executed this Agreement effective as of the day and year first herein above written.

FRANCHISEE:

EMPLOYEE:

By: _____

By: _____

Name: _____

Title: Name: _____

Date: _____

Title: _____

Date: _____



EXHIBIT "A-6"
TO THE FRANCHISE AGREEMENT

AUTHORIZATION AGREEMENT FOR DIRECT PAYMENTS (ACH DEBITS)

Business Name: _____

I hereby authorize Blue Eagle Franchising, LLC hereinafter called ("Company"), to initiate debit entries to my checking account or savings account as indicated below at the depository financial institution named below, hereinafter called ("Depository"), and to debit the same to such account. I acknowledge that the origination of ACH transactions to my account must comply with the provisions of United States law.

Depository Name: _____ Branch: _____

City: _____ State: _____ Zip Code: _____

Phone: _____

Routing Number: _____ Account Number: _____

Type of Account: Checking/Savings: _____

This authorization is to remain in full force and effect until the Company has received written notification from me of its termination in such time and in such manner as to afford Company and Depository a reasonable opportunity to act on it.

Name: _____ (please print)

Title: _____

Signature: _____ Date: _____

NOTE: ALL WRITTEN DEBIT AUTHORIZATIONS MUST PROVIDE THAT THE RECEIVER MAY REVOKE THE AUTHORIZATION ONLY BY NOTIFYING THE ORIGINATOR IN THE MANNER SPECIFIED IN THE AUTHORIZATION.



**EXHIBIT “A-7”
TO THE FRANCHISE AGREEMENT
GUARANTY AND ASSUMPTION OF OBLIGATIONS**

This GUARANTY AND ASSUMPTION OF OBLIGATIONS (“Guaranty”) is entered into and made effective as of _____ by and between Blue Eagle Franchising, LLC (“We,” “Us” or “Our”) and the undersigned Guarantor(s) (“Guarantor(s)”) who are the owners of _____ (the “Business Entity”).

1. Scope of Guaranty. In consideration of and as an inducement to Our signing and delivering the Franchise Agreement dated _____ (the “Franchise Agreement”), each Guarantor(s) signing this Guaranty personally and unconditionally: (a) guarantees to Us and Our successors and assigns that the Business Entity will punctually pay and perform each and every undertaking, agreement, and covenant set forth in the Franchise Agreement; and (b) agrees to be personally bound by, and personally liable for the breach of, any provision in the Franchise Agreement, Including confidentiality and the non-competition provisions. Each Guarantor acknowledges and agrees that no subsequent amendment, modification, and/or extension of the Franchise Agreement by and between Us and the Business Entity will affect the enforcement or validity of this Guaranty.

2. Waivers. Each Guarantor waives: (a) acceptance and notice of acceptance by Us of Guarantor(s) obligations under this Guaranty; (b) notice of demand for payment of any indebtedness or nonperformance of any obligations guaranteed by Guarantor(s); (c) protest and notice of default to any party with respect to the indebtedness or nonperformance of any obligations guaranteed by Guarantor(s); (d) any right Guarantor(s) may have to require that an action be brought against the Business Entity or any other person as a condition of Guarantor(s) liability; (e) all rights to payments and claims for reimbursement or subrogation which Guarantor(s) may have against the Business Entity arising as a result of Guarantor(s)’ execution of and performance under this Guaranty; and (f) all other notices and legal or equitable defenses to which Guarantor(s) may be entitled in Guarantor(s)’ capacity as guarantors.

3. Consents and Agreements. Each Guarantor consents and agrees that: (a) Guarantor(s)’ direct and immediate liability under this Guaranty are joint and several; (b) Guarantor(s) must render any payment or performance required under the Franchise Agreement upon demand if the Business Entity fails or refuses punctually to do so; (c) Guarantor(s)’ liability will not be contingent or conditioned upon Our pursuit of any remedies against the Business Entity or any other person; (d) Guarantor(s)’ liability will not be diminished, relieved or otherwise affected by any extension of time, credit or other indulgence which We may from time to time grant to Business Entity or to any other person, including, without limitation, the acceptance of any partial payment or performance of the compromise or release of any claims (including the release of other guarantors) and no such indulgence will in any way modify or amend this Guaranty; and (e) this Guaranty will continue and is irrevocable during the term of the Franchise Agreement and, where required by the Franchise Agreement, after its termination or expiration.

4. Enforcement Costs. If We must enforce this Guaranty in any judicial or arbitration proceeding or any appeals, Guarantor(s) must reimburse Us for Our enforcement costs. Enforcement costs include reasonable fees from accountants, attorneys, attorney’s assistants, arbitrators, and expert witness fees, costs of investigation and proof of facts, court costs, arbitration filing fees, other litigation expenses and travel and living expenses, whether incurred before, in preparation for, or in contemplation of the filing of any written demand, claim, action, hearing or proceeding to enforce this Guaranty.

5. Disputes. Guarantor(s) acknowledge and represent that Guarantor(s) have had an opportunity to



review the Franchise Agreement and agree that the provisions of Article XVII (disputes and arbitration) of the Franchise Agreement have been reviewed by Guarantor(s) and by reference are incorporated herein and will govern this Guaranty and any disputes between Guarantor(s) and Us. Each Guarantor(s) irrevocably submits to the exclusive jurisdiction and venue of said arbitration and listed courts. Nevertheless, Guarantor(s) agree that We may also enforce this Guaranty and awards in the courts of the state or states in which a Guarantor(s) is domiciled. Each Guarantor will be held personally, jointly, and severally liable. Any settlement made between Us and the Business Entity, or between Us and another Guarantor, or any other determination made pursuant to this Agreement will be binding upon the Guarantor(s).

6. Counterparts. This Guaranty may be signed in counterparts including by electronic signatures and other electronic means, which will be deemed the same as an original signature and may be used for all purposes as if it were an original, and when said counterparts have been exchanged between the parties, they will be of full force and effect.

IN WITNESS WHEREOF, the Guarantor(s) have respectively signed and sealed this Guaranty effective as of the day and year first written above.

Guarantor(s)'s Signature

Address for Notice

By: _____
(Signature)

(Print Name)

Email: _____

By: _____
(Signature)

(Print Name)

Email: _____

By: _____
(Signature)

(Print Name)

Email: _____



**EXHIBIT “A-8”
TO THE FRANCHISE AGREEMENT
INSTALLMENT AGREEMENT**

This INSTALLMENT AGREEMENT (“Agreement”) is made and entered into on _____, by and between **Blue Eagle Franchising, LLC** (“Franchisor” and at times “We”, “Us” or “Our”), and _____, **LLC/Inc.** (“Franchisee” and at times “You” or “Your”).

RECITALS

A. You have applied for and desire to purchase a Blue Eagle Investigations® franchise to use Our trademarks, system and to operate a Blue Eagle Investigations® franchise at a location hereinafter set forth in accordance with the recitals, terms and conditions of Our current Blue Eagle Investigations® Franchise Agreement (“Franchise Agreement”), a copy of which was given You with the Franchise Disclosure Document more than 14 calendar days ago and is fully incorporated herein by reference, and this Agreement;

B. You declare that You have fully reviewed the Franchise Disclosure Document and familiarized Yourself with the essential aspects and purposes of the Blue Eagle Investigations® franchise and system developed and owned by Us and desire to enter into this Agreement as a result of such independent investigation and not as a result of any separate representations by Us, or Our agents officers or employees, and further You expressly acknowledge that no separate representations, promises or warranties of any kind, express or implied, have been made by Us, Our agents, officers or employees, to induce You to execute this Agreement;

C. Due to special circumstances, We have decided, in Our sole discretion, to allow you to pay up to 75% of the initial franchise fee in monthly installments rather than in one lump sum.

NOW, THEREFORE, in consideration of the mutual and reciprocal covenants, promises, recitals, terms and conditions herein contained, and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged by each party, the parties hereby agree as follows:

I. Terms of Payment

1.1 The total initial franchise fee that Franchisee will pay is \$____. Franchisee has agreed to pay the first payment of \$_____ at the time of signing the Franchise Agreement and the remaining \$_____ to be payable over time as set forth in the Promissory Note and Security Agreement, attached as Schedule 1 and Schedule 2 and by reference incorporated herein. In the event Franchisee Transfers its Franchise Agreement or the Franchise Agreement is Terminated prior to the last installment payment being received by Franchisor, this Installment Agreement and all Exhibits and Schedules shall be immediately due and payable to Franchisor.

[Signatures on Following Page]



IN WITNESS WHEREOF, the Franchisor and Franchisee have respectively signed this Installment Agreement as of the day and year first above written.

FRANCHISOR:

BLUE EAGLE FRANCHISING, LLC

(Signature)

Name: _____

Title: _____

FRANCHISEE:

(Signature)

Name: _____

Title: _____



**Schedule 1
To the Installment Agreement**

**PROMISSORY NOTE
(Secured)**

Principal Amount: \$ _____ Annual Interest Rate 8%
Effective Date: _____ (date Franchise Agreement was signed) Maturity Date:
Ten (10) years from the Effective Date

1. Promise to Pay

FOR VALUE RECEIVED, the undersigned _____ (“Maker”), promises to pay to the order of **Blue Eagle Franchising, LLC** (“Holder”) its successors or assigns, the principal sum of _____ DOLLARS (\$___ USD) together with interest, fees, and penalties on this promissory Note (“Note”) until paid in full as set forth below.

2. Interest Rate

This Note will bear interest of EIGHT PERCENT (8%) annually on the outstanding balance due. If a court of competent jurisdiction determines that any interest charged has exceeded the maximum rate allowed by law, the excess of the amount collected over the legal rate of interest will be applied to the indebtedness as a principal prepayment, retroactively, as of the date of receipt.

3. Installment Payments

Maker will pay Holder principal payments in monthly installments equal to FIVE PERCENT (5%) of Maker’s gross revenue (as defined in the Franchise Agreement) the first payment being due on _____. All installment payments will be paid in accordance with Holder’s then- current electronic funds transfer, ACH or other automatic withdrawal program or as specifically directed by Holder. The payments will be paid bimonthly on the 1st and 16th day of each month until this Note is paid in full. Installment payments not made within five (5) days of the due date will be assessed a late fee of \$50 per day and a monthly interest late charge equal to the maximum rate permitted under the state law or 1½ % per month (whichever is less) (the late fee and interest will be referred to herein as the “Default Rate”) will be payable on the outstanding payment due, calculated from the due date until paid in full.

4. Application of Payments and Prepayment

All payments hereunder will first be applied against late fees, interest, and other fees and costs (including, without limitation, attorney’s fees, court costs, and collection fees), then against principal. Maker will have the right, at its election, exercisable at any time, to prepay all or any portion of this Note, without prepayment penalty.

Holder may require payments to be made through a bank sweep, draft or other similar type of electronic funds transfer account in which Maker must deposit the required monthly payment, which account Holder may automatically access for any payment due to Holder. Notwithstanding anything to the contrary in this Note, in the event of a dispute regarding the amount withdrawn at any time, such dispute must be first discussed between the parties to this Note, and if not resolved, then by mediation in Overland Park, Kansas, and thereafter through the courts in Overland Park, Kansas.



5. Deadline

Maker will have not more than ten (10) years from the Effective Date to pay this Note in full, including outstanding fees (“Maturity Date”); however, it is anticipated that Maker will have this Note paid off in full prior to the Maturity Date and Maker understands and agrees that s/he or it has no rights to demand or request that payments be stalled, delayed or otherwise not made as set forth in this Note.

6. Loan Default and Acceleration

Maker will be considered in default (“Default”) if Maker is: 1) late on paying three (3) or more payments during the term of this Note (a payment is considered late if paid after any grace period); 2) if there are not sufficient funds for the ACH withdrawal three (3) or more times during the term of this Note; or 3) if the outstanding principal balance is not paid in full by the Maturity Date. Default will also mean any one of the following:

(a) Maker’s termination of its Blue Eagle Investigations® Franchise Agreement; (b) Maker’s breach of or violation of any other provision of this Note or Maker’s Franchise Agreement; (c) any representation or statement made or furnished to Holder by Maker or on Maker’s behalf is found to be false or misleading in any material respect either now or at the time made or furnished; (d) Maker becomes insolvent, a receiver is appointed for any part of Maker’s property, Maker makes an assignment for the benefit of creditors, or any proceeding is commenced either by Maker or against Maker, under any bankruptcy or insolvency laws; (e) the entry of any decree or order by a court having jurisdiction adjudging Maker a debtor or insolvent, or approving as properly filed a petition seeking reorganization, arrangement, adjustment under or composition of or in respect of the Maker the Bankruptcy Code or any other applicable federal or state law; (f) a material adverse change occurs in Maker’s financial condition or in the financial condition of any guarantor of this Note or Holder believes the prospect of payment or performance of the indebtedness is impaired; or (g) Holder in good faith deems itself insecure.

In the event of Default, if not cured within fifteen (15) days from the date of Default, then the entire unpaid balance on this Note together with the Default Rate will, at the election of the Holder hereof, upon written notice of said election being given to Maker, at once become due and payable, and Holder has the right to terminate the Franchise Agreement. Upon Default, Holder, in its sole discretion, may also terminate the Franchise Agreement. In addition, if Holder chooses not to terminate Maker’s Franchise Agreement for uncured Default of this Note, Holder will submit to the courts the confession of judgment Maker is required to sign with this Agreement for the payment on this Note.

In addition, upon Transfer of the Franchise Agreement or upon Termination of the Franchise Agreement prior to the Maturity Date, the entire unpaid balance on this Note together with the Default Rate will, at the election of the Holder hereof, upon written notice of said election being given to Maker, at once become due and payable.

7. Collection Costs

In event of any such Default or acceleration, the undersigned, agrees to pay to Holder hereof reasonable attorney’s fees, legal expenses and lawful collection costs incurred by Holder in addition to all other sums due hereunder, including fees on appeal whether or not such suit is prosecuted to judgment.



8. Security

This Note is secured by a Security Agreement of even date herewith.

9. Miscellaneous

9.1 Successors and Assigns. The terms of this Note are unconditional and apply to, inure to the benefit of, and bind all parties hereto, their successors and permitted assigns.

9.2 Assignment. This Note is freely transferable and assignable by Holder. This Note may not be assigned by Maker, whether by voluntary assignment or transfer, operation of law, merger or otherwise unless otherwise agreed to in writing by Holder.

9.3 Governing Law and Venue. This Note will be governed by and construed in accordance with the laws of the State of Kansas. Presentment, demand, protest, and extension of time without notice are hereby waived, and the undersigned consents to the release of any security, or any part thereof, with or without substitution. Maker, by its execution of this Note, hereby irrevocably submits to the in personam jurisdiction of the state courts of the State of Kansas and of the United States District Court for the District of Kansas that are located in Johnson County, Kansas, for the purpose of any suit, action or other proceeding arising out of or based upon this Note.

9.4 Attorney's Fees. In the event of Default, the Holder may collect reasonable attorney's fees and costs incurred in collecting the balance due under this Note and any action taken to foreclose on the collateral contained in the Security Agreement, incorporated by reference hereof.

9.5 Severability. The provisions hereof will be deemed independent and severable, and the invalidity or partial invalidity or unenforceability of any one provision or portion hereof will not affect the enforceability of any other provision hereof.

9.6 Counterparts. This Note may be executed in counterparts, including by means of telefaxed signature page, each of which will be deemed an original, but all of which together will constitute one and the same document.

9.7 Notice. All notices permitted or required under this Note will be in writing and will be delivered as follows with notice deemed given as indicated (i) by personal delivery when delivered personally, (ii) by overnight courier upon written verification of receipt, (iii) by e-mail, telecopy or facsimile transmission when confirmed by e-mail, telecopier or facsimile transmission, or (iv) by certified or registered mail, return receipt requested, three (3) days after deposit in the mail addressed as follows:

Holder: Blue Eagle Franchising, LLC 6709 W 119th St., #125
Overland Park, Kansas 66209
Email: sam@blueeagleinvestigations.com

Maker: _____

Email: _____

7.8 Time is of the Essence. Time and strict performance are of the essence in this Agreement.

7.9 Waivers. Maker (i) agrees that Holder may, without impairing any future right to insist on



strict and timely compliance with the terms of this Note, grant any number of extensions of time for the scheduled payments of any amounts due, and may make any other accommodation with respect to the indebtedness; and (ii) waives any right to require a marshaling of assets.

IN WITNESS WHEREOF, the Maker has executed and delivered this Note as of _____.

MAKER: _____

By: _____

Print Name: _____

Title: _____

PERSONAL GUARANTY

For valuable consideration, the receipt of which is hereby acknowledged, the undersigned, _____ (“Guarantor(s)”), personally and unconditionally guaranty payment of the above Promissory Note including costs and attorney’s fees, provided that Holder will first provide Guarantors with five (5) calendar days written notice of Default, effective upon mailing by certified mail, and an opportunity to cure any such Default within the notice period. The undersigned waive notice of acceptance, protest and notice of protest with respect to the above Promissory Note.

Effective as of the _____.

Guarantor(s)

Name: _____

By: _____
_____, Personally

Name: _____

By: _____
_____, Personally

Address for Notice

(include mailing address and email address)

(include mailing address and email address)



**Schedule 2
To the Installment Agreement**

SECURITY AGREEMENT

THIS SECURITY AGREEMENT dated as of _____ (“*Security Agreement*”), is made by _____ and _____, individually and jointly (“*Grantor*”), in favor of **Blue Eagle Franchising, LLC** (“*Secured Party*”).

Recitals

A. Secured Party and Grantor have entered into that certain Franchise Agreement of even date herewith (the “*Franchise Agreement*”), whereby Grantor desires to obtain a license to operate a Blue Eagle Investigations® franchise.

B. Secured Party has accepted as partial payment for the Franchise Agreement a Promissory Note of even date herewith, executed by Grantor in favor of Secured Party (the “*Note*”).

C. Secured Party is willing to accept the Note, but only upon the condition that Grantor will have executed and delivered to Secured Party this Security Agreement.

NOW, THEREFORE, in order to induce Secured Party to accept the Note and for other good and valuable consideration, the receipt and adequacy of which are hereby acknowledged, and intending to be legally bound, Grantor hereby represents, warrants, covenants and agrees as follows:

1. Defined Terms. When used in this Security Agreement the following terms will have the following meanings (such meanings being equally applicable to both the singular and plural forms of the terms defined):

“*Article 9*” means Article 9 of the UCC.

“*Collateral*” will have the meaning assigned to such term in Section 2 of this Security Agreement.

“*Contracts*” means all contracts (including any customer, vendor, supplier, service or maintenance contract), leases, licenses, undertakings, purchase orders, permits, Franchise Agreement or other agreements (other than any right evidenced by Chattel Paper, Documents or Instruments), whether in written or electronic form, in or under which Grantor now holds or hereafter acquires any right, title or interest, including, without limitation, with respect to an Account, any agreement relating to the terms of payment or the terms of performance thereof.

“*Event of Default*” means (i) any failure by Grantor forthwith to pay or perform any of the Secured Obligations, (ii) any report, information or notice made to, obtained or received by Secured Party at any time after the date hereof indicating that Secured Party’s security interest is not prior to all other security interests or other interests reflected in such report, information or notice, and (iii) any breach by Grantor of the Note, or any warranty, representation, or covenant set forth herein.

“*Lien*” means any mortgage, lien, deed of trust, charge, pledge, security interest or other encumbrance.

“*Permitted Lien*” means: (a) Liens for taxes, fees, assessments or other governmental charges or levies, either not delinquent or being contested in good faith by appropriate proceedings, provided the same have no priority over any of Secured Party’s security interests; (b) Liens (i) upon or in any real property held by Grantor;

or (ii) upon or in any Equipment acquired or held by Grantor to secure the purchase price of such Equipment or indebtedness incurred solely for the purpose of financing the acquisition of such Equipment or (iii) existing on such Equipment at the time of its acquisition, provided that the Lien is confined solely to the Equipment so acquired, improvements thereon and the Proceeds of such Equipment; (c) leases or subleases and licenses or sublicenses granted to others in the ordinary course of Grantor's business if such are otherwise permitted under this Security Agreement and do not interfere in any material respect with the business of Grantor; (d) any right, title or interest of a licensor under a license provided that such license or sublicense does not prohibit the grant of the security interest granted hereunder; (e) easements, reservations, rights-of-way, restrictions, minor defects or irregularities in title and other similar Liens affecting real property not interfering in any material respect with the ordinary conduct of the business of Grantor; (f) Liens in favor of customs and revenue authorities arising as a matter of law to secure payment of customs duties in connection with the importation of goods; (g) Liens arising solely by virtue of any statutory or common law provision relating to banker's liens, rights of setoff or similar rights and remedies as to deposit accounts or other funds maintained with a creditor depository institution; and (h) Liens incurred in connection with the extension, renewal or refinancing of the indebtedness secured by Liens of the type described in clause (b) above, provided that any extension, renewal or replacement Lien will be limited to the property encumbered by the existing Lien and the principal amount of the indebtedness being extended, renewed or refinanced does not increase.

"Proceeds" means and includes everything acquired on the sale, lease, or other disposition of property, whatever is collected on or distributed on account of Collateral, rights arising out of Collateral, and certain claims arising out of the Collateral.

"Secured Obligations" means (a) the obligation of Grantor to repay Secured Party all of the unpaid principal amount of the Note, and accrued interest thereon, if any (including any interest that accrues after the commencement of bankruptcy); (b) the obligation of Grantor to pay any fees, costs and expenses of Secured Party under the Note or under Section 5 hereof; and (c) all other indebtedness, liabilities and obligations of Grantor to Secured Party, whether now existing or hereafter incurred, and whether created under, arising out of or in connection with any written agreement or otherwise.

"Secured Party" is Blue Eagle Franchising, LLC and its use is given the definition set forth in the UCC as in effect in the State of Kansas on the date hereof.

"Security Agreement" means this Security Agreement and all Schedules hereto, as the same may from time to time be amended, modified, supplemented or restated.

"Security Interest" means any liens and collateral security for the obligations of Maker identified in the installment agreement.

"UCC" means the Uniform Commercial Code as the same may from time to time be in effect in the State of Kansas (and each reference in this Security Agreement to an Article thereof will refer to that Article as from time to time in effect, which will include and refer to Article 9); *provided, however*, in the event that, by reason of mandatory provisions of law, any or all of the attachment, perfection or priority of Secured Party's security interest in any Collateral is governed by the Uniform Commercial Code as in effect in a jurisdiction other than the State of Kansas, the term "UCC" will mean the Uniform Commercial Code (including the Articles thereof) as in effect at such time in such other jurisdiction for purposes of the provisions hereof relating to such attachment, perfection or priority and for purposes of definitions related to such provisions.

In addition, the following terms will be defined terms having the meaning set forth for such terms in the UCC: "Account", "Chattel Paper" (including tangible and electronic chattel paper), "Equipment" (including all accessions and additions thereto), "Fixtures", "General Intangible" (including payment intangibles and software), "Instrument", "Inventory" (including all goods held for sale or lease or to be

furnished under a contract of service, and including returns and repossessions), and “Proceeds”. Each of the foregoing defined terms will include all of such items now owned, or hereafter acquired, by Grantor.

2 Grant of Security Interest. As collateral security for the full, prompt, complete and final payment and performance when due (whether at stated maturity, by acceleration or otherwise) of all the Secured Obligations and in order to induce Secured Party to cause the Note to be made, Grantor hereby assigns, conveys, mortgages, pledges, hypothecates and transfers to Secured Party, and hereby grants to Secured Party, a security interest in all of Grantor’s right, title and interest in, to and under the following, whether now owned or hereafter acquired, (all of which being collectively referred to herein as the “Collateral”):

- (a) All Accounts of Grantor;
- (b) All Chattel Paper of Grantor;
- (c) All Contracts for Investigative Services of Grantor, whether under the Blue Eagle Investigations® name or business, or the name and/or business of any other company owned entirely or in part by Grantor (including without limitation, Contracts offered or performed under or by those entities and businesses set forth on Schedule 1 to this Security Agreement) and whether existing at the time of this Security Agreement or after termination of the Franchise Agreement so long as this Security Agreement is in effect;
- (d) All Equipment of Grantor;
- (e) All Fixtures of Grantor;
- (f) All Inventory of Grantor;
- (g) Real Property owned, acquired, existing now or hereafter by Grantor or a company owned all or in part by Grantor;
- (h) All payments made by the customers and clients participating in or enrolled in Grantor’s Blue Eagle Investigations® Franchise Business;
- (i) To the extent that such rights are assignable, all of Grantor’s other goods and personal property of Grantor, wherever located, whether tangible or intangible personal property, including, without limitation, all present and future accounts, contract rights, permits, licenses, general intangibles, chattel paper, documents, and instruments, now owned or hereafter acquired, existing, leased, or consigned by or to Grantor, or in the name of, or owned all or in part by Grantor; and
- (j) To the extent not otherwise included, all Proceeds of each of the foregoing and all accessions to, substitutions and replacements for and rents, profits and products of each of the foregoing.

Notwithstanding the foregoing provisions of this Section 2, the grant, assignment and transfer of a security interest as provided herein will not extend to, and the term “*Collateral*” will not include any Contract, Instrument or Chattel Paper in which Grantor has any right, title or interest if and to the extent such Contract, Instrument or Chattel Paper includes a provision containing a restriction on assignment such that the creation of a security interest in the right, title or interest of Grantor therein would be prohibited and would, in and of itself, cause or result in a default thereunder enabling another person party to such Contract, Instrument or Chattel Paper to enforce any remedy with respect thereto; *provided* that the foregoing exclusion will in no way be construed so as to limit, impair or otherwise affect Secured Party’s unconditional continuing security interest in and to all rights, title and interests of Grantor in or to any payment obligations or other rights to receive monies due or to become due under any such Contract, Instrument or Chattel Paper and in any such monies and other proceeds of such Contract, Instrument or Chattel Paper.

3 Representations And Warranties. Grantor hereby represents and warrants to Secured Party that:

- (a) Except for the Security Interest granted to Secured Party under this Security Agreement and Permitted Liens, Grantor is the sole legal and equitable owner or, has the power to transfer each item of the Collateral in which it purports to grant a security interest hereunder, having good and marketable title thereto



or the power to transfer, free and clear of any and all Liens except for Permitted Liens.

(b) No effective security agreement, financing statement, equivalent security or lien instrument or continuation statement covering all or any part of the Collateral exists, except such as may have been filed by Grantor in favor of Secured Party pursuant to this Security Agreement except for Permitted Liens.

(c) This Security Agreement creates a legal and valid security interest on and in all of the Collateral in which Grantor now has rights, and all filings and other actions necessary or desirable to perfect and protect such security interest have been duly taken. Accordingly, Secured Party has a fully perfected first priority security interest in all of the Collateral in which Grantor now has rights subject only to Permitted Liens. This Security Agreement will create a legal, valid and fully perfected first priority security interest in the Collateral in which Grantor later acquires rights, when Grantor acquires those rights subject only to Permitted Liens.

4 Covenants. Grantor covenants and agrees with Secured Party that from and after the date of this Security Agreement and until the Secured Obligations have been performed and paid in full:

4.1 **Disposition of Collateral.** Grantor will not sell, lease, transfer or otherwise dispose of any of the Collateral, or attempt or contract to do so, other than; (a) the sale of Inventory; or (b) the disposal of worn-out or obsolete Equipment, all in the ordinary course of Grantor's business.

4.2 **Insurance.** Grantor will maintain insurance policies insuring the Collateral against loss or damage from such risks and in such amounts and forms and with such companies as are customarily maintained by businesses similar to Grantor.

4.3 **Taxes, Assessments, Etc.** Grantor will pay promptly when due all property and other taxes, assessments and government charges or levies imposed upon, and all claims (including claims for labor, materials and supplies) against, the Equipment, Fixtures or Inventory, except to the extent the validity thereof is being contested in good faith and adequate reserves are being maintained in connection therewith.

4.4 **Maintenance of Records.** Grantor will keep and maintain at its own cost and expense satisfactory and complete records of the Collateral during the term of this Agreement and for one (1) year thereafter.

5. Rights And Remedies Upon Default.

(a) Beginning on the date which is five (5) days after any Event of Default will have occurred and while such Event of Default is continuing, Secured Party may exercise, in addition to all other rights and remedies granted to it under this Security Agreement, the Note and under any other instrument or agreement securing, evidencing or relating to the Secured Obligations, all rights and remedies of a secured party under the UCC.

(b) Grantor hereby waives presentment, demand, protest or any notice (to the maximum extent permitted by applicable law) of any kind in connection with this Security Agreement or any Collateral.

(c) Unless the Secured Party otherwise agrees, Secured Party has the right to sell all or any part of the Collateral all Proceeds received by Secured Party from the sale, disposition, collection, or other realization upon all or any part of the Collateral (net of the actual unreimbursed out-of-pocket costs incurred by Secured Party in connection with such sale, collection or other realization) and all payments to Secured Party to reimburse it for certain expenses as provided herein if Grantor cannot pay 100% of the demanded expense amounts shall be distributed to Secured Party. Only in the event Secured Party agrees in writing to another arrangement for the distribution of Proceeds, such Proceeds will be distributed by Secured Party in the

following order of priorities:

First, to Secured Party in an amount sufficient to pay in full the reasonable costs of Secured Party in connection with such sale, disposition or other realization, including all reasonable fees, costs, expenses, liabilities and advances incurred or made by Secured Party in connection therewith, including, without limitation, reasonable attorneys' fees;

Second, to Secured Party in an amount equal to the then unpaid Secured Obligations;
and

Finally, upon payment in full of the Secured Obligations, to Grantor or its representatives, in accordance with the UCC or as a court of competent jurisdiction may direct.

6 Reinstatement. This Security Agreement will remain in full force and effect and continue to be effective should any petition be filed by or against Grantor for liquidation or reorganization, should Grantor become insolvent or make an assignment for the benefit of creditors or should a receiver or trustee be appointed for all or any significant part of Grantor's property and assets, and will continue to be effective or be reinstated, as the case may be, if at any time payment and performance of the Secured Obligations, or any part thereof, is, pursuant to applicable law, rescinded or reduced in amount, or must otherwise be restored or returned by any obligee of the Secured Obligations, whether as a "voidable preference," "fraudulent conveyance," or otherwise, all as though such payment or performance had not been made. In the event that any payment, or any part thereof, is rescinded, reduced, restored or returned, the Secured Obligations will be reinstated and deemed reduced only by such amount paid and not so rescinded, reduced, restored or returned.

7. Remedies

7.1 Non-Judicial Remedies. In granting to Secured Party the power to enforce its rights hereunder without prior judicial process or judicial hearing, Grantor expressly waives, renounces and knowingly relinquishes any legal right which might otherwise require Secured Party to enforce its rights by judicial process. In so providing for non-judicial remedies, Grantor recognizes and concedes that such remedies are consistent with the usage of trade, are responsive to commercial necessity, and are the result of a bargain at arm's length. Nothing herein is intended to prevent Secured Party or Grantor from resorting to judicial process at any party's option.

7.2 Cumulative Remedies. The rights and remedies hereunder provided are cumulative and may be exercised singly or concurrently and are not exclusive of any rights and remedies provided by law. None of the terms or provisions of this Security Agreement may be waived, altered, modified or amended except by an instrument in writing, duly executed by Grantor and Secured Party.

8. Miscellaneous

8.1 No Waiver. Each and every such right, power and remedy may be exercised from time to time and as often and in such order as may be deemed expedient by Secured Party and the exercise of any such right, power or remedy shall not be deemed a waiver of the right to exercise, at the same time or thereafter, any other right, power or remedy. No act, delay, omission or otherwise by Secured Party or other person or entity in the exercise of any right, power, or remedy will impair any such right, power or remedy or operate as a waiver thereof or of any other right, power or remedy then or thereafter existing.

8.2 Termination of this Security Agreement. This Security Agreement will terminate upon the payment and performance in full of the Secured Obligations.

8.3 **Successor and Assigns.** This Security Agreement and all obligations of Grantor hereunder will be binding upon the successors and assigns of Grantor, and will, together with the rights and remedies of Secured Party hereunder, inure to the benefit of Secured Party, any future holder of any of the indebtedness and their respective successors and assigns. No sales of participations, other sales, assignments, transfers or other dispositions of any agreement governing or instrument evidencing the Secured Obligations or any portion thereof or interest therein will in any manner affect the lien granted to Secured Party hereunder.

8.4 **Governing Law.** In all respects, including all matters of construction, validity and performance, this Security Agreement and the Secured Obligations arising hereunder will be governed by, and construed and enforced in accordance with, the laws of the State of Kansas.

IN WITNESS WHEREOF, each of the parties hereto has caused this Security Agreement to be executed and delivered by its duly authorized officer on the date first set forth above.

Secured Party: Blue Eagle Franchising, LLC **Grantor:** _____

By: _____	Print	By: _____
Name: _____		Print Name: _____
Title: _____		Title: _____

(Individual owner)
By: _____
Print Name: _____



Schedule 3
To the Security Agreement
Entities Offering Investigative Services

The following entities or businesses owned all or in part by Grantor and which offer investigative services:

Name of Entity/Business	Address for Business	of Operations and Registration

Grantor's Initials

Grantor's Initials



Confession of Judgment



**IN THE DISTRICT COURT OF JOHNSON COUNTY, KANSAS
TENTH JUDICIAL DISTRICT**

BLUE EAGLE FRANCHISING, LLC)
)
Plaintiff,)
)
v.)
)
 _____)
Serve:)
 _____)
 _____)
and)
)
 _____)
Limited liability company)
Serve:)
 _____)
 _____)
Defendants.)

Case No.:
Division No.:
**AFFIDAVIT FOR
CONFESSION OF JUDGMENT**

Affidavit for Confession of Judgment for Money Due

STATE OF _____ :
 _____ : .ss
 COUNTY OF _____ :
 _____ :

On the ___ day of _____, being duly sworn, personally appeared before me, ___, and as manager of _____, and who appeared personally on his own behalf, deposes and says,

1. _____ resides at _____; and
2. The principal business address for _____, LLC, a _____ limited liability company is _____; and
3. Defendants ___ and _____, LLC hereby confess judgment in this Court in favor of the Plaintiff, Blue Eagle Franchising, LLC, for the sum of _____ Dollars (\$_), plus legal fees and costs associated in enforcing this Confession of Judgment, and hereby authorize Plaintiff, or their heirs, executors, administrators, or assigns, to enter Judgment for that sum against Defendants.



-

- 4. This confession of judgment is for a debt justly due to Plaintiff arising out of an Installment Agreement, and accompanying Promissory Note and Security Agreement that was signed on____, and is related to the obtaining of a franchise agreement from Plaintiff.
- 5. This confession of judgment is not for the purpose of securing Plaintiffs against contingent liability.

_____, personally

Sworn and subscribed before me, this _____ day of _____, 20__.

NOTARY PUBLIC

My Commission Expires:

_____, on behalf of _____, LLC

Its Authorized Representative

Sworn and subscribed before me, this _____ day of _____, 20__.

NOTARY PUBLIC

My Commission Expires:

**EXHIBIT “A-9”
TO THE FRANCHISE AGREEMENT**

DIGITAL, SOCIAL MEDIA, AND LISTINGS AUTHORIZATION FOR ASSIGNMENT

This DIGITAL, SOCIAL MEDIA, AND LISTINGS ASSIGNMENT AUTHORIZATION (“Assignment”) is made and entered into as of the Effective Date (defined below), by and between the undersigned Franchisee and Blue Eagle Franchising, LLC (“Franchisor”).

RECITALS

WHEREAS, Franchisee has entered into a franchise agreement with (“Franchise Agreement”); and

WHEREAS, as part of the Franchise Agreement, Franchisee is granted limited rights to use the Blue Eagle Investigations® trademarks, trade names, trade dress, and other associated intellectual property (collectively, the “Marks”) in conjunction with Franchisee’s Franchise Business; and

WHEREAS, all capitalized terms used, but not defined, herein will have the respective meanings assigned to them pursuant to the Franchise Agreement.

NOW, THEREFORE, in consideration of the mutual covenants, agreements, recitals, obligations, terms and conditions herein contained, and the acts to be performed by the respective parties hereto, the parties hereto agree as follows:

1. Franchisee hereby assigns all rights and interest, Including all associated goodwill, in the Social Media and other digital media accounts used in the Franchise Business or used or created in any way by Franchisee or third parties to promote or use the Marks, Including, Franchisee’s Facebook, Instagram, Tik-Tok, Pinterest, Google listings, Twitter, LinkedIn, Tumblr, email accounts and the like (collectively the “Social Media Accounts”). Franchisee shall take all action necessary to grant exclusive access of the Social Media Accounts to Franchisor, including providing all passwords and administrative access to such Social Media Accounts.

2. Franchisee hereby assigns and transfers, (or in Franchisor’s sole discretion disconnects) the telephone listings, telephone numbers, Including the telephone number(s) listed on Marketing and Social Media Accounts, URL’s, Internet sites, and web pages used in the Franchise Business or used or created in any way by Franchisee or third parties to promote or use the Marks to Franchisor (individually a “Listing” and collectively the “Listings”).

3. Franchisee represents, warrants, and covenants the following with regard to the Social Media Accounts and Listings:

a. Franchisee has the right to assign the Social Media Accounts and Listings, and they are free and clear of all liens and encumbrances.

b. Franchisee shall not, after Termination of the Franchise Agreement attempt to access, control, interfere with, or obstruct the Social Media Accounts and/or Listings.

c. Franchisee shall not prevent or hinder Franchisor from enforcing its rights in or to the assigned Social Media Accounts and/or Listings.



d. Franchisee has not taken, or permitted, and shall not take or permit any action that would prevent Franchisor from enjoying the full benefits of assignment of the Social Media Accounts and/or Listings to Franchisor hereunder whether during the term or after the Termination of the Franchise Agreement.

4. Franchisee hereby directs and authorizes each company associated with, or in control of, the Social Media Accounts and/or Listings to assign, transfer, set over and otherwise authorize Franchisor to take over and control the Social Media Accounts and Listings. If necessary, Franchisee shall execute all documents required by Franchisor to give effect to the assignment of the Social Media Accounts and Listings to Franchisor hereunder.

5. This Assignment applies to all Social Media Accounts and Listings regardless of whether Franchisee is allowed to manage under the Franchise Agreement or was allowed to create, use, manage, or even own Social Media Accounts and/or Listings in the past. To the extent Franchisor does not currently have administrative access to a Social Media Account or Listing of Franchisee, Franchisee shall immediately grant Franchisor such access.

6. Franchisor hereby appoints Franchisor as its attorney-in-fact for the above transfers, which appointment is coupled with an interest.

7. This Assignment is binding upon the heirs, administrators, personal representatives, assigns and successors in interest to the parties hereto.

8. This Assignment is governed, construed and interpreted in accordance with the laws of the state of Kansas without giving effect to its conflicts of law provisions.

9. This Assignment may be signed in counterparts by facsimile, electronic signature, or scanned and emailed signature, or similar electronic means, which will be deemed the same as an original signature and may be used for all purposes as if it were an original.

FRANCHISEE:

FRANCHISOR:

Blue Eagle Franchising, LLC

(Signature)

(Signature)

Name: _____

Name: _____

Title: _____

Title: _____

Date: _____

Date: _____



EXHIBIT "A-10"
TO THE FRANCHISE AGREEMENT

FRANCHISEE REPORT

We will not ask You to complete the Franchise Report, and We will disregard any answers from You, if You live or plan to operate Your Franchise Business in the states of California, Hawaii, Illinois, Indiana, Maryland, Michigan, Minnesota, New York, North Dakota, Rhode Island, South Dakota, Virginia, Washington, Wisconsin.

Please review each of the following questions carefully and provide honest responses to each question.

1. If You have received any oral, written, visual or other claim, guarantee or representation of any sort by Us which stated or suggested any specific level or range of actual or potential sales, income, expenses, profits, cash flow, by any person or entity, except for information (if any) expressly set forth in Item 19 of the Franchisor's Disclosure Document (or an exhibit referred to therein), please describe what You received and if known, from whom You received the information. If none, please write "none."

2. If You have received any information or representations inconsistent with the statements in the FDD or Franchise Agreement, please list those below. If none, please write "none."

FRANCHISEE:

By: _____

Name: _____

Title: _____

Date: _____



**EXHIBIT “A-11”
TO THE FRANCHISE AGREEMENT
STATE ADDENDA**



**ADDENDUM TO THE FRANCHISE AGREEMENT
FOR THE STATE OF CALIFORNIA**

The registration of this franchise offering by the California Department of Financial Protection and Innovation does not constitute approval, recommendation, or endorsement by the commissioner.

1. The California Franchise Relations Act, Business and Professions Code Sections 20000 through 20043 provide rights to the franchisee concerning termination, transfer, or non-renewal of a franchise. If the franchise agreement contains a provision that is inconsistent with California law, California law controls.
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 contains a covenant not to compete which extends beyond the termination of the franchise. This provision may not be enforceable under California law.
4. The franchise agreement contains a liquidated damages clause. Under California Civil Code Section 1671, certain liquidated damages clauses are unenforceable.
5. The franchise agreement requires binding arbitration. The arbitration will occur at Johnson County, Kansas with the costs being borne by you for travel to, and lodging in, Johnson County, Kansas and other costs associated with arbitration. Prospective franchisees are encouraged to consult private legal counsel to determine the applicability of California and Federal laws (this or these as Business and Professions Code Section 20040.5, Code of Civil Procedure Section 128a, and the Federal Arbitration Act) to any provisions of a franchise agreement restricting venue to a forum outside the State of California.
6. The franchise agreement requires application of the laws of Kansas, but the California franchise laws may prevail in some instances. Prospective franchisees are encouraged to consult private legal counsel to determine the applicability of California laws.
7. You must sign a general release if you transfer, renew or terminate your franchise. California Corporations Code 31512 voids a waiver of your rights under the Franchise Investment Law (California Corporations Code 31000 through 31516). Business and Professions Code 20010 voids a waiver of your rights under the Franchise Relations Act (Business and Professions Code 20000 through 20043).
8. The franchise agreement provides for waiver of a jury trial. This may not be enforceable in California.
9. Section 31512.1 Franchise Agreement Provisions Void as Contrary to Public Policy. Any provision of a franchise agreement, franchise disclosure document, acknowledgement, questionnaire, or other writing, including any exhibit thereto, disclaiming or denying any of the following shall be deemed contrary to public policy and shall be void and unenforceable:
 - (a) Representations made by the franchisor or its personnel or agents to a prospective franchisee.
 - (b) Reliance by a franchisee on any representations made by the franchisor or its personnel or agents.
 - (c) Reliance by a franchisee on the franchise disclosure document, including any exhibit thereto.
 - (d) Violations of any provision of this division.



10. Franchisees owners must sign a personal guaranty, making you and your spouse individually liable for your financial obligations under the agreement if you are married. The guaranty will place your and your spouse's marital and personal assets at risk, perhaps including your house, if your franchise fails.

11. Late Fees in Exhibit "A-3" is amended to include the following: "The highest interest rate allowed in California is 10% annually."

12. Paragraph 4.1 is amended to remove the following language, "Although We must approve of Your site, We do not warrant or guarantee the success of the site."

13. Paragraph 20.10 is amended to remove the following language, "You represent and acknowledge that no agreements, representations, negotiations, promises, commitments, inducements, assurances, terms, conditions, or covenants of any nature exist between You and Us except as specifically set forth in this Agreement, whether pertaining to this Agreement or to any future, further or additional rights of either You or Us."

14. Paragraphs 20.14 and 20.18 are not enforceable in the state of California.

The last three paragraphs of the franchise agreement, in bold above the signature lines, are not enforceable in the state of California.



**ADDENDUM TO THE FRANCHISE AGREEMENT
FOR THE STATE OF MARYLAND**

This Addendum dated _____, 20____, by and between Blue Eagle Franchising, LLC a limited liability company/corporation, hereinafter referred to as “Franchisor” and _____, LLC/Inc., hereinafter referred to as “Franchisee.”

1. A franchisee may bring a lawsuit in Maryland for claims arising under the Maryland Franchise Registration and Disclosure Law.

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

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

4. 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.

5. This franchise agreement provides that disputes are resolved through arbitration. A Maryland franchise regulation states that it is an unfair or deceptive practice to require a franchisee to waive its right to file a lawsuit in Maryland claiming a violation of the Maryland Franchise Law. In light of the Federal Arbitration Act, there is some dispute as to whether this forum selection requirement is legally enforceable.

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

7. Section 20.14 of the franchise agreement regarding representations and Section 20.18 of the franchise agreement regarding acknowledgement of receipt of the FDD are not applicable to franchisees in Maryland.

8. Except as expressly amended or modified herein, all terms, provisions and conditions of the original Franchise Agreement shall remain in full force and effect. In the event of a conflict or inconsistency between the provisions of this Addendum and any provisions of the original Franchise Agreement, the provisions hereof shall in all respects govern and control.

[Remainder of page intentionally left blank; signatures follow on next page]



IN WITNESS WHEREOF, and by their signatures below, the Parties hereto acknowledge that they have read, understand and agree to all of the terms and provisions of this Agreement and have caused this Agreement to be effective as of the date listed above with the full authority of the Company principal they represent.

FRANCHISOR:

BLUE EAGLE FRANCHISING, LLC

By: _____
(Signature)

Name: _____

Title: _____

FRANCHISEE:

_____, **LLC/INC.**

By: _____
(Signature)

Name: _____

Title: _____



**ADDENDUM TO THE FRANCHISE AGREEMENT
FOR THE STATE OF MINNESOTA**

The disclosure document, franchise agreement, and other related agreements are amended to conform to the following:

1. Governing law, choice of forum, and jurisdiction and venue provisions of the disclosure document and franchise agreements are amended to include the following:

Minnesota statute 80C.21 and Minnesota Rule 2860.4400J prohibit us from requiring litigation to be conducted outside Minnesota. In addition, nothing in the disclosure document or agreement 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 or the jurisdiction.

2. With respect to franchises governed by Minnesota law, the franchisor will comply with Minn. Stat. 80C.14, subdivisions 3, 4 and 5 which require, except in certain specified cases, that a franchisee be given 90 days' notice of termination (with 60 days to cure) and 180 days' notice for non-renewal of the franchise agreement; and that consent to the transfer of the franchise will not be unreasonably withheld.
3. As required by the Minnesota Franchise Act, Minn. Stat. Sec. 80C.12(g), franchisor will reimburse the franchisee for any costs incurred by the franchisee in the defense of the franchisee's right to use the Marks, so long as the franchisee was using the Marks in the manner authorized by franchisor, and so long as franchisor is timely notified of the claim and is given the right to manage the defense of the claim including the right to compromise, settle or otherwise resolve the claim, and to determine whether to appeal a final determination of the claim.
4. Minnesota Rule Part 2860.4400J prohibits requiring a franchisee from waiving his rights to a jury trial or waiving his rights to any procedure, forum, or remedies provided for by the laws of Minnesota, or consenting to liquidated damages, termination penalties or judgment notes.
5. Minn. Rule 2860.4400D prohibits a franchisor from requiring a franchisee to assent to a general release.
6. Any limitation of claims must comply with Minn. Stat. 80C.17, subdivision 5.
7. Any fee regarding insufficient funds for a dishonored check must comply with Minn. Stat. § 604.113, subdiv. 2(a), which puts a cap of \$30 on service charges.
8. No statement, questionnaire, or acknowledgement signed or agreed to by a franchisee in connection with the commencement of the franchise relationship shall have the effect of (i) waiving any claims under any applicable state franchise law, including, fraud in the inducement, or (ii) disclaiming reliance on any statement made by any franchisor, franchise seller, or other person acting on behalf of the franchisor. This provision supersedes any other term of any document executed with the franchise.

Franchisee (Signature) _____



**ADDENDUM TO THE FRANCHISE AGREEMENT
FOR THE STATE OF NORTH DAKOTA**

This Addendum to the Franchise Agreement is agreed to this ___ day of _____, 20___, between BLUE EAGLE FRANCHISING, LLC and _____ to amend and revise said Franchise Agreement as follows:

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

- No general release shall be required as a condition of renewal and/ or transfer which is intended to exclude claims arising under North Dakota Franchise Investment Law.
- In case of any enforcement action, the prevailing party is entitled to recover all costs and expenses including attorney's fees.
- The statute of limitations under North Dakota Law will apply.
- Covenants not to compete upon termination or expiration of the Franchise Agreement are generally unenforceable in the State of North Dakota except in limited instances as provided by law.
- A provision requiring litigation or arbitration to be conducted in a forum other than North Dakota is void with respect to claims under North Dakota Law.
- In the event of a conflict of laws, North Dakota Law will control.
- Franchise may not assent to a waiver of exemplary or punitive damages.
- Franchisee may not assent to a waiver of jury trial, waiver of rights to exemplary or punitive damages, or waiving his rights to any procedure, forum, or remedies provided for by the laws of North Dakota, or consenting to liquidated damages, termination penalties or judgment notes.

2. Each provision of this Addendum shall be effective only to the extent that the jurisdictional requirements of the North Dakota Law applicable to the provisions are met independent of this Addendum. To the extent this Addendum shall be inconsistent with any terms or conditions of said Franchise Agreement or exhibits or attachments thereto, the terms of this Addendum shall govern.

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



IN WITNESS WHEREOF, each of the undersigned hereby acknowledges having read this Addendum understands and consents to be bound by all of its terms.

Blue Eagle Franchising, LLC

Franchisee: _____

By: _____

By: _____

Title: _____

Title: _____



**ADDENDUM TO THE FRANCHISE AGREEMENT
FOR THE STATE OF WISCONSIN**

The following shall apply to Franchise Agreements in the State of Wisconsin:

- a. The Wisconsin Fair Dealership Act, Wisconsin Statutes, Chapter 135 (the “Act”), shall apply to and govern the provisions of Franchise Agreements issued in the State of Wisconsin.

- b. The Act’s requirements, including that in certain circumstances a Franchisee receive ninety (90) days’ notice of termination, cancellation, non-renewal or substantial change in competitive circumstances, and sixty (60) days to remedy claimed deficiencies, shall supersede the provisions of Section VIII of the Franchise Agreement to the extent they may be inconsistent with the Act’s requirements.



**EXHIBIT “B”
TO THE FDD**

**FINANCIAL STATEMENTS
(Attached)**

December 31, 2023

December 31, 2022

December 31, 2021

BLUE EAGLE FRANCHISING, LLC
Overland Park, Kansas

FINANCIAL STATEMENTS
AND
INDEPENDENT AUDITOR'S REPORT

For the year ended
December 31, 2023

BLUE EAGLE FRANCHISING, LLC

CONTENTS

	<u>Page</u>
INDEPENDENT AUDITOR'S REPORT	1
FINANCIAL STATEMENTS	
BALANCE SHEET	3
INCOME STATEMENT	4
STATEMENT OF CASH FLOWS	5
NOTES TO FINANCIAL STATEMENTS	6

INDEPENDENT AUDITOR'S REPORT

Blue Eagle Franchising LLC
Stu Macfarlane
Overland Park, KS

We have audited the accompanying financial statements of Blue Eagle Franchising LLC which are comprised of the balance sheet as of December 31, 2023, and the related statements of income and cash flows for the year then ended, and the related notes to the financial statements.

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

Basis for Opinion

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

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of 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 Blue Eagle Franchising LLC's ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

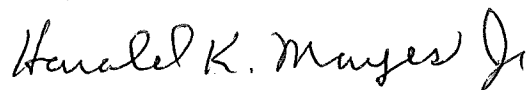
Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with 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 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 Blue Eagle Franchising LLC's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about Blue Eagle Franchising LLC's ability to continue as a going concern for a reasonable period of time.

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



Harold K. Mayes Jr. CPA
Agler & Gaeddert, Chartered
March 15, 2024

BLUE EAGLE FRANCHISING LLC

BALANCE SHEET

December 31, 2023

ASSETS

Current Assets

Cash and Cash Equivalents \$ 5,474

Total Current Assets 5,474

Other Non-Current Assets

Loans Receivable - Loans to Others 651,145

Property and Equipment

Vehicles 43,499

Less Accumulated Depreciation (18,578)

Total Property and Equipment 24,921

Total Assets \$ 681,540

LIABILITIES AND EQUITY

Liabilities

Accounts Payable \$ 0

Total Liabilities 0

Equity

Retained Earnings 681,540

Total Equity 681,540

Total liabilities and owners equity \$ 681,540

The accompanying notes are an integral part of this financial statement.

BLUE EAGLE FRANCHISING LLC
INCOME STATEMENT

For the year ended December 31, 2023

Revenue	
Franchise Fees	\$ 37,801
Loan Interest	<u>26,852</u>
Total Revenue	<u>64,653</u>
Expenditures	
Advertising and Promotion	350
Automobile Expense	4,713
Bad Debt Expense	17,938
Bank Service Charges	35
BEI Charge	1,078
Business Licenses & Permits	582
Dues and Subscriptions	4,491
Insurance	2,500
Mail	37
Meals and Entertainment	249
Miscellaneous Expense	126
Office Supplies	101
Professional Fees - Legal	8,756
Records	22
Travel Expense	256
Depreciation	<u>5,437</u>
Total Expenditures	<u>46,671</u>
NET INCOME	<u>17,982</u>
EQUITY AT BEGINNING OF YEAR	<u>663,558</u>
EQUITY AT END OF YEAR	<u>\$ 681,540</u>

The accompanying notes are an integral part of this financial statement.

BLUE EAGLE FRANCHISING LLC
STATEMENT OF CASH FLOWS

For the year ended December 31, 2023

CASH FLOWS FROM OPERATING ACTIVITIES	
Cash received from customers	\$ 37,801
Cash paid to suppliers and vendors	(23,898)
Loan Interest	<u>26,852</u>
Net cash provided by operating activities	<u>40,755</u>
CASH FLOWS FROM FINANCING ACTIVITIES	
Franchise fees - loan principal	20,409
Franchise loan	<u>(65,698)</u>
Net cash provided by (used in) financing activities	<u>(45,289)</u>
	(4,534)
Cash - beginning of year	<u>10,008</u>
Cash - end of year	<u><u>\$ 5,474</u></u>
Reconciliation of net income to net cash provided by operating activities:	
Net income	\$ 17,982
Adjustments to reconcile net income to net cash provided by operating activities:	
Depreciation	5,437
Bad debts	17,938
Increase(decrease) in payables	<u>(602)</u>
Net cash provided by operating activities	<u><u>\$ 40,755</u></u>

The accompanying notes are an integral part of this financial statement.

BLUE EAGLE FRANCHISING, LLC

NOTES TO FINANCIAL STATEMENTS

For the year ended December 31, 2023

NOTE A – ORGANIZATION AND OPERATIONS

Blue Eagle Franchising LLC, a Kansas LLC, is owned 100% by Stu Macfarlane. Blue Eagle will not book engagements for the franchisees, they will only receive revenue and pay expenses. Blue Eagle will receive 20% of revenues and the franchisees will receive 80%. The franchisees will maintain their own licenses in the states they practice in, and all Blue Eagle income will be Kansas source franchise income.

Blue Eagle is a private investigation firm that conducts insurance fraud investigations, including surveillance, for insurance companies, third-party administrators, self-insured companies, and their defense counsel.

NOTE B - SUMMARY OF ACCOUNTING POLICIES

A summary of the LLC's accounting policies consistently applied in the preparation of the accompanying financial statements follows.

1. Basis of accounting

Financial statements are presented under generally accepted accounting principles and the accrual basis of accounting. Under this basis of accounting the LLC recognizes income as earned and as payments are made on the loans.

2. Revenue recognition

Royalties and marketing fund fees are due on the 15th and the last day of the month in accordance with current electronic funds transfer, ACH or other automatic withdrawal program or as directed by the LLC. Revenues are recognized at the time of the transfer, ACH or other automatic withdrawal program.

3. Allowance for doubtful accounts

The LLC recognizes bad debts at the time the "loan" for the franchise becomes uncollectible. As of December 31, 2023 all remaining "loans: are considered to be collectible.

4. Property and equipment

The property and equipment consists of one vehicle which is being depreciated over its useful life.

NOTE C - CASH

As of December 31, 2023, the carrying amount of Blue Eagles deposits was \$10,008. The bank balance was \$10,008 as of December 31, 2023 and was covered by FDIC insurance.

BLUE EAGLE FRANCHISING, LLC

NOTES TO FINANCIAL STATEMENTS

For the year ended December 31, 2023

NOTE D – LOANS TO OTHERS

Detail of Loans Receivable as of year-end are as follows:

	Balance as of December 31, 2023
Loans to Others: Arizona	\$ 54,999.55
Loans to Others: Illinois	63,741.27
Loans to Others: Indiana	47,625.85
Loans to Others: Iowa	27,170.99
Loans to Others: Louisiana	37,471.35
Loans to Others: Mississippi	38,149.97
Loans to Others: Nebraska	22,739.48
Loans to Others: Nevada	35,000.00
Loans to Others: North Carolina	27,454.55
Loans to Others: Notes Receivable	99,926.83
Loans to Others: Oklahoma	27,814.04
Loans to Others: Texas	63,361.49
Loans to Others: Virginia	32,443.05
Loans to Others: Washington	57,164.09
Loans to Others: West Virginia	16,082.32
	<u>651,144.83</u>
	\$ <u>651,144.83</u>

Interest rates are generally 8% for the duration of the loan.

NOTE E – SUBSEQUENT EVENTS

The Association evaluated subsequent events through March 15, 2024, the date the financial statements were available to be issued. No significant subsequent events were identified.

BLUE EAGLE FRANCHISING, LLC
Overland Park, Kansas

BALANCE SHEET
AND
INDEPENDENT ACCOUNTANT'S REVIEW REPORT

For the year ended
December 31, 2022

BLUE EAGLE FRANCHISING, LLC

CONTENTS

	<u>Page</u>
INDEPENDENT AUDITOR'S REPORT	1
FINANCIAL STATEMENTS	
BALANCE SHEET	3
INCOME STATEMENT	4
STATEMENT OF CASH FLOWS	5
NOTES TO FINANCIAL STATEMENTS	6

INDEPENDENT AUDITOR'S REPORT

Blue Eagle Franchising LLC
Stu Macfarlane
Overland Park, KS

We have audited the accompanying financial statements of Blue Eagle Franchising LLC which are comprised of the balance sheet as of December 31, 2022, and the related statements of income and cash flows for the year then ended, and the related notes to the financial statements.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of Blue Eagle Franchising LLC as of December 31, 2022, and the results of operations and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

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

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of 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 Blue Eagle Franchising LLC's ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

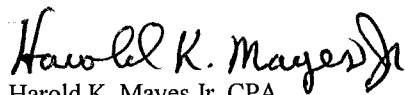
Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with 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 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 Blue Eagle Franchising LLC's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about Blue Eagle Franchising LLC's ability to continue as a going concern for a reasonable period of time.

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



Harold K. Mayes Jr. CPA
Agler & Gaeddert, Chartered
September 11, 2023

BLUE EAGLE FRANCHISING LLC

BALANCE SHEET

December 31, 2022

ASSETS

	<u>2022</u>
Current Assets	
Cash and Cash Equivalents	\$ <u>10,008</u>
Total Current Assets	<u>10,008</u>
Other Non-Current Assets	
Loans Receivable - Loans to Others	<u>623,794</u>
Property and Equipment	
Vehicles	43,499
Less Accumulated Depreciation	<u>(13,140)</u>
Total Property and Equipment	<u>30,359</u>
Total Assets	\$ <u><u>664,161</u></u>

LIABILITIES AND EQUITY

Liabilities	
Accounts Payable	\$ <u>603</u>
Total Liabilities	<u>603</u>
Equity	
Retained Earnings	<u>663,558</u>
Total Equity	<u>663,558</u>
Total liabilities and owners equity	\$ <u><u>664,161</u></u>

The accompanying notes are an integral part of this financial statement.

BLUE EAGLE FRANCHISING LLC
INCOME STATEMENT

For the year ended December 31, 2022

	<u>2022</u>
Revenue	
Franchise Fees	\$ 98,657
Loan Interest	31,822
Interest Income	<u>559</u>
Total Revenue	<u>131,038</u>
Expenditures	
Automobile Expense	6,065
Bad Debt Expense	84,852
Bank Service Charges	107
Dues and Subscriptions	2,075
Meals and Entertainment	278
Miscellaneous Expense	4
Office Supplies	222
Postage and Delivery	52
Professional Fees - Legal	23,144
Records	63
Taxes	657
Travel Expense	1,708
Depreciation	<u>5,437</u>
Total Expenditures	<u>124,664</u>
NET INCOME	<u>6,374</u>
EQUITY AT BEGINNING OF YEAR	<u>657,184</u>
EQUITY AT END OF YEAR	<u>\$ 663,558</u>

The accompanying notes are an integral part of this financial statement.

BLUE EAGLE FRANCHISING LLC
STATEMENT OF CASH FLOWS

For the year ended December 31, 2022

	<u>2022</u>
CASH FLOWS FROM OPERATING ACTIVITIES	
Cash received from customers	\$ 98,657
Cash paid to suppliers and vendors	(34,299)
Loan Interest	31,822
Interest Income	<u>559</u>
Net cash provided by operating activities	<u>96,739</u>
CASH FLOWS FROM FINANCING ACTIVITIES	
Franchise fees - loans out	(169,283)
Franchise fees receipts	<u>71,863</u>
Net cash provided by (used in) financing activities	<u>(97,420)</u>
	(681)
Cash - beginning of year	<u>10,689</u>
Cash - end of year	\$ <u><u>10,008</u></u>
Reconciliation of net income to net cash provided by operating activities:	
Net income	\$ 6,374
Adjustments to reconcile net income to net cash provided by operating activities:	
Depreciation	5,437
Bad debts	84,852
Increase(decrease) in payables	<u>76</u>
Net cash provided by operating activities	\$ <u><u>96,739</u></u>

The accompanying notes are an integral part of this financial statement.

BLUE EAGLE FRANCHISING, LLC

NOTES TO FINANCIAL STATEMENTS

For the year ended December 31, 2022

NOTE A – ORGANIZATION AND OPERATIONS

Blue Eagle Franchising LLC, a Kansas LLC, is owned 100% by Stu Macfarlane. Blue Eagle will not book engagements for the franchisees, they will only receive revenue and pay expenses. Blue Eagle will receive 20% of revenues and the franchisees will receive 80%. The franchisees will maintain their own licenses in the states they practice in, and all Blue Eagle income will be Kansas source franchise income.

Blue Eagle is a private investigation firm that conducts insurance fraud investigations, including surveillance, for insurance companies, third-party administrators, self-insured companies, and their defense counsel.

NOTE B - SUMMARY OF ACCOUNTING POLICIES

A summary of the LLC's accounting policies consistently applied in the preparation of the accompanying financial statements follows.

1. Basis of accounting

Financial statements are presented under generally accepted accounting principles and the accrual basis of accounting. Under this basis of accounting the LLC recognizes income as earned and as payments are made on the loans.

2. Revenue recognition

Royalties and marketing fund fees are due on the 15th and the last day of the month in accordance with current electronic funds transfer, ACH or other automatic withdrawal program or as directed by the LLC. Revenues are recognized at the time of the transfer, ACH or other automatic withdrawal program.

3. Allowance for doubtful accounts

The LLC recognizes bad debts at the time the "loan" for the franchise becomes uncollectible. As of December 31, 2022 all remaining "loans" are considered to be collectible.

4. Property and equipment

The property and equipment consists of one vehicle which is being depreciated over its useful life.

NOTE C - CASH

As of December 31, 2022, the carrying amount of Blue Eagles deposits was \$10,008. The bank balance was \$10,008 as of December 31, 2022 and was covered by FDIC insurance.

NOTE D – LOANS TO OTHERS

Detail of Loans Receivable as of year-end are as follows:

BLUE EAGLE FRANCHISING, LLC

NOTES TO FINANCIAL STATEMENTS

For the year ended December 31, 2022

NOTE D – LOANS TO OTHERS - continued

	Balance as of December 31, 2022
Loans to Others: Illinois	\$ 70,212.25
Loans to Others: Indiana	45,937.00
Loans to Others: Iowa	29,125.44
Loans to Others: Louisiana	36,958.52
Loans to Others: Mississippi	37,500.00
Loans to Others: Nebraska	26,031.13
Loans to Others: Nevada	35,000.00
Loans to Others: North Carolina	30,632.06
Loans to Others: Notes Receivable	96,265.39
Loans to Others: Oklahoma	29,703.20
Loans to Others: South Carolina	17,937.75
Loans to Others: Texas	62,211.66
Loans to Others: Virginia	33,154.24
Loans to Others: Washington	56,143.45
Loans to Others: West Virginia	16,981.66
	<hr/>
	\$ 623,793.75

NOTE E – SUBSEQUENT EVENTS

The Association evaluated subsequent events through September 11, 2023, the date the financial statements were available to be issued. No significant subsequent events were identified.

JUSTIN L. SMAIL CPA, LLC

16 E Wea St. Paola, KS 66071

BLUE EAGLE FRANCHISING, LLC
Overland Park, Kansas

FINANCIAL STATEMENTS
AND
INDEPENDENT ACCOUNTANT'S AUDIT REPORT

December 31, 2021

BLUE EAGLE FRANCHISING, LLC

CONTENTS

	<u>Page</u>
INDEPENDENT ACCOUNTANT'S REVIEW REPORT	1
FINANCIAL STATEMENTS	
BALANCE SHEET	2
INCOME STATEMENT	3
STATEMENT OF CASH FLOWS	4
NOTES TO THE FINANCIAL STATEMENTS	5

INDEPENDENT AUDITOR'S REPORT

Blue Eagle Franchising
Stu Macfarlane
Overland Park, KS

We have audited the accompanying balance sheet of Blue Eagle Franchising LLC, for the year ended December 31, 2021 and the related income statement, statements of cash flows, and notes to the financial statement for the year then ended.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statement. The procedures selected depend on auditor's judgement, including the assessment of risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparations and fair presentation of the financial statement in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statement.

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

Opinion

In our opinion, the financial statement referred to above presents fairly, in all material respects, the financial position of Blue Eagle Franchising LLC as of December 31, 2021, in accordance with accounting principles generally accepted in the United States of America.

Justin L. Smail CPA, LLC
February 2, 2022

BLUE EAGLE FRANCHISING LLC

Balance Sheet

December 31,

ASSETS

	<u>2021</u>
Current Assets	
Cash and cash equivalents	\$ 10,689
Total current assets	<u>\$ 10,689</u>
 Fixed Assets	
Fixed Assets	<u>43,499</u>
	43,499
 Other Assets	
Notes Receivable	<u>586,406</u>
Total Other Assets	<u>\$ 586,406</u>
 Total Assets	 <u>\$ 640,594</u>

LIABILITIES AND EQUITY

Liabilities	
Current Liabilities	
Accounts payable	<u>\$ 103</u>
Total Current Liabilities	<u>103</u>
Total Current Liabilities	<u>\$ 103</u>
 Other Liabilities	
Deferred Revenues	<u>483,522</u>
Total Other Liabilities	<u>\$483,522</u>
 Equity	
Retained Earnings	67,084
Net Income	89,885
Total Equity	<u>\$ 156,969</u>
TOTAL LIABILITIES & EQUITY	<u>\$ 640,594</u>

See accountants' audit report

The accompanying notes are an integral part of this report

BLUE EAGLE FRANCHISING LLC

Income Statement
For the year ended December 31,

	<u>2021</u>
Ordinary Income/Expense	
Income	
Franchise Income	<u>\$96,512</u>
Total Income	\$96,512
Expense	
Auto	\$3,507
Bank service charges	\$45
Dues and subscriptions	\$2,020
Insurance	\$576
Legal fees	\$11,053
Meals and entertainment	\$196
Office supplies	\$233
Travel	<u>\$556</u>
Total Expense	<u>\$18,186</u>
Net Ordinary Income	78,326
Other Income	11,559
Net Income	<u>\$89,885</u>

See accountants' audit report
The accompanying notes are an integral part of this report

BLUE EAGLE FRANCHISING LLC

Statement of Cash Flows

For the year ended December 31,

	<u>2021</u>
Cash provided(used) by operations:	
Net Income	89,885
Increase in Accounts Receivable	(263,731)
Decrease in accounts payable	(137)
Increase in deferred Revenues	<u>176,991</u>
Cash provided(used) by operations	<u>3,008</u>
Change in cash balance	3,008
Beginning cash as of January 1, 2021	<u>7,681</u>
Ending cash as of December 31, 2021	<u>\$ 10,689</u>

See accountants' audit report

The accompanying notes are an integral part of this report

BLUE EAGLE FRANCHISING, LLC

NOTES TO FINANCIAL STATEMENTS

December 31, 2021

NOTE A- ORGANIZATION AND OPERATIONS

Blue Eagle Franchising LLC, a Kansas LLC, is owned 100% by Stu MacFarlane. Blue Eagle will not book engagements for the franchisees, they will only receive revenue and pay expenses. Blue Eagle will receive 20% of revenues and the franchisees will receive 80%. The franchisees will maintain their own licenses in the states they practice in, and all Blue Eagle income will be Kansas source franchise income.

Blue Eagle is a private investigation firm that conducts insurance fraud investigations, including surveillance, for insurance companies, third-party administrators, self-insured companies, and their defense counsel.

NOTE B - SUMMARY OF ACCOUNTING POLICIES

A summary of the Company's accounting policies consistently applied in the preparation of the accompanying financial statements follows.

1. Basis of accounting

Financial statements are prepared in accordance with generally accepted accounting principles (GAAP).

2. Cash and cash equivalents

For the purpose of the statement of cash flows, cash equivalents are short term, highly liquid investments having original maturities of three months or less, not restricted for contingencies.

3. Notes Receivable

Notes receivable are stated at the amount the company expects to collect. Bad debts are written off in the period in which the loss becomes probable and the amount can be reasonably estimated.

NOTE C-CASH

Deposits

As of December 31, 2021, the carrying amount of Blue Eagles bank balance was \$10,689. Of the bank balance, \$10,689 was covered by FDIC insurance as of December 31, 2021.

NOTE D- Contract Revenue and Cost Recognition

The Company adopted Financial Accounting Standards Board (FASB) Accounting Standards Update (ASU) No. 2014-09, Revenue from Contracts with Customers (Topic 606) effective January 1, 2021. Topic 606 was adopted on a modified retrospective basis, and the Company determined that there was no cumulative effect to retained earnings as of January 1, 2021 that was required to be disclosed as a result of adopting the standard.

NOTE E - SUBSEQUENT EVENTS

The company evaluated subsequent events through February 2, 2022, the date the financial statements were available to be issued. No subsequent events were identified.

**EXHIBIT “C”
TO THE FDD**

SCHEDULE OF FRANCHISEES:

As of December 31, 2023

	Location/Territory	Owner	Email Address
Alabama			
1	Alabama	John Lederhaus	jnl@blueeagleinvestigations.com
Georgia			
2	Georgia	John Lederhaus	jnl@blueeagleinvestigations.com
Illinois			
3	Illinois	Cory Wasilewski	caw@blueeagleinvestigations.com
Indiana			
4	Indiana	Cory Wasilewski	caw@blueeagleinvestigations.com
Iowa			
5	Iowa	Thomas Kennedy	twk@blueeagleinvestigations.com
Kansas			
6	Kansas	Daniel Lane & Stuart Ford	dtl@blueeagleinvestigations.com snf@blueeagleinvestigations.com
Louisiana			
7	Louisiana	John Sieminski	jcs@blueeagleinvestigations.com
Mississippi			
8	Mississippi	Chris & Tracie Appleby	cda@blueeagleinvestigations.com
Nebraska			
9	Nebraska	Thomas Kennedy	twk@blueeagleinvestigations.com
North Carolina			
10	North Carolina	Rashad Gaynor	rg@blueeagleinvestigations.com
Oklahoma			
11	Oklahoma	John Sieminski	jcs@blueeagleinvestigations.com
South Carolina			
12	South Carolina	John Lederhaus	jnl@blueeagleinvestigations.com
Texas			
13	Texas	John Sieminski	jcs@blueeagleinvestigations.com
Virginia			
14	Virginia	Rashad Gaynor	rg@blueeagleinvestigations.com
Washington			
15	Washington	Ron Uzeta	reu@blueeagleinvestigations.com
West Virginia			
16	West Virginia	Rashad Gaynor	rg@blueeagleinvestigations.com

FRANCHISEES THAT TRANSFERRED THEIR FRANCHISE IN 2023:

Location/Territory	Former Owner	Email Address
Texas	Cody Cosby	cgc@blueeagleinvestigations.com



**FRANCHISES THAT CEASED OPERATIONS IN 2023 OR HAVE NOT CONTACTED US
WITHIN 10 WEEKS**

Location/Territory	Owner	Email Address
Arizona	Jeff Kaplan	skyler17@msn.com
Michigan	Steven Taylor	sjt@blueeagleinvestigations.com
Nevada ¹	Jeff Kaplan	skyler17@msn.com

¹ The Nevada franchise business was signed in October 2021 but never opened and is therefore not represented in any Item 20 table. The franchise agreement was terminated in 2023.

* If you buy this franchise, your contact information may be disclosed to other buyers when you leave the franchise system.



**EXHIBIT “D”
TO THE FDD**

TABLE OF CONTENTS FOR THE OPERATIONS MANUAL

1.	Mission Statement.....	Page 3
2.	Business Model & Branding.....	Page 4
3.	Organization.....	Page 5
	a. Business Commence Date.....	Page 5
	b. Titles.....	Page 5
	c. Set Up Email.....	Page 5
4.	Required Software.....	Page 5
	a. Dropbox.....	Page 5
	b. Microsoft 365.....	Page 5
	c. Salesforce.....	Page 5
	d. Google.....	Page 5
	e. Ring Central.....	Page 5
	f. Miscellaneous.....	Page 5
5.	Case Protocols - Origination.....	Page 12
6.	Case Set Up – Case Folder Creation.....	Page 13
7.	Case Folder Set Up.....	Page 14
8.	Case Assignment.....	Page 16
9.	Investigation Protocols.....	Page 17
	a. Case Review.....	Page 19
	b. Email Client.....	Page 20
	c. Calculate A Budget.....	Page 21
	d. Call Client.....	Page 23
	e. Update Calendar.....	Page 24
	f. Start Activity Log.....	Page 25
	g. Start Pre-Report.....	Page 27
	h. Add'l ICSM.....	Page 28
	i. Conduct Investigation.....	Page 29
	j. Call & Email Client.....	Page 31
	k. Email Client Final Update.....	Page 32
	l. Conclude Investigation.....	Page 33
	m. Upload Video Masters.....	Page 34
	n. Update Calendar.....	Page 35
	o. Other Rules & Regulations.....	Page 36
10.	Investigation Daily Tasks.....	Page 37
11.	Surveillance Protocols.....	Page 38
	a. Case Review.....	Page 40
	b. Email Client.....	Page 41
	c. Calculate A Budget.....	Page 42
	d. Call Client.....	Page 45
	e. Update Calendar.....	Page 46
	f. Add'l ICSM.....	Page 47
	g. Requirements Checklist.....	Page 48
	h. Conduct Surveillance.....	Page 50

i.	Call & Email Client.....	Page 52
j.	Email Client Final Update.....	Page 53
k.	Conclude Surveillance.....	Page 54
l.	Upload Digital Video Masters.....	Page 55
m.	Update Calendar.....	Page 56
n.	Other Rules & Regulations.....	Page 57
12.	Surveillance Daily Tasks.....	Page 58
13.	Equipment.....	Page 59
a.	Investigations	
b.	Surveillance	
14.	Sample Reports	
a.	Investigation	
b.	Surveillance	
15.	Checklist – Performance Evaluation.....	Page 61
16.	Chain Of Command.....	Page 65
17.	Conclusion.....	Page 66
18.	Pages Blank for Notes, Etc.....	Page 67-75

**EXHIBIT “E”
TO THE FDD**

LIST OF AGENTS FOR SERVICE OF PROCESS

STATE	CONTACT	DEPARTMENT	ADDRESS	PHONE NUMBER
California	Commissioner of Financial Protection and Innovation	Department of Financial Protection and Innovation	2101 Arena Blvd., Sacramento, CA 95834	(916) 445-7205 (866) 275-2677 www.dfpi.ca.gov ask.DFPI@dfpi.ca.gov
Georgia	Secretary of State of Georgia	Corporations Division	2 Martin Luther King Jr. Dr., SE, Suite 315, West Tower, Atlanta, GA 30334	
Hawaii	Commissioner of Securities	Department of Commerce and Consumer Affairs Business Registration Division, Securities Compliance Branch	335 Merchant Street, Room 203, Honolulu, HI 96813	(808) 586-2722
Illinois	Chief, Franchise Division	Office of Attorney General	500 South Second Street, Springfield, IL 62706	(217) 782-4465
Indiana	Indiana Secretary of State		210 State House, Indianapolis, IN 46204	
Maryland	Maryland Securities Commissioner	Division of Securities; Office of Attorney General	200 St. Paul Place, 20 th Floor, Baltimore, MD 21202-2020	(410) 576-6360
Michigan	Antitrust and Franchise Business	Michigan Department of the Attorney General’s Office; Franchise Administrator; Consumer Protection Division	6546 Mercantile Way, Lansing, MI 48910	(517) 373-7117
Minnesota	Commissioner of Commerce	Minnesota Department of Commerce	85 7 th Place East, Suite 280, St. Paul, MN 55101	(651) 539-1500
New York	Secretary of State		99 Washington Avenue, Albany, NY 12231	(518) 473-2492
North Dakota	Securities Commissioner		600 East Boulevard Ave., State Capitol Fourteenth Floor, Dept. 414, Bismarck, ND 58505-0510	(701) 328-4712

Oregon	Director of Insurance & Finance	Business Service Division of Finance and Corporate Securities Labor and Industries Building	Salem, OR 97310	(503) 378-4387
Rhode Island	Chief Securities Examiner of Business Regulation	Department of Business Regulation Securities Division	1511 Pontiac Avenue, John O. Pastore Complex – Building 69-1, Cranston, RI 02920	(401) 462-9527
South Dakota	Division of Insurance	Securities Regulation	124 South Euclid Avenue, 2 nd Floor, Pierre, SD 57501-3185	(605) 773-3563
Virginia	Clerk of the State Corporation Commission		1300 East Main Street, 1 st Floor, Richmond, VA 23219	
Washington	Director of Financial Institutions		PO Box 41200, Olympia, WA 98504-1200	(360) 902-8760
Wisconsin	Wisconsin Commissioner of Securities	Franchise Investment Division	101 East Wilson Street, Fourth Floor, Madison, WI 53702	

If a state is not listed, Blue Eagle Franchising, LLC has 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 Blue Eagle Franchising, LLC has appointed an agent for service of process.

**EXHIBIT “F”
TO THE FDD**

**LIST OF STATE AGENCIES RESPONSIBLE FOR
FRANCHISE DISCLOSURE/REGISTRATION LAWS**

STATE	CONTACT	DEPARTMENT	ADDRESS	PHONE NUMBER
California	Commissioner of Financial Protection and Innovation www.dfpi.ca.gov ask.DFPI@dfpi.ca.gov	Department of Financial Protection and Innovation	<u>Sacramento:</u> 2101 Arena Blvd., Sacramento, CA 95834 <u>San Diego:</u> 1455 Frazee Road, Suite 315, San Diego, CA 92108 <u>San Francisco:</u> One Sansome Street, Ste. 600, San Francisco, CA 94101 <u>Los Angeles:</u> 320 West 4 th Street, Ste. 750, Los Angeles, CA 90013-2344	<u>Sacramento:</u> (916) 445-7205 <u>San Diego:</u> (619) 525-4233 <u>San Francisco:</u> (415) 972-8559 <u>Los Angeles:</u> (213) 576-7500 <u>Toll Free:</u> (866) 275-2677
Connecticut	Securities and Business Investment Division	Connecticut Department of Banking	260 Constitution Plaza, Hartford, CT 06103-1800	(860) 240-8233
Florida	Division of Consumer Services	Department of Agriculture and Consumer Services	P.O. Box 6700, Tallahassee, FL 32314-6700	(805) 488-2221 Fax: (805) 410-3804
Georgia	Secretary of State of Georgia	Corporations Division	2 Martin Luther King Jr. Dr., SE, Ste. 315, West Tower, Atlanta, GA 30334	
Hawaii	Business Registration Division, Commissioner of Securities	Department of Commerce and Consumer Affairs	P.O. Box 40, Honolulu, HI 96810	(808) 586-2744
Illinois	Franchise Bureau	Office of Attorney General	500 South Second Street, Springfield, IL 62706	(217) 782-4436
Indiana	Franchise Section	Indiana Securities Division, Secretary of State	302 West Washington Street, Room E-111, Indianapolis, IN 46204	(317) 232-6681
Iowa	Iowa Securities Bureau		340 Maple, Des Moines, Iowa 50319-0066	(515) 287-4441
Maryland	Office of the Attorney General	Division of Securities	200 St. Paul Place, 20 th Floor, Baltimore Maryland 21202-2020	(410) 576-6360

Michigan	Michigan Attorney General's Office	Consumer Protection Division; Attn: Franchise Section	525 West Ottawa Street, Williams Building, 6 th Floor, Lansing, MI 48933	(517) 373-7117
Minnesota	Minnesota Department of Commerce	Securities – Franchise Registration	85 7 th Place East, Suite 280, St. Paul, Minnesota 55101-2198	(651) 539-1600
Nebraska	Bureau of Securities/Financial Institutions Division	Department of Banking and Finance	1526 K Street, Suite 300, Lincoln, NE 68508-2732	(402) 471-3445
New York	NYS Department of Law	Investor Protection Bureau	28 Liberty St. 21 st Floor, New York, NY 10005	(212) 416-8222 Fax: (212) 416-6042
North Dakota	Franchise Examiner	North Dakota Securities Department	600 East Boulevard Avenue, State Capitol Fourteenth Floor, Dpt 414, Bismarck, ND 58505-0510	(701) 328-4712
Oregon	Division of Finance and Corporate Securities	Department of Consumer and Business Services	Labor and Industries Building	(503) 378-4140 Fax: (503) 947-7862
Rhode Island	Securities Division	Department of Business Regulation	1511 Pontiac Avenue, John O. Pastore Complex 69-1, Cranston, RI 02920-4407	(401) 462-9527
South Dakota	Division of Insurance	Securities Regulation	124 S. Euclid 2 nd Floor, Pierre, SD 57501-3185	(605) 773-3563 Fax: (605) 773-5953
Texas	Secretary of State	Registration Division	P.O. Box 13193, Austin, TX 78711-3193 1719 Brazos, Austin, TX 78707	(512) 475-1769
Utah	Division of Consumer Protection	Utah Department of Commerce	160 East 300 South, SM Box 146704, Salt Lake City, UT 84114-6704	(801) 530-6601 Fax: (801) 530-6001
Virginia	State Corporation Commission	Division of Securities and Retail Franchising	1300 East Main Street, 9 th Floor, Richmond, VA 23219	(804) 371-9051
Washington	Securities Division	Department of Financial Institutions	P.O. Box 9033, Olympia, WA 98507-9033	(360) 902-8760
Wisconsin	Division of Securities	Department of Financial Institutions	P.O. Box 1768, Madison, WI 53701	(608) 266-2801
Federal Trade Commission	Division of Marketing Practices	Bureau of Consumer Protection	Pennsylvania Avenue at 6 th Street, NW, Washington DC 20580	(202) 326-3128

EXHIBIT "G"
TO THE FDD
DEPOSIT AGREEMENT



PROSPECTIVE FRANCHISE DEPOSIT AGREEMENT

This DEPOSIT AGREEMENT (“Agreement”) is made and entered into on _____, by and between **BLUE EAGLE FRANCHISING, LLC** (“Franchisor,” “We,” “Us” or “Our”) and _____ (“You,” “Your” or “Prospective Franchisee”). The parties are individually referred herein as a “Party” and collectively as “Parties.”

A. You have applied for and desire to acquire an option to purchase an Blue Eagle Investigations® franchise; and

B. You declare that You have fully reviewed the Blue Eagle Investigations® Franchise Disclosure Document and have had such FDD for at least 14 days and familiarized Yourself with the essential aspects of owning a Blue Eagle Investigations® franchise and desire to enter into this Agreement as a result of such independent investigation and not as a result of any separate representations by Us, or Our agents officers or employees, and You further expressly acknowledge that no separate representations, promises or warranties of any kind, express or implied, have been made by Us, Our agents, officers or employees, to induce You to execute this Agreement.

NOW THEREFORE, in consideration of the mutual and reciprocal covenants, promises, recitals, terms and conditions herein contained, and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged by each Party, the Parties hereby agree as follows:

1. **Grant of Option.** We hereby grant to You an option (“Option”) to acquire a Blue Eagle Investigations® franchise under the terms and conditions of the franchise agreement and in accordance with this Agreement within the area set forth on Exhibit “1” attached hereto and by reference made a part hereof. The final boundaries of Your franchise territory will be determined upon exercise of Your Option and set forth in Your franchise agreement. The Option granted herein will expire at 5:00 P.M., Central Time, 30 days from the date hereof unless extended by mutual written consent of the Parties (“Option Period”).

2. **Deposit.** Upon execution of this Agreement, You will pay to Us a non-refundable deposit of \$5,000. If You exercise Your Option, this sum will be credited against the initial franchise fee set forth in the franchise agreement.

3. **Exercise.** This Option is exercisable by You as follows: 1) Your written notice to Us of Your exercise of the Option; 2) Your execution of the franchise agreement; and 3) payment by You of the full initial franchise fee, all within the Option Period. **Time is of the essence for this Agreement.**

4. **Arbitration of Disputes.** In the event any controversy or dispute arises between the Parties hereto in connection with, arising from or with respect to this Agreement or any provision hereof, such dispute or controversy will, on the request of any Party hereto be submitted for arbitration to the American Arbitration Association in accordance with its commercial arbitration rules. All arbitration hearings will be conducted exclusively in Johnson County, Kansas, and the laws of the State of Kansas will govern without giving effect to its conflicts of law provisions. The arbitrator will have the power and jurisdiction to decide such controversy or dispute solely in accordance with the express provisions of this Agreement. The prevailing Party in any arbitration suit or action to enforce this Agreement, will be entitled to recover the administrative costs of the arbitration proceeding and the fee for the arbitrator. The Parties agree that any claim hereunder will result in an award not more than 120 days from the date of the statement of claim filed with the American Arbitration

Association. The award and findings of the arbitrators will be conclusive and binding upon all Parties hereto and the judgment upon the award may be entered in any court of competent jurisdiction.

5. **Notices.** All notices permitted or required under this Agreement must be in writing and must be delivered as follows with notice deemed given as indicated (i) by personal delivery when delivered personally, (ii) by overnight courier upon written verification of receipt, (iii) by telecopy, email or facsimile transmission when confirmed by telecopier, email or facsimile transmission, or (iv) by certified or registered mail, return receipt requested, three days after deposit in the mail addressed as follows:

FRANCHISOR:	FRANCHISEE:
Blue Eagle Franchising, LLC 6709 W 119 th St., #125 Overland Park, Kansas 66209 Email: info@blueeaglefranchising.com	_____ _____ _____ Email: _____

6. **Binding Effect.** This Agreement and all its terms, conditions and stipulations will be binding upon and will inure to the benefit of the Parties hereto and their respective legal representatives, heirs, successors and permitted assigns.

7. **Amendment.** This Agreement may be amended, modified or changed only by a written instrument signed by duly authorized representatives of both Parties.

8. **Authority.** The persons signing below warrant that they are authorized to enter into this Agreement on behalf of their respective principals identified below and that by their signatures they bind such principals to this Agreement.

9. **Costs & Expenses.** Each Party will pay its own costs and expenses in connection with this Agreement.

10. **Entire Agreement.** This Agreement and exhibits contain the entire agreement and only understanding between the Parties with respect to the subject matter hereof and supersedes all previous negotiations, agreements and understandings between the Parties and affiliates of the Parties, in connection with the subject matter covered herein, whether oral or written, and any warranty, representation, promise or condition in connection therewith not incorporated herein will not be binding upon either Party. The Parties hereby agree that all prior agreements between the Parties are hereby terminated with no continuing duties or obligations on the part of the other Party.

11. **Interpretation of Agreement.** Words in the masculine gender include the feminine and neuter. Use of the singular will include the appropriate plural numbers. The paragraph headings and title of this Agreement are not part of this Agreement, having been inserted for convenience of reference only, and will have no effect upon the construction or interpretation of this Agreement.

[Remainder of page intentionally left blank; signature page to follow]



IN WITNESS WHEREOF, the Franchisor and Prospective Franchisee have respectively signed this Agreement as of the day and year first above written.

FRANCHISOR:

BLUE EAGLE FRANCHISING, LLC

By: _____
(Signature)

Name: _____

Title: _____

PROSPECTIVE FRANCHISEE:

By: _____
(Signature)

Name: _____

Title: _____



EXHIBIT “1”

Prospective Franchise Deposit Agreement

OPTION BOUNDARIES

Your franchise will be located within the following area upon signing the franchise agreement:

Prospective Franchisee Initial Date

Franchisor Initial Date



**EXHIBIT "H"
TO THE FDD**

RELEASE AGREEMENT (FORM)



**RELEASE AGREEMENT
(Form)**

This RELEASE AGREEMENT (“Agreement”) is made and entered into _____ by and between **BLUE EAGLE FRANCHISING, LLC** (herein “Franchisor”) and _____, **LLC/INC.**, _____, AND _____ (jointly and severally “Franchisee”). The above will collectively at times be referred to as “Parties” and individually as “Party.” Capitalized terms used herein will have the meanings set forth in the Franchise Agreement, unless defined otherwise herein.

RECITALS

WHEREAS, Franchisee entered into a Blue Eagle Investigations® franchise agreement on _____ with Franchisor (“Franchise Agreement”); and

WHEREAS, the Franchise Agreement was personally guaranteed by _____ and _____ (“Personal Guarantor(s)”); and

WHEREAS, the Franchise Agreement has been terminated effective as of _____.

NOW THEREFORE, in consideration of the recitals, premises and other provisions set forth herein, and for other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, and intending to be legally bound hereby, Franchisor, Franchisee and Personal Guarantor(s) hereby agree as follows:

1. Franchisee and Personal Guarantor(s) hereby, fully and irrevocably, release, acquit and forever discharge Franchisor and its successors, affiliates, directors, officers, members, managers, employees, shareholders, representatives and agents and each of them, individually and collectively, of and from any and all claims, demands, obligations, causes of action, suits or liabilities of any kind and nature, whatsoever, whether known or unknown, suspected or unsuspected, and in whatever legal theory or form which Franchisee and Personal Guarantor(s) have or claim to have, or at any time heretofore, had or claimed to have had, or which may hereafter accrue or arise, against Franchisor, its successors, affiliates, directors, officers, members, managers, shareholders, employees and agents, and each of them, by reason of, or in any way connected with the Franchise Agreement, the relationship described therein and any business transaction, agreement or occurrence, act or omission relating thereto prior to the date hereof. Franchisee and Personal Guarantor(s) further waive any and all state law provisions limiting the effect of a general release.

2. Franchisee and Personal Guarantor(s) hereby covenant not to initiate, prosecute, encourage, assist, or (except as required by law) participate in any civil, criminal, or administrative proceeding or investigation in any court agency, or other forum, either affirmatively or by way of cross-claim, defense, or counterclaim against any person or entity released under Section 1 above with respect to any claim released under Section 1.

3. Franchisee and Personal Guarantor(s) represent that each of them fully understands the broad coverage of the release provisions of this Agreement, and that they execute the same with respect to all claims, causes of action and demands, as set forth above, they have or may have against the Franchisor,



fully intending that the provisions hereof be given the broadest interpretation permitted by law or the English language. Franchisee and Personal Guarantor(s) acknowledge and expressly agree that they will make no claim, and hereby waive any right they may now have, or may hereafter have, based upon any alleged oral or written alteration, amendment, or modification of this Agreement, fully waiving any right they may have to refer to extrinsic matters in the interpretation hereof, whether to establish fraud, duress, mistake, undue influence, or for any other purpose.

4. This Agreement may be pleaded as a full and complete defense to, and may be used as the basis for, an injunction against any action, suit or other proceeding which may be instituted, prosecuted or maintained in breach of this Agreement.

5. Franchisee and Personal Guarantor(s) are reminded of their ongoing obligations under the non-competition clauses of the Franchise Agreement and the Brand Protection Agreement for Principals signed with Franchisor.

6. Miscellaneous.

6.1 Cooperation. Franchisee and Personal Guarantor(s) will make, execute and deliver to Franchisor, promptly upon request and without additional consideration, any document or instrument necessary to carry out and effectuate the purposes of this Agreement.

6.2 Choice of Law and Jurisdiction. This Agreement will be construed in accordance with and all disputes hereunder will be governed by the laws of the State of Kansas without giving effect to its conflicts of law provisions. Franchisee, Personal Guarantor(s), and Franchisor hereby irrevocably consent to the exercise of general personal jurisdiction in the courts of record of the State of Kansas even though it may be otherwise possible to obtain jurisdiction elsewhere, and we both agree that Overland Park, Johnson County, Kansas will be the exclusive venue for any litigation between us. Each party waives any objection they may have to the personal jurisdiction of or venue in the state and federal courts of Kansas.

6.3 Arbitration. In the event any controversy or dispute arises between the Parties hereto in connection with, arising from or with respect to the provisions hereof, the relationship of the Parties hereto, or the validity of this Agreement or any provision hereof, such dispute or controversy will, on the request of any Party hereto be submitted for arbitration to the American Arbitration Association in accordance with its commercial arbitration rules. All arbitration hearings will be conducted exclusively in Johnson County, Kansas, and the laws of the State of Kansas will govern, without giving effect to its conflicts of law provisions. The arbitrator will have the power and jurisdiction to decide such controversy or dispute solely in accordance with the express provisions of this Agreement. The prevailing Party in any arbitration suit or action to enforce this Agreement, will be entitled to recover the administrative costs of the arbitration proceeding and the fee for the arbitrator. The Parties agree that any claim hereunder will result in an award not more than 120 days from the date of the statement of claim filed with the American Arbitration Association, unless otherwise waived by the Parties. The award and findings of the arbitrators will be conclusive and binding upon all Parties hereto and the judgment upon the award may be entered in any Court of competent jurisdiction.

6.4 Attorneys' Fees and Costs. In the event any action in law or equity or any arbitration or other proceeding is brought for the enforcement of this Agreement or in connection with any of the provisions of this Agreement, the successful or prevailing party or parties will be entitled to reasonable attorney's fees and other costs reasonably incurred in such action or proceeding.

6.5 Amendment. This Agreement may be amended, modified or changed only by a written instrument signed by duly authorized representatives of both Parties.

6.6 Company Authority. The persons signing below warrant that they are authorized to enter into this Agreement on behalf of their respective principals identified below and that by their signatures they bind such principals to this Agreement.

6.7 Binding Agreement. This Agreement and all its terms, conditions and stipulations will be binding upon and will inure to the benefit of the Parties hereto and their respective legal representatives, heirs, successors and permitted assigns.

6.8 Confidentiality. Franchisee and Personal Guarantor(s) agree to maintain this Agreement, the terms hereof, and any and all information obtained or provided by either Party in order to initiate a contractual relationship, in the strictest of confidence.

6.9 Counterparts. This Agreement, and those contemplated herein, may be executed in counterparts, including by means of telefaxed, emailed pdf or other electronically delivered signature page, each of which will be deemed an original, but all of which together will constitute one and the same document.

6.10 Entire Agreement. This Agreement contains the entire agreement and only understanding between the Parties with respect to the subject matter hereof and supersedes all previous negotiations, agreements and understandings between the Parties and affiliates of the Parties, in connection with the subject matter covered herein, whether oral or written, and any warranty, representation, promise or condition in connection therewith not incorporated herein will not be binding upon either Party. The Parties hereby agree that all prior agreements with between the Parties regarding the subject matter hereof are hereby terminated with no continuing duties or obligations on the part of the other Party.

6.11 Paragraph Headings. The paragraph headings appearing in this Agreement are inserted only as a matter of convenience and reference and in no way define, limit, construe or describe the scope, interpretations or extent of such paragraph or in any way affect such paragraph or this Agreement. Words in the masculine gender include the feminine and neuter. Use of the singular will include the appropriate plural numbers.

6.12 Enforceability. Any provision of this Agreement, which is prohibited or unenforceable in any jurisdiction will, as to such jurisdiction, not be effective to the extent of such prohibition, but such prohibition will not invalidate the remaining provisions hereof or affect the validity or enforceability of such provisions in any other jurisdiction.

7. This Agreement will be effective when all the parties have signed it. The date of this Agreement will be the date this Agreement is signed by the last party to sign it as provided in the signature block below.

8. The Franchisee and Personal Guarantor(s) acknowledge that they have carefully read the foregoing Agreement and know and understand the contents of this Agreement, have been represented by counsel, or had the opportunity to be represented by counsel, and sign this Agreement as their own free act, fully intending to be legally bound thereby.

IN WITNESS WHEREOF, and by their signatures below, the Parties hereto acknowledge that they have read, understand and agree to all of the terms and provisions of this Agreement and have caused this Agreement to be executed as of the date provided below written with the full authority of the company principal they represent.

FRANCHISOR:

BLUE EAGLE FRANCHISING, LLC

By: _____
(Signature)

Name: _____

Title: _____

Date: _____

FRANCHISEE:

By: _____
(Signature)

Name: _____

Title: _____

Date: _____

PERSONAL GUARANTOR(S):

By: _____

Name: _____

Date: _____

By: _____

Name: _____

Date: _____

By: _____

Name: _____

Date: _____

By: _____

Name: _____

Date: _____



State Effective Dates

The following states have franchise laws that require that the Franchise Disclosure Document be registered or filed with the states, 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:

<u>State</u>	<u>Effective Date</u>
California	Pending
Maryland	Pending
Michigan	Pending
Minnesota	Pending
New York	Pending
North Dakota	Pending
South Dakota	Pending
Wisconsin	Pending

Other states may require registration, filing, or exemption of a franchise under other laws, such as those that regulate the offer and sale of business opportunities or seller-assisted marketing plans.

RECEIPT
(Franchisee's 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 Blue Eagle Franchising, LLC offers you a franchise, it must provide this disclosure document to you 14 calendar-days before you sign a binding agreement with, or make a payment to, the franchisor or an affiliate in connection with the proposed franchise sale. New York law requires a franchisor to provide the Franchise Disclosure Document at the earlier of the first personal meeting or 10 business days before the execution of the franchise or other agreement or the payment of any consideration that relates to the franchise relationship.

If Blue Eagle Franchising, LLC does not deliver this disclosure document on time or if it contains a false or misleading statement, or a material omission, a violation of federal law and state law may have occurred and should be reported to the Federal Trade Commission, Washington, D.C. 20580 and the state administrator listed in Exhibit "F." Blue Eagle Franchising, LLC authorizes the respective state agencies identified on Exhibit "E" to receive service of process for it in the particular state.

Blue Eagle Franchising, LLC is located at 6709 W 119th St., #125, Overland Park, Kansas 66209. Its telephone number is (913) 685-2583.

The issuance date of this disclosure document is March 21, 2024.

The names, business addresses, and phone numbers of each franchise seller offering this franchise is as follows:

<u>Name</u>	<u>Address</u>	<u>Phone Number</u>
Stu Macfarlane	6709 W 119th St., #125, Overland Park, KS 66209	(913) 685-2583

If your franchise seller's name and contact information is not listed above, please list the name, address, and phone number of the franchise seller below:

I received a disclosure document dated March 21, 2024, that included the following Exhibits:

A.	Franchise Agreement and its Exhibits	E.	List of Agents for Service of Process
B.	Financial Statements	F.	List of State Agencies Responsible for Franchise Disclosure and Registration Laws
C.	Schedule of Franchisees	G.	Deposit Agreement
D.	Table of Contents for the Operations Manual	H.	Release Agreement

Date: _____
(Do not leave blank)

Signature of Prospective Franchisee

Title

Print Name

PLEASE KEEP THIS COPY FOR YOUR RECORDS



RECEIPT
(Franchisor’s Copy)

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Date: _____
(Do not leave blank)

Signature of Prospective Franchisee

Title

Print Name

Two copies of this receipt have been placed at the end of the disclosure document. Please sign and date the receipt and return one copy to Blue Eagle Franchising, LLC and keep the other for your records. You may return the signed receipt either by signing, dating, and mailing it to Blue Eagle Franchising, LLC at 6709 W 119th St., #125, Overland Park, Kansas 66209, or by emailing a copy of the signed and dated receipt to info@blueeaglefranchising.com.