



**ROBOTLAB FRANCHISING, LLC  
d/b/a ROBOTLAB CORP**

**FRANCHISE DISCLOSURE DOCUMENT**

**ISSUANCE DATE: APRIL 27, 2023, AS AMENDED SEPTEMBER 08, 2023**

## FRANCHISE DISCLOSURE DOCUMENT



**RobotLAB Franchising, LLC**  
A Delaware limited liability company  
950 East State Highway 114 STE 160  
Southlake, Texas 76092  
415-702-3033  
Franchise@RobotLAB.com  
[www.RobotLab.com](http://www.RobotLab.com)

We offer franchises which operate a retail sales business which includes the sale of advanced robots for automated tasks such as food ordering, delivery, cleaning, guidance, and customer interaction in the restaurant, hospitality, assisted-living, and medical industries (each a “Franchised Business”). You will operate from a light industrial warehouse with an office, under the name RobotLAB.

The total investment necessary to begin operation of a RobotLAB Franchised Business is \$139,855 to \$376,355. This includes from \$69,900 to \$165,400 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.

We grant area development agreements ranging from two (2) to ten (10) RobotLAB Franchised Businesses. By way of example, the total investment necessary to enter into an area development agreement for the right to develop three (3) RobotLAB franchised businesses ranges from \$218,855 to \$455,355, which includes: (i) a development fee of \$133,900, that is paid directly to us, and (ii) your total investment to begin operation of the first RobotLAB franchised business in accordance with your development schedule, as described in Item 12 and in the area development agreement.

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

You may wish to receive your Disclosure Document in another format that is more convenient for you. To discuss the availability of disclosures in different formats, contact the Franchise Development Department at RobotLAB Franchising, LLC via mail at 950 East State Highway 114 STE 160, Southlake, Texas 76092; Or by telephone at 415-702-3033.

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

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

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

Issuance Date: April 27, 2023, as amended September 8, 2023

## How to Use This Franchise Disclosure Document

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

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

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

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

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

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

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

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

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

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

### Some States Require Registration

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

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

## Special Risks to Consider About *This* Franchise

Certain states require that the following risks be highlighted:

**Out-of-State Dispute Resolution.** The franchise agreement requires you to resolve disputes with the franchisor by mediation or binding arbitration only in Texas. Out-of-state arbitration may force you to accept a less favorable settlement for disputes. It may also cost more to arbitrate with the franchisor in Texas than in your own state.

**Personal Guaranty.** Franchisees must sign a personal guaranty, making you and your spouse individually liable for your financial obligations under the agreement if you are married. This Guaranty will place both your and your spouse's marital and personal assets (perhaps including your house) at risk if your franchise fails.

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

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

To simplify the language in this franchise Disclosure Document, the franchisor, RobotLAB Franchising, LLC shall be referred to as “RobotLAB Franchising,” “RobotLAB Corp,” “Franchisor”, or “we”, while the individual or entity purchasing the franchised business shall be referred to as “Franchisee” or “you.” If the Franchisee is a corporation, partnership, or other entity, Franchisee or you will refer to all its members, shareholders, and owners.

**The Franchisor**

We are a Delaware limited liability company organized on January 25, 2023. Our principal place of business is 950 East State Highway 114, STE 160, Southlake, Texas 76092. We do business under our corporate name and under the primary trade name “RobotLAB.” Our registered agents are disclosed in Exhibit B.

**Parents, Predecessors, and Affiliates**

We do not have any predecessors or parents.

Our affiliates are:

RobotLAB Inc., a Delaware corporation with a principal business address at 950 East State Highway 114, STE 160, Southlake, Texas 76092, owns certain Marks and intellectual property used in the RobotLAB System, which it licenses to us under a license agreement. RobotLAB Inc. operates a business like the business we offer in this Disclosure Document which will serve as the training and development model for the System.

RobotLAB Financial Services LLC is a Delaware limited liability company with a principal business address at 950 East State Highway 114 STE 160 Southlake, Texas 76092. RobotLAB Financial Services offers financing to both franchisees and end-customers.

RobotLAB Admin LLC (“RL Admin”) is a Delaware limited liability company with a principal business address at 950 East State Highway 114 STE 160 Southlake, Texas 76092. RL Admin offers back-office administration services for franchisees that include payroll, health insurance, commercial insurance, shipping scheduling and coordination, sales tax payments, and other services to RobotLAB Franchisees.

Except as described above, none of our affiliates will provide products or services to our franchisees. None of our affiliates do any other business nor offer franchises in any line of business.

**Franchise Offering**

We offer and sell franchises that sell advanced robots designed for automated tasks such as food ordering, delivery, cleaning, guidance, and customer interaction from a physical retail facility (“Franchised Business”).

You are required to maintain a designated, light industrial facility in the operation of your Franchised Business with recommended retail space ranging from 1,500 to 5,000 square feet (as further described in Item 7 below).

Franchisees operate under the brand name and logo “RobotLAB” (collectively the “Marks”, as further described in Item 13) under the terms of the franchise agreement in the form included in this Disclosure Document, as Exhibit E (the “Franchise Agreement”). Our Franchised Businesses offer high quality automated robots for a multitude of industries for retail. If you enter into a Franchise Agreement, you must

pay us a one-time franchise fee upon execution of your Franchise Agreement, as defined below in Item 5 below and in the Franchise Agreement.

### **Area Development Offering**

If we determine that you are financially and operationally qualified to develop multiple Franchised Businesses, we may offer you the opportunity to enter into an area development agreement in the form included in this Disclosure Document, as Exhibit F (“Development Agreement”), in which you will commit to developing two or more Franchised Businesses. We have the right to determine the number of Franchised Businesses that we deem as appropriate in our sole and absolute discretion, based upon several factors, such as but not limited, territory availability, your business acumen, your financial wherewithal, your ability to fund the development of each Franchised Business, and your overall business and operational experience. If you enter into a Development Agreement, you must pay us a one-time development fee upon execution of your Development Agreement (“Development Fee”), as defined and outlined in Item 5 below and in the Development Agreement.

Under our form of Development Agreement, you will be granted an exclusive area (the “Development Area”) within which you will open a specific number of Franchise Businesses, each with its own protected territory, over a period of time that we specify in your “Development Schedule”. We may permit you to operate multiple Franchise Businesses in your Development Area from a single Retail facility, provided that the retail facility is physically located within the Development Area. Your Development Agreement will set forth the number of Franchised Businesses that are included in your Development Schedule, and the total number of Retail facilities required to service Franchised Businesses in your Development Area.

### **Marketing, the System, the Marks, and the Manuals**

We have developed a marketing strategy which creates a certain product image in the minds of customers, a business strategy for obtaining and retaining customers, and a distribution method for products and services. We have developed all these areas of business as part of its overall System (the “System”), which you will license from us under the franchise agreement. We use and license certain service marks and trademarks, logos, trade dress, and other commercial symbols (collectively the “Marks”), including but not limited to, the service mark “RobotLAB,” which you will receive the right to use. We may, in the future, modify the Marks as well as add new trademarks, service marks, logos, trade dress, and other commercial symbols.

The purchase of a Franchised Business permits you: (i) to use the Marks; (ii) to obtain access to the distinctive operational and management attributes of the System, including confidential manuals describing complete guidelines for the operation of a Franchised Business (the “Manuals”); (iii) the right to use our Approved Suppliers (see Item 8); and (iv) to receive the benefits of association with an expanding franchising organization, including various forms of opening and operational assistance from us (see Item 11). You must comply with all of the requirements described in the Franchise Agreement and in the Manuals. This compliance assures uniform and consistent application of the System which is essential to the successful operation of your Franchised Business.

### **The Market and Competition**

The market for businesses that offer automated robots for the restaurant, hospitality, assisted-living, and medical industries is small, competitive, and growing. As a result, you will likely face significant competition in the future operation of your Franchised Business, both directly and indirectly, from similar retailers as well as other established robotics manufactures. Several of these competitors may be regional or national systems. Several of these competitors may have significantly greater financial resources than us and you. The market for services offered by Franchised Businesses is not seasonal in nature.



## **Laws and Regulations Affecting the Business**

You must comply with all laws, rules, and regulations governing the operation of the Franchised Business and obtain all licenses and permits necessary to operate your Franchised Business. We have not investigated the laws or regulations applicable to your Franchised Business. You are solely responsible for investigating all applicable federal, state, and local laws and regulations, and your cost to comply with such laws and regulations, and you should do so before purchasing a franchise from us. We strongly suggest that you consult with an attorney, consultant and/or financial advisor regarding such regulations prior to purchasing a franchise from us. Applicable laws and regulations are subject to change

Your Business may also be subject to various employment regulations concerning wage rates, mandated employee benefits, employment taxes, worker safety, unemployment compensation, workers' compensation, teenage labor practices, disabled employees, and discrimination in employment practices. You will be subject to the Americans with Disabilities Act which prohibits practices that discriminate against physically and mentally challenged individuals regarding access to public accommodations and employment opportunities. There may be other laws and codes applicable to your Business, and we urge you to make further inquiries about those laws and codes.

## **ITEM 2. BUSINESS EXPERIENCE**

### **Chief Executive Officer (CEO): Elad Inbar**

Mr. Inbar has served as our CEO since our formation in January 2023. Mr. Inbar has also served as the CEO of all of our affiliates since August 2011 and has continued to the present. Mr. Inbar serves in his current capacities in Southlake, Texas.

### **Vice President of Sales: Cedric Vaudel**

Mr. Vaudel has served as our Vice President of Sales since our formation in January 2023. Since September 2016 and continuing through the present, Mr. Vaudel has served as the Vice President of Sales of our affiliate, RobotLAB Inc. Mr. Vaudel serves in his current capacities from his office in Oakland, California.

### **Chief Operating Officer (COO): Priscilla Eklund**

Ms. Eklund has served as our COO since our formation in January 2023. Since January 2015 and continuing through the present, Ms. Eklund has served as COO for our affiliate RobotLAB Inc. Ms. Eklund serves in her current capacities from her office in Walnut Creek, California.

### **Director of Consumer Success: Paul Knaack**

Mr. Knaack has served as our Director of Consumer Success since our formation in January 2023. Since January 2018 and continuing through the present, Mr. Knaack has served as our Director of Consumer Success. Mr. Knaack serves in his current capacities from his office in Walnut Creek, California.

### **Vice President of Research & Development: Anna Inbar**

Since August 2011 and continuing through the present, Ms. Inbar has served as the Vice President of Research & Development for our affiliate, RobotLAB Inc. Ms. Inbar serves in her current capacity in Southlake, Texas.

**ITEM 3.  
LITIGATION**

No litigation is required to be disclosed in this Item.

**ITEM 4.  
BANKRUPTCY**

No bankruptcies are required to be disclosed in this Item.

**ITEM 5.  
INITIAL FEES**

**Franchise Agreement**

When you sign your Franchise Agreement, you must pay to us a lump sum of \$54,900 as the initial franchise fee (“Franchise Fee”), which is due upon the signing of our Franchise Agreement and is considered fully earned by us upon payment. The Franchise Fee includes your license to operate the Business. This Franchise Fee is uniform and not refundable, in whole or in part, under any circumstances. The initial Franchise Fee described above is calculated and applied uniformly to all our franchisees.

Equipment Package

Upon signing the Franchise Agreement, you will also pay us or our affiliate a lump sum from \$15,000 to \$110,500 for the purchase of your Equipment Package, as described below (“Equipment Package Fee”). The robot or robots selected in the Equipment Package may change from time to time, and will be updated based on the current market requirements, software updates, and product availability. Through our affiliate, RobotLAB Financial Services, we offer financing for your Equipment Package on the terms detailed in Item 10. If you choose to finance your Equipment Package Fee through RobotLAB Financial Services, you will be required to make a minimum \$15,000 down payment. You may also have the option of financing the Equipment Package Fee through third party financing vendors. The high end contemplates you will purchase the Equipment Package outright and do not obtain any financing.

The Equipment Package includes the cost of the currently best-selling robots in our portfolio: four of the delivery robots, one cleaning robot, and one customer service robot; a “Marketing Kit” which includes brochures, product catalogs, roll-up banners, tabletops, RobotLAB branded apparel, business cards, office signage, and RobotLAB branded packing tapes; and software licenses for the necessary accounting (collectively, the “Equipment Package”). The Equipment Package, Marketing Kit, and necessary technology are further described in detail in Items 7 and 11, and the Franchise Agreement found in Exhibit E. These templates will be used in the initial start-up phase of your Franchised Business and relied upon to promote and market each Franchised Business that you operate under a Franchise Agreement.

**Development Agreement**

If we determine that you are financially and operationally qualified to develop multiple Franchised Businesses, we may offer you the opportunity to enter into an area development agreement (“Development Agreement”), in which you will commit to develop a certain number of Franchised Businesses that we determine to be appropriate. We have the right to determine the number of Franchised Businesses that we deem as appropriate in our sole and absolute discretion, based upon several factors, such as but not limited to, territory availability, your business acumen, your financial wherewithal, your ability to fund and/or obtain funding for your Development Agreement and subsequent Franchised Businesses, and your overall business and operational experience. If you enter into a Development Agreement, you must pay us a one-time development fee upon execution of your Development Agreement (“Development Fee”). Your

Development Fee will depend on the number of Franchised Businesses we grant you the right to open within the Development Area, and is calculated as set forth in the table below:

<b>Number of Franchised Businesses We Grant You the Right to Develop</b>	<b>Initial Franchise Fee (for each Franchised Business)</b>	<b>Cumulative Development Fee</b>
1	\$54,900	\$54,900
2	\$44,500	\$99,400
3	\$34,500	\$133,900
4	\$34,500	\$168,400
5	\$34,500	\$202,900
6	\$34,500	\$237,400
7	\$34,500	\$271,900
8	\$34,500	\$306,400
9	\$34,500	\$340,900
10	\$34,500	\$375,400

You will be required to enter into our then current form of Franchise Agreement for each Franchised Business that you wish to open under your Development Agreement, but you will not be required to pay any additional initial Franchise Fees at the time you execute each of these Franchise Agreements. If you enter into a Development Agreement, you must execute our then current form of Franchise Agreement for the initial Franchised Business we grant you the right to open within your Development Area, concurrently with the Development Agreement.

The Development Fee will be deemed fully earned upon payment and is not refundable under any circumstances. Except as described above, the Development Fees are uniform for all franchisees and must be paid in a lump sum upon execution of the Development Agreement.

Upon signing the Development Agreement, you will simultaneously execute a Franchise Agreement for your first Franchised Business, wherein will pay us the Equipment Package Fee for your Equipment Package for your first Franchised Business in your Development Schedule. Thereafter, if you are developing Territories that are not contiguous, upon the execution of each subsequent Franchise Agreement requiring you to operate additional Franchised Businesses in accordance with your Development Agreement, you will pay to us a lump sum Equipment Package Fee for each subsequent Equipment Package.

#### **ITEM 6. OTHER FEES**

<b>Type of Fee<sup>1</sup></b>	<b>Amount</b>	<b>Due Date</b>	<b>Remarks</b>
Royalty Fee	7% of your Gross Revenue <sup>2</sup>	Per Transaction	We will deduct this fee from the revenue we collect through our centralized payment systems prior to distributing the balance to you.
Brand Fund Contribution	Up to 3% of Gross Revenue.  Currently 1% of Gross Revenue	Same as Royalty	The purpose of the Brand Fund is to support general development and recognition of the RobotLAB brand. We will deduct this fee from your revenue we collect through our centralized payment systems, prior to distributing the balance to you. We

Type of Fee <sup>1</sup>	Amount	Due Date	Remarks
			may specify a different Brand Fund contribution, not to exceed 3% of Gross Revenue, upon notice to you.
Local Area Marketing Requirement	Currently, a minimum of 3% of Gross Revenue.  May be increased to a maximum of 5% of Gross Revenue.	Monthly, as incurred.	You will pay us, and we will perform, yearly: 1. At least one local event for your Protected Territory; 2. Dedicate a cold-calling campaign to drive leads and appointments for your Protected Territory; 3. Establish a pass-through lead program for all leads and appointments we get in your Protected Territory, and 4. Invite you to attend shows and conferences with us, if they are in your Protected Territory.  We recommend you spend additional amounts on your own to local vendors and media outlets.
Transfer Fee	Whichever is greater: (i) \$10,000, or (ii) 25% of the then current franchise fee, per Protected Territory	Before completion of transfer	See Note 3 below.
Audit Expenses	Cost and expenses related to audit	As invoiced after inspection or audit	Payable only if understatement is greater than 1%.
Renewal Fee	Whichever is greater: (i) \$10,000, or (ii) 25% of the then current franchise fee, per Protected Territory	Upon submitting notice of renewal	In addition to payment of the Renewal Fee, you must meet certain conditions in order to renew your Franchise Agreement. See Item 17 for more information on renewal of your franchise agreement.
Technology Fees	Currently \$485 per person in your organization with an email address or access to any of the online systems, per month	Monthly	Due by the 5 <sup>th</sup> day of every month. Subject to change upon 30 days written notice to you.
Market Cooperative Contribution	Currently there are no advertising co-ops. If we establish an advertising co-op, you may be required to contribute as approved by a majority vote of the members of the co-op.	As determined upon implementation. Currently there is no Cooperative, but we reserve the right to implement one in the future, implemented by us or the franchisees.	Not currently assessed. If the Franchisor forms a regional advertising or brand awareness co-op, you must contribute to the co-op. Any amount you must contribute to the co-op will be credited against the required local advertising expenditure.

Type of Fee <sup>1</sup>	Amount	Due Date	Remarks
Centrally Managed Key Account Fee	10% of the contract amount, including renewals, is due to you if you choose to perform the services	Same as Royalty Fee	We may manage or provide support services to national and/or regional accounts (“Key Accounts”) that require centralized overview and support, and for purposes of responding to requests and referrals for services through the franchise system, managing those relationships, answering calls placed to the toll-free number or a national account on-line access system. You must have our prior approval to provide services to any Key Accounts.
Locally Managed Key Account Fee	You will pay 5% from the invoice amount customers in your Territory, to the entity that closed the Key Account deal	Same as Royalty Fee	We apply this fee when we enter a contract with a Key Account but the contracts are managed locally at the location where you will service customers.
Equipment Insurance (if equipment is financed through our affiliate)	Generally, between \$4,000 - \$15,000 but it will vary under certain circumstances	Upon request by third-party insurance company or directly to RobotLAB	If not facilitated by RobotLAB Admin, payable to third-party insurance provider or if you fail to pay your insurance premium to a third-party insurance company and we pay it on your behalf. Or, in the future event that we aggregate the insurance needs of our franchisees and serve as the broker or provider. See Note 5 below.
Insurance	Will vary under certain circumstances	Upon request by third-party insurance company or directly to RobotLAB	If not facilitated by RobotLAB Admin, payable to third-party insurance provider or if you fail to pay your insurance premium to a third-party insurance company and we pay it on your behalf. Or, in the future event that we aggregate the insurance needs of our franchisees and serve as the broker or provider. See Note 7 below.
Interest Expenses	Lesser of: (i) 18% per year, or (ii) maximum rate allowed by law	When due	Payable if any fee or other amounts due are not timely paid.
Encroachment Fee	You will split the profits, 50/50, of sales outside your Protected Territory with either us or the encroached franchisee. You will be solely responsible for	Due 10 days after notice from us	You will be required to obtain our written approval before marketing and/or selling to customers outside your Protected Territory, including to Key Accounts, which have more than one location outside your Protected Territory.

Type of Fee <sup>1</sup>	Amount	Due Date	Remarks
	all expenses associated with any such sales.		<p>Imposition of such fees are based upon the facts leading up to the alleged encroachment and the determination of whether to charge such fees will be at our sole discretion. See Note 5 below.</p> <p>You should not incur more than one Encroachment Fee in every calendar year. If you do, you will be considered as breached your territory agreement, and may subject to agreement termination.</p>
Costs and Attorneys' Fees	Will vary under circumstances	When incurred	We shall recover costs and reasonable attorneys' fees if we ultimately prevail in a dispute.
Indemnification	Will vary under circumstances.	Upon the settlement or conclusion of the claim(s) or action(s).	The costs apply to any and all claims filed and pursued by either party, whether through arbitration or litigation.
Credit card processing fee	3.9% of total amount debited	When due	Fees will apply if we debit your credit card for any payment to us.
Replacement/ Additional Training Fee	Currently we do not require an additional fee.	Prior to attending training	You, your members, and one key employee shall be able to attend initial training at no additional training cost.
Late Payment Fee	\$1,000 per late payment plus interest on the unpaid amount at a rate equal to 18% per year (or, if such payment exceeds the maximum allowed by law, then interest at the highest rate allowed by law)	When due	We may charge a late fee if you fail to make a required payment when due. The late fee applies to all amounts not paid when due until paid in full.
End-Of-Year Summary and New Year Kick-Off Franchise Owner Summit & Attendance Fee	Up to \$500 per attendee	Prior to each Franchise Owner Summit	All Franchisee team members (sales, marketing, technicians, owner, etc.) must attend each Summit (1 per calendar year). If Franchisee personnel cannot attend in person, they must join all sessions remotely. Franchisee must pay to Franchisor an amount equal to the attendance fee for each attendee, regardless of if in person or online. Other additional costs (such as room, board, and travel) are the responsibility of the Franchisee.

Type of Fee <sup>1</sup>	Amount	Due Date	Remarks
Additional Training	\$500 per session	Prior to each requested training course	<p>A reasonable training fee of \$500 will be charged for refresher programs and training of your subsequent franchise management staff.</p> <p>You will be responsible for all costs including transportation, lodging, meals, and wages, if applicable.</p>
Approval of Supplier Fee	Reasonable cost of examination and approval of a supplier, requested by Franchisee	Prior to examination	See Section 8(D) in the franchise agreement.

**Notes:**

1. Except where otherwise noted, all fees are payable to us, are uniformly imposed, and are non-refundable. We require you to allow us to withdraw Royalty Fees, Brand Fund Contributions, Technology Fees, and other fees directly from customers’ payments, and if that is not sufficient, from your bank account. All new franchisees are required to pay the percentage rate or the flat fee at the designated time, as stated in this Disclosure Document.

2. “Gross Revenue” means the total amount of all revenues Franchisee receives from the sale of goods and services, whether for cash or by check, credit card, or trade, in connection with the Franchised Business, less customer refunds and returns. Gross Revenue will include any sales permitted through the internet and wholesale transactions involving any party other than a RobotLAB® franchisee who is in good standing with Franchisor. Gross Revenue will not include sales tax collected from customers and actually paid to appropriate tax authorities.

3. You must pay us a transfer fee equal to the greater of: (i) \$10,000 or (ii) 25% of our then-current Initial Franchise Fee per Protected Territory that is being transferred to transferee. If a third-party broker locates the transferee, you will also be solely responsible for any broker fees associated with the transfer. There are other conditions for transfer and all conditions must be met before the transfer is approved by us. See Item 17 in this Disclosure Document for additional information regarding transfer.

4. The technology fees cover technology-related services provided by us or approved third-party vendors including, but not limited to, services related to our intranet and extranet platform, current and future digital and on-line training platforms, current and future social and digital media management platforms, email and Microsoft Office suite licenses, marketing software, DocuSign licenses, point-of-sale and customer retention software costs and upgrades to the antivirus and database engine software that supports the software (“Technology Fees”).

*[Remainder of page intentionally left blank. Item 7 begins next page.]*

**ITEM 7.  
ESTIMATED INITIAL INVESTMENT**

**A. Your Estimated Initial Investment - Single Unit RobotLAB™ Franchised Business**

TYPE OF EXPENDITURES <sup>1</sup>	AMOUNT		METHOD OF PAYMENT	WHEN DUE	TO WHOM PAYMENT IS TO BE MADE
	LOW ESTIMATE	HIGH ESTIMATE			
Initial Franchise Fee <sup>2</sup>	\$54,900	\$54,900	Lump sum	When you sign the Franchise Agreement	Franchisor
Travel and Living Expenses For Training <sup>3</sup>	\$500	\$2,500	As arranged	As incurred	Airlines, hotels, restaurants
Rent (3 months) <sup>4</sup>	\$7,500	\$15,000	As arranged	According to Lease	Lessor/Landlord
Leasehold Improvements <sup>5</sup>	\$0	\$15,000	As Arranged	According to Lease	Lessor/Landlord
Furniture and Fixtures <sup>6</sup>	\$2,000	\$45,000	As arranged	As incurred	Third-party Suppliers
Equipment Package Fee <sup>7</sup>	\$25,500	\$110,500	Lump Sum or financed	When you sign the Franchise Agreement	Franchisor
Grand Opening Marketing <sup>8</sup>	\$15,000	\$15,000	As arranged	As incurred	Franchisor, Third-party Suppliers
Computer Systems <sup>9</sup>	\$1,500	\$5,000	Lump sum	As incurred	Third-party suppliers or to Franchisor
Technology Fees (3 Months) <sup>10</sup>	\$1,455	\$1,455	As incurred	As incurred	Franchisor
Business Supplies <sup>11</sup>	\$1,500	\$3,000	As arranged	Before training	Third-party suppliers
Equipment Insurance	\$0	\$15,000	As arranged	As incurred	Franchisor Affiliate, or Third-Party Supplier
Insurance <sup>12</sup>	\$1,500	\$4,000	As arranged	Before training	Insurance Company
Business Licenses and Permits <sup>13</sup>	\$500	\$2,500	As arranged	As incurred	Governmental Agencies
Professional Fees <sup>14</sup>	\$3,000	\$10,000	As arranged	Before opening	Attorneys, Accountants, etc.
Vehicle <sup>15</sup>	\$0	\$2,500	As incurred	Before opening	Third-party suppliers
Additional Funds - 3 Months <sup>16</sup>	\$25,000	\$75,000	As incurred	As incurred	Employees or third-party suppliers
<b>TOTAL<sup>17</sup></b>	<b>\$139,855</b>	<b>\$376,955</b>			



## Notes:

1. Except where otherwise noted, all fees that you pay to us are nonrefundable. Refund related questions related to third-party lessors, contractors, suppliers, and vendors will be governed by the terms of each of those respective contracts. All amounts are in United States Dollars (USD).
2. Initial Franchise Fee. The initial Franchisee Fee for a RobotLAB™ Franchised Business is \$54,900. The initial Franchise Fee is non-refundable and is deemed earned upon receipt.
3. Travel and Living Expenses For Training. This amount includes lodging, meals, and travel expenses for two persons attending the initial training program during the initial training program (see Item 11). However, please note that we may substitute live, in-person training with virtual training, in our sole discretion, in which case the estimated expenses may be less.
4. Rent (if applicable). You are required to rent or lease a designated light industrial facility to be used for the operation of your Franchised Business. The price will vary considerably depending on the following factors, including but not limited to the market, location, square footage (we recommend a minimum of 1,000sqft and around 1,500sqft), age of the property, condition of the structure, rent or lease arrangements, and other such factors. This estimate is based on our knowledge of rent expenses in Dallas, Texas for light industrial office space.
5. Leasehold Improvements. Leasehold improvement costs, including floor covering, wall treatment, counters, ceilings, painting, window coverings, electrical, carpentry, and similar work. Architect's and contractor's fees are included in this range and will depend on various factors, including: (i) the site's condition, location, and size; (ii) the demand for the site among prospective lessees; (iii) the site's previous use; the build-out required to conform the site for your Franchised Business; and (iv) any construction or other allowances the landlord grants. The lower figures provided here under "Leasehold Improvements" assume that you remodel an existing building that has previously been utilized as a light industrial space. Construction of a new building on a pad site or otherwise likely would require a greater initial investment, the amount of which would depend on market conditions.  
  
Your actual costs will depend on, among other factors, the Franchised Business location, the size of the property, the condition of the premises being remodeled, national and local economic factors, the local costs of material and labor, and the amount of tenant improvement allowances that you are able to obtain, if any. In certain major metropolitan markets such as Boston, Chicago, New York, Los Angeles, San Francisco, Seattle, and Washington, D.C., costs may be higher due to local market rates for materials and labor.
6. Furniture and Fixtures. This estimate includes the furniture and fixtures needed in your facility including, office furniture, tables, chairs, artwork, and signage.
7. Equipment Package Fee. Upon signing the Franchise Agreement, you will pay us a lump sum Equipment Package Fee. The low end contemplates you finance the Equipment Package through us, with a \$15,000 down payment and \$3,408 per month payments for 36 months. The high end contemplates you purchase the Equipment Package outright. The Equipment Package is further described in detail in Items 5, 11, and in the Franchise Agreement (found in Exhibit E).
8. Grand Opening Marketing. These estimates include the cost of recommended advertising and marketing strategies utilized during the commencement of your Franchised Business, as outlined in the Manuals. These estimates may include, but are not limited to SEO, SEM, radio, billboard, TV/cable, RobotLAB treatments, car-wrap, and other advertising platforms, which will largely depend on the market/DMA, market pricing structure and demand, availability, and your financial and business . All initial advertising and marketing require final approval from us prior to the opening of your Franchised Business.

9. Computer Systems. You must use the Computer Systems (defined in item 11) and computer hardware, and printer, which we have approved in the Manuals for the operation of your Franchised Business. This may require you to obtain a license for the Computer Systems from a third-party Approved Supplier or directly from RobotLAB (See Item 11 for more detailed information).

10. Technology Fees. The Technology Fees cover technology-related services provided by us or approved third-party vendors including, but not limited to, services related to our intranet and extranet platform, current and future digital and on-line training platforms, current and future social and digital media management platforms, point-of-sale and customer retention software costs and upgrades to the antivirus and database engine software that supports the software. As of the date of this Disclosure Document, we charge \$485 per franchisee team member, per month. However, we may modify the Technology fees with a minimum of 30 days prior written notice and will not increase the Technology Fees by more than 50% each year.

11. Business Supplies. This amount includes your supplies and inventory necessary to operate the Franchised Business. Your exact investment depends on several factors, including but not limited to your sales volume, relevant inventory levels, transportation costs, financing costs, and similar factors beyond our control. The cost of supplies will increase as your client base and staff grow.

12. Equipment Insurance. If you finance your Equipment Package, we will require you to obtain insurance. The low end contemplates you purchase your Equipment Package in full and do not need to obtain financed equipment insurance.

13. Insurance. You must purchase and maintain insurance in the types and amounts described in the Franchise Agreement or Manual. This estimate covers three months' premiums for workers' compensation and commercial liability insurance. Your cost of insurance may vary depending on the insurer, the location of your Business, your claims history, and other factors. You must provide certificates of insurance evidencing coverage which lists us as additional insured, to us on an ongoing basis.

14. Business Licenses or Permits. This amount contemplates the costs of obtaining required business licenses and permits to begin operations of your Franchised Business. This estimate is based on our experiences with business licenses and may vary depending on state and local requirements.

15. Professional Fees. This estimate includes the costs of professional advisors (i.e., attorneys and accountants) for the initial review and advice consistent with the start-up of a Franchised Business.

16. Vehicle. This estimates the costs associated with the purchase and modification of an approved vehicle from our approved suppliers. Your approved vehicle must be properly equipped with an approved vehicle wrap, light bar, two-way camera, and any other specifications we may require. The low end contemplates you already have a vehicle that complies with our specifications, which we will provide to you in the Manuals. The high end contemplates you leased a vehicle with \$0 down payment and will make 3 equal monthly payments, up to \$2,500.

17. Additional Funds (3 Months). This category estimates your pre-operational expenses that are not listed in other categories, as well as any additional funds necessary for the first three (3) months of operational expenses for your Franchised Business, including but not limited, to royalties, employee wages, salaries, payroll taxes, health and workers' compensation, benefits, and staff recruiting expenditures (including payroll to cover the grand opening promotional period and pre-opening training period for your staff); additional legal and accounting fees, additional advertising and marketing, insurance, bank charges, additional supplies and equipment, state tax and license fees, deposits, prepaid expenses, and other miscellaneous expenditures. These figures are estimates and we cannot guarantee that you will not have additional expenses in starting your Franchised Business. Your costs depend on factors such as: whether you intend to be an owner-operator, whether you intend to hire, how closely you follow our methods and procedures; your management capabilities, business acumen, operational experience, local economic

conditions; the local market for our concept; the prevailing wage rate; competition; and the sales levels reached during this initial period.

18. Total. Except as expressly indicated otherwise, these estimates cover your initial cash investment up to the opening of your Franchised Business and for a period of three months thereafter. They do not provide for your cash needs to cover any financing incurred by you or for other expenses not previously discussed above. You should not plan to draw income from the operation during the start-up and development stages of your Franchised Business, the actual duration of which will vary materially from franchisee to franchisee and cannot be predicted by us for your Franchised Business (and which may extend for longer than the three month “initial phase” described herein.

You should have additional sums available to you, whether in cash, through bank financing, through rollovers, or through other assets which you can liquidate to cover additional expenses and any operating losses you may sustain, whether during your start-up and development stage, or beyond. The amount of necessary reserves will vary greatly from franchisee to franchisee and will depend upon many factors, including the rate of growth and success of your Franchised Business, which in turn will depend upon factors such as the demographics and economic conditions in the area in which your Franchised Business is located, the presence of other similar services and competition, public awareness of your services within the general vicinity of your proposed Franchised Business, and your ability to operate efficiently and in conformance with our recommended methods of operating your Franchised Business by the standards and specifications as set forth in the Manuals and in conformance with our System.

Because the actual amount of reserve finances will vary from operation to operation and cannot be meaningfully estimated by us, we urge you to retain the services of an experienced accountant or financial advisor to develop a business plan and financial projections for your Franchised Business. The ranges and categories listed in the table above are based on our own experience. Your expenses may be significantly different. Do not rely on this estimate of expenses to predict your future performance of your Franchised Business because your expenses may differ from the ranges above.

None of the estimated expenditures listed in the table are refundable, except (i) utility deposits are usually refundable, and (ii) lease security deposits may be refundable. We do not offer, directly or indirectly, financing for any of the above expenditures. See Item 10. The availability and terms of financing will depend on many factors, including the availability of financing generally, your creditworthiness, other security that you may have, and policies of lending institutions concerning the type of business being operated by you.

**B. Estimated Initial Investment – Multiple Franchised Businesses**

Type of Expenditure <sup>1</sup>	Amount	Method of Payment	When Due	To Whom Payment Is to be Made
Development Fee <sup>2</sup>	\$99,400 - \$375,400 2 Units - 10 Units	Lump Sum	Upon signing of Development Agreement	Franchisor
Estimated Initial Investment to Open One Franchised Business (excluding the Franchise Fee, which is included in the Development Fee above) <sup>3</sup>	\$84,955 - \$321,455	See Chart 7(A) above in this Item		
<b>TOTAL<sup>4</sup></b>	<b>\$184,355 - \$696,855</b>			

## Notes:

1. Generally. All fees and payments are non-refundable, unless otherwise stated or permitted by the payee. This Chart details the estimated initial investment associated with executing a Development Agreement for the right to own and operate a minimum of two (2) Franchised Businesses and up to a maximum of ten (10) Franchised Businesses, as well as the initial investment to open your first Franchised Business under your Development Schedule (provided you comply with your development obligations under the Development Agreement).
2. Development Fee. The Development Fee is non-refundable. The low end of the estimated range reflects the Development Fee for the right to open two (2) Franchised Businesses and the high end of the estimated range reflects the Development Fee for the right to open ten (10) Franchised Businesses. The Development Fee is described in greater detail in Item 5 of this Disclosure Document. You will be required to enter into our then current form of Franchise Agreement for each Franchised Business that you wish to open under your Development Agreement, but you will not be required to pay any additional initial Franchise Fees at the time you execute each of these Franchise Agreements. If you enter into a Development Agreement, you must execute our then current form of Franchise Agreement for the initial Franchised Business we grant you the right to open within your Development Area, concurrently with the Development Agreement. If the territories you are developing are not contiguous, you will be required to purchase additional Equipment Packages, as detailed in Item 5.
3. Estimated Initial Investment to Open One Franchised Business. This range represents the estimated initial investment required to open only the initial Franchised Business you agree to open and operate under the Development Agreement, excluding the initial Franchise Fee described in Chart 7(A) above, which is already factored into the Development Fee range described herein.
4. Total. These totals are the low and high ends of the Development Fee added to the low end of the estimated initial investment to open and commence operating your initial Franchised Business within your Development Area. This range does not include any of the costs you will incur in opening any additional Franchised Businesses that you are granted the right to open and operate under your Development Agreement.

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

You must operate your Franchised Business in accordance with the System that we license to you. The System's standards and specifications relating to the establishment, operation, and regulation of your Franchised Business, include but are not limited to, goods, services, supplies, items, equipment, inventory, and real estate fixtures; computer hardware, software, search engine optimization services, client survey services; marketing materials, advertising and sales collateral, use of signs, letterhead, business cards, and other promotional materials; credit card processing services; insurance providers; vehicle manufacturers (including make and model); and all other manufacturers and distributors used in operating your Franchised Business.

We may negotiate programs with manufacturers and suppliers so that franchisees may benefit from volume purchasing and prepaid freight programs. As part of those negotiations, it is possible that we will receive rebates or other material consideration from the vendor related to required purchases made by our franchisees. We may choose to pass such rebates on to the Brand Development Fund, or directly to you, but are not required to do so. We do not currently provide any material benefits to a franchisee based on a franchisee's purchase of any particular or services or use of particular suppliers. As we have just begun franchising, we have not received any revenue in the form of rebates based upon our franchisees' required purchases of goods or services, but we reserve the right to do so in the future.

Third party vendors may charge franchisees directly for products or services. The System's standards and specifications are based upon our experience within the franchising industry and with various vendors, contractors, and suppliers in the robotics industries. We will provide you with a list of our approved suppliers ("Approved Suppliers"). We retain the sole and absolute discretion to make the final determination on all Approved Suppliers, however, we will consider supplier approval requests from franchisees upon written request. We will approve or disapprove a supplier within 30 days after we receive written notice from you. All suppliers you use must be approved by us before you can use them and may be subject to our training and reporting requirements.

Insurance. You must obtain insurance as described in the Franchise Agreement and in our Manual, which currently specifies (i) General Liability on an occurrence basis with limits not less than \$1,000,000 per occurrence/\$2,000,000 aggregate per policy year. The following minimum sub-limits must be met: \$1,000,000 Personal & Advertising Injury, \$2,000,000 Products/Completed Operations Aggregate, \$300,000 Damage to Rented Premises and \$10,000 Medical Expense; (ii) Owned, Hired & Non-Owned Auto Liability coverage not less than \$1,000,000 combined single limit each accident; (iii) Special Form property insurance in an amount appropriate to coverage full replacement value of contents. Business Income and Extra Expense must be included on an actual loss sustained basis for a minimum of 12 months; (iv) Workers Compensation and Employers Liability insurance with minimum limits no less than \$500,000 per accident for bodily injury by accident; \$500,000 policy limit by disease; and \$500,000 per employee for bodily injury by disease or higher coverage as required by law in your state; (v) 1st and 3rd Party Crime coverage with a limit no less than \$25,000 (this requirement can be satisfied with a bond); (vi) Umbrella Liability with a \$1,000,000 minimum limits to extend over general liability, owned/hired/non-owned liability and employers liability; (vii) Professional Liability on an occurrence basis with limits not less than \$1,000,000 per occurrence/\$1,000,000 aggregate; (viii) Employment Practices Liability (EPL) with a \$1,000,000 minimum limit. Coverage must include a 3rd party endorsement; (ix) Cyber Liability with a \$1,000,000 minimum limit. Coverage must include a 3rd party endorsement. Your policies (other than Workers Compensation) must list us and all our affiliates as an additional insured, must include a waiver of subrogation in favor of us and our affiliates, must be primary and non-contributing with any insurance carried by us or our affiliates, and must stipulate that we receive 30 days' prior written notice of cancellation. Policy and Coverage level deductibles shall not exceed \$5,000 for any coverage required unless a written waiver is granted by us. All insurance companies must carry an A.M. Best's Rating of "A-/Excellent" or better.

We or our affiliates are Approved Suppliers for certain items you are contractually obligated to purchase in the operation of your Franchised Business. RobotLAB Franchising, its officers and/or persons affiliated with us, may now or in the future own an interest in RobotLAB Financial Services and RobotLAB Admin, both of which are Approved Suppliers of certain items of the System. Ownership interest in any Approved Supplier may include RobotLAB Franchising, our officers, our members, our shareholders, and/or persons affiliated with us. Approved Supplier items include, but shall not be limited to, the Equipment Package computer hardware, software, collaboration and communication services, telephone, information management, credit/debit card processing, criminal history background checks, email marketing, online accounting, virtual phone platforms, and client online surveys.

To ensure a uniform image and quality of products and services in operating your Franchised Business and to maintain continuity, you must maintain the standards and specifications of the System in accordance with the Manuals. You must comply with our then-current approved standards and specifications, as detailed in the Manuals, in operating and equipping your Franchised Business. You must use the equipment, including the hardware and software programs for the Computer System that we designate, as well as the signs, items, furnishings, products, supplies, and advertising and sales promotion materials which meet our standards and specifications. In addition, you may sell from your Franchised Business only those categories of products and services that we approve. We periodically publish in the Manuals a list of approved product categories for use by franchisees in the operation of their Franchised Business. We may periodically update and alter these categories of products and services you may sell from your Franchised Business. Our

Manuals currently establish standards and specifications for advanced commercial robots, as well as other products and services sold in your Franchised Business.

The products or services we require you to purchase or lease from us or Approved Suppliers, in accordance with System’s standards and specifications, are referred to collectively as “Required Purchases”. We estimate that your Required Purchases in total will be about 75% - 95% of your total purchases to establish the Franchised Business and about 80% - 95% of your purchases to continue the operation of your Franchised Business. Please be advised that these percentages do not include any possible lease payments that you may make in connection with your Franchised Business.

We and our affiliates may provide certain administrative, technical, design, and advisory services and data to a limited number of Approved Suppliers and other suppliers. We and/or our affiliates may negotiate supply contracts with our Approved Suppliers or other suppliers under which we are able to purchase products, equipment, supplies, services, and other items at a price that will benefit us and our franchisees. We and/or our affiliate(s) may receive payments or other compensation from Approved Suppliers or any other suppliers on account of these suppliers’ dealings with us, our affiliates, you, and other RobotLAB® franchisees. These payments or compensation may come in the form of barter, cash, credit (regardless of collection), rebates, allowances, commissions, or any other forms of compensation. We may use any amounts that we receive from Approved Suppliers and other suppliers for any purpose that we deem appropriate from any and all transactions with RobotLAB® franchisees in the operation of their Franchised Business.

**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.**

<b>Obligation</b>	<b>Section in Agreement</b>	<b>Disclosure Document Item</b>
a. Site selection and acquisition/lease	Franchise Agreement (FA) Sections 7(A) and 8(O); Area Development Agreement (DA) Section 4	Item 11
b. Pre-opening purchases/leases	FA Sections 4(B), 6(C) and 8(D), (O) and (P)	Items 5, 7, and 8
c. Site development and other pre-opening requirements	FA Section 8(B); DA Section 4.	Items 6, 7, and 11
d. Initial and ongoing training	FA Sections 7(D) and 8(L)	Items 6, 7 and 11
e. Opening	FA Sections 8 and 15(A)(1); DA Section 3.1, Section 4	Item 11
f. Fees	FA Sections 2(B)(4), 4, 5, 6, 8(P), 8(Q) and 14(C)(6); DA Section 2	Items 5, 6, 7, and 11
g. Compliance with standards and policies/ Manual	FA Sections 8(C), (I) and (N)	Items 11 and 16
h. Trademarks and proprietary information	FA Sections 3 and 9; DA Section 8	Items 13 and 14
i. Restrictions on products/ services offered	FA Sections 1 and 8(D) and (P)	Items 8, 11, and 16

Obligation	Section in Agreement	Disclosure Document Item
j. Warranty and customer service requirements	FA Section 8(D)	Item 11
k. Territorial development and sales quotas	FA Section 1(B); DA Sections 3 and 4	Item 12
l. Ongoing product/service purchases	FA Section 8(D)	Items 8 and 11
m. Maintenance, appearance, and remodeling requirements	FA Sections 2(B)(3) and 8(B) and (E)	Item 11
n. Insurance	FA Section 10	Items 6 and 8
o. Advertising	FA Section 6	Items 6, 7, 8, and 11
p. Indemnification	FA Section 11; DA Section 8	Item 6
q. Owner's participation/management/staffing	FA Sections 7(D) and 8(A) and (J)	Items 11 and 15
r. Records/reports	FA Sections 12(A) and (B)	Item 16
s. Inspections/audits	FA Section 12(C)	Items 6 and 11
t. Transfer	FA Sections 13 and 14; DA Section 7	Item 17
u. Renewal	FA Section 2(B)	Item 17
v. Post-termination obligations	FA Section 17; DA Section 8	Item 17
w. Non-competition covenants	FA Section 18; DA Section 8	Item 17
x. Dispute resolution	FA Section 18(D) and 19; DA Section 8	Item 17
y. Other: Guaranty of franchisee obligations	FA Sections 9(A), 12(C), 14(B), 18(A), (B) and (C) and 19 (C) and Exhibit B to FA; DA Exhibit B	Item 15

**ITEM 10.  
FINANCING**

Item Financed	Source of Financing	Down Payment	Amount Financed	Term (Yrs)	Interest Rate	Monthly Payment	Prepay Penalty	Security Required	Liability upon default	Loss of legal right on default
Equipment Package	RobotLAB Financial Services	\$15,000	\$95,500	3	9.5%	\$3,500	None	Personal Guaranty	Equip. removed; past due payments; \$1000 liquid damages; costs of collection	Lose all defenses

**Notes:**

1. You are not obligated to use our financing option. If you choose to finance through our affiliate, you will fill out a financing application for each order, and the application may or may not be approved

based on your credit limits, payment history, and other criteria. Each credit application will require a personal guarantee. Each time you finance an amount you will sign a separate contract. Each contract is treated as an independent contract. All contracts prorate the first and last portions of the month into the first payment, and the payment for the prorated amounts are due at contract signing, and thereafter, each amount is due on the 1<sup>st</sup> of each month, for the duration of each contract. You must allow a direct ACH debit from your bank account. We reserve the right to use customer payments due to you to cover past due payments. All contracts will carry a financing fee which is subject to then prevailing market terms. Past due payments will carry 18% interest rate per year on the past due amount, calculated daily. A contract with a past due payment of more than 14 days will be voided, and the entire financed amount will be due on that day. We will collect the payments from sums due to you from customers.

#### **ITEM 11.**

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

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

**Pre-Opening Assistance.** Before you open your Franchised Business, we will:

Provide assistance in your evaluation of the Franchised Business in accordance with the standards and specifications of the System (Franchise Agreement - Section 7(A)).

Provide you with the System standards and specifications for the layout and design of the Franchised Business (Franchise Agreement - Section 7(B)).

Provide you with a list of the standard equipment, supplies, signs, and initial custom inventory of the Franchised Business (Franchise Agreement - Section 7(C)).

Provide the mandatory training program described below (Franchise Agreement - Section 7(D)).

Provide you with assistance and approval of your opening plan for your Franchised Business (Franchise Agreement Section 7(E)).

Provide you with electronic copies of the Manuals. You must keep the Manuals confidential, not use them for any other purpose, and return them when the Franchise Agreement terminates (Franchise Agreement - Section 7(F)).

Assist you in developing a business plan template for your Franchised Business (Franchise Agreement - Section 7(G)).

**Ongoing Assistance.** During the operation of your Franchised Business, we will:

Provide consultation as needed to conduct periodic evaluations of your Franchised Business and provide to you feedback to assist you in the operation of your Franchised Business (Franchise Agreement - Section 7(H)).

Periodically make available all changes to the System via the Manuals electronically (Franchise Agreement - Section 7(H)).

Periodically furnish you with updated and revised material for the Manuals electronically, (Franchise Agreement - Section 7(H)).

Develop advertising and marketing materials to assist in promoting your Franchised Business (Franchise Agreement - Section 7(H)).



If we determine that we may lawfully require you to charge certain prices for goods or services, certain minimum prices for goods or services, or certain maximum prices for goods or services, you must adhere to our pricing policies as set forth in the Manuals or otherwise in writing from time to time (Franchise Agreement – Section 7(H)).

**Marketing Programs.** We establish and conduct various marketing programs as follows:

### Brand Fund

We may use contributions to the Brand Fund to satisfy any and all costs of maintaining, administering, directing, preparing, and producing advertising, social media, public relations, including the cost of preparing and producing television, radio, magazine and newspaper advertising campaigns, the cost of direct mail and outdoor billboard advertising; the cost of public relations activities, social media activities and advertising agencies; the cost of developing and maintaining an internet website and social media pages; and personnel and other departmental costs for advertising that we internally administer or prepare. We may contract with outside marketing agencies and production companies to produce certain advertising, marketing, and promotional materials.

You must pay us a Brand Fund Contribution equal to 1% of your monthly Gross Revenue. This amount may increase to up to 3% upon written notice to you. We administer the use of Brand Fund Contributions collected from franchisees. Not all franchisees will benefit directly or on a pro-rata basis from the Brand Fund's expenditures. We may contribute to the Brand Fund in our sole discretion and be reimbursed later by the Brand Fund. We have not prepared a financial statement as to the collection and use of Brand Fund Contributions, nor are the Brand Fund Contributions audited. We will, however, provide to you (at your request) an accounting of the most recently completed fiscal year. We are not obligated to spend any amount of the Brand Fund Contribution on advertising in the area or territory where you are located. We will carry over for future use Brand Fund Contributions not spent in any fiscal year. While we do not anticipate that any part of the Brand Fund will be used for advertising or public relations that are principally a solicitation for the sale of additional franchises, we reserve the right to include a notation in any advertisement indicating that franchises are available.

You may print advertising and marketing materials for your own use, at your own cost, if you follow the System standards and specifications, as outlined in the Manuals. System guidelines and your materials must be factually correct, accurately depict the Marks, and communicate the RobotLAB® brand position and character that we have established for Franchised Businesses. If you develop advertising or marketing materials, you must provide a copy of the materials to us for our review and written approval before you use the advertising or marketing materials. If you desire to advertise or market on the internet, you must obtain written authorization from us.

As we have not offered franchises before the issuance of this Disclosure Document, we have not collected any amounts for the Brand Fund.

### Local Area Marketing Requirement

In addition to your Brand Fund Contribution, currently you must pay a minimum of 3% of your Gross Revenue to us so we can provide local marketing services for you. We will perform, yearly: (a) at least one local event for your Protected Territory, (b) dedicate a cold-calling campaign to drive leads and appointments for your Protected Territory; (c) Establish a pass-through lead program, for all leads we get from your Protected Territory; (d) Invite you to attend shows and conferences with us if they are in your Protected Territory. If you fail to pay the required amount in any quarter, we may require you to pay us the shortfall as an additional Brand Fund Contribution or to pay us the shortfall for us to spend on local marketing for your Franchised Business. We may increase the amount of your Local Area Marketing Requirement to a maximum of 5% of your Gross Revenue, upon 30 days' written notice to you. Any

advertising or marketing materials must be approved by us in writing prior to your use of such materials. We will include your Business on our website.

### Franchise Advisory Council

While we do not currently have a Franchisee Advisory Council (“FAC”), we reserve the right to formulate one in the future. It is envisioned that when developing marketing strategy and allocating the use of Brand Fund Contributions, we may consult with the FAC. We appoint franchisees to serve as members of the FAC. All FAC members must be in good standing and remain in good standing during their term. All members serve on the FAC for a term determined by us. The FAC serves in an advisory capacity to, among other objectives, provide advice on advertising, research, and promotional activities to us and our outside advertising agencies. We have the power to form, change or dissolve the FAC.

### Local Marketing Cooperative & Expenditures

You also must participate in any local marketing cooperatives (“Cooperative”) established by us or by a majority of the Franchised Businesses in the designated market area (“DMA”) where two (2) or more unaffiliated franchisees are located, including where you operate your Franchised Business. You will not be obligated to contribute more than 5% of the Gross Revenue for your Franchised Business to the Cooperative (“Market Cooperative Contribution”) and any Market Cooperative Contributions you make will count toward your Local Area Marketing Requirement.

Each Cooperative must adopt written bylaws, which follow the format we approve. You may request a copy of the bylaws of the Cooperative (if one has been established) for your DMA from the Cooperative president or us. Each Cooperative must follow voting procedures that are consistent with the general operating rules that we have established. The members of the Cooperative and their elected officials will administer the Cooperative in your area. We strongly recommend that Cooperatives prepare annual financial statements and make those financial statements available to all franchisees in that Cooperative. We have the power to establish Cooperatives and the bylaws, policies, and rules under which the Cooperatives will operate.

### **Computer Systems**

You must purchase and use all office management hardware and software (“Local Computer System”) and online computer software programs (“Online Computer Systems”) (collectively, “Computer Systems”), which we have developed or may develop and/or designate for use for the System through Approved Suppliers and you must also purchase such Computer Systems as may be necessary for the efficient operation of the Franchised Business. We have the right to require you to update or upgrade components and software for your Computer Systems as we deem necessary from time to time. In addition, we have the right to require you to enter into a separate maintenance agreement for such Computer System components. Although you must buy, use, and maintain the Computer Systems meeting our standards and specifications, you will have the sole and complete responsibility for: (i) the acquisition, operation, maintenance, and upgrading the Computer Systems; and (ii) all consequences that may arise if the Computer Systems are not properly operated, maintained, or upgraded.

For your Online Computer System, you must purchase the license and hardware for the cloud-based software we use, including our sales and customer management system and managing email marketing, as well as the software to operate the business. The Local Computer System consists of: (a) laptops for employees (including monitors, keyboards, and mice if needed), (b) wired and wireless network equipment, (c) mobile hot spot for robot deployment (including a data subscription), (d) mobile phones for employees, (e) at least one all-in-one printer, (f) tablets for sales and technician personnel, (g) office alarm systems, sensors, and camera (recommended but not required by us), (h) one office desk phone, and (i) one double-sided large format (11x17) printer. These products and systems may generate data for your Franchised Business such as sales data, customer information, employee and labor information, inventory, and financial reports. Your computer hardware and system and any data or information you obtain must be secure.

You are required to participate in any area computer network, intranet, or extranet that we implement for the System, and you may be required by us to use such area computer network, intranet, or extranet to, among other things: (i) submit your reports due under the Franchise Agreement to us online; (ii) view and print portions of the Manuals; (iii) download approved local advertising and promotions materials; (iv) communicate with us and other franchisees; and (v) participate in online training. You must agree to use the facilities of any such area computer network, intranet, or extranet in strict compliance with the standards, protocols, and restrictions that we include in the Manuals, including those related to the encryption of confidential information and prohibitions against the transmission of libelous, derogatory, or defamatory statements.

The estimated range of obtaining the Computer System is between \$1,500 - \$5,000, which can be found in more detail in Item 7. Additionally, you are required to pay a monthly Technology Fee of \$485 per employee, per month, which is also detailed in Items 6 and 7 and subject to change in the future. We are not obligated to provide any ongoing maintenance, repairs, upgrades, or updates. You must maintain and exclusively use franchised “@robotlab.com” email accounts for customer communications, which will be provided to you. No contractual limitation exists on our right to access the information on our Online Computer Systems, either provided by you or someone else. We may require you to upgrade or update your Computer System and other office equipment to match minimum market standard at that time. No contractual limitation exists on the frequency or cost of this obligation. We will have independent access to any data which you collect electronically.

There are currently no annual costs for any optional or required maintenance update, upgrading or support contracts. We reserve the right, however, to charge a reasonable fee for any ongoing maintenance and repairs, upgrades, and support services, including the costs for the Computer System. There are no contractual limitations on the frequency and cost of this requirement, as technology is constantly changing. We may require you to update your Computer System every five (5) years or as needed, depending on changes in technology, the System, and our current standards and specifications as defined in the Manuals. We estimate that annual costs for upgrades to your Computer System will be approximately \$1,500 - \$3,000 but may vary if we implement changes to the Computer System or otherwise development additional Computer System components that we require you to use in the operation of your Franchised Business.

We, or a third-party vendor that we select, will provide you with the Computer System components and instructions. We will have real-time, independent access to certain operational and financial information and data produced by your Computer System. There are no contractual limitations on our right to access the information and data.

### **Development Time**

The typical length of time between our acceptance of the Franchise Agreement and the opening of your Franchised Business is six (6) to eight (8) weeks. Once the Franchise Agreement is executed, by its terms you will have up to four (4) months to open your Franchised Business. The factors that may affect the Franchised Business opening process may include your ability to find a suitable Retail facility, supply chain delays, sign, equipment and inventory acquisition, lease negotiations, and financing or staffing issues. If you fail to open your Franchised Business within the fourth month we may, in our sole discretion, terminate your Franchise Agreement. We may, in our discretion, agree to extend your opening deadline but we may require you to execute a general release as a condition of granting such an extension.

### **Training**

We conduct our training program at our training center in Southlake, TX (“Training Facility”) and through 1:1 online training sessions and an online learning platform. The training program is typically offered four (4) times per year, at the beginning of each quarter. The training program, New Franchisee Orientation Training (“NFOT”), covers several aspects of management and operation of your Franchised Business,

including business plan development, sales training, marketing training, Computer System usage training, merchandising, computer operation, Franchised Business management, personnel benefits, and issues, buying custom products, our Approved Suppliers, and other topics we may select. The first part of NFOT will educate you on how to understand your marketing program and financial statements and utilize the information to build your Franchised Business. The second phase of NFOT includes technical training on all products you are allowed to sell, and other topics we select (“Technical Training”). We will not allow you to open your Franchised Business until and unless you successfully complete the first session of NFOT to our satisfaction. You will not be allowed to sell or service any specific product, unless you complete the Technical training to our satisfaction

Your, and your team’s undivided attention is required to complete the training in a timely manner.

## TRAINING PROGRAM

### First Session - New Franchisee Orientation Training (“NFOT”)

Target Audience <sup>1</sup>	Subject	Hours of Classroom and Online Training	Hours of “Hands-On” Training	Location
Everyone	Money Mindset	3-5-3	1-2	Online, unless you request our Training Facility
Everyone	Who Is RobotLAB; Markets Served; Product Families; What Problems We Solve For Our Customers; Our History; Educational Robotics Legacy	1-2	1-2	Online, unless you request our Training Facility
Owner/ GM / Marketing	Marketing, Building Your Book Of Business, How To Get On Local Stages, The Perfect Customer Persona, Social Media, Advertising	16-24	8-12	Online, unless you request our Training Facility
Owner/ GM / Sales	Sales, Presentation, Negotiation, Objection-Handling, Prospecting	24-32	8-12	Online, unless you request our Training Facility
Owner/ GM / Sales	Follow-Up, Trial Closes, Closing The Deal	24-32	8-12	Online, unless you request our Training Facility
Everyone	Corporate Culture, High Talent Density, Daily Standups, Be Your Best Self, Scams Awareness	1-2	1-2	Online, unless you request our Training Facility
Everyone	Computer And Mobile Phone Set Up, Dropbox, Slack, Clickup, Office Suite, Antivirus, Barracuda,	1-2	2-3	Online, unless you request our Training Facility
Owner/ GM /Sales	Computer System For Sales People	1-2	2-3	Online, unless you request our Training Facility
Owner/ GM / Marketing	Computer System For Marketing People	1-2	2-3	Online, unless you request our Training Facility
Owner/ GM / Operations	Computer System For Operations People	1-2	2-3	Online, unless you request our Training Facility
Owner/ GM / Customer Success	Computer System For Customer Success People	1-2	2-3	Online, unless you request our Training Facility

Target Audience <sup>1</sup>	Subject	Hours of Classroom and Online Training	Hours of “Hands-On” Training	Location
Owner/ GM	Legal Entity Structures & Financing Options	1-3	On Demand	Online, unless you request our Training Facility
Owner/ GM	Business Planning & Development Strategy	5-8	2	Online, unless you request our Training Facility
Owner/ GM	Loss Prevention And Pre-Emptive Dispute Resolution	2-3	1	Online, unless you request our Training Facility
Owner/ GM	Accounting & Bookkeeping Overview	1-2	2-3	Online, unless you request our Training Facility
Everyone	Vendor And Approved Suppliers Overview	3-5	2	Online, unless you request our Training Facility
Owner/ GM / Marketing	Brand Standards, And Franchise Brand Continuity	1-2	1-2	Online, unless you request our Training Facility
Owner/ GM	Business Operations And Financial Business Management, Cash Flow Management, 5 Bank Accounts System	1-2	1-2	Online, unless you request our Training Facility
Owner/ GM	Inventory Management; Demo Units;	1-2	1-2	Online, unless you request our Training Facility
Owner/ GM	Franchised Business Management	1-2	1-2	Online, unless you request our Training Facility
Owner/ GM	Employee Management	1-2	1-2	Online, unless you request our Training Facility
Everyone	Customer Service & Brand Standards	1-2	1-2	Online, unless you request our Training Facility
Everyone	Phone System And Communication Methods	1-2	1-2	Online, unless you request our Training Facility
	<b>TOTAL HOURS</b>	<b>93 - 145</b>	<b>51 - 79</b>	

**Notes:**

1. Target Audience. Franchisee owners and general managers; however, parts of the training can be assigned to different managers on demand.

**Second Session - Technical Product Training**

The following training is mandatory for all franchise employees. You will not be able to sell products that you are not trained on. Your CRM and quoting system will not present any product that you are not certified to sell. It is your responsibility to make sure all your salespeople are proficient and have complete product

knowledge before talking to customers. Providing wrong product information to customers or selling the wrong product for use may result in customer disputes, returns, and a loss of money.

The product knowledge training program described below is PER ROBOT. As we develop the business and add more products, you and your team will be required to be trained on new products. Like with all high-tech products, software and hardware revisions are common and we will require you and your team to maintain updated product knowledge as needed (i.e., a new software hardware version became available for a robot you offer for sale).

There are three levels of product knowledge:

1. Generic Product Knowledge. Mandatory for all Franchised Business employees. Without completing this level, you will not be able to offer these products to your customers.
2. Deployment Engineer Knowledge. Mandatory if you choose to deploy robots independently. If you do not complete this per-product training, we will charge you a \$400 deployment fee (plus travel) per robot you sell, as we will send a technician to deploy the robot for you. Having an up-to-date certified deployment engineer on board, will earn you an additional 1% rebate on each product you purchase, when at the time your purchase order is placed with us your Franchised Business has at least one person who has been certified on the product.
3. Technician / Repair Engineer Knowledge. You may elect to engage in robot repairs as a part of the service you provide your customers. Such training is available only for technicians with a background in hardware repair, IT, and computer systems, and is subject to pre-approval from our Director of Customer Success.

The table below demonstrates the training program for each level of product knowledge, and the schedule will need to be repeated for each product you offer to your customers:

Target Audience	Subject	Hours of Classroom Training	Hours of “Hands-On” Training	Location
Level 1 – Everyone	Product introduction: Product category, main features, use cases, product history (versions, variants, etc.), Product accessories (cups tray, charging station, water station)	1	On Demand	Southlake, TX and/or Online
Level 1 – Everyone	Product Standard Operating Procedures	2	1	Southlake, TX and/or Online
	<b>LEVEL 1 TOTAL HOURS</b>	<b>3</b>	<b>1</b>	
Level 2 – Owner / GM / Deployment Engineer / Sales	Mapping the environment, starting tags/QR codes  For Delivery: deciding on points of interest, deciding on robot position when delivering, hauling away items, cruise mode, birthday mode, charging station positioning, starting point positioning, schedules, charging time & run time, ongoing maintenance	24	24	Southlake, TX and/or Online

Target Audience	Subject	Hours of Classroom Training	Hours of “Hands-On” Training	Location
	For Cleaning: deciding on the path or area to clean, points of interest, charging station positioning, starting point positioning, daily maintenance, preventive maintenance  For Customer Service robots: deciding on path, patrol, visual, content tree, images and videos, languages etc.			
	<b>LEVEL 2 TOTAL HOURS</b>	<b>27</b>	<b>25</b>	
Level 3 – Technicians	In depth repair workshop. On demand and on site only. After an approval from the director of customer success that the candidate is a good fit. Workshops are offered 4 times a year, at the beginning of every quarter.	40	40	Southlake, TX
	<b>LEVEL 3 TOTAL HOURS</b>	<b>67</b>	<b>65</b>	

The instructional material for each subject includes the Manuals, the electronic Computer System guide and guide to CRM reports, training manual, visual merchandising manual, daily operations tools, lectures, classroom discussion, hands-on demonstration, role-play training, and practice training in the Training Facility.

Our training program is led by our CEO, Elad Inbar, who has over 15 years’ experience in the industry, and is also our owner and developer of the businesses we offer in this Disclosure Document. We may use other trainers in our training program, all of which will have at least 6 months’ experience in the area they are instructing.

We do not charge an additional fee for NFOT. You are, however, responsible for travel and living expenses that you and your representatives (if any) incur while attending NFOT. See Item 7 for additional information on those expenses. We require franchisees to attend any additional training programs for their position and areas of responsibilities.

**Operations Manual.** We provide you with an electronic copy of our Manuals in the form of videos on our learning system. The Manuals are subject to change and will be updated electronically, as necessary, through our intranet or by way of policy updates delivered to you. The table of contents for our current Manuals can be found in Exhibit D of this Disclosure Document. There are 100s of hours of video materials in our current Manual as of the issuance date of this Disclosure Document.

## **ITEM 12. TERRITORY**

Upon signing the Franchise Agreement, we will assign you with an area of your choice, based on availability, in which you will have protected rights (the “Protected Territory”). The size of your Protected Territory may vary from other System franchisees based on the location and demographics of your Protected Territory. Typically, a Protected Territory will consist of approximately 8,000 small businesses but can vary based upon on a number of factors, including population density, business density, market saturation and product awareness for the type of products and services being offered in the operation of your Franchised Business, and other considerations in our sole discretion which we determine. The

demographics, geography, and other factors we use in defining your Protected Territory are based upon information provided to us by third-party sources that we select in our sole discretion. If you request and we agree, in our sole discretion, to grant you a Protected Territory that contains a business count in excess of 8,000 small businesses, you must pay us six dollars and eighty-six cents (\$6.86) for each additional business in excess of 8,000 for the Protected Territory.

The boundaries of your Protected Territory may be described in terms of zip codes, streets, landmarks (both natural and man-made) or county lines, or otherwise delineated on a map. The sources we use to determine the population within your Protected Territory will be publicly available population information through our GIS system which provides information based on multiple sources.

Your approved facility must be located within your Protected Territory. You may not relocate your facility or arrange for an affiliation with a new facility for your Franchised Business without our prior written approval. Our approval for relocation or a change in your facility will not be unreasonably withheld, however factors we may consider in deciding whether to approve your request include: (i) whether the new facility is satisfactory to us and located within your Protected Territory, (ii) your lease, if any, complies with our then-current requirements, (iii) you comply with our then-current requirements for constructing, outfitting, and furnishing the new facility, (iv) the new facility will not, as determined in our sole discretion, materially and adversely affect the Gross Revenue of any other Franchised Business, (v) you have fully performed and complied with each provision of the Franchise Agreement within the last three (3) years prior to, and as of, the date we consent to such relocation (the "Relocation Request Date"), (vi) you are not in default, and no event exists as of the Relocation Request Date, and (vii) you have met all of our then-current training requirements. If you lose your lease, you must secure our approval of another site and enter into a lease for the new approved site within 90 days after you lose your site lease.

We will not establish another Franchised Business or Company-Owned Franchised Business in your Protected Territory under the mark RobotLAB. We have established a RobotLAB site on the internet, and online sales coming from your protected territory will be appropriated to you. Although we do not do so as of the issuance date of this Disclosure Document, we reserve the right to distribute products through alternative channels of distribution, including the internet (or any other existing or future form of electronic commerce), using the Marks inside or outside of the Protected Territory. We also reserve the right to distribute products through alternative channels of distribution or establish franchised or company-owned businesses selling similar products or services under a trademark different from the Marks inside or outside of the Protected Territory.

You will not receive an exclusive territory. You may face competition from other franchisees, from outlets that we own, or from other channels of distribution or competitive brands that we control.

Although we will grant you a Protected Territory, we or our affiliates may (or may authorize a third party to) conduct any or all of the following activities, without compensation to you:

1. Establish or license franchises and/or company-owned outlets or other facilities or businesses offering similar or identical products, services, and classes and using the System or elements of the System (i) under the Marks anywhere outside of the Protected Territory regardless of proximity to the Protected Territory or to your Franchised Business or (ii) under names, symbols, or marks *other than* the Marks anywhere, including inside and outside of the Protected Territory;
2. Sell or offer, or license others to sell or offer, any products or services using the Marks or other marks through any alternative distribution channels, including, without limitation, through e-commerce, in retail stores, via recorded media, via online videos, or via broadcast media, anywhere, including inside and outside of the Protected Territory;



3. Solicit customers for you as well as advertise and promote sales of Franchised Businesses anywhere, including within the Protected Territory and advertise, or authorize others to advertise anywhere, using the Marks;

4. Acquire, be acquired by, or merge with other companies with existing similar businesses, and/or RobotLAB Franchised Businesses anywhere (including inside or outside of the Protected Territory) and, even if such businesses are located in the Protected Territory, (i) convert the other businesses to the RobotLAB name, (ii) permit the other businesses to continue to operate under another name, and/or (iii) permit the businesses to operate under another name and convert existing Businesses to such other name;

5. Engage in any other activity, action or undertaking that we are not expressly prohibited from taking under this Agreement.

You may not advertise, market, solicit, sell or service customers outside your Protected Territory (“Non-Exclusive Customers”), unless you are solicited or have a prior verifiable relationship with the Non-Exclusive Customer. If you sell products or services to a Non-Exclusive Customer, you must pay us or the incumbent franchise owner an encroachment fee equal to 50% of the profit for Non-Exclusive Customers sales outside of your Protected Territory (“Encroachment Fee”). We may permit you to advertise or market in areas adjacent to your Protected Territory that are not part of the Protected Territory of another franchisee or a company- or affiliate-owned outlet (an “Open Territory”). We reserve the right to revoke our consent at any time, and we may sell the Open Territory to another franchisee or establish a company- or affiliate-owned outlet in the Open Territory at any time, and you must immediately refrain from marketing or selling products and services in an Open Territory upon written notice from us.

We and all franchisees are allowed to attend trade shows, conventions, and other industry events in any area, even within Protected Territories, so long as the franchisees agree that leads falling within another franchisee’s Protected Territory will be given to that franchisee. Because the primary purpose is to support the RobotLAB® brand, expenses incurred in attending these events are credited towards your Local Area Marketing Expenditure.

You may not use alternative channels of distribution, including the internet, catalog sales, telemarketing, or other direct marketing methods to make sales inside or outside your Protected Territory unless specifically authorized by us in writing.

You need to achieve specified Gross Revenue to retain the Protected Territory under the Franchise Agreement (“Minimum Performance Standard(s)”). More detailed information regarding Minimum Performance Standards can be found in Section 5(B) of the Franchise Agreement. Following the execution of the Franchise Agreement, the Minimum Performance Standard is as follows:

<b>Minimum Performance Standards</b>	
<b>Period Following Original Opening Date</b>	<b>Minimum Gross Revenue</b>
Year 1	\$1,000,000
Year 2	\$1,750,000
Year 3 and beyond	\$3,000,000

If you fail to meet the Minimum Performance Standards in any calendar year, you must create a business plan that we must approve in writing, and you must diligently implement the business plan during the next calendar year. If you fail to meet the Minimum Performance Levels for two consecutive years, we may reduce the size of your Protected Territory or elect to terminate your franchise agreement.

We reserve the right to sell at all conventions, conferences, and other trade centers both domestically in the United States and internationally to market and sell its services solely or jointly with any of its franchisees. We may from time to time enter into agreements to provide services to customers as part of a national, regional, or key account program (“Key Accounts”) at locations within the Protected Territory. You must accept and perform the terms of such agreements (including, without limitation, special pricing, payment terms, timing of services, and central invoicing) with respect of locations within the Protected Territory. If you refuse to perform the required services or we determine that your Franchised Business is not qualified, interested, able, or available to perform the services, you are required to allow either our employee(s) or another franchisee to enter the Protected Territory to perform the required services. In the case of an agreement under which the customer will pay a fixed amount for services at all locations listed in the agreement, we may allocate the fixed amount among the businesses performing the services.

You may not offer products or services through any channel other than those we have expressly approved. If you request approval of any other distribution channel or type of outlet, we will consider the factors we deem appropriate, which may include the time you have been operating the Franchised Business, your sales volume, whether you have met quality standards and other benchmarks, and other standards that we may determine in our sole discretion. You may not sell products to any vendor who would in turn sell to customers.

### **Development Agreement**

If you enter into a Development Agreement, you will have the right to simultaneously open and operate a mutually agreed upon number of Franchised Businesses, each with its own Protected Territory. The total number of Franchised Businesses to be opened under your Development Agreement and the Protected Territory for each Franchised Business will be dependent upon a number of factors such as: (i) your financial and operational abilities to operate multiple Franchised Businesses simultaneously, (ii) the location and demographics of the general area where we mutually agree you will be opening these locations; and (iii) other factors that we deem relevant in our sole discretion. You must simultaneously execute our current Franchise Agreement for each Franchised Business that we grant you the right to open under your Development Agreement. Your Protected Territory for each Franchised Business under your Development Agreement will typically be contiguous geographic areas. We may permit you to operate some, or all, of the Franchised Businesses under your Development Agreement from one Retail facility located within one of your Protected Territories. We will use our then-current standards for accepting the Retail facility and designating Protected Territories.

You must continuously operate each Franchised Business under your Development Agreement. If you fail to continuously operate a Franchised Business, we may terminate the Franchise Agreement for that particular Franchised Business and offer the Protected Territory to another System franchisee. We will not terminate any other Franchise Agreement under your Development Agreement solely based upon your failure to operate a Franchised Business in a separate Protected Territory under your Development Agreement. Other events of default which permit us to terminate the Franchise Agreement for one Franchised Business may permit us to terminate any other Franchise Agreement or other agreement between you and us.

If a Franchised Business is destroyed or damaged by any cause beyond your control such that it may no longer continue to be open for the operation of business (“Destruction Event”), you must diligently work to repair and restore the Franchised Business to our approved plans and specifications as soon as possible. Under such circumstances, the Franchised Business will continue to be deemed a “Franchised Business in operation” for the purpose of the Franchise Agreement for up to 90 days after the occurrence. If a Franchised Business (i) is closed in a manner other than those described in the Development Agreement or as otherwise agreed by us in writing or (ii) fails to reopen within 90 days after a Destruction Event, then we may terminate the Franchise Agreement for that particular Franchised Business, and all of your territorial rights, if any, will be eliminated.

We will not grant to you any options, rights of first refusal or similar rights to acquire additional franchises within a particular territory. Except as disclosed in this Item 12 or as specifically allowed in the Franchise Agreement, we cannot alter your territory rights, except as otherwise described in this Item 12 or in the Franchise Agreement.


**ITEM 13.  
TRADEMARKS**

Pursuant to the Franchise Agreement, you are granted a sub-license to operate a Franchised Business using the RobotLAB marks and other marks either owned by us or licensed to us by RobotLAB Inc. in connection with the operation of your Franchised Business (the “Marks”).

Some of the Marks are owned by our affiliate, RobotLAB Inc., and licensed to us under a license agreement (the “License Agreement”). In the License Agreement, RobotLAB Inc. authorizes us to use the Marks in connection with the offer, sale, and support of Franchised Businesses. The License Agreement does not contain any significant limitations on our right to use or license the Marks to you and is perpetual in duration and may be terminated unilaterally by either party only upon a material breach of the License Agreement. Upon termination of the License Agreement, we must immediately discontinue the use of the Marks and assign to RobotLAB Inc., all of our franchise agreements licensing the use of the Marks, and RobotLAB Inc. has agreed to assume all obligations under such agreements arising from and after their assignment. In addition to the Marks in the chart below, franchisees may also use other marks, registered or unregistered, that we own or have the right to use through the License Agreement and that we designate as part of the Marks.

There are no agreements currently in effect that significantly limit our right to use or license the use of the Marks.

We have registered the following Marks with the Principal Register of the USPTO and have filed (or will file as requested by the USPTO) the required affidavits with respect to each of the Marks:

Mark	U.S. Registration No.	Registration Date
ROBOTLAB	5577504	October 2, 2018
 RobotLAB	5620030	December 4, 2018

We claim common law rights to the Marks and other terms and phrases used regularly in connection with the System. We also claim common law rights to our designs, logos, and trade dress items, including color schemes and appearance, as well as copyright where applicable, but there have not been judicial determinations of the existence, validity, or extent of our rights. We claim and intend to rely on common law and/or statutory trade secret and unfair competition protection for the proprietary materials and information you are awarded a license to use under the Franchise Agreement.

There are presently no final effective determinations of the USPTO, the Trademark Trial and Appeal Board, or any trademark administrator of any state or any court proceedings which limit or restrict our right to use the above-described Marks or are relevant to your use of the Marks for your Franchised Business.

There are no currently effective determinations of the Patent and Trademark Office, the Trademark Trial and Appeal Board, the trademark administrator of any state or any court, or any pending infringement, opposition or cancellation proceeding, or any pending material litigation, involving any Marks that are relevant to the operation of your Franchised Business. There are currently no agreements in effect that significantly limit our rights to use or license the use of any Marks listed in this Item 13 in any manner

material to the System or your Franchised Business. We are not aware of any superior rights or infringing uses, which could materially affect your use of the Marks.

We are not required to protect you against infringement or unfair competition claims arising out of your use of the Marks, or to participate in your defense or indemnify you. We reserve the right to control any trademark litigation and will take the action we believe is appropriate if a third party infringes our Marks. You must notify us promptly if you become aware of any infringement or unauthorized use of the Marks and cooperate with any action that we take. We will pay the cost and expense of all litigation we incur, including attorneys' fees, specifically related to the Marks. However, we are not required to take affirmative action when notified of these uses or claims. If any party claims that its rights to use any of the Marks are superior and we confirm that claim, you must, at your expense, immediately make the changes and use the substitutions to the Marks that we require.

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

We do not currently have any registered patents or pending applications with the USPTO. However, the technology and equipment used in the operation of RobotLAB Franchised Businesses are proprietary to RobotLAB Inc. and us.

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

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

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

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

We do not contract with individual franchisees to protect the copyrights, to protect individual franchisees against infringement or unfair competition claims arising out of the franchisee's use of the copyrights, or to participate in the franchisee's defense or indemnify the franchisee.

You must notify us within three days after you learn about another's use of language, a visual image, or a recording of any kind, that you perceive to be identical or substantially similar to one of our Copyrighted Works or use of our Confidential Information or Trade Secrets, or if someone challenges your use of our Copyrighted Works, Confidential Information or Trade Secrets. We will take whatever action we deem appropriate, in our sole and absolute discretion, to protect our rights in and to the Copyrighted Works, Confidential Information or Trade Secrets, which may include payment of reasonable costs associated with the action. However, the Franchise Agreement does not require us to take affirmative action in response to any apparent infringement of, or challenge to, your use of any Copyrighted Works, Confidential Information or Trade Secrets or claim by any person of any rights in any Copyrighted Works, Confidential Information or Trade Secrets, and we are not required to participate in the defense of, or provide indemnification to you in connection with, any proceeding related to the Copyrighted Works, Confidential Information or Trade Secrets. You must not directly or indirectly contest our rights to our Copyrighted Works, Confidential Information or Trade Secrets. You may not communicate with anyone except us, our counsel or our designees regarding any infringement, challenge, or claim. We will take action as we deem appropriate regarding any infringement, challenge or claim, and the sole right to control, exclusively, any litigation or other proceeding arising out of any infringement, challenge or claim under any Copyrighted Works, Confidential Information or Trade Secrets. You must sign any and all instruments and documents, give the assistance and do acts and things that may, in the opinion of our counsel, be necessary to protect and maintain our interests in any litigation or proceeding, or to protect and maintain our interests in the Copyrighted Works, Confidential Information or Trade Secrets. If we require you to modify or discontinue use of the Copyrighted Works, Confidential Information or Trade Secrets, you must comply with all of our requirements.

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

We do not require the Franchisee or its Controlling Person to be full-time employees of the Franchised Business, the franchisee, or the Approved Entity.

We do, however, require that you (or the Controlling Person if you are an entity) are obligated to actively, personally, and frequently monitor and supervise the performance and operation of each Franchised Business. The noncompetition provisions found in the Franchise Agreement, do not prohibit you from being employed by a company other than your Franchised Business. In the event that your Controlling Person resigns or is otherwise terminated, you must hire a replacement approved by us in writing who meets our then current standards for Controlling Person and who is approved by us in writing before hiring, within 30 days after the resignation or termination of the former Controlling Person. You must train the new Controlling Person within 30 days of hiring. Your Controlling Person and certain key employees and their spouses will be bound by the confidentiality and non-compete covenants of the Franchise Agreement.

Each Franchised Business must also be under the direct, on-premises supervision of either you directly or of a manager:

- (a) who has been properly trained by you;
- (b) who has been approved by us and whose identity has been disclosed to us in writing; and
- (c) who shall have executed, upon our request, an invention assignment and confidentiality agreement in the form provided by us agreeing not to divulge any trade secret or confidential or proprietary

information, including the contents of the Manuals.

We may require every general partner and limited partner, if you are a partnership or limited partnership; or every member, if you are a limited liability company, or every stockholder or other holder of equity interest, if you are a corporation (collectively, “Owners”), to personally guarantee your obligations under the Franchise Agreement or Development Agreement and also agree to be personally bound by, and jointly and severally liable for the breach of, any provision of the Franchise Agreement or Development Agreement. The Owners agree to discharge all their obligations under the Franchise Agreement and Development Agreement. Furthermore, all Owners are bound by all provisions of the Franchise and Development Agreements, including but not limited to maintaining the confidentiality of proprietary information and trade secrets as described in Item 14 and the noncompete covenants described in Item 17. Lastly, the Owners, management personnel, and employees who are provided access to the Manuals or other confidential information must sign a Confidentiality Agreement.

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

You must offer and sell only those goods and services that we have approved. You also must offer all goods and services that we designate as required for all franchisees. You and your team will not be able to offer products you are not certified (via our required training) to sell. We may, in our discretion, add new training materials, goods, and services based on our evaluation of numerous factors, including customer demands, the geographic location of your Franchised Business and any other factor which we deem important to the operation of your Franchised Business. Our right to modify the approved list of goods and services to be offered to you in the operation of your Franchised Business is not limited.

You may offer the sale of the approved goods and services from your Franchised Business location to any person or business location domiciled within your Protected Territory. Unless specifically authorized by us, you may only deliver merchandise or offer services from your Franchised Business to customers residing within your Protected Territory or to business locations within your Protected Territory.

You may not advertise, market, solicit, sell or service to Non-Exclusive Customers, unless you are solicited or have a prior verifiable relationship with the Non-Exclusive Customer. Notwithstanding the foregoing, you must pay us or the incumbent franchise owner an Encroachment Fee of 50% of the profits attributed to unauthorized sales of products or services to Non-Exclusive Customers.

You may not use alternative channels of distribution, including the internet, catalog sales, telemarketing, or other direct marketing methods to make sales inside or outside your Protected Territory unless specifically authorized by us in writing.

You may not sell or accept in trade any goods (including automated robots or similar technology), in the operation of your Franchised Business that are not provided by an Approved Supplier or that you believe may be stolen, have been recalled, are knowingly counterfeit, or are otherwise unsafe upon inspection. Furthermore, you may only use advertising and promotional materials that we approve.

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

**THE FRANCHISE RELATIONSHIP**

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

**A. Franchise Agreement**

Provision		Section in Franchise Agreement	Summary
a.	Length of the franchise	Section 2(A)	10 years.
b.	Renewal or extension of the term	Section 2(B)	If you meet the renewal requirements set forth in the Franchise Agreement, you can renew the Franchise Agreement for additional 5-year period(s).
c.	Requirements for you to renew or extend	Section 2(B)	Provide advance notice in writing, sign then current Franchise Agreement, pay renewal fee, remodel, meet all current Brand Standards, secure extension of lease and be in compliance with current Franchise Agreement during the term of the Agreement. You may be asked to sign a Franchise Agreement with materially different terms and conditions than your original Franchise Agreement.
d.	Termination by you	Section 16(A)	If you are complying with the Franchise Agreement, and we fail to cure a material default within 30 days after our receipt of written notice, subject to state law.
e.	Termination by us without cause	Not Applicable	Not Applicable
f.	Termination by us with cause	Sections 15(A) and (B)	We can terminate the Franchise Agreement only if you default.
g.	“Cause” defined – curable defaults	Sections 15(A) and (B)	You have 30 days to cure a violation of any material provision of the Franchise Agreement, non-payment of amounts owed to us or any applicable local advertising Cooperative, failure to abide by our standards and requirements in operating the Franchised Business, an assignment of assets to creditors and the expiration or termination of the Franchised Business’s lease.

Provision	Section in Franchise Agreement	Summary	
h.	“Cause” defined – non-curable defaults	Sections 15(A) and (B);	Failure to open the Franchised Business within 4 months after you sign the Franchise Agreement, insolvency, conviction of felony, or violation of a statute which harms the Franchised Business’s reputation, the abandonment of the Franchised Business, intentionally falsify any information provided to us, repeated defaults even if cured, defaults which cannot be cured, repeatedly deceives RobotLAB customers, defaults which impair the goodwill associated with our trademarks, uncured defaults in any other agreement with us, our subsidiaries or affiliates, frequent and/or severe complaints from customers and/or employees, failure to fully cooperate, failure to achieve the Minimum Performance Standards for two (2) consecutive years; and timely complete audit and violation of the in-term covenant not to compete.
i.	Your obligations on termination/non-renewal	Section 17	Pay all amounts due to us, return manuals and other materials to us, disconnect the telephone number, or assign it to us, redecorate the Franchised Business premises, return, or destroy all copies of the Computer System other than hardware components purchased by you, disconnect any Franchised Business-related internet website, and remove all signs containing any Marks (also see (r), below).
j.	Assignment of contract by Us	Section 14(A);	Assignee must fulfill our obligations under the agreement assigned.
k.	“Transfer” by you – defined	Section 14(C);	Includes any transfer of the Franchised Business, or its assets, your interest in the Franchise Agreement or any significant (“controlling interest”) ownership change.
l.	Our approval of transfer by you	Section 14(C)	We have the right to consent to all transfers of the Franchise Agreement but will not unreasonably withhold consent.
m.	Conditions for our approval of transfer	Section 14(C)	New franchisee must qualify and complete training, pay transfer fee, you must pay all amounts owed to us and be in good standing, new franchisee assumes existing Agreement or (at our option) signs then-current agreement, we have determined that the purchase price and payment terms will not adversely affect the new franchisee’s operation of the Franchised Business, if the transfer is financed by you, you agree that all of the new franchisee’s obligations under promissory notes, agreements or security interests in the Franchised Business are subordinate to the new franchisees obligation to pay fees owed to us under the



Provision		Section in Franchise Agreement	Summary
			Franchise Agreement and you agree to observe all post-termination obligations under Franchise Agreement (also see (r), below).
n.	Our right of first refusal to acquire your business	Section 13	We can match any offer for your business.
o.	Our option to purchase your business	Not Applicable, except as indicated in (n), above	Not Applicable.
p.	Your death or disability	Section 13(B)	You can transfer stock to other shareholders without offering us a right of first refusal; if assignee is your spouse or child, no transfer fee is required.
q.	Non-competition covenants during the term of the Franchise Agreement	Section 18(A)	No direct or indirect involvement in any business involving the purchase and/or sale of robot retail services other than your Franchised Business as authorized in the Franchise Agreement (without our prior written consent, subject to state law).
r.	Non-competition covenants after the Franchise Agreement is terminated or expires naturally under the terms	Sections 18(B) and (C)	No direct or indirect involvement in any business involving the purchase and/or sale of robots and accessories for 2 years within 50 miles of your Franchised Business or any other RobotLAB franchisees. If the franchisee is in breach of this provision, the noncompetition period will be extended for a period equal to the time the franchisee operated a competing business, subject to state law.
s.	Modification of the agreement	Sections 3(C), 8(N) and 20(A) and (B)	No modifications generally, but Manuals, list of authorized Marks and required goods subject to change.
t.	Integration/merger clause	Section 20(G);	Only the terms of the Franchise Agreement are binding, subject to applicable state law. Any other promises may not be enforceable. Nothing in the Franchise Agreement or any related document is intended to disclaim the representations made in this Disclosure Document.
u.	Dispute resolution by arbitration or mediation	Section 19(A)	Except for certain claims, all disputes must be arbitrated in Dallas, Texas, subject to applicable state law.
v.	Choice of forum	Sections 18(D) and 19	All disputes that are subject to arbitration must be arbitrated in Dallas, Texas. Other claims may be decided by any court of competent jurisdiction located closest to Dallas, Texas, subject to applicable state law.

Provision		Section in Franchise Agreement	Summary
w.	Choice of law	Section 20(D)	Apply law of the state of Texas, subject to applicable state law.

**B. Area Development Agreement**

Provision		Section in Development Agreement	Summary
a.	Length of the franchise term	Section 5	The term expires upon the deadline to develop the Franchised Businesses specified in the Development Schedule or upon the development of all Franchised Businesses.
b.	Renewal or extension of the term	Not Applicable	Not Applicable
c.	Requirements for franchisee to renew or extend	Not Applicable	Not Applicable
d.	Termination by franchisee	Not Applicable	Not Applicable
e.	Termination by franchisor without cause	None	Not Applicable
f.	Termination by franchisor with cause	Section 6.1	We can terminate only if you default (see (g) and (h) below).
g.	"Cause" defined – curable defaults	Not applicable	Not Applicable
h.	"Cause" defined - non-curable defaults	Section 6.1	You fail to have open and operating the minimum number of Franchised Businesses, or you fail to maintain access to the minimum number of Retail facilities specified in the Development Schedule by any Opening Deadline specified in the Development Schedule; any Franchise Agreement is terminated a result of default; or you breach or otherwise fail to comply fully with any other provision of the Development Agreement.
i.	Franchisee's obligations on termination/non-renewal	Sections 6.2	You will lose the right to continue to develop Franchised Businesses in your Development Area.
j.	Assignment of contract by franchisor	Section 7	Fully assignable and transferrable by us.

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

Provision		Section in Development Agreement	Summary
v.	Choice of forum	Section 8	The choice of forum provisions of the Franchise Agreement apply to the Development Agreement (subject to applicable state law)
w.	Choice of law	Section 8	The choice of law provisions of the Franchise Agreement apply to the Development Agreement (subject to state law)

Applicable state law may require additional disclosures related to the information in this Disclosure Document. These additional disclosures appear in Exhibit I: State Specific Addenda to this Disclosure Document.

The provision in the franchise agreement, which provides for termination upon your bankruptcy, may not be enforceable under federal bankruptcy law (11 U.S.C., et seq.).

**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 circumstances.

Other than the preceding financial performance representation, we do not make any financial performance representations. 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 Elad Inbar, 950 East State Highway 114 STE 160, Southlake, Texas 76092 by email at Franchise@RobotLAB.com, or by phone at 415-702-3033, the Federal Trade Commission, and the appropriate state regulatory agencies.

**ITEM 20.  
OUTLETS AND FRANCHISEE INFORMATION**

**TABLE 1  
Systemwide Outlet Summary  
For Years 2020 to 2022**

<b>Outlet Type</b>	<b>Year</b>	<b>Outlets at the Start of the Year</b>	<b>Outlets at the End of the Year</b>	<b>Net Change</b>
<b>Franchised Business Locations</b>	2020	0	0	0
	2021	0	0	0
	2022	0	0	0
<b>Company-Owned Locations</b>	2020	1	1	0
	2021	1	1	0
	2022	1	1	0
<b>Total Locations</b>	<b>2020</b>	<b>1</b>	<b>1</b>	<b>0</b>
	<b>2021</b>	<b>1</b>	<b>1</b>	<b>0</b>
	<b>2022</b>	<b>1</b>	<b>1</b>	<b>0</b>

**TABLE 2  
Transfers of Outlets From Franchisee to New Owner  
(Other than Company-Owned Locations)  
For Years 2020 to 2022**

<b>State</b>	<b>Year</b>	<b>Number of Transfers</b>
<b>All states</b>	2020	0
	2021	0
	2022	0
<b>TOTAL</b>	<b>2020</b>	<b>0</b>
	<b>2021</b>	<b>0</b>
	<b>2022</b>	<b>0</b>

**TABLE 3  
Status of Franchised Businesses For Years 2020 to 2022**

<b>State</b>	<b>Year</b>	<b>Franchised Businesses at the Start of the Year</b>	<b>Franchised Businesses Opened</b>	<b>Terminations</b>	<b>Non-Renewals</b>	<b>Reacquired by Franchisor</b>	<b>Ceased Operations For Other Reasons</b>	<b>Franchised Businesses at the End of the Year</b>
<b>All States</b>	2020	0	0	0	0	0	0	0
	2021	0	0	0	0	0	0	0
	2022	0	0	0	0	0	0	0
<b>TOTAL</b>	<b>2020</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
	<b>2021</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
	<b>2022</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>

**TABLE 4**  
**Status of Company-Owned Locations**  
**For Years 2020 to 2022**

State	Year	Company-Owned Outlets at the Start of the Year	Company-Owned Outlets Opened	Company-Owned Outlets Reacquired From Franchisees	Company-Owned Outlets Closed	Company-Owned Outlets Sold to Franchisees	Company-Owned Outlets at the End of the Year
TX	2020	1	0	0	0	0	1
	2021	1	0	0	0	0	1
	2022	1	0	0	0	0	1
TOTAL	2020	1	0	0	0	0	1
	2021	1	0	0	0	0	1
	2022	1	0	0	0	0	1

**TABLE 5**  
**Projected Openings As of December 31, 2022**

State	Franchise Agreements Signed But Franchised Business Not Opened	Projected New Franchised Businesses in the Next Fiscal Year	Projected New Company-Owned Mobile Locations in the Next Fiscal Year
Texas	0	20	1
Florida	0	20	0
Georgia	0	20	0
North Carolina	0	20	0
<b>TOTAL</b>	<b>0</b>	<b>80</b>	<b>1</b>

Our fiscal year ends on December 31 of each year. We have presented the foregoing numbers in the respective tables as of December 31, 2022, with the exception of Projected Openings listed above in Table 5 above, which is presented as of the issuance date of this Disclosure Document.

Exhibit C lists the names of all current and former franchisees and the addresses and telephone numbers of their Franchised Businesses as of the issuance date of this Disclosure Document.

There are no franchisees who had an outlet terminated, canceled, not renewed, or otherwise voluntarily or involuntarily ceased to do business under the franchise agreement during our most recently completed fiscal year or who has not communicated with us within 10 weeks of the issuance date of this Disclosure Document. If you buy this franchise, your contact information may be disclosed to other buyers when you leave the franchise or System.

In some instances, current and former franchisees sign provisions restricting their ability to speak openly about their experience with the franchise or System. You may wish to speak with current and former franchisees but be aware that not all such franchisees will be able to communicate with you in the future. Currently, there are no franchisees who have signed a confidentiality agreement during the last three years.

There are no independent franchisee organizations associated with the franchise or System.

**ITEM 21.**  
**FINANCIAL STATEMENTS**

Attached as Exhibit A to this Disclosure Document are our audited financial statements as of July 31, 2023. As we were formed in January 2023 and began offering franchises in April 2023, we have not been in business for three years or more and cannot include all financial statements required by the FTC Rule for our last three fiscal years. Our fiscal year ends on December 31.

Also included in Exhibit A is our unaudited opening balance sheet as of April 1, 2023. These financial statements are unaudited and include, in the opinion of our management, normal recurring adjustments necessary to fairly state our financial condition as of that date. These financial statements have not been reviewed by an accountant and are incomplete, as they do not contain any financial statement notes. **THESE FINANCIAL STATEMENTS ARE PREPARED WITHOUT AN AUDIT. PROSPECTIVE FRANCHISEES OR SELLERS OF FRANCHISES SHOULD BE ADVISED THAT NO CERTIFIED PUBLIC ACCOUNTANT HAD AUDITED THESE FIGURES OR EXPRESSED HIS/HER OPINION WITH REGARD TO THE CONTENT OR FORM.**

**ITEM 22.**  
**CONTRACTS**

The following agreements are attached as exhibits to this Disclosure Document:

<b>Contract</b>	<b>Location in this Disclosure Document</b>
Franchise Agreement (FA)	Exhibit E
Franchisee Compliance Questionnaire	Attachment to FA
Area Development Agreement (ADA)	Exhibit F
Form of General Release	Exhibit G
Form of Confidentiality and Noncompete Agreement	Exhibit H
State-Required Addenda and Riders	Exhibit I
Form Financing Agreement	Exhibit J
Receipts	Attached as last 2 pages

**ITEM 23.**  
**RECEIPTS**

Attached as the last two pages of this Disclosure Document, are detachable Receipts to be signed by you. Please sign both, keep one for your records, and return a copy to us at RobotLAB Franchising, LLC, 950 East State Highway 114 STE 160, Southlake, Texas 76092.

**EXHIBIT A**

**FINANCIAL STATEMENTS**

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



**RobotLAB Franchising, LLC**  
**Balance Sheet**  
**As of April 01, 2023**

Time 5:00 PM  
Date 01-Apr-23  
Accrual Basis

		<u>Apr. 01, 23</u>
<b>ASSETS</b>		
<b>Current Assets</b>		
	Cash/Cash Equivalent	<u>\$ 1,000,000.00</u>
	<b>Total Current Assets</b>	<u>\$ 1,000,000.00</u>
<b>TOTAL ASSETS</b>		<u><u>\$ 1,000,000.00</u></u>
 <b>LIABILITIES &amp; EQUITY</b>		
<b>Equity</b>		
	Members' Equity	\$ 1,000,000.00
	<b>Total Equity</b>	<u>\$ 1,000,000.00</u>
<b>TOTAL LIABILITIES &amp; EQUITY</b>		<u><u>\$ 1,000,000.00</u></u>

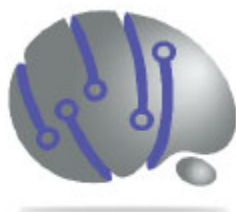


Outside the box. Within the lines.™

*Financial Statements*

**ROBOTLAB FRANCHISING LLC D/B/A  
ROBOTLAB CORP**

**JANUARY 22, 2023 (INCEPTION) THROUGH JULY 31, 2023**



**RobotLAB**

Franchising LLC



**Outside the box.** Within the lines.



ROBOTLAB FRANCHISING LLC D/B/A ROBOTLAB CORP  
JULY 31, 2023

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CERTIFIED PUBLIC ACCOUNTANTS

## INDEPENDENT AUDITORS' REPORT

To the Board of Directors  
RobotLAB Franchising LLC D/B/A RobotLAB Corp  
Southlake, Texas

### Opinion

We have audited the accompanying financial statements of RobotLAB Franchising LLC D/B/A RobotLAB Corp (a Delaware Limited Liability Company), which comprise the balance sheet as of July 31, 2023, and the related statements of operations, members' equity, and cash flows for the period from January 22, 2023 (inception) to July 31, 2023, and the related notes to the financial statements.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of RobotLAB Franchising LLC D/B/A RobotLAB Corp (the "Company") as of July 31, 2023, and the results of its operations and its cash flows for the initial period 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. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Company 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 the Company's ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

-1-



Holsinger.cpa

117 VIP Drive, Suite 220, Wexford, PA 15090 ■ 724.934.4880 ■ Fax 724.934.3990

MSI Global Alliance Independent Member Firm



## Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements 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 the Company's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Company'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.

*Holsinger P.C.*

Wexford, Pennsylvania  
September 6, 2023

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ROBOTLAB FRANCHISING LLC D/B/A ROBOTLAB CORP  
BALANCE SHEET  
AS OF JULY 31, 2023

ASSETS

Current Assets:	
Cash	\$ 40,305
Accounts receivable	104,975
Deferred consulting fee	<u>6,000</u>
Total Current Assets	151,280
Deferred Consulting Fee	<u>53,000</u>
Total Assets	<u><u>\$ 204,280</u></u>

LIABILITIES AND MEMBERS' EQUITY

Current Liabilities:	
Deferred franchise fee revenue	<u>\$ 9,940</u>
Total Current Liabilities	9,940
Deferred Franchise Fee Revenue	87,803
Members' Equity	<u>106,537</u>
Total Liabilities and Members' Equity	<u><u>\$ 204,280</u></u>

The accompanying notes are an integral part of this financial statement.

ROBOTLAB FRANCHISING LLC D/B/A ROBOTLAB CORP  
STATEMENTS OF OPERATIONS AND MEMBERS' EQUITY  
FOR THE PERIOD JANUARY 22, 2023 (INCEPTION) THROUGH JULY 31, 2023

Revenues:	
Equipment fees	\$ 104,975
Initial franchise fees	<u>1,657</u>
Total Revenues	106,632
General and Administrative Expenses	<u>1,095</u>
Net Income	105,537
Members' Equity, at inception (January 22, 2023)	-
Contributions	<u>1,000</u>
Members' Equity, Ending	<u><u>\$ 106,537</u></u>

The accompanying notes are an integral part of this financial statement.



ROBOTLAB FRANCHISING LLC D/B/A ROBOTLAB CORP  
STATEMENT OF CASH FLOWS  
FOR THE PERIOD JANUARY 22, 2023 (INCEPTION) THROUGH JULY 31, 2023

Operating Activities:	
Net Income	\$ 105,537
Adjustments to reconcile net income (loss) to net cash provided by (used in) operating activities:	
Changes in assets and liabilities:	
Accounts receivable	(104,975)
Deferred consulting fee	(59,000)
Deferred franchise fee revenue	<u>97,743</u>
Net Cash Provided by (Used in) Operating Activities	39,305
Financing Activities:	
Member contributions	<u>1,000</u>
Net Cash Provided by (Used in) Financing Activities	<u>1,000</u>
Increase (Decrease) in Cash	40,305
Cash - Beginning of Period	<u>-</u>
Cash - End of Period	<u><u>\$ 40,305</u></u>

The accompanying notes are an integral part of this financial statement.

ROBOTLAB FRANCHISING LLC D/B/A ROBOTLAB CORP  
NOTES TO FINANCIAL STATEMENTS  
JULY 31, 2023

**Note 1 – Nature of Planned Operations**

Nature of Operations – RobotLAB Franchising, LLC D/B/A RobotLAB Corp. (the “Company”) incorporated under the laws of Delaware on January 22, 2023, offers franchises the operation of a RobotLAB® retail sales business which includes the sale of advanced robots for automated tasks such as food ordering, delivery, cleaning, guidance and customer interaction in the restaurant, hospitality, assisted-living, and medical industries. The Company has an associated entity, RobotLAB Financing, which can be utilized by the franchisees to finance the various costs of purchasing the franchise.

**Note 2 – Summary of Significant Accounting Policies**

Basis of Accounting – The Company uses the accrual basis of accounting, whereby revenue is recognized when earned and expenses are recorded as incurred.

Members’ Equity – Membership interest in the Company is composed of 100 membership units.

Revenue Recognition – Revenue is measured based on consideration specified in contracts with franchisees and excludes incentives and amounts collected on behalf of third parties. The Company recognizes revenue when it satisfies a performance obligation by transferring control over a product or service to a franchisee.

The following describes principal activities, separated by major product service, from which the Company generates its revenues:

**Initial Franchise Fees**

The initial franchise fees are calculated as follows:

Number of Franchised Businesses	Initial Franchise Fee (for each Franchised Business)
First	\$ 54,900
Second	\$ 44,500
Thereafter	\$ 34,500

The initial fees are paid in consideration of the rights granted in the franchise agreement and is non-refundable. The fee is recognized as revenue over the term of the initial franchise agreement, which is ten years. Subject to certain requisites, the Company may renew the term of a franchisee upon expiration of the initial term, for an additional five-year period. The renewal fee, to be no more than 25% or \$10,000 of the then current initial franchise fee, whichever is greater, is paid in consideration of the rights granted in the franchise agreement and is non-refundable. The renewal fee is recognized as revenue over the term of the renewal period.

ROBOTLAB FRANCHISING LLC D/B/A ROBOTLAB CORP  
NOTES TO FINANCIAL STATEMENTS (CONTINUED)  
JULY 31, 2023

**Note 2 – Summary of Significant Accounting Policies – Continued**

Equipment Fees

The initial equipment package fee is \$110,500 for the purchase of the equipment package (as defined in the franchise agreement). Financing is available for this package through RobotLAB Financial Services, an affiliated entity, and requires a minimum \$15,000 down payment. The franchisee obtains control of the equipment and revenue is recognized upon the execution of the franchise agreement.

Franchise Royalties

Franchise royalties are calculated based upon 7% of franchisee gross revenue (as defined in the franchise agreement). Franchise royalties are collected and recognized as revenue on a per transaction basis. The Company utilizes a centralized payment processing system for its franchisees, which allows franchise royalties to be collected at the time of payment by the customer.

Brand Fund Revenue

Brand fund revenue is calculated at 1% of franchisee gross revenue (as defined in the franchise agreement). The Company may charge an additional brand fund fee not to exceed 3% of franchisee gross revenue. The Company will use the brand fund fee to conduct advertising research and public relations campaigns, develop websites and other online media programs, develop marketing materials such as television, radio, internet, and print advertising production, and promotional materials for use in each Franchisee's local market, and implement advertising and marketing campaigns. Brand fund revenues are collected and recognized as revenue on a per transaction basis and collected at the time of payment by the customer.

Local Area Marketing Revenue

Local area marketing revenue is calculated at 3% of franchisee gross revenue per month (as defined in the franchise agreement) and will begin in the first full month after the date the Franchised Business opens. The local area marketing requirement may increase up to a maximum of 5% of franchisee gross revenue (as defined in the franchise agreement). Local area marketing revenue is recognized by the Company in the month charged.

Franchisees are required to participate in any local marketing cooperatives established by the Company or by a majority of the Franchised Businesses in the designated market area where two or more unaffiliated franchises are located and operated.

Technology Fee Revenue

Franchisees are required to pay \$485 per employee in the organization with an email address or access to any of the online systems or for other technology-related services provided by the Company. Revenues are recognized in the month charged.

ROBOTLAB FRANCHISING LLC D/B/A ROBOTLAB CORP  
NOTES TO FINANCIAL STATEMENTS (CONTINUED)  
JULY 31, 2023

**Note 2 – Summary of Significant Accounting Policies – Continued**

Pre-Opening Services

Pre-opening services include training and general assistance. The Company has adopted the franchisor practical expedient under FASB ASC 606, which allows the Company to treat pre-opening services as distinct from one another. Training is provided to the franchisee at no additional cost unless additional training is required. Additional training fees are recognized when the service is provided. Pre-opening assistance is provided to the franchisee as needed, and recognized when the service is charged.

Other Non-Recurring Fee Revenue

The Company also reserves the right to charge franchisees for various non-recurring services. Non-recurring services are recognized when the service is charged.

Income Taxes – The Company’s taxable status, as determined by management, is a pass-through entity and the Company has no recorded liability for uncertain tax positions. Therefore, no provision for income tax is included in the financial statements. Management continually evaluates expiring statutes of limitations, audits, proposed settlements, changes in tax law and new authoritative rulings.

Fair Value of Financial Instruments – The recorded accounts receivable approximate fair value due to the short-term nature of the financial instruments.

Use of Estimates – The preparation of the financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the amounts reported in the financial statements and accompanying notes. Actual results could differ from those estimates.

**Note 3 – Franchising**

The Company grants franchise licenses to prospective franchisees. The initial term of each license begins on the effective date of the franchise agreement and ends on the tenth anniversary thereof. Upon expiration of the initial term, and subject to certain requisites, the franchisee has the option to renew the franchise agreement for additional five-year periods.

There was one franchise sold during the period ended July 31, 2023. No franchisees have commenced principal operations, and no franchisees closed, as of July 31, 2023.

**Note 4 – Subsequent Events**

Management has evaluated all subsequent events through September 6, 2023, the date the financial statements were available to be issued and determined that no material subsequent events have occurred.

**EXHIBIT B**

**LIST OF STATE ADMINISTRATORS AND AGENTS FOR SERVICE OF PROCESS**

## List of State Regulatory Administrators

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

<b>LIST OF STATE ADMINISTRATORS</b>	
<p><b><u>CALIFORNIA</u></b>                      Department of Financial Protection and Innovation                      320 West 4th Street, Suite 750                      Los Angeles, California 90013-2344                      (213) 576-7500                      Toll Free (866) 275-2677</p>	<p><b><u>CONNECTICUT</u></b>                      State of Connecticut                      Department of Banking                      Securities &amp; Business Investments Division                      260 Constitution Plaza                      Hartford, Connecticut 06103-1800                      (860) 240-8230</p>
<p><b><u>HAWAII</u></b>                      Commissioner of Securities of the State of Hawaii                      Department of Commerce and Consumer Affairs                      Business Registration Division                      Securities Compliance Branch                      335 Merchant Street, Room 203                      Honolulu, Hawaii 96813                      (808) 586-2722</p>	<p><b><u>ILLINOIS</u></b>                      Franchise Bureau                      Office of the Attorney General                      500 South Second Street                      Springfield, Illinois 62706                      (217) 782-4465</p>
<p><b><u>INDIANA</u></b>                      Indiana Secretary of State                      Franchise Section                      302 Washington Street, Room E-111                      Indianapolis, Indiana 46204                      (317) 232-6681</p>	<p><b><u>MARYLAND</u></b>                      Office of the Attorney General                      Securities Division                      200 St. Paul Place                      Baltimore, Maryland 21202-2021                      (410) 576-6360</p>
<p><b><u>MICHIGAN</u></b>                      Michigan Attorney General's Office                      Corporate Oversight Division, Franchise Section                      525 W. Ottawa Street                      G. Mennen Williams Building, 1<sup>st</sup> Floor                      Lansing, Michigan 48933                      (517) 373-7117</p>	<p><b><u>MINNESOTA</u></b>                      Minnesota Department of Commerce                      85 7<sup>th</sup> Place East, Suite 280                      St. Paul, Minnesota 55101-2198                      (651) 539-1600</p>
<p><b><u>NEW YORK</u></b>                      New York State Department of Law                      Investor Protection Bureau                      28 Liberty Street, 21<sup>st</sup> Floor                      New York, NY 10005                      (212) 416-8222</p>	<p><b><u>NORTH DAKOTA</u></b>                      North Dakota Securities Department                      State Capitol                      Department 414                      600 East Boulevard Avenue, Fourteenth Floor                      Bismarck, North Dakota 58505-0510                      (701) 328-4712</p>
<p><b><u>OREGON</u></b>                      Department of Business Services                      Division of Finance and Corporate Securities                      Labor and Industries Building                      350 Winter Street, NE Room 410                      Salem, Oregon 97310                      (503) 378-4387</p>	<p><b><u>RHODE ISLAND</u></b>                      Department of Business Regulation Securities Division,                      Building 69, First Floor                      John O. Pastore Center                      1511 Pontiac Avenue                      Cranston, Rhode Island 02920                      (401) 462-9527</p>
<p><b><u>SOUTH DAKOTA</u></b>                      Division of Insurance                      Securities Regulation                      124 S. Euclid, Suite 104                      Pierre, South Dakota 57501                      (605) 773-3563</p>	<p><b><u>VIRGINIA</u></b>                      State Corporation Commission                      Division of Securities and Retail Franchising                      1300 East Main Street, 9th Floor                      Richmond, Virginia 23219                      (804) 371-9051</p>
<p><b><u>WASHINGTON</u></b>                      Department of Financial Institutions                      Securities Division,                      P.O. Box 9033                      Olympia, Washington 98507                      (360) 902-8760</p>	<p><b><u>WISCONSIN</u></b>                      Division of Securities                      4822 Madison Yards Way, North Tower                      Madison, Wisconsin 53705                      (608) 266-2139</p>

## List of Agents for Service of Process

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

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

**EXHIBIT C**

**LIST OF CURRENT FRANCHISEES**

**CURRENT FRANCHISEES**

**NONE.**

**FORMER FRANCHISEES**

**NONE.**



## EXHIBIT D

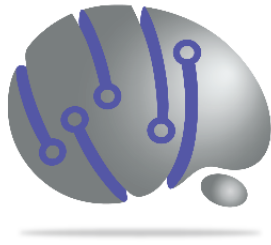
### OPERATIONS MANUAL TABLE OF CONTENTS

The Operations Manual is still under development; therefore, these numbers are estimates based on what has currently been developed and are subject to change.

<b>Chapter</b>	<b>Pages</b>
Introduction	12
Start-Up	20
Accounting & Administration	16
Human Resources	32
Marketing & Social Media	18
Daily Business Operations	10
Safety & Security	25
<b>Total</b>	<b>133</b>

**EXHIBIT E**

**FRANCHISE AGREEMENT**  
**WITH ATTACHMENTS**



**RobotLAB**  
Franchising LLC

**FRANCHISE AGREEMENT**

**between**

**ROBOTLAB FRANCHISING, LLC  
D/B/A ROBOTLAB CORP**

**and**

---

**Franchisee**

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## ATTACHMENTS

- A. FRANCHISEE INFORMATION AND PROTECTED TERRITORY
- B. PERSONAL GUARANTY FOR OWNER/SHAREHOLDER
- C. ELECTRONIC FUNDS TRANSFER AUTHORIZATION
- D. LEASE RIDER
- E. FRANCHISEE COMPLIANCE QUESTIONNAIRE

# ROBOTLAB FRANCHISING, LLC

## FRANCHISE AGREEMENT

THIS FRANCHISE AGREEMENT (“Agreement”) is made and entered into as of the “Effective Date” set forth on Attachment A, by and between RobotLAB Franchising, LLC, a Delaware limited liability company (“Franchisor”), and the franchisee(s) listed on Attachment A to this Agreement (“Franchisee”).

### BACKGROUND:

A. Franchisor offers franchises for the operation of a RobotLAB® retail sales business offering advanced robots for automated tasks such as, but not limited to, delivery, cleaning, guidance, and customer interaction. Franchisor uses and licenses certain trademarks, including RobotLAB®, and may hereafter adopt, use, and license additional or substitute trademarks, service marks, logos, and commercial symbols in connection with the operation of Franchised Businesses (collectively, the “Marks”). RobotLAB® Franchised Businesses use Franchisor’s methods, procedures, standards, specifications, and the Marks (all of which are collectively referred to as the “Business System”), which Franchisor may periodically improve, further develop, or otherwise modify.

B. Franchisee has been provided an adequate opportunity to be thoroughly advised of the provisions of this Agreement and Franchisor’s Disclosure Document and has had sufficient time and opportunity to evaluate and investigate the Business System and the procedures and financial requirements associated with the Business System as well as the competitive market in which it operates.

C. Franchisee desires to operate a RobotLAB® Franchised Business which will conform to the uniform requirements and Brand Standards of the Business System based in a light industrial warehouse (each a “Franchised Business”).

### AGREEMENTS:

NOW THEREFORE, in consideration of the mutual covenants and promises set forth herein, and other good and valuable consideration, the receipt and sufficiency of which is acknowledged by the parties hereto, Franchisor and Franchisee hereby agree as follows:

### 1. GRANT OF FRANCHISE; PROTECTED TERRITORY; COMPLIANCE

A. Grant of Franchise. Subject to the provisions stated below, Franchisor grants to Franchisee a personal and non-exclusive license and franchise to operate a RobotLAB® Franchised Business using the Marks as designated by Franchisor from time to time in conformity with Franchisor’s Business System at a location within the territory specified in Attachment A attached hereto. The specified area identified in Attachment A is referred to as the “Protected Territory.” Franchisee will operate the Franchised Business under the Business System in strict compliance with the provisions of this Agreement and only at a location within the Protected Territory approved by Franchisor (the “Franchised Location”).

B. Franchisee’s Protected Area; Rights Reserved By Franchisor. During the term of this Agreement, Franchisor will not establish for its own account or franchise others the right to operate a RobotLAB® Franchised Business from a permanent location within the Protected Territory specified in Attachment A. Except as expressly provided in this Agreement, we and our affiliates retain the right, in our sole discretion, to conduct any business activities, under any name, in any geographic area, and at any location, regardless of the proximity to or effect on your Franchised Business. For example, we and our affiliates have the right to:

1. Establish or license franchises and/or company-owned outlets or other facilities or businesses offering similar or identical products, services, and classes and using the System or elements of the System (i) under the Marks anywhere outside of the Protected Territory regardless of proximity to the

Protected Territory or to your Franchised Business or (ii) under names, symbols, or marks *other than* the Marks anywhere, including inside and outside of the Protected Territory;

2. Sell or offer, or license others to sell or offer, any products or services using the Marks or other marks through any alternative distribution channels, including, without limitation, through e-commerce, in retail stores, via recorded media, via online videos, or via broadcast media, anywhere, including inside and outside of the Protected Territory;

3. solicit customers for you as well as advertise and promote sales of Franchised Businesses anywhere, including within the Protected Territory, specifically at trade shows, conventions, and other industry events, and advertise, or authorize others to advertise, anywhere using the Marks;

4. Acquire, be acquired by, or merge with other companies with existing similar businesses, and/or RobotLAB® Franchised Businesses anywhere (including inside or outside of the Protected Territory) and, even if such businesses are located in the Protected Territory, (i) convert the other businesses to the RobotLAB® name, (ii) permit the other businesses to continue to operate under another name, and/or (iii) permit the businesses to operate under another name and convert existing Businesses to such other name; and

5. Engage in any other activity, action or undertaking that we are not expressly prohibited from taking under this Agreement.

C. Encroachment Fee. Franchisee may not advertise, market, solicit, sell, or service customers outside its Protected Territory (“Non-Exclusive Customers”), unless Franchisee is solicited or has a prior verifiable relationship with the Non-Exclusive Customer. Notwithstanding the foregoing, Franchisee must pay either Franchisor or the incumbent franchise owner an encroachment fee equal to fifty percent (50%) of the profits attributed to the Non-Exclusive Customers sales outside of its Protected Territory (“Encroachment Fee”). Franchisor has the right to withhold the Encroachment Fee from the proceeds due to Franchisee.

D. Centrally Managed Key Accounts. Franchisor may manage or provide support services to national and/or regional accounts that require centralized overview and support, and for purposes of responding to requests and referrals for services through the franchise system, managing those relationships, answering calls placed to the toll-free number or a national account on-line access system. In that case, Franchisor will pay you 10% of the contracted amount for the services in your Protected Territory, including renewals, if you choose to perform the services.

E. Locally Managed Key Accounts. Franchisor may enter contracts on a regional or national scale where the parent requires or approves its branches and affiliates to purchase our products. In those cases, you will pay to us a 5% of Gross Revenue generated from sales to those accounts.

## **2. TERM OF FRANCHISE; RENEWAL RIGHTS**

A. Term. The term of this Agreement will be for ten (10) years commencing on the date of this Agreement, unless terminated sooner in accordance with the terms hereof.

B. Renewal. Franchisee will have the right to renew its RobotLAB® franchise for the Franchised Location for additional five (5) year terms, provided Franchisee meets the following conditions:

1. Franchisee has given Franchisor written notice at least one hundred eighty (180) days before the end of the term of this Agreement of its intention to renew;

2. Franchisee has complied with all of the material provisions of this Agreement, including the payment of all monetary obligations owed by Franchisee to Franchisor and its affiliates and suppliers, and has complied with Franchisor’s material operating and Brand Standards and procedures and meets all current Brand Standards during the term of the Franchise Agreement;

3. Franchisee has at its expense, made such reasonable capital expenditures necessary to remodel, modernize and redecorate the Franchised Business premises, and to replace and modernize the supplies, items, and equipment customary in Franchisee's business so that Franchisee's business reflects the then-current physical appearance of new RobotLAB® Franchised Businesses;
4. Franchisee has paid a Renewal Fee equal to the greater of (i) ten thousand dollars (\$10,000.00), or (ii) twenty-five percent (25%) of the then-current franchise fee to Franchisor at least thirty (30) days before the expiration of the initial (and any renewal) term of this Agreement expires;
5. Franchisee, at Franchisor's option, executes the then-current Franchise Agreement, provided, however, that Franchisee will be required to pay the Renewal Fee in lieu of the Initial Franchise Fee stated in such Franchise Agreement, and that such Franchise Agreement may not contain any further rights of renewal, but may contain continuing rates and advertising contributions (which may be different than those contained in this Agreement), and an altered Protected Territory; and
6. Franchisee is able to secure a renewal or extension of the lease for the Franchised Location or is able to secure a new location within the Protected Territory which has been accepted by Franchisor, such acceptance not to be unreasonably withheld.

### 3. OWNERSHIP AND USE OF MARKS

A. Ownership. Franchisor is the exclusive owner of all right, title, and interest in and to the Marks and Business System, and all past, present, or future goodwill of Franchisee's Franchised Business and of the business conducted at the Franchised Location that is associated with or attributable to the Marks. Franchisee's use of the Marks and the Business System will inure to the benefit of Franchisor. Franchisee disclaims all right, title, and interest in or to such goodwill and the Marks and the Business System and acknowledges, and agrees, that such goodwill and the Marks and the Business System are the exclusive property of Franchisor. Any and all improvements by Franchisee relating to the Marks and Business System will become the sole property of Franchisor who has the exclusive right to register and protect all such improvements in its name. Franchisee will execute any document required by Franchisor to transfer or assign any such improvements relating to the Marks and the Business System to Franchisor.

B. Use. Franchisee's right to use and identify with the Marks and Business System applies only to the operation of the Franchised Business within the Protected Territory and exists concurrently with the term of this Agreement and only so long as Franchisee is in full compliance with Franchisor's quality and operating standards. Franchisee will have the right to use the Marks and Business System only in the manner Franchisor directs and approves in writing. Franchisee will not have or acquire any rights in any of the Marks or Business System other than the right of use as governed by this Agreement. If, in the judgment of Franchisor, Franchisee's acts infringe upon or harm the goodwill, standards of uniformity or quality, or business standing associated with the Marks and Business System, Franchisee will immediately, upon written notice from Franchisor, modify or discontinue its use of the Marks and Business System in the manner Franchisor directs in writing. Franchisee will not, during or after the term of this Agreement, do anything directly or indirectly which would infringe upon, harm, mislead, or contest Franchisor's rights in the Marks or Business System, or the goodwill associated with the Marks or the Business System. Franchisee cannot advertise any liquidation or going-out-of-business sales or similar types of activity.

C. Promotion. Franchisee will operate the Franchised Business so that it is clearly identified and advertised as a RobotLAB® Franchised Business. The style, form, and use of the words "RobotLAB®" in any advertising, written materials, or supplies must, however, have Franchisor's prior written approval, which approval will not be unreasonably withheld. Franchisee will use the name "RobotLAB®" and the other Marks which now or hereafter may form a part of the Business System, on all paper supplies, business cards, letterhead, envelopes, uniforms, advertising materials, signs or other articles in the identical combination and manner as Franchisor may require in writing. Franchisee will comply with all trademark, trade name, service mark, and copyright notice marking requirements.

D. Identity. Franchisee will not use the word “RobotLAB®” in its corporate or partnership name. Franchisee will clearly indicate on its business checks, purchase orders, business cards, receipts, promotional materials, and other written materials that Franchisee is the owner of the Franchised Business, and that Franchisee is a RobotLAB® franchisee. Franchisee will display a sign which is clearly visible to the general public indicating that the Franchised Business is independently owned and operated.

E. Substitutions. If at any time Franchisor determines it advisable or necessary, Franchisee will, upon receiving written notice from the Franchisor, immediately, at its expense, make such changes and amendments or discontinuation of or to any or all of the Marks as Franchisor may require. Franchisee will not make any changes, amendments, or discontinuations of or to the use of any of the Marks and Business System unless directed by Franchisor in writing.

F. Litigation. Franchisee will not, without Franchisor’s prior written consent, defend, or enforce any of the Marks in any court or other proceedings for or against imitation, infringement, any claim of prior use, or for any other allegation. Franchisee will, however, immediately notify Franchisor of any claims or complaints made against Franchisee respecting the Marks and will, at its expense, cooperate in all respects with Franchisor in any court or other proceedings involving the Marks. Franchisor will pay the cost and expense of all litigation Franchisor incurs, including attorneys’ fees, specifically relating to the Marks. Franchisor and its legal counsel will have the right to control and conduct any litigation relating to the Marks.

G. Crisis Communication. Franchisor will have the sole and absolute discretion to determine what steps will be taken in instances of a crisis that impacts the RobotLAB® brand and may cause harm or injury to the RobotLAB® Marks, Business System, reputation, or image.

H. Affixing Notice. Franchisee hereby covenants and agrees that it will affix in a conspicuous location in or upon the Franchised Location, a sign containing a form of notice substantially in the following form, or such other form as Franchisor may require:

“This business is owned and operated independently by [*Franchisee Entity Name*] who is an authorized, licensed user of the trademark “RobotLAB®,” which trademark is owned by RobotLAB Franchising, LLC.”

#### 4. INITIAL FRANCHISE FEES

A. Initial Franchise Fee. Franchisee will pay Franchisor a non-refundable Initial Franchise Fee as set forth on Attachment A for a standard Protected Territory, which will be fully earned and payable on the date of this Agreement. If Franchisor grants Franchisee a Territory larger than the standard Protected Territory, Franchisee shall pay six dollars and eighty-six cent (\$6.86) per business above the limit of a standard Protected Territory. The Initial Franchise Fee payable by Franchisee is payment to Franchisor for the costs that it will incur to get Franchisee into business including costs Franchisor incurs for training, site evaluation, business overhead costs, travel costs, and for the other initial services Franchisor provides hereunder. If you sign a development agreement with us to operate multiple Protected Territories, you will pay a development fee as detailed in your development agreement.

B. Initial Equipment Package Fee. Franchisee will pay Franchisor a non-refundable Equipment Package Fee as set forth on Attachment A, for an Equipment Package which includes the cost of the currently best-selling robots in our portfolio: four of the delivery robots, one cleaning robot, and one customer service robot; a “Marketing Kit” which includes brochures, product catalogs, roll-up banners, tabletops, RobotLAB® branded apparel, business cards, office signage, and RobotLAB® branded packing tapes; and software licenses for the necessary accounting (“Equipment Package”). If you agree to develop multiple RobotLAB® Franchised Businesses in non-contiguous Protected Territories, we may require you to purchase additional Equipment Packages.



## 5. ROYALTY FEE

A. Royalty Fee. Franchisee will, for the term of this Agreement, pay to Franchisor a Royalty Fee equal to seven percent (7%) of Franchisee's Gross Revenue (as defined below). Franchisee's obligation to pay Franchisor the Royalty Fee under the terms of this Agreement will remain in full force and effect until this Agreement has expired or is terminated or transferred under the provisions herein. Franchisor will withhold the Royalty Fee from the customer funds due to Franchisee based on sales.

B. Mandatory Minimum Performance Standards. Beginning on the first day of opening your Business, Franchisee must achieve specified Gross Revenue to retain the Protected Territory under the Franchise Agreement ("Minimum Performance Standard(s)"). Following the execution of the Franchise Agreement, the Minimum Performance Standard is as follows:

<b>Minimum Performance Standards</b>	
<b>Period Following Original Opening Date</b>	<b>Minimum Gross Revenue</b>
Year 1	\$1,000,000
Year 2	\$1,750,000
Year 3 and beyond	\$3,000,000

If you fail to meet the Minimum Performance Standards in any calendar year, you must create a business plan that we must approve in writing, and you must diligently implement the business plan during the next calendar year. If you fail to meet the Minimum Performance Levels for two consecutive years, we may reduce the size of your Protected Territory or elect to terminate your franchise agreement pursuant to Section 15 of this Agreement.

C. Payment.

1. Franchisee must comply with all of our payment policies, procedures, and requirements, as described in the Manual.
2. Franchisee must create an opportunity and a quote with line items for all products or services provided to customers, including related taxes and all other mandatory information on Computer Systems, as described in the Manual. You will not accept any funds directly or indirectly, or offer products or services without issuing an opportunity, a quote, and an order on the Computer System. All funds due from customers should be paid to RobotLAB for (product sales, services, rentals, warranties, or for any other reason). Franchisor will match the sales with granted territories, product availability, and have the right to approve or reject any sale, withhold sums for fees, royalties, and other dues, and then distribute the remainder to franchisee. If Franchisee does not have technical personnel trained for deployment of specific product as ordered, Franchisor will assign a technician from the franchisor's pool, and charge the franchisee the deployment fee, as agreed.
3. If the customer needs financing, a financing application will be submitted to RobotLAB Financial Services, and if approved, a loan account will be created for the end-customer, and the loan proceeds will be sent to RobotLAB Corp. and then distributed to Franchisee after withholding the fees as described below from Gross Revenue. We will notify you of the status of the end-customer's financing application throughout the process.

4. On a per transaction basis, we will calculate the Gross Revenue, Net Revenue, and Credit Card Sales generated from the operation of your RobotLAB® Franchised Business. We will reconcile the reports on a monthly basis.
5. On a per transaction basis, we will pay to you, by EFT, ACH, direct deposit, or a similar means, the Net Sales generated from sales and services of your RobotLAB™ Franchised Business during the previous day minus: (i) all Royalty Fees, Brand Fund Fees (Section 6.A); (ii) amounts you owe us or our affiliates for purchases of supplies; and (iii) any other monetary obligation that you have to us, our affiliates, or Approved Suppliers that we have been made aware of prior to the date that we would make a payment to you. Our payment to you is referenced as the “Franchisee Share.”
6. If there is a negative balance to your Franchisee Share after all deductions, then your negative balance will be carried forward to the next week and be deducted from your next day’s Franchisee Share payment. We are never required to remit any funds to you until we have collected those funds.
7. You must sign and deliver to us the documents we require to authorize us to electronically debit and credit your business checking account automatically (“Electronic Despository Transfer Account” or “EDTA”). Our current form of EDTA is attached as Attachment C. We will debit the EDTA for these amounts on their due dates. You agree to ensure that funds are available in the EDTA to cover our withdrawals.
8. Purchases of inventory or services from Franchisor can be invoiced on a Net 30 basis, or financed through RobotLAB Financial Services. If you choose to finance your purchase, the first payment will prorate the first and last payment to the 1<sup>st</sup> of the closest month, and going forward, each payment will be made on the 1<sup>st</sup> of every month until the loan is fully paid. You may have multiple loans, and each loan payment will be on the 1<sup>st</sup> of every month. It is your responsibility to make sure you have enough cashflow to pay all the loans on time. You do not have to finance through our affiliate, you can finance through any other entity, and you will be liable for these payments regardless. We do not guarantee your loans. If you are late two times during the life of a loan (any specific loan) the entire balance due will be due immediately, and no further loans will be issued by us to you until further review of your financial stability.
9. We require you to pay the Technology Fees and Local Marketing Expenditures on a monthly basis, which we will withdraw from your account via ACH transaction.

D. Gross Revenue. The term “Gross Revenue” means all revenue transacted from or during the operation of your RobotLAB® Franchised Business including, but not limited to, robot sales and service, business interruption insurance, and all amounts that you receive at or away from the Site, whether from cash, check, EFT, ACH, wire transfer, credit and debit card, barter, exchange, trade credit, loyalty program points, gift card redemptions, or other credit transactions.

E. Net Revenue. The term “Net Revenue” means Gross Revenue minus: (i) the amount of any documented refunds, chargebacks provided to customers in good faith; (ii) any documented contributions (up to a maximum amount set by us) you make to an approved not for profit organization in conjunction a RobotLAB® approved charitable event; (iii) any tips received by your employees; and (iv) Franchisor designated or approved discounts, promotions, or credits.

F. Credit Card Sales. The term “Credit Card Sales” means all revenue transacted from or during the operation of your Site including, but not limited to, robot sales and service, business interruption insurance, and all amounts that you receive at or away from the Site, whether from credit cards, debit cards, gift cards, Apple Pay, Samsung Pay, PayPal, Venmo, or other similar electronic or card-based payment systems. Credit card payments will carry a service charge of 4% on top of the transaction amount.

## 6. ADVERTISING AND MARKETING

A. Brand Fund Fee. Franchisee will pay to Franchisor's "Brand Fund" a "Brand Fund Fee" of up to three percent (3%) of Gross Revenue in the same manner and at the same as payment of the Royalty Fee as described in Section 5.C above. Currently, Franchisor collects one percent (1%) of Gross Revenue. Franchisor will use the Brand Fund Fee to conduct advertising research and public relations campaigns, develop websites and other online media programs, develop marketing materials such as television, radio, internet, and print advertising production, and promotional materials for use in each franchisee's local market, and implement advertising and marketing campaigns. All Brand Fund Fees will be placed in a Brand Fund administered by Franchisor. Reasonable disbursements from the Brand Fund will be made solely for the payment of expenses incurred in connection with the general promotion of the Marks and the Business System, including the cost of formulating, developing, and implementing advertising and promotional campaigns; and the reasonable costs of administering the Brand Fund, including accounting and other professional expenses and the actual costs of salaries and fringe benefits paid to Franchisor's employees or contractors engaged in administration of the Brand Fund. Although Franchisor will strive to manage the Brand Fund in such a manner that benefits franchisees uniformly, taking into account regional and/or local advertising costs and forms of media available, Franchisor cannot ensure that any individual franchisee will benefit directly or on a pro rata basis from the future placement of any such advertising in its local market. Without limiting the generality of the foregoing, Franchisor is under no obligation to administer or distribute the Brand Fund according to any particular geographic area or territory, whether in Canada, the United States, or otherwise, and furthermore is under no obligation to do so within the Protected Territory. Franchisor shall determine the methods of advertising, media employed and contents, terms and conditions of advertising campaigns and promotional programs. Franchisor will provide Franchisee an annual unaudited statement of the receipts and disbursements of the Brand Fund.

B. Local Area Marketing Requirement. In addition to your Brand Fund Contribution, beginning in the first full month after the date the Franchised Business opens, currently you must pay to us a minimum of 3% of your Gross Revenue per month to perform yearly local marketing services on your behalf. We will perform, yearly: (a) at least one local event for your Protected Territory, (b) dedicate a cold-calling campaign to drive leads and appointments for your Protected Territory; (c) Establish a pass-through lead program, for all leads we get from your Protected Territory; (d) Invite you to attend shows and conferences with us if they are in your Protected Territory. We recommend you spend additional amounts on local advertising and promotional activities, which shall be payable directly to third party marketing vendors, which may include us or an affiliate we form to provide local marketing services for you. If you fail to pay the required amount in any quarter, we may require you to pay us the shortfall as an additional Brand Fund Contribution or to pay us the shortfall for us to spend on local marketing for your Franchised Business. We may increase the amount of your Local Area Marketing Requirement up to a maximum of 5% of your Gross Revenue, upon 30 days' written notice to you. Any advertising or marketing materials must be approved by us prior to your use of such materials. We will include your Business on our website.

C. Marketing Cooperatives. You also must participate in any local marketing cooperatives ("Cooperative") established by us or by a majority of the Franchised Businesses in the designated market area ("DMA") where two (2) or more unaffiliated franchisees are located, including where you operate your Franchised Business. You will not be obligated to contribute more than 5% of the Gross Revenue for your Franchised Business to the Cooperative ("Market Cooperative Contribution") and any Market Cooperative Contributions you make will count toward your Local Area Marketing Requirement. Each Cooperative must adopt written bylaws, which follow the format we approve. You may request a copy of the bylaws of the Cooperative (if one has been established) for your DMA from the Cooperative president or us. Each Cooperative must follow voting procedures that are consistent with the general operating rules that we have established. The members of the Cooperative and their elected officials will administer the Cooperative in your area. We strongly recommend that Cooperatives prepare annual financial statements and make those financial statements available to all franchisees in that Cooperative. We have the power to establish Cooperatives and the bylaws, policies, and rules under which the Cooperatives will operate.

D. Approved Advertising and Marketing Materials. Franchisee will use only approved advertising and marketing materials. If Franchisee desires to use any unapproved advertising or promotional materials bearing the name “RobotLAB®” or other Marks, Franchisee must obtain written approval from Franchisor before using any such materials.

E. Promotion. Franchisee will use its best efforts to promote and advertise its RobotLAB® business and will participate in all advertising and promotional programs Franchisor establishes. Franchisee will participate, at its own expense, in the RobotLAB® national (electronic) gift card program and approved e-mail marketing and loyalty programs. Franchisee will have to advertise pricing as approved by Franchisor (“Franchisor Approved Pricing” or “FAP”) but will have the right to discount and sell products at whatever prices Franchisee determines as long as prices that deviate from FAP do not become public knowledge.

F. Media Placement. Franchisee will use the approved vendors designated by Franchisor for broadcast media placement and online advertising for its pre-opening and all other marketing activities thereafter..

## 7. FRANCHISOR’S OBLIGATIONS

A. Location. Franchisor will provide Franchisee with assistance respecting site location and evaluation for the Franchised Business to ensure consistency with the Business System standards. Franchisee acknowledges that any assistance (including site selection and project oversight) provided by Franchisor or its nominee in relation to the selection or development of the Franchised Business is only for the purpose of determining compliance with the Business System standards and does not constitute a representation, warranty, or guarantee, express, implied or collateral, regarding the choice and location of the Franchised Business, that the development of the Franchised Business is free of error, nor that the franchised business is likely to achieve any level of volume, profit or success.

B. Lay-Out and Design. Franchisee shall construct and equip the Franchised Business in accordance with the timetable or schedule specified by, and in conformity with the standard layout plans, specifications, and motif provided by Franchisor. Following receipt of such materials from Franchisor, the responsibility and cost of customizing specific plans, specifications, and drawings to the Franchised Business (upon prior approval of Franchisor) and all costs and expenses pertaining to the construction and equipping of the Franchised Business shall be borne exclusively by Franchisee. Franchisor shall have the right to inspect the construction and development of the Franchised Business at all reasonable times to ensure conformity with applicable standards.

C. Equipment, Supplies, and Inventory. Franchisee agrees to use in the operation of the Franchised Business only those service providers, manufacturers, brands or types of items, equipment (including, the Equipment Package), and signs that Franchisor will designate and approve. Franchisee shall purchase approved brands or types of items, equipment, services, and signs only from suppliers approved by Franchisor, which may include Franchisor or its affiliates. Franchisee further agrees to place or display at the Franchised Business (interior and exterior) only such signs, emblems, lettering, logos, and display materials that are from time to time approved in writing by Franchisor, which approval may be given or withheld by Franchisor.

D. Training. Franchisor will, at its expense, provide a two-part training program in the city in which our then-current corporate headquarters are located (currently, Southlake, Texas), online, or at such other location Franchisor designates to educate, familiarize, and acquaint Franchisee with the business of operating a RobotLAB® Franchised Business. The first session of the training program, New Franchisee Orientation Training (“NFOT”), will include online and self-directed instruction on general business issues related to the ownership of the business, such as, by way of example only, real estate matters, business plan development, inventory management, point-of-sales systems, custom product purchasing, and other topics Franchisor may select. The period of this session will be at Franchisor’s discretion but generally will be around two (2) weeks and will be made available to you by Franchisor at its discretion. The second session of the training program is for all employees of your Franchised Business and may include technical product training and other topics Franchisor may select. The period of this session will be at Franchisor’s discretion

and dependent on the technical product level you will be certified in but generally will be: (i) Level 1, about 4 hours per robot; (ii) Level 2, about 50 hours per robot; and (iii) Level 3, about 130 hours per robot and will be scheduled by Franchisor. Franchisee (or such other trainees required by Franchisor) must successfully complete both sessions of the training program. If Franchisee (or such other trainees required by Franchisor) fails to successfully complete the NFOT and at least the Level 2 technical product knowledge, he/she will not be permitted or authorized to manage Franchisee's business and Franchisor may terminate this Agreement pursuant to Section 15. Franchisee will be responsible for travel costs, room and board, the salaries, fringe benefits, and other expenses Franchisee and its employees and designated trainees incur in attending both sessions of the training program. The training described in this Paragraph is provided at no charge for you, your members/shareholders, and one key employee, up to a maximum of 4 people. If you wish to send additional personnel to training, or we provide training to any additional or replacement personnel, we reserve the right to charge an additional/replacement training fee of \$500 per person, per day of additional/replacement training.

E. Opening Assistance. Franchisor will assist in scheduling the opening of the Franchised Business. Franchisee will not open or commence business operations until Franchisee has received written approval from Franchisor. Franchisor's approval may be withheld if Franchisee fails to meet minimum inventory requirements, training and/or marketing requirements or Brand Standards established by Franchisor. Franchisor will, at no charge, provide pre-opening assistance prior to Franchisee's Franchised Business opening. Franchisor will also provide assistance with the Franchised Business opening around the time of grand opening. You must open your Franchised Business no later than four (4) months from the Effective Date of this Agreement.

F. Operations Manual. Franchisor will provide Franchisee with an electronic copy of the Operations Manual (the "Manual") wherein Franchisor will describe its operational policies, standards, requirements, and practices as such things are modified and amended by Franchisor from time to time. The Manuals may also include computer software, videos, information available on an internet/extranet site and other electronic media that Franchisor may change from time to time. Franchisee will comply with all provisions of the Manuals. Franchisor reserves the right to revise the Manuals at any time.

G. Additional Initial Assistance. Franchisor will assist Franchisee in the development of a business plan. Franchisor and Franchisee may also agree that Franchisor provide management assistance and other services, in addition to the usual initial assistance and supervision Franchisor provides to all franchisees, for additional agreed upon compensation.

H. Ongoing Assistance. During the operation of Franchisee's business, Franchisor will: (i) inspect the Franchised Business as often as Franchisor deems necessary and provide written reports to Franchisee on operations; (ii) provide, upon the written request of Franchisee, advisory services pertaining to operation of Franchisee's business; (iii) periodically make available to Franchisee all changes, improvements and additions to the Business System to the same extent as made available to other franchisees; (iv) provide Franchisee with all supplements and modifications to the Manuals; and (v) develop advertising and marketing materials. Any evaluation or inspection Franchisor conducts is not intended to exercise, and does not constitute, control over Franchisee's day-to-day operation of the Business or to assume any responsibility for Franchisee's obligations under this Agreement.

## **8. OPERATION OF THE FRANCHISEE'S BUSINESS**

The Marks and Business System licensed to Franchisee represent valuable goodwill distinctive of Franchisor's business and reputation. Franchisor will periodically develop uniform standards of quality and service regarding the business operations of the Franchised Business so as to protect (for the benefit of all franchisees and Franchisor) the distinction, valuable goodwill, and uniformity represented and symbolized by the Marks and Business System. To ensure that all franchisees will maintain the uniform requirements and Brand Standards for goods and services associated with the RobotLAB™ Franchised Businesses and

with the Marks and Business System, Franchisee will maintain the uniformity and Brand Standards and pricing Franchisor reasonably requires for all products and services and agrees to the following provisions:

A. Managerial Responsibility. During the term of this Agreement, the parties who have signed this Agreement on behalf of Franchisee will personally manage and operate Franchisee's business and will not, without Franchisor's prior written consent, delegate its authority and responsibility with respect to management and operation. If Franchisee is a corporate entity or a partnership, one individual will retain at least fifty percent (50%) of the equity and voting interest in such corporation or partnership and will be obligated to personally manage and operate the Franchisee's business (the "Principal Executive"). The Principal Executive will be listed on Attachment A to this Agreement.

B. Design and Appearance of Premises. The design and appearance of the exterior and interior of the Franchised Business, including signage, are part of the Business System. It is essential to the integrity of Franchisor's Business System that as great a degree of uniformity as possible be maintained among the various premises of RobotLAB® franchisees. Without limitation to anything provided for in this Agreement, Franchisee agrees that: (i) no alteration or addition will be made to the premises without Franchisor's prior written consent; (ii) the painting and decor will be maintained in such manner and form as Franchisor may require; (iii) Franchisee will follow Franchisor's instructions with respect to layout and character of interior items and furnishings; and (iv) only such signs, emblems, logos, lettering, and artwork as Franchisor may require or periodically provide will be displayed on the Franchised Business premises. Franchisee must follow Franchisor's current standards regarding the design and appearance of the premises.

C. General Operation. Franchisee will use the Marks and Business System in strict compliance with the standards, operating procedures, specifications, requirements, and instructions required of all RobotLAB® franchisees, which Franchisor may periodically amend and supplement. Any required standards exist to protect Franchisor's interests in the Business System and the Marks and not for the purpose of establishing any control or duty to take control over those matters that are reserved to Franchisee. The required standards generally will be set forth in the Operations Manual or other written materials. The Operations Manual also will include guidelines or recommendations in addition to required standards. In some instances, the required standards will include recommendations or guidelines to meet the required standards. Franchisee may follow the recommendations or guidelines or some other suitable alternative, provided Franchisee meets and complies with the required standards. In other instances, no suitable alternative may exist. In order to protect Franchisor's interests in the Business System and Marks, Franchisor reserves the right to determine if Franchisee is meeting a required standard and whether an alternative is suitable to any recommendations or guidelines.

D. Products and Services. Franchisee will sell only those products and services Franchisor approves in writing and will offer for sale all products and services required by Franchisor from time to time. Franchisee will conform to all quality and customer service standards Franchisor requires in writing. Franchisee will purchase only such products, services, and supplies that Franchisor approves for RobotLAB® as meeting its specifications and standards, including specifications and standards for quality, design, warranties, appearance, function, and performance. Franchisee acknowledges and agrees that such items shall be purchased only from sources, or suppliers approved in writing by Franchisor (which sources or suppliers may include Franchisor or affiliates of Franchisor). FRANCHISOR DISCLAIMS ALL WARRANTIES, WHETHER EXPRESS OR IMPLIED, INCLUDING ANY WARRANTIES OF MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE IN CONNECTION WITH FRANCHISOR'S SALE OF ANY GOODS OR SUPPLIES TO FRANCHISEE. Franchisee agrees to execute any and all documents Franchisor reasonably requests, including letters of credit, security agreements, and financing statements, to provide collateral for amounts due to Franchisor for purchases of inventory and other items custom in Franchisee's business. To the extent Franchisor's affiliate provides warranties for products and services, Franchisor's affiliates are solely responsible for those warranties.

E. Maintenance of Premises; Modernization. Franchisee will, at its expense, repair, paint, and keep in an attractive, clean, and sanitary condition the interior and exterior of the Franchised Business premises. Franchisee will ensure that all equipment will be kept in good working order and will meet Franchisor's

Brand Standards. Franchisee will periodically make capital expenditures to remodel, modernize, and redecorate the Franchised Business and to replace and modernize the furniture, items, signs, supplies, and equipment custom in the Franchised Business so that the Franchised Business will reflect the then-current physical appearance of new RobotLAB® Franchised Businesses. All remodeling, modernization, or redecoration of the Franchised Business must be done pursuant to Franchisor’s then-current standards and specifications and only with Franchisor’s prior written approval. Franchisee agrees to commence remodeling activities within ninety (90) days after written notice from Franchisor, although Franchisee will not be required to remodel, modernize, and redecorate the Franchised Business more than once every five years during the term of this Agreement.

F. Compliance with Laws. Franchisee will, at its expense, comply with all applicable local, state, federal, and municipal laws, ordinances, rules, and regulations pertaining to the operation of the Franchised Business, including all licensing and bonding requirements, as well as the Americans with Disabilities Act (“ADA”), the Gramm-Leach-Bliley Act, the Fair Credit Reporting Act (“FCRA”), the Telephone Consumer Protection Act (“TCPA”), the Fair and Accurate Credit Transactions Act (“FACTA”), and the National Automated Clearinghouse Association (“NACHA”) and associated regulations (collectively “Privacy Laws”). No music, videos, or television may be played in the Franchised Business unless the appropriate licenses are obtained.

If the California Consumer Privacy Act (“CCPA”), Cal. Civ. Code § 1798.100, *et seq.*, or any federal or state privacy law applies to the Franchised Business, whenever and to the extent Franchisee operates as a “Service Provider” under the CCPA or in a similar capacity under any federal or state privacy law, Franchisee represents, warrants, and covenants that:

1. Franchisee and its employees, contractors, and other personnel will not sell, make available or otherwise disclose any Customer Information to any third party;
2. Franchisee will retain, use, or disclose Customer Information only for the specific purpose of performing the services specified in this Agreement, and not any commercial or noncommercial purpose other than providing the services specified in this Agreement;
3. Franchisee will not retain, use, or disclose Customer Information outside of the direct business relationship between Franchisee and Franchisor;
4. Franchisee will delete any Customer Information upon Franchisor’s request unless Franchisee can prove that such request is subject to an exception under applicable law; and
5. Franchisee certifies that it understands the restrictions in Paragraphs 1-4 of this section and will comply with them. Franchisee also acknowledges and agrees that Franchisor may modify the restrictions by written notice to Franchisee, including adding other similar privacy restrictions that may be required under other state or federal privacy laws.

G. Payment of Liabilities. Franchisee will timely pay all of its obligations and liabilities due and payable to Franchisor, suppliers, lessors, and creditors. Franchisor reserves the right to assess a Late Fee equal to one thousand dollars (\$1,000) per occurrence of any other late payment, plus interest on the unpaid amount at a rate equal to eighteen percent (18%) per annum or the highest amount permitted by applicable law, whichever is less.

H. Taxes. Franchisee will promptly pay all federal, state, and local taxes arising out of the operation of Franchisee’s business. Franchisor will not be liable for these, or any other taxes, and Franchisee will indemnify Franchisor for any such taxes that may be assessed or levied against Franchisor which arise or result from Franchisee’s business.

I. Standardization. Franchisee will require its employees to wear such uniforms as Franchisor may designate and will comply with such programs of standardization as Franchisor may periodically develop to promote the common business image and to protect the goodwill associated with the Marks and Business System.

J. Personnel. Franchisee will, at all times when open for business, have a person designated as a management person on duty who will be responsible for the business operations of Franchisee's business. Franchisee will employ and maintain a sufficient number of adequately trained and competent employees to provide efficient service to Franchisee's customers. Franchisee's employees will not be deemed to be Franchisor's employees for any purpose whatsoever, and nothing in any aspect of the Business System or the Marks in any way shifts any employee or employment related responsibility from Franchisee to Franchisor. Franchisee alone is responsible for hiring, firing, training, setting hours for and supervising all employees.

K. Hours of Operation. Franchisee's Franchised Business will be open for business at the time and in the manner Franchisor provides in the Operations Manual. The minimum hours of operation may be periodically amended by Franchisor and/or updated in the Operations Manual.

L. Additional Training Seminars. Franchisor may periodically conduct refresher courses, seminars, and other programs for all RobotLAB® franchisees. Franchisee and/or its employees will be required to attend any such programs and will be responsible for any expenses incurred by them in attending such programs including the cost of training sessions as detailed in the Operations Manual, transportation, lodging, meals, and any wages.

M. Photographs. Franchisor will have the right to photograph the Franchised Business premises and, with prior written consent, Franchised Business employees and customer sites at all reasonable times.

N. Operations Manual. To protect Franchisor's reputation and goodwill and to maintain uniform operating standards under the Marks and Business System, Franchisee will conduct its business according to Franchisor's Operations Manual and other confidential Manuals provided by Franchisor. Franchisee will receive an electronic or hard copy of each Manual. Franchisee will treat each Manual as confidential and will use all reasonable efforts to maintain the Operations Manual as secret and confidential. The Manuals will remain Franchisor's sole property. Franchisor may periodically revise the contents of the Manuals. Franchisee agrees to comply with each new or changed standard. Franchisee will ensure that its copy of each Manual is kept current. In the event of any dispute as to the contents of any Manual, the terms of the master copy of such Franchisor maintains will control. At Franchisor's option, Franchisor may post some or all of the Operations Manual and other confidential Manuals and materials on the Extranet to which Franchisee will have access. Any passwords or other digital identifications necessary to access the Operation Manual on the extranet will be deemed secret and confidential. It is Franchisee's obligation to monitor and access the extranet for any updates to the Operating Manual or system standards.

O. Lease. Franchisee's lease or sublease for the Franchised Business premises must be reviewed by Franchisor before its execution. Franchisee must provide Franchisor with an executed copy of any lease for the Franchised Business. Franchisor makes no guarantees concerning the success of the Franchised Business located on any site consented to by Franchisor. Franchisor recommends that Franchisee employ an independent real estate broker to assist Franchisee in locating a suitable site and negotiating a lease for such site. Franchisee's lease must contain provisions requiring that: (i) so long as this Agreement remains in effect, the premises will be custom only for a RobotLAB® business; (ii) the landlord will provide Franchisor written notice of any Franchisee default and/or right to cure; and (iii) upon termination of this Agreement or the Lease, Franchisee must remove, at its sole expense, all signs and materials bearing the name "RobotLAB®" and other Marks. Concurrently with the execution of your lease, you and the landlord for your leased premises must execute the form of Lease Rider contained in Attachment D to this Agreement.



P. Computer Systems. Franchisee will utilize in the Franchised Business the “Computer Systems” (individually, the “Local Computer System” and “Online Computer System” as defined below) which Franchisor has selected for the Business System, including all future updates, supplements, and modifications. Franchisee may be required to enter into a separate computer software license agreement specified by any third-party suppliers of the Computer Systems. Franchisor may access information and data produced by Franchisee’s Computer Systems. As further described in Section 5(C), Franchisor has the right to use the information obtained from Franchisee’s Computer Systems to determine the amounts owed for Royalty Fees. The computer hardware components must conform with specifications Franchisor develops and must be configured as a package unit as Franchisor designates. The “Local Computer System” includes: (a) laptops for employees (including monitors, keyboards, and mice if needed), (b) wired and wireless network equipment, (c) mobile hot spot for robot deployment (including a data subscription), (d) mobile phones for employees, (e) at least one all-in-one printer, (f) tablets for sales and technician personnel, (g) office alarm systems, sensors, and camera (recommended but not required by us), (h) one office desk phone, and (i) one large format (11x17) printer. The “Online Computer System” includes the license and hardware for the cloud-based software we use, including our sales and customer management system and managing email marketing, as well as the software to operate the business. Franchisee will be required to utilize and, at Franchisor’s discretion, pay for all future updates, supplements, and modifications to the Computer System. Franchisee may be required to update its Computer System every five (5) years or less, depending on updates in technology and Franchisor’s current standards. Franchisor reserves the right to charge a Technology Maintenance Fee. Franchisor will provide a minimum of thirty (30) days’ written notice prior to implementation of such fee. It is Franchisee’s responsibility to make sure that Franchisee is in compliance with all laws that are applicable to the Computer System or other technology custom in the operation of Franchisee’s Business, including all data protection or security laws.

Q. Technology Fee. Franchisee must pay an amount per month to Franchisor for the Technology Fee for technology-related services provided by Franchisor. Currently, Franchisee shall pay \$485 per person in the organization with an email address or access to any of the online systems. Franchisor will provide a minimum of thirty (30) days’ written notice prior to any increase of the Technology Fee will not increase the Technology Fee by more than fifty percent (50%) each year..

R. Participation in Internet Website. Franchisee must have high speed internet access from the Franchised Business. Franchisor will include Franchisee in the Franchised Business location section of Franchisor’s website [www.RobotLAB.com](http://www.RobotLAB.com) at no charge as part of Franchisee’s marketing fund. Franchisor will establish the rules from time to time, and Franchisee shall be required to strictly abide by all such rules and follow the then current form of RobotLAB® Internet Code of Conduct. Franchisee shall not create a separate Franchised Business website. Franchisor will, at its discretion, determine the content and use of the RobotLAB® website, and the core brand content and design of the franchisee Franchised Business website templates. Franchisor will retain all rights relating to the RobotLAB® website and the individual Franchised Business’s website template and domain name(s) (URL) and may alter or terminate the websites upon thirty (30) days’ notice to Franchisee. Franchisee’s general conduct on the internet and specifically its use of the Marks on the internet (including the domain name and any other Marks Franchisor may develop as a result of participation on the internet) will be subject to the provisions of this Agreement and regulated by the Internet Code of Conduct or similar document. Franchisee acknowledges that certain information obtained through its participation in the RobotLAB® internet and extranet websites may be considered Confidential Information (as defined in Section 9 below), including access codes and identification codes. Franchisee’s online rights, participate in the RobotLAB® internet or extranet sites, or otherwise use the Marks or Business System on the internet will terminate when this Agreement expires or terminates. It is Franchisee’s responsibility to ensure that its website and other web content complies with all applicable provisions of the current Web Content Accessibility Guidelines (“WCAG”) and/or related laws.

S. Summits and Conventions. RobotLAB®’s annual summit of our Franchisees (a “Summit”) is mandatory for all franchisees and their personnel, Franchisee or a designated representative must attend each Summit (up to 1 per calendar year) and we may charge a Summit fee of up to \$750 per attendee. Even if neither Franchisee nor a principal attends Franchisee must pay to Franchisor an attendance fee of seven

hundred fifty dollars (\$750.00). Franchisee is also responsible for paying the costs of travel, living, food, and wages for its personnel while attending the Summit.

## 9. CONFIDENTIAL INFORMATION

A. Non-Disclosure of Confidential Information. Franchisee and those individuals who have signed the Personal Guaranty attached hereto as Attachment B agree to use and permit the use of Franchisor's Confidential Information (as defined below) solely in connection with the operation of the Franchised Business. Franchisee and Personal Guarantors further agree that they will never, during the initial term or any renewal term of this Agreement, or any time after this or any renewal Franchise Agreement expires or terminates, or Franchisee's rights under this Agreement or any renewal Franchise Agreement are assigned or terminated, divulge or use any of Franchisor's Confidential Information for the benefit of any third party (including any person, business entity or enterprise of any type or nature), nor will Franchisee or Personal Guarantors directly or indirectly aid such third party to imitate, duplicate or "reverse engineer" any of Franchisor's Confidential Information. "Confidential Information" means all information, knowledge, trade secrets, or know-how utilized by the Business System, or which otherwise concerns Franchisee's or Franchisor's systems of operation, programs, services, products, customers, practices, materials, books, records, manuals, computer files, databases, or software. Confidential Information includes (without limitation): all elements of the Business System and all products, services, equipment, technologies, policies, standards, requirements, criteria and procedures that now or in the future are part of the Business System; Franchisor's Operations Manual (including supplements to the Manual); all specifications, sources of supply, all procedures, systems, techniques and activities employed by Franchisor or Franchisee in the offer and sale of products and or services at the Franchised Business; all pricing paradigms established by Franchisor or by Franchisee; all of Franchisor's and/or Franchisee's sources (or prospective sources) of supply and all information pertaining to same (including wholesale pricing structures, the contents of sourcing agreements and identity of suppliers); Franchisor's specifications, and Franchisee's final plans, for the construction, build-out, design, renovation, décor, equipment, signage, furniture, items and trade dress elements of the Franchised Business; the identity of, and all information relating to, the computer and POS hardware and software utilized by Franchisor and Franchisee; all information pertaining to Franchisor's and Franchisee's advertising, marketing, promotion and merchandising campaigns, activities, materials, specifications and procedures; all customer lists, customer data and other records generated and/or otherwise maintained by the Franchised Business; Franchisor's Internet Code of Conduct, social media policy, internet/web protocols, procedures and content; Franchisor's training and other instruction programs and materials; all communications between Franchisor and Franchisee (including the financial and other reports Franchisee is required to submit to Franchisor under the Agreement); additions to, deletions from and modifications and variations of the components of the Business System and all other information, knowledge and know-how which Franchisor and its affiliates, now or in the future, designate as confidential.

Confidential Information will not, however, include information which Franchisee and Personal Guarantors can demonstrate came to their attention before Franchisor disclosed it to Franchisee (unless illegally or improperly procured by Franchisee or its Personal Guarantors before Franchisor's disclosure) or which, at or after the time of disclosure, has become a part of the public domain through publication or communication by others, but not through any act of Franchisee or Personal Guarantors.

Except as authorized in this Agreement, Franchisee and Personal Guarantors agree never to copy, duplicate, record or otherwise reproduce any of the Confidential Information, in whole or in part; otherwise share it with any other third-party individual or entity; Franchised Business it in a computer or other electronic format; or otherwise make it available to any third party by any other means whatsoever. Upon the expiration or termination of this Agreement, Franchisee and Personal Guarantors agree to return to Franchisor such Confidential Information as Franchisor requests (including customer lists and records; all training materials and other instructional content; financial and non-financial books and records; the Manual; and, computer databases, software and manuals) which are then in Franchisee's or Personal Guarantor's possession, or upon Franchisor's request, destroy all or certain Confidential Information and certify such destruction to Franchisor. It is specifically understood that all customer lists or information

adduced by the Franchised Business is Franchisor's property, not the property of Franchisee or Personal Guarantors. Franchisor may use this information to market to Franchisee's customers during and after the term of the Franchise Agreement. Franchisee will execute any document required by Franchisor to ensure that Franchisor will have access to that information.

Franchisee and Personal Guarantors must only divulge such Confidential Information to Franchisee's operational personnel as is necessary for each to perform his/her functions and then only on a "need to know" basis. Franchisee and Personal Guarantors agree to take all necessary precautions to insure that these individuals maintain the Confidential Information in confidence and comply with the confidentiality provisions of this Agreement. Franchisee's agreement to procure execution of a Confidentiality/Non-Competition Agreement from certain of Franchisee's owners, management and staff is set forth before in Section 9(B) of this Agreement.

B. Confidentiality/Non-Competition Agreements. All of Franchisee's employees who have access to Confidential Information of Franchisor, as well as all corporate officers, directors, and shareholders if Franchisee is a corporation (all partners if Franchisee is a partnership), must sign Confidentiality/Non-Competition Agreements in a form satisfactory to Franchisor, agreeing to maintain the confidentiality, during the course of their agreement and thereafter, of all information Franchisor copyrights or designates as confidential and proprietary. Copies of the executed agreements will be provided to Franchisor upon request.

Franchisee agrees to vigorously and vigilantly prosecute to the fullest extent permitted by law breaches of any Confidentiality/Non-Competition Agreement executed pursuant to this provision, and acknowledge Franchisor's right, to be exercised as Franchisor alone determines, to enforce the terms of any such executed Confidentiality/Non-competition Agreement. If the substantive provisions of the Confidentiality/Non-Competition Agreement have been breached by an individual employed, engaged, or otherwise serving the Franchised Business who has not executed a Confidentiality/Non-Competition Agreement Franchisee must nevertheless vigorously and vigilantly prosecute such conduct to the fullest extent permitted by law.

## **10. INSURANCE; BONDING**

A. Insurance. Franchisee will obtain and maintain in force (under policies of insurance issued by a carrier that is rated A- or better by A.M. Best) and pay the premiums for: (i) General Liability on an occurrence basis with limits not less than \$1,000,000 per occurrence/\$2,000,000 aggregate per policy year. The following minimum sub-limits must be met: \$1,000,000 Personal & Advertising Injury, \$2,000,000 Products/Completed Operations Aggregate, \$300,000 Damage to Rented Premises and \$10,000 Medical Expense; (ii) Owned, Hired & Non-Owned Auto Liability coverage not less than \$1,000,000 combined single limit each accident; (iii) Special Form property insurance in an amount appropriate to coverage full replacement value of contents. Business Income and Extra Expense must be included on an actual loss sustained basis for a minimum of 12 months; (iv) Workers Compensation and Employers Liability insurance with minimum limits no less than \$500,000 per accident for bodily injury by accident; \$500,000 policy limit by disease; and \$500,000 per employee for bodily injury by disease or higher coverage as required by law in your state; (v) 1st and 3rd Party Crime coverage with a limit no less than \$25,000 (this requirement can be satisfied with a bond); (vi) Umbrella Liability with a \$1,000,000 minimum limits to extend over general liability, owned/hired/non-owned liability and employers liability; (vii) Professional Liability on an occurrence basis with limits not less than \$1,000,000 per occurrence/\$1,000,000 aggregate; (viii) Employment Practices Liability (EPL) with a \$1,000,000 minimum limit. Coverage must include a 3rd party endorsement; (ix) Cyber Liability with a \$1,000,000 minimum limit. Coverage must include a 3rd party endorsement. Such insurance policies will expressly protect both Franchisee and Franchisor and will require the insurer to defend both Franchisee and Franchisor in any action. In addition, each such insurance policy must name Franchisor as an additional insured, and provide that such policy will not be canceled, amended, or modified except upon thirty (30) days' prior written notice to Franchisor. On an annual basis and upon Franchisor's request, Franchisee will furnish to Franchisor endorsements or other proof of insurance Franchisor requires evidence that Franchisee has obtained and is maintaining in force all required insurance policies. Maintenance of the insurance requirement will not relieve Franchisee of the

obligations of indemnification stated in Section 11 below. If Franchisee fails to obtain or maintain in force any insurance as required by this Section or to furnish any endorsements or other proof of insurance Franchisor requires hereunder, Franchisor may, in addition to all other available remedies, obtain such insurance or endorsements or proof of insurance, and Franchisee will promptly reimburse Franchisor for all insurance premiums and other costs incurred in obtaining such insurance or endorsements or other proof of insurance.

B. Bonding. Franchisee will comply with any and all bonding requirements which may be applicable to its RobotLAB® business.

## **11. INDEPENDENT CONTRACTORS; INDEMNIFICATION**

Franchisor and Franchisee are independent contractors. Neither Franchisor nor Franchisee will make any agreements, representations, or warranties in the name of or for the other or that their relationship is other than franchisor and franchisee. Neither Franchisor nor Franchisee will be obligated by or have any liability under any agreements, representations or warranties made by the other. Franchisee alone will be responsible for all loss or damage arising out of or relating to the operation of Franchisee's business or arising out of the acts or omissions of Franchisee or any of its agents, employees, or contractors in connection with the preparation and sale of products by Franchisee, and for all claims for damage to property or for injury or death of any persons directly or indirectly resulting therefrom.

Franchisee will indemnify Franchisor against and will reimburse Franchisor for all obligations and damages arising out of the operation of Franchisee's business, including all costs Franchisor reasonably incurs in the defense of any such claim brought against it or in any action in which it is named as a party (including reasonable attorneys' fees), including without limitation any claims brought against it related to or arising out of any act, error and/or omission of Franchisee (including Franchisee's ownership, operation and/or management of the Franchised Business) and/or any referral, service provider, supplier or other agent/independent contractor or employee of Franchisee including acts, errors or omissions committed or incurred, negligent or intentional acts in connection with Franchisee's operation of the Business and infringement, violation or alleged infringement or violation of any Name, Mark, patent or copyright or any misuse of the Confidential Information. This provision includes all claims as indicated above, of Franchisor, directly against Franchisee (without a third-party involvement) due to acts or omissions of Franchisee or Franchisor in which Franchisor suffers damages including but not limited to, harm to its goodwill and reputation.

Franchisor will have the right to control all litigation, including selection and management of counsel, and defend and/or settle any claim, arbitration, against and/or including us and/or the Franchisor related persons/entities, or affecting our and/or their interests with no obligation to you and without affecting our rights under this indemnity or otherwise. Franchisee may appoint separate independent counsel to represent Franchisee's interest in such suits, proceedings, claims, etc., all at Franchisee's expense. Franchisee's indemnification obligations shall survive the termination or expiration of this Agreement.

Nothing in this Agreement may be construed to create a partnership, joint venture, agency, employment, or fiduciary relationship of any kind. None of Franchisee's employees will be considered to be Franchisor's employees. Neither Franchisee nor any of Franchisee's employees whose compensation is paid by Franchisee may in any way, directly or indirectly, expressly or by implication, be construed to be an employee of Franchisor for any purpose, most particularly with respect to any mandated or other insurance coverage, tax or contributions, or requirements pertaining to withholdings, levied, or fixed by any city, state, or federal governmental agency. Franchisor will not have the power to hire or fire Franchisee's employees. Franchisee will alone exercise day-to-day control over all operations, activities, and elements of the Franchised Business. Franchisee is solely responsible for the safety and well-being of Franchisee's employees and the customers of the Franchised Business. Franchisee acknowledges and agrees that the various requirements, prohibitions, specifications, and procedures of the Business System which Franchisee is required to comply with under this Agreement, whether set forth in the Operations Manual or otherwise, do not directly or indirectly constitute, suggest, infer, or imply that Franchisor controls any aspect or

element of the day-to-day operations of the Franchised Business, which Franchisee alone controls, but only constitute standards Franchisee must adhere to when exercising control of the day-to-day operations of the Franchised Business. Franchisee may not, without Franchisor's written approval, have any power to obligate Franchisor for any expense, liabilities, or other obligations, other than specifically provided in this Agreement.

## **12. SALES REPORTS, FINANCIAL STATEMENTS AND AUDIT RIGHTS**

A. Sales Reports. Franchisor and Franchisee will have access to all sales reports on the Online Computer System.

B. Financial Statements. Franchisee will, at its expense, provide Franchisor with quarterly and annual financial statements and such other financial reports as Franchisor specifies using the forms and chart of accounts Franchisor requires. All financial information provided to Franchisor under this Section must be presented in the form Franchisor periodically requires in writing. Franchisee will deliver the quarterly financial information to Franchisor by the thirtieth (30th) day of the month following the end of the preceding quarter. The annual financial statement must be provided on or before March 1 of each year for the preceding calendar year.

C. Audit Rights. Franchisee will make all of its financial books and records (including the tax returns of Franchisee, its Personal Guarantors, and its shareholders) available to Franchisor or its designated representative at all reasonable times for review and audit by Franchisor or its designee. Franchisee will keep its financial books and records for each fiscal and calendar year in a secure place and will make them available for audit by Franchisor for at least five (5) years. If an audit conducted by Franchisor results in a determination that the Royalty Fees or other amounts paid to Franchisor are deficient (underpaid) by more than one percent (1%), Franchisee will pay Franchisor for the reasonable costs and expenses that it has incurred as a result of the audit. If pursuant to audits, the Royalty Fees have been deficient by more than one percent (1%) twice or more within any five (5) year period, this will be considered a material breach of this Agreement. In addition, Franchisee's failure to fully cooperate and timely complete the audit procedures is a material breach of the Franchise Agreement and Franchisee will pay all of Franchisor's costs and expenses Franchisor incurs resulting from Franchisee's lack of cooperation and untimeliness.

## **13. FRANCHISOR'S RIGHT OF FIRST REFUSAL TO PURCHASE**

A. Restrictions. Franchisee will not sell, assign, trade, transfer, lease, sublease, or otherwise dispose of: (i) any interest in or any part of the Franchised Location or this Agreement, or (ii) any controlling interest (whether through one or more related transactions) in Franchisee's business or the assets of Franchisee's business to any third party, without first offering the same to Franchisor in writing, at the same price and on the same terms as stated in the proposed third-party offer. Franchisee's written offer to Franchisor must contain all material provisions of the proposed sale or transfer. Upon Franchisor's receipt of written notice specifying the proposed price and terms of a proposed sale or transfer of Franchisee's business or interest therein, Franchisor will give Franchisee written notice within ten (10) business days thereafter if Franchisor has an interest in negotiating to purchase the business or interest being offered according to the proposed terms. If Franchisor commences negotiations to purchase Franchisee's business or interest therein as described herein, Franchisee may not sell the business or interest being offered to a third party for at least thirty (30) days or until Franchisor and Franchisee agree in writing that the negotiations have terminated, whichever comes first. If Franchisor waives its right to purchase, Franchisee may complete the sale or transfer of the business or interest therein according to the terms described in the written notice to Franchisor but not upon more favorable terms. Any such sale, transfer, or assignment to a third party is subject to the provisions stated in Section 14 of this Agreement. Franchisor's nonacceptance of Franchisee's written offer will not affect or change Franchisee's obligations under this Agreement.

B. Corporate Franchisee. If Franchisee is a corporation, the shareholders cannot sell, assign, pledge or otherwise dispose of a controlling interest in the capital stock of Franchisee ("Capital Stock") (except to immediate family members of the controlling shareholder(s) or to a trust established for their benefit) until

the Capital Stock has been first offered to Franchisor in writing under the same terms and conditions offered to any third party. A shareholder of Franchisee may, however, bequeath, sell, assign, trade, or transfer his/her Capital Stock to the other shareholders of Franchisee corporation because of death or permanent disability without first offering it to Franchisor, provided Franchisee provides Franchisor with written notice of all such transactions. All shares of Capital Stock issued by Franchisee's corporation to its shareholders must bear the following legend on the reverse side of each issued and outstanding stock certificate:

The shares of capital stock represented by this certificate are subject to a written Franchise Agreement which grants RobotLAB® a right of first refusal to purchase these shares of capital stock from the shareholder.

Nothing in this Section will be construed as prohibiting the shares of Capital Stock of a corporate Franchisee from being pledged as security to an institutional lender who has provided financing to or for the Franchised Business; provided the institutional lender accepts such security interest subject to Franchisor's reasonable conditions.

#### **14. ASSIGNMENT OF FRANCHISE AGREEMENT**

A. By Franchisor. A sale, transfer, or assignment by Franchisor of its interest in the Business System or the Marks or any parts thereof, and/or in the sale, transfer, or assignment by Franchisor of this Agreement or any interest therein, may be completed without the consent of Franchisee. To the extent that the purchaser or transferee shall assume the covenants and obligations of Franchisor under this Agreement, Franchisor shall thereupon and without further agreement, be freed and relieved of all liability with respect to such covenants and obligations. Franchisee acknowledges that nothing in this Agreement shall prevent Franchisor from granting security over any of its assets, including the Marks and any other intellectual property, on terms required by any secured party from time to time, and Franchisee further acknowledges that any such secured party or any agents acting on behalf of such secured party shall not have any obligations to Franchisee by reasons only of such security interest.

B. Corporate Franchisee. This Agreement may be transferred or assigned by Franchisee to a corporation which is owned or controlled by Franchisee, provided Franchisee and all other shareholders of the assignee corporation owning at least ten percent (10%) of the Capital Stock thereof sign the Personal Guaranty attached hereto as Attachment B and agree to be bound by the provisions of this Agreement. Franchisee will give Franchisor fifteen (15) days' written notice before the proposed date of assignment or transfer of this Agreement to a corporation owned or controlled by Franchisee. Any change in the owners of the Corporate Franchisee requires a prior, written approval from Franchisor. The transfer or assignment of this Agreement will not be valid or effective until Franchisor has received the legal documents which its legal counsel deems necessary to properly document such transfer or assignment.

C. Conditions to Other Transfer or Assignment. Franchisee (and its partners and shareholders, if any) will not transfer (whether voluntary or involuntary), assign or otherwise dispose of, in one or more transactions, Franchisee's business, the Franchised Location, all or substantially all of the assets of Franchisee's business, this Agreement or any controlling interest in Franchisee (a "controlling" interest will include a proposed transfer of fifty percent (50%) or more of the Capital Stock of a corporate Franchisee) without Franchisor's prior written consent, except to trusts established for Franchisee's benefit. Franchisor will not unreasonably withhold its consent to a transfer, subject to any or all of the following conditions described below which Franchisor may deem necessary:

1. All of Franchisee's accrued monetary obligations to Franchisor and suppliers will have been satisfied, and Franchisee is not in default under this Agreement;
2. Franchisee executes a written agreement in a form satisfactory to Franchisor, in which Franchisee covenants to observe all applicable post-term obligations and covenants contained in this Agreement;

3. The transferee-franchisee enters into a written agreement in a form satisfactory to Franchisor assuming and agreeing to discharge all of Franchisee's obligations and covenants under this Agreement for the remainder of its term or, at Franchisor's option, executes Franchisor's then-current standard form of franchise agreement which may not contain any further rights of renewal, but may contain royalty rates and advertising contributions (which may be different than those contained in this Agreement), and an altered Protected Territory;
4. The transferee-franchisee is not a competitor, or deemed as a competitor by Franchisor, of Franchisor or the Business system and is approved by Franchisor and demonstrates to Franchisor's satisfaction that he/she meets Franchisor's managerial, financial, and business standards for new franchisees, possesses a good business reputation and credit rating, and has the aptitude and ability to conduct the franchised business. Franchisee understands that Franchisor may communicate directly with the transferee-franchisee during the transfer process to respond to inquiries, as well as to ensure that the transferee-franchisee meets Franchisor's qualifications;
5. While Franchisor does not determine the purchase price of the franchised business, Franchisor has determined that the purchase price and payment terms will not adversely affect the transferee-franchisee's operation of the Franchised Business;
6. If Franchisee finances any part of the purchase price, Franchisee agrees that all of the transferee-franchisee's obligations under any promissory notes, agreements, or security interests reserved in the Franchised Business are subordinate to the transferee-franchisee's obligations to pay Royalty Fees, Brand Fund Fees, and any other amounts due to Franchisor under the Franchise Agreement;
7. The transferee-franchisee successfully completes Franchisor's training program; and Franchisee pays Franchisor a transfer fee equal to the greater of: (i) ten thousand dollars (\$10,000.00); or (ii) twenty five percent (25%) of the then current Initial Franchise Fee per Protected Territory being sold, plus any third-party brokers' fees, and the costs Franchisor incurs, including the costs of any required training. There will be no transfer fee payable for transfers to immediate family members (i.e.: spouse or children).

## 15. FRANCHISOR'S TERMINATION RIGHTS

A. Grounds. Franchisee will be in default, and Franchisor may, at its option, terminate this Agreement, as provided herein, if: (i) Franchisee fails to open and commence operations of the Franchised Business at such time as the premises are ready for occupancy or within four (4) months of the execution of this Agreement, whichever occurs first; (ii) Franchisee violates any material provision or obligation of this Agreement; (iii) Franchisee or any of its managers, directors, officers, or majority shareholders are convicted of, or plead guilty to or no contest to (a) a charge of violating any law which adversely impacts upon the reputation of the franchised business or (b) any felony; (iv) Franchisee fails to conform to the material requirements of the Business System or the material standards of uniformity and quality for the products and services Franchisor has established in connection with the Business System; (v) Franchisee fails to timely pay Royalty Fees, Brand Fund Fees, buying group (inventory) obligations or any other obligations or liabilities due and owing to Franchisor or fails to timely pay any advertising cooperative obligations; (vi) Franchisee is insolvent within the meaning of any applicable state or federal law; (vii) Franchisee makes an assignment for the benefit of creditors or enters into any similar arrangement for the disposition of its assets for the benefit of creditors; (viii) Franchisee voluntarily or otherwise "abandons" (as defined below) the franchised business; (ix) Franchisee is involved in any act or conduct which materially impairs the goodwill associated with the name "RobotLAB®" or any of the Marks or the Business System; (x) Franchisee's lease for the Franchised Business premises expires or is terminated for any reason (unless Franchisee receives Franchisor's written consent and relocates within the Protected Territory to a site approved by Franchisor within sixty (60) days thereafter and Franchisee signs a new lease in compliance with Section 8(O)); (xi) Franchisee defaults in any other agreement with Franchisor, its subsidiaries or affiliates, and does not cure such default in accordance with the terms of such other agreement; (xii) Franchisee receives frequent and/or severe complaints from customers and/or employees

concerning the Franchised Business; (xiii) Franchisee fails to fully cooperate and timely complete any audit authorized by Franchisor; (xiv) Franchisee fails to satisfy the Minimum Performance Standards for two consecutive years; or (xv) Franchisee violates the in-term covenant not to compete. The term “abandon” means Franchisee’s failure to operate the Franchised Business during regular business hours for a period of ten (10) consecutive days without Franchisor’s prior written consent unless such failure is due to an act of God, war, strikes, or riots.

B. Procedure. Except as described below, Franchisee will have thirty (30) days, or such longer period as applicable law may require, after its receipt from Franchisor of a written Notice of Termination within which to remedy any default hereunder, and to provide evidence thereof to Franchisor. If Franchisee fails to correct the alleged default within that time (or such longer period of time as applicable law may require), this Agreement will terminate without further notice to Franchisee effective immediately when the thirty (30) day period (or such longer period as applicable law may require) expires. Franchisor may terminate this Agreement immediately upon delivery of written notice to Franchisee, with no opportunity to cure, if the termination results from any of the following: (i) Franchisee repeatedly fails to comply with one or more material requirements of this Agreement; (ii) the nature of Franchisee’s breach makes it not curable; (iii) Franchisee willfully and repeatedly deceives customers relative to the source, nature or quality of goods sold; (iv) any default under items (i), (iii), (vi), (viii), (ix), (xi), (xii), (xiii), (xiv), or (xv) in Section 15(A) above; or (v) Franchisee willfully and materially falsifies any report, statement, or other written data furnished to Franchisor either during the franchise application process or after Franchisee is awarded a franchise. For purposes of Section 15(B)(i) of the Franchise Agreement, the word “repeatedly” means Franchisee’s failure, on two or more separate occurrences during any twenty-four (24) month period, to comply with one or more material requirements of the Franchise Agreement, even if the default is subsequently cured within the applicable time period. Any report submitted pursuant to Section 12 will be conclusively deemed to be materially false if it understates Gross Revenue by more than four percent (4%).

C. Applicable Law. If the provisions of this Section 15 are inconsistent with applicable law, the inconsistent provision will be modified, to the minimum extent necessary, to comply with the applicable law and such applicable law will apply.

## **16. FRANCHISEE’S TERMINATION RIGHTS; NOTICE REQUIRED**

A. Termination. Franchisee may terminate this Agreement if Franchisor violates any material obligation of Franchisor to Franchisee and fails to cure such violation within thirty (30) days after Franchisor’s receipt of written notice from Franchisee; provided, however, that Franchisee is in substantial compliance with the Agreement at the time of giving such notice of termination. Franchisee’s written notice will identify the violation and demand that it be cured.

B. Required Notice. A party must give the other party written notice of an alleged default under or violation of this Agreement after it has knowledge of, determines, or is of the opinion that there has been an alleged default under or violation of this Agreement. If there is failure to give written notice of an alleged default under this Agreement within one (1) year from the date that the nonbreaching party has knowledge of, determines or is of the opinion that there has been an alleged default, the alleged default will be deemed to be approved and waived, and the alleged default or violation will not be deemed to be a default under or violation of this Agreement.

## **17. FRANCHISEE’S OBLIGATIONS UPON TERMINATION**

A. Post-Term Duties. If this Agreement is terminated for any reason, Franchisee will: (i) within five (5) days after termination, pay all amounts due and owing to Franchisor or suppliers under this Agreement; (ii) return to Franchisor by first class prepaid United States mail the Manuals and any other manuals, advertising materials, and all other printed materials relating to the operation of the franchised business; (iii) assign to Franchisor or, at Franchisor’s discretion, disconnect the telephone number for the Franchised Business; and (iv) remove all signs and other materials bearing the name “RobotLAB®” and other Marks; (v) disconnect any internet website Franchisee has established in connection with Franchisee’s operation



of the Franchised Business; and (vi) comply with all other applicable provisions of this Agreement, including the non-compete provisions. Upon termination of this Franchise Agreement for any reason, Franchisee's right to use the name "RobotLAB®" and the other Marks and the Business System will immediately terminate. If Franchisee fails to remove all signs and other materials bearing the Marks, Franchisor may do so at Franchisee's expense.

B. Redecoration. If this Agreement is terminated for any reason, and Franchisee either remains in possession of the Franchised Location to operate a separate business not in violation of Section 18 below or enters into an agreement with a third party to allow such third party to directly operate a business at the Franchised location, Franchisee will, at its expense, modify both the exterior and interior appearance of the business premises so that they will be easily distinguished from the appearance as a RobotLAB® Franchised Business. At a minimum, such changes and modifications to the premises will include: (i) repainting the premises with totally different colors; (ii) removing all signs and other materials bearing the name "RobotLAB®" and other Marks; (iii) removing from the premises all items which are indicative of RobotLAB® Franchised Businesses; (iv) discontinuing use of the approved employee uniforms and refraining from using any uniforms which are confusingly similar; and (v) discontinuing use of all packaging and confidential information regarding the operation of the Franchised Business.

## 18. FRANCHISEE'S COVENANTS NOT TO COMPETE

A. During Term. During the term of the Franchise Agreement, Franchisee will receive proprietary information, materials, and trade secrets specifically geared to and utilized in advanced robotics for automated tasks for all of Franchisor's franchised brands. To protect the valuable proprietary information and prevent Franchisee from using that information to operate a business that competes with any of Franchisor's robotics services, Franchisee (and all Personal Guarantors and owners of all or part of Franchisee) will not, during the term of this Agreement, on their own account or as an employee, agent, consultant, partner, officer, director, or shareholder of any other person, firm, entity, partnership or corporation, own, operate, lease, franchise, conduct, engage in, be connected with, have any interest in, or assist any person or entity engaged in any advanced robotics for automated tasks sale or service business not offered by RobotLAB®, without Franchisor's prior written consent.

B. After Termination. Franchisee (and all Personal Guarantors and owners of all or part of Franchisee) will not, directly or indirectly, for a period of two (2) years after this Agreement expires or is terminated (except for a termination as a result of a Franchisor's breach), on their own account or as an employee, consultant, partner, officer, director, or shareholder of any other person, firm, entity, partnership or corporation, own, operate, lease, franchise, conduct, engage in, be connected with, have any interest in or assist any person or entity engaged in any similar business not offered by RobotLAB® involving advanced robotics for automated tasks located at the Franchised Location or within a fifty (50) mile radius of the Franchised Location or the protected territory of any other RobotLAB® Franchised Business. Franchisee expressly agrees that the two (2) year period and the fifty (50) mile radius are the reasonable and necessary time and distance needed to protect Franchisor if this Agreement expires or is terminated for any reason.

C. Extension During Breach. Franchisee (and all Personal Guarantors and owners of all or part of Franchisee) acknowledge and agree that the two (2) year non-competition period set forth in Section 18(B) above will be extended for a period of time equal to the time during which the Franchisee is in breach of any of the provisions of Section 18(B).

D. Injunctive Relief. Franchisee agrees that damages alone cannot adequately compensate Franchisor if there is a violation of these non-competition covenants, and Franchisee stipulates that Franchisor would be irreparably harmed by such a violation and that preliminary and permanent injunctive relief is essential and must be entered for the protection of Franchisor. Preliminary and permanent injunctive relief will be entered by a court of competent jurisdiction enforcing the non-competition covenants without Franchisor posting any bond or security, in addition to all other remedies that may be available to Franchisor at equity or law.

## 19. ARBITRATION; ENFORCEMENT

A. Arbitration Process. Except to the extent Franchisor elects to enforce the provisions of this Agreement by judicial process and injunction as provided pursuant to Section 19(E), all disputes, claims and controversies between the parties arising under or in connection with this Agreement or the making, performance, or interpretation thereof (including claims of fraud in the inducement and other claims of fraud and the arbitrability of any matter) will be settled by arbitration in Dallas, Texas pursuant to the Federal Arbitration Act. The arbitrator(s) will have a minimum of five (5) years' experience in franchising or distribution law and will have the right to award any type of relief except as limited by Section 19(D). The proceedings will be conducted under the commercial arbitration rules of the American Arbitration Association, to the extent such Rules are not inconsistent with the provisions of this arbitration provision. The decision of the arbitrator(s) will be final and binding on all parties. Claims in arbitration of different parties may not be joined. This Section will survive termination or non-renewal of this Agreement under any circumstances. Judgment upon the award of the arbitrator(s) may be entered in any court having jurisdiction thereof. During the pendency of any arbitration proceeding, Franchisee and Franchisor will fully perform their respective obligations under this Agreement.

B. Additional Proceedings. If, after Franchisor or Franchisee institutes an arbitration proceeding, one or the other asserts a claim, counterclaim or defense, the subject matter of which, under statute or current judicial decision is non-arbitrable for public policy reasons, the party against whom the claim, counterclaim, or defense is asserted may elect to proceed with the arbitration of all arbitrable claims, counterclaims, or defenses or to proceed to litigate all claims, counterclaims, or defenses in a court having competent jurisdiction.

C. JURY TRIAL & CLASS ACTION WAIVER. THE PARTIES IRREVOCABLY WAIVE: (i) TRIAL BY JURY; AND (ii) THE RIGHT TO ARBITRATE OR LITIGATE ON A CLASS ACTION BASIS IN ANY ACTION, PROCEEDING OR COUNTERCLAIM, WHETHER AT LAW OR IN EQUITY, BROUGHT BY EITHER OF THE PARTIES.

D. Punitive Damages. Franchisor and Franchisee acknowledge that judgment upon an arbitration award may be entered in any court of competent jurisdiction and will be binding, final, and nonappealable. Franchisor and Franchisee (and their respective owners and guarantors, if applicable) agree to waive, to the fullest extent permitted by law, the right to or claim for any punitive or exemplary damages against the other and agree that in the event of a dispute between them, each will be limited to the recovery of actual damages sustained by it.

E. Enforcement of Franchise Agreement. Notwithstanding the other provisions of this Section 19, Franchisee recognizes that the failure of a single franchisee to comply with the terms of its RobotLAB® Franchise Agreement would cause irreparable harm to Franchisor or to some or all other RobotLAB® franchisees. Franchisor and Franchisee therefore agree that, in the event of a breach or threatened breach of Sections 3, 8, 9, 12, 13, 14, 17, and/or 18 of this Agreement by Franchisee or in the event of any conduct by Franchisee which is illegal or is dishonest or misleading to Franchisee's customers or prospective customers or may impair the goodwill associated with the Marks, Franchisor may obtain a temporary, preliminary, or permanent injunction restraining such breach or obtain a decree of specific performance, without showing or proving any actual damage and without posting any bond or other security. The foregoing equitable remedy will be in addition to, and not in lieu of, all other remedies or rights which Franchisor might otherwise have by virtue of any breach of this Agreement by Franchisee.

F. Attorney's Fees. The non-prevailing party will pay all costs and expenses, including reasonable attorney's fees, incurred by the prevailing party in any arbitration or action in court between Franchisor and Franchisee.

## 20. SEVERABILITY AND CONSTRUCTION

A. Severability. All provisions of this Agreement are severable, and this Agreement will be interpreted and enforced as if all completely invalid or unenforceable provisions were not contained herein, and partially valid and enforceable provisions will be enforced to the extent they are valid and enforceable. If any applicable law or rule of any jurisdiction requires a greater prior notice period than is required hereunder, or if under any applicable law or rule of any jurisdiction, any provision of this Agreement is invalid or unenforceable, the prior notice required by such law or rule will be substituted for the notice requirements hereof, or such invalid or unenforceable provision will be modified to the extent required to be valid and enforceable. Such modifications to this Agreement will be effective only in such jurisdiction and will be enforced as originally made and entered into in all other jurisdictions.

B. Waiver. Franchisor and Franchisee may by written instrument unilaterally waive any obligation of or restriction upon the other under this Agreement. No acceptance by Franchisor of any payment by Franchisee and no failure, refusal, or neglect of Franchisor or Franchisee to exercise any right under this Agreement or to insist upon full compliance by the other with its obligations hereunder, including any mandatory specification, standard or operating procedure, will constitute a waiver of any provision of this Agreement.

C. Cumulative Rights. The rights of Franchisor and Franchisee hereunder are cumulative and no exercise or enforcement by Franchisor or Franchisee of any right or remedy hereunder will preclude the exercise or enforcement by Franchisor or Franchisee of any other right or remedy hereunder or which Franchisor or Franchisee is entitled by law to enforce.

D. Governing Law. Except to the extent governed by the United States Trademark Act of 1946 (Lanham Act, 15 U.S.C. Section 1051 et seq.), this Agreement and the franchise relationship will be governed by the laws of the state of Texas.

E. Binding Effect. This Agreement is binding upon the parties hereto and their respective executors, administrators, heirs, assigns, and successors in interest.

F. Consents. Whenever a party's consent or approval is required under this Agreement, such consent or approval will not be unreasonably withheld or delayed.

G. Entire Agreement. The "Background" section is a part of this Agreement which, together with exhibits, represents the entire agreement of the parties. This Agreement supersedes and terminates any prior oral or written understandings or agreements between Franchisor and Franchisee relating to the subject matter of this Agreement. Nothing in this Agreement or any related agreement is intended to disclaim the representations made in the Franchise Disclosure Document. No modification of this Agreement will be effective unless it is in writing and signed by Franchisor and Franchisee. The term "Franchisee" as custom herein is applicable (where relevant) to one or more persons, a corporation, or a partnership. References to "Franchisee," "assignees," and "transferees" which are applicable to an individual or individuals mean the principal owner or owners of the equity or operating control of Franchisee or any such assignee or transferee if Franchisee or such assignee or transferee is a corporation or partnership. If Franchisee consists of more than one individual, all individuals will be bound jointly and severally by the provisions of this Agreement.

## 21. NOTICES

All notices required under this Agreement must be in writing addressed to Franchisor at its corporate headquarters or to Franchisee at the Franchised Location or the last known address of Franchisee and will be deemed given: (i) if personally delivered on the date delivered, (ii) if sent in the United States mail, by certified mail, postage prepaid, three (3) business days after it is sent, (iii) if sent by a recognized overnight delivery service which requires a written receipt, one (1) business day after it is sent, or (iv) if sent electronically, on the date delivered to the authorized email address. You may change your notice address by giving written notice under this Section.

## 22. ACKNOWLEDGMENTS

A. Independent Investigation. Franchisee acknowledges that it has conducted an independent investigation of the business franchised hereunder and recognizes that the business venture contemplated by this Agreement involves business risks and that its success will largely depend on Franchisee's ability as an independent businessperson. Franchisor expressly disclaims the making of, and Franchisee acknowledges that it has not received, any warranty or guarantee, express or implied, as to the potential volume, profits or success of the business venture contemplated by this Agreement.

B. Franchise Agreement. Franchisee acknowledges that it has received, read, and understood this Agreement and that Franchisor has fully and adequately explained the provisions of it to Franchisee's satisfaction and that Franchisee has had sufficient time and opportunity to consult with advisors of its own choosing about the potential benefits and risks of entering into this Agreement.

C. Other Franchises. Franchisee acknowledges that other franchisees of Franchisor have or will be granted franchises at different times and in different situations, and further acknowledges that the provisions of such franchises may vary substantially from those contained in this Agreement.

D. Receipt of Documents. Franchisee acknowledges that it received a copy of Franchisor's Franchise Disclosure Document, as required under federal and applicable state franchise disclosure law, at least fourteen (14) calendar days before signing this Agreement or any other binding agreement or paying any fees to Franchisor or its affiliates. In addition, if Franchisor materially altered the provisions of this Agreement, including any attachments relating thereto, or any related agreements attached to the Franchisor's Franchise Disclosure Document (except as a result of negotiations Franchisee initiated), Franchisee acknowledges that it received a copy of this Agreement or the related agreement at least seven (7) calendar days before signing it.

**[SIGNATURE PAGE FOLLOWS]**

## Signature Page to Franchise Agreement

IN WITNESS WHEREOF, Franchisor and Franchisee have signed this Agreement as of the day and year signed below.

FRANCHISOR DISCLAIMS ANY WARRANTY OR REPRESENTATION AS TO THE POTENTIAL SUCCESS OF FRANCHISEE'S BUSINESS OPERATIONS UNDER THIS AGREEMENT.

This is a legal document which grants specific rights to and imposes certain obligations upon Franchisor and Franchisee.

**FRANCHISOR:**

*ROBOTLAB FRANCHISING, LLC*

**By:**

**Name:** Elad Inbar

**Title:** CEO

**Date:**

**FRANCHISEE:**

*[FRANCHISEE ENTITY]*

**By:**

**Name:**

**Title:**

**Date:**

**ATTACHMENT A TO THE FRANCHISE AGREEMENT**

**FRANCHISEE INFORMATION & PROTECTED TERRITORY**

**Effective Date:**

**Franchisee's Name(s):**

**Ownership of Franchise:** *If the franchisee is a business entity, the following persons constitute all the owners of a legal and/or beneficial interest in the franchisee:*

<b>Owner Name</b>	<b>Ownership Percentage</b>
	%
	%
	%

**Franchise Fee:**

**Equipment Package Fee:**

**Principal Executive:**

**Franchisee Notice Information**

- **Address:**
- **Phone:**
- **Email:**

**Protected Territory:**

*[Attach map or list of distinguishing territory features such as list of zip codes]*

**FRANCHISEE:**

*[FRANCHISEE ENTITY]*

**Signature:**

**Name:**

**Title:**

**Date:**

**FRANCHISOR:**

*ROBOTLAB FRANCHISING, LLC*

**Signature:**

**Name:** Elad Inbar

**Title:** CEO

**Date:**

## ATTACHMENT B TO THE FRANCHISE AGREEMENT

### PERSONAL GUARANTY OF OWNER/SHAREHOLDER

This Personal Guaranty and Assumption of Obligations (this “Guaranty”) is given as of the date signed by each party below, by [OWNERS OF FRANCHISEE ENTITY].

In consideration of, and as an inducement to, the execution of that certain Franchise Agreement of even date herewith (“Franchise Agreement”) by RobotLAB Franchising, LLC (“RobotLAB Franchising”, Franchisor” or “we”), a Delaware limited liability company, and [FRANCHISEE ENTITY], a [STATE ENTITY TYPE] (“Franchisee”), the undersigned hereby personally and unconditionally, jointly and severally: guaranties to Franchisor and its successors and assigns, for the Term of the Franchise Agreement and, including any renewal thereof, as provided in the Franchise Agreement, that Franchisee shall punctually pay and perform each and every undertaking, agreement and covenant stated in the Agreement and any documents, agreements, and instruments signed with or in connection with the Franchise Agreement (collectively, the “Franchise Documents”); and agrees to be personally bound by, and personally liable for the breach of, each and every provision in the Franchise Documents applicable to the owners of Franchisee.

The undersigned waives:

1. acceptance and notice of acceptance by Franchisor of the foregoing undertakings;
2. notice of demand for payment of any indebtedness or nonperformance of any obligations hereby guaranteed;
3. protest and notice of default to any party with respect to the indebtedness of non-performance of any obligations hereby guaranteed;
4. any right the undersigned may have to require that an action be brought against Franchisee or any other person as a condition of liability; and
5. any and all other notices and legal or equitable defenses to which the undersigned may be entitled.

The undersigned consents and agrees that:

1. the undersigned’s direct and immediate liability under this Guaranty shall be joint and several with all signatories to this and similar guaranties of Franchisee’s obligations;
2. the undersigned shall render any payment or performance required under the Franchise Agreement upon demand if Franchisee fails or refuses punctually to do so;
3. this Guaranty shall apply to any claims Franchisor may have due to return of any payments or property Franchisor may have received from Franchisee as a preference, fraudulent transfer or conveyance or the like in any legal proceeding;
4. such liability shall not be contingent or conditioned upon pursuit by Franchisor of any remedies against Franchisee or any other person; and
5. such liability shall not be diminished, relieved or otherwise affected by any extension of time, credit or other indulgence which Franchisor may from time to time grant to Franchisee or any other person, including without limitation, the acceptance of any partial payment or performance, or the compromise or release of any claims, none of which in any way modify or amend this Guaranty, which shall be continuing

and irrevocable during and after the terms of the Franchise Documents, as the same may be amended or renewed, until Franchisee's duties and obligations to Franchisor are fully discharged and satisfied.

All capitalized terms when used shall have the meanings ascribed to them in the Franchise Agreement.

This Guaranty shall be governed, construed, and interpreted in accordance with the substantive laws of the state where Franchisor has its principal place of business at the time a dispute arises, without giving effect to its conflicts of law principles.

IN WITNESS WHEREOF, each of the undersigned has affixed his signature as dated below.

**GUARANTOR(S):**

(add more signature boxes as necessary)

**Signature:**

**Name:**

**Date:**



**ATTACHMENT C TO THE FRANCHISE AGREEMENT**

**ELECTRONIC FUNDS TRANSFER AUTHORIZATION FORM**

**Individual or Entity Name:**

**ID Number:**

The undersigned depositor (“Depositor” or “Licensee”) hereby authorizes RobotLAB Franchising, LLC (“Licensor”) to initiate debit entries and/or credit correction entries to the undersigned’s checking and/or savings account(s) indicated below and the depository designated below (“Depository” or “Bank”) to debit or credit such account(s) pursuant to Licensor’s instructions. Please attach a voided blank check, for purposes of setting up bank and transit numbers.

**Depository:**

**Branch:**

**City, State Zip:**

**Bank Transit/ABA Number:**

**Account Number:**

This authority is to remain in full force and effect until 60 days after Licensor has received written notification from Licensee of its termination or expiration.

AGREED:

**FRANCHISEE:**

*[FRANCHISEE ENTITY]*

**Signature:**

**Name:**

**Title:**

**Date:**

**ATTACH A VOID CHECK TO DEPOSITOR’S ACCOUNT.**

## ATTACHMENT D TO THE FRANCHISE AGREEMENT

### LEASE RIDER

THIS LEASE RIDER is entered into between the undersigned parties.

WHEREAS, Company and Franchisee are parties to a Franchise Agreement dated \_\_\_\_\_, (the "Franchise Agreement"); and

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

WHEREAS, Franchisee and Landlord propose to enter into the lease to which this Rider is attached (the "Lease"), pursuant to which Franchisee will occupy premises located at the address listed on the signature page below (the "Premises") for the purpose of constructing and operating the Business in accordance with the Franchise Agreement; and

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

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

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

RobotLAB Franchising, LLC  
950 East State Highway 114, STE 160  
Southlake, Texas 76092  
franchise@RobotLAB.com

4. Company will have the right, without being guilty of trespass or any other crime or tort, to enter the Premises at any time or from time to time (i) to make any modification or alteration it considers necessary to protect the RobotLAB system and marks, (ii) to cure any default under the Franchise Agreement or under the Lease, or (iii) to remove the distinctive elements of the RobotLAB trade dress upon the Franchise Agreement's expiration or termination. Neither Company nor Landlord will be responsible to Franchisee for any damages Franchisee might sustain as a result of action Company takes in accordance with this provision. Company will repair or reimburse Landlord for the cost of any damage to the Premises' walls, floor or ceiling that result from Company's removal of trade dress items and other property from the Premises.

5. Franchisee will be permitted to assign the Lease to Company or its designee upon the expiration or termination of the Franchise Agreement. Landlord consents to such an assignment and agrees not to impose any assignment fee or similar charge, or to increase or accelerate rent under the Lease, in connection with such an assignment.

6. If Franchisee assigns the Lease to Company or its designee in accordance with the preceding paragraph, the assignee must assume all obligations of Franchisee under the Lease from and after the date of assignment, but will have no obligation to pay any delinquent rent or to cure any other default under the Lease that occurred or existed prior to the date of the assignment.

7. Franchisee may not assign the Lease or sublet the Premises without Company's prior written consent, and Landlord will not consent to an assignment or subletting by Franchisee without first verifying that Company has given its written consent to Franchisee's proposed assignment or subletting.

8. Landlord and Franchisee will not amend or modify the Lease in any manner that could materially affect any of the provisions or requirements of this Lease Rider without Company's prior written consent.

9. The provisions of this Lease Rider will supersede and control any conflicting provisions of the Lease.

10. Landlord acknowledges that Company is not a party to the Lease and will have no liability or responsibility under the Lease unless and until the Lease is assigned to, and assumed by, Company.

IN WITNESS WHEREOF, the parties have executed this Lease Rider on the date signed below:

**COMPANY:**

*ROBOTLAB FRANCHISING, LLC*

**Signature:**

**Name:** Elad Inbar

**Title:** CEO

**FRANCHISEE:**

*[FRANCHISEE ENTITY]*

**Signature:**

**Name:**

**Title:**

**LANDLORD:**

*[LANDLORD]*

**Signature:**

**Name:**

**Title:**

**Effective Date of this Lease Rider:**

**Premises Address:**

## ATTACHMENT E TO THE FRANCHISE AGREEMENT

### FRANCHISEE QUESTIONNAIRE/COMPLIANCE CERTIFICATION

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

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

As previously discussed, RobotLAB Franchising, LLC (“we”, “us”), and you are preparing to enter into a franchise agreement for the right to operate one (1) RobotLAB Franchised Business within a Protected Territory (each, a “Franchised Business”). The purpose of this Questionnaire is to: (i) determine whether any statements or promises were made to you that we have not authorized or that may be untrue, inaccurate, or misleading; (ii) be certain that you have been properly represented in this transaction; and (iii) be certain that you understand the limitations on claims you may make by reason of the purchase and operation of your franchise. **You cannot sign or date this Questionnaire the same day as the Receipt for the Franchise Disclosure Document, but you must sign and date it the same day you sign the Franchise Agreement and pay us the appropriate Franchisee Fee.** Please review each of the following questions carefully and provide honest responses to each question. If you answer “No” to any of the questions below, please explain your answer on the back of this sheet.

Yes \_\_\_ No \_\_\_ 1. Have you received and personally reviewed the Franchise Agreement, as well as each exhibit or schedule attached to these agreements that you intend to enter into with us?

Yes \_\_\_ No \_\_\_ 2. Have you received and personally reviewed the Franchise Disclosure Document we provided?

Yes \_\_\_ No \_\_\_ 3. Did you sign a receipt for the Disclosure Document indicating the date you received it?

Yes \_\_\_ No \_\_\_ 4. Do you understand all the information contained in the Disclosure Document and the Franchise Agreement you intend to enter into with us?

Yes \_\_\_ No \_\_\_ 5. Have you reviewed the Disclosure Document and Franchise Agreement with a lawyer, accountant or other professional advisor and discussed the benefits and risks of operating the Franchised Business with these professional advisor(s)?

Yes \_\_\_ No \_\_\_ 6. Do you understand the success or failure of your Franchised Business will depend in large part upon your skills, abilities, and efforts and those of the persons you employ, as well as many factors beyond your control such as demographics of your Protected Territory, competition, interest rates, the economy, inflation, labor and supply costs, lease terms, and the marketplace?

Yes \_\_\_ No \_\_\_ 7. Do you understand we have only granted you certain, limited territorial rights under the Franchise Agreement, and that we have reserved certain rights under the Franchise Agreement?

Yes \_\_\_ No \_\_\_ 8. Do you understand we and our affiliates retain the exclusive unrestricted right to engage, directly or through others, in the providing of services under the Business System or the Mark(s) or any other mark(s) at any location outside your Protected Territory under the Franchise Agreement, without regard to the proximity of these activities to the premises of your Protected Territory or Franchised Business(s)?

Yes \_\_\_ No \_\_\_ 9. Do you understand all disputes or claims you may have, arising out of or relating to the Franchise Agreement, must be mediated and/or arbitrated, at our option, at our then-current headquarters?

Yes \_\_\_ No \_\_\_ 10. Do you understand the Franchise Agreement provides that you can only collect compensatory damages on any claim under or relating to the Franchise Agreement and are not entitled to any punitive, consequential, or other special damages?

Yes \_\_\_ No \_\_\_ 11. Do you understand the sole entity or person against whom you may bring a claim under the Franchise Agreement is us?

Yes \_\_\_ No \_\_\_ 12. Do you understand that the Franchisee (or one of its principals if Franchisee is an organization), as well as any Principal Executive(s) (as defined in the Franchise Agreement), must successfully complete the appropriate initial training program(s) before we will allow the Franchised Business to open or consent to a transfer of that Franchised Business?

Yes \_\_\_ No \_\_\_ 13. Do you understand that we require you to successfully complete certain initial training program(s) and if you do not successfully complete the applicable training program(s) to our satisfaction, we may terminate your Franchise Agreement?

Yes \_\_\_ No \_\_\_ 14. Do you understand that we do not have to sell you a franchise or additional franchises or consent to your purchase of existing franchises (other than those that you timely fulfill your development obligations and have contracted to open under the Development Agreement, provided you have not materially breached that agreement and failed to timely cure that breach)?

Yes \_\_\_ No \_\_\_ 15. Do you understand that we will send written notices, as required by your Franchise Agreement, to either your Franchised Business or home address until you designate a different address by sending written notice to us?

Yes \_\_\_ No \_\_\_ 16. Do you understand that we will not approve your purchase of a franchise, or we may immediately terminate your Franchise Agreement, if we are prohibited from doing business with you under any anti-terrorism law enacted by the United States Government?

Yes \_\_\_ No \_\_\_ 17. Is it true that no broker, employee, or other person speaking on our behalf made any statement or promise regarding the costs involved in operating a Franchised Business that is not contained in the Disclosure Document or that is contrary to, or different from, the information contained in the Disclosure Document?

Yes \_\_\_ No \_\_\_ 18. Is it true that no broker, employee, or other person speaking on our behalf made any statement or promise regarding the actual, average, or projected profits or earnings, the likelihood of success, the amount of money you may earn, or the total amount of revenue a Franchised Business will generate, that is not contained in the Disclosure Document or that is contrary to, or different from, the information contained in the Disclosure Document?

Yes \_\_\_ No \_\_\_ 19. Is it true that no broker, employee, or other person speaking on our behalf made any statement or promise or agreement, other than those matters addressed in your Franchise Agreement and/or Development Agreement concerning advertising, marketing, media support, marketing penetration, training, support service or assistance that is contrary to, or different from, the information contained in the Disclosure Document?

Yes \_\_\_ No \_\_\_ 20. Is it true that no broker, employee, or other person providing services to you on our behalf has solicited or accepted any loan, gratuity, bribe, gift or any other payment in money, property, or services from you in connection with a Franchised Business purchase with exception of those payments or loans provided in the Disclosure Document?

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

**FRANCHISEE APPLICANT(S):**

*(add more signature boxes as necessary)*

**Signature:**

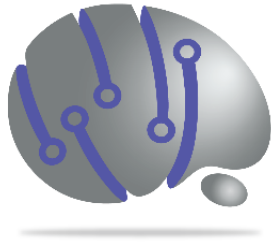
**Name:**

**Date:**

**GIVE A COMPLETE EXPLANATION OF ANY NEGATIVE RESPONSES ON BACK OF THIS PAGE (REFER TO QUESTION NUMBER(S)).**

**EXHIBIT F**

**AREA DEVELOPMENT AGREEMENT**  
**WITH ATTACHMENTS**



RobotLAB  
Franchising LLC

**AREA DEVELOPMENT AGREEMENT**

**between**

**ROBOTLAB FRANCHISING, LLC**

**and**

---

**AREA DEVELOPER**



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## EXHIBITS

Exhibit A – Franchisee-Specific Terms

Exhibit B – Payment and Performance Guaranty

# ROBOTLAB FRANCHISING, LLC

## AREA DEVELOPMENT AGREEMENT

THIS AGREEMENT (this “Agreement”) is made and entered into as of the date set forth on Exhibit A to this Agreement (the “Effective Date”) (Exhibit A and all exhibits and/or schedules attached to this Agreement are hereby incorporated by this reference) between RobotLAB Franchising, LLC, a Delaware limited liability company (“Franchisor,” “we,” “us,” or “our”) and the person or entity identified in Exhibit A as the franchisee (“Franchisee” or “you”) with its principal place of business as set forth in Exhibit A.

### RECITALS:

A. We and you have entered into a certain Franchise Agreement dated the same date as this Agreement (the “Initial Franchise Agreement”), in which we have granted you the right to establish and operate one RobotLAB franchised business within the protected territory set forth in the Initial Franchise Agreement (a “Franchised Business”).

B. We desire to grant to you the exclusive right to establish and operate a specified number of Franchised Businesses within a specified geographical area in accordance with a development schedule.

C. If you are a corporation, limited liability company, partnership, or other entity (collectively, an “Entity”), all owners of a legal and/or beneficial interest in the Entity (the “Owners”) are listed in Exhibit A to this Agreement.

D. You desire to establish and operate additional Franchised Businesses upon the terms and conditions contained in our then-current standard franchise agreements (a “Franchise Agreement”).

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

### 1. Grant of Development Rights and Development Area

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

### 2. Fees

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

### 3. Development Schedule and Deadlines

3.1 Development Schedule. You must enter into Franchise Agreements, and open and operate Franchised Businesses in accordance with the deadlines set forth in the Development Schedule. By each “Opening Deadline” specified in the Development Schedule, you must have the specified number of RobotLAB Franchising, LLC

Franchised Businesses open and operating. Prior to opening additional Franchised Businesses in your Development Area, you must: (i) possess sufficient financial and organizational capacity to develop, open, operate, and manage each additional Franchised Business in our reasonable judgment; (ii) be in full compliance with all brand requirements at any existing Franchised Businesses you operate; and (iii) be in compliance with any Franchise Agreement or any other agreement entered into with us.

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

#### **4. Development Area**

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

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

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

(b) Sell or offer, or license others to sell or offer, any products or services using the Marks or other marks through any alternative distribution channels, including, without limitation, through e-commerce, in retail stores, via recorded media, via online videos, or via broadcast media, anywhere, including inside and outside of the Development Area;

(c) Advertise, or authorize others to advertise anywhere, using the Marks;

(d) Acquire, be acquired by, or merge with other companies with existing similar businesses, and/or RobotLAB™ Franchised Businesses anywhere (including inside or outside of the Development Area) and, RobotLAB Franchising, LLC

even if such businesses are located in the Development Area, (i) convert the other businesses to the RobotLAB name, (ii) permit the other businesses to continue to operate under another name, and/or (iii) permit the businesses to operate under another name and convert existing Franchised Businesses to such other name; and

(e) Engage in any other activity, action or undertaking that we are not expressly prohibited from taking under this Agreement.

## **5. Term**

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

## **6. Termination**

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

(a) You fail to have open and operating the minimum number of Franchised Businesses specified in the Development Schedule by any Opening Deadline specified in the Development Schedule;

(b) An Event of Default occurs under any Franchise Agreement, resulting in the termination of such Franchise Agreement; or

(c) You breach or otherwise fail to comply fully with any other provision contained in this Agreement.

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

## **7. Assignment; Our Right of First Refusal**

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

7.2 Our Right of First Refusal.

(a) If you receive, and desire to accept, from a third party a bona fide offer to transfer any of your rights in this Agreement, you shall promptly notify us in writing and send us an executed copy of the RobotLAB Franchising, LLC

contract of transfer. We shall have the right and option, exercisable within thirty (30) days after actual receipt of such notification or of the executed contract of transfer which shall describe the terms of the offer, to send written notice to you that we intend to purchase your interest on the same terms and conditions offered by the third party.

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

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

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

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

## **8. Incorporation of Other Terms**

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

## **9. Miscellaneous**

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

**[SIGNATURE PAGE FOLLOWS]**

**Signature Page to Area Development Agreement**

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

**FRANCHISOR:**

*ROBOTLAB FRANCHISING, LLC*

**By:**

**Name:** Elad Inbar

**Title:** CEO

**Date:**

**FRANCHISEE:**

*[FRANCHISEE ENTITY]*

**By:**

**Name:**

**Title:**

**Date:**

**ATTACHMENT A**

**AREA DEVELOPER SPECIFIC TERMS**

**Effective Date:**

**Development Fee:**

**Franchisee Developer Name:**

**Ownership of Franchisee Developer:**

Owner Name	Ownership Percentage
	%
	%
	%

**Franchisee Developer Address:**

**Franchisee Developer Phone:**

**Franchisee Developer Email:**

**Principal Executive:**

**Designated Representative:**

**Development Area:**

*[Attach map or list of distinguishing territory features such as list of zip codes]*

**Development Schedule:** You agree to establish and operate a total of \_\_\_\_\_ Franchised Businesses within the Development Area during the term of this Agreement. The Franchised Businesses must be open and operating in accordance with the following Development Schedule:

Franchised Businesses Agreed to Open	Date By Which Franchised Business Must Be Open and Operating
1	
2	
3	
4	
5	

**Other Terms:**

**Signature Page to Attachment A – Developer Specific Terms**

**AREA DEVELOPER:**

[AREA DEVELOPER ENTITY]

**Signature:**

**Name:**

**Title:**

**FRANCHISOR:**

ROBOTLAB FRANCHISING, LLC

**Signature:**

**Name:** Elad Inbar

**Title:** CEO



## ATTACHMENT B

### PERSONAL GUARANTY OF OWNER/SHAREHOLDER

This Personal Guaranty and Assumption of Obligations (this “Guaranty”) is given by the undersigned individuals identified as the owners of Franchisee Developer in Attachment A.

In consideration of, and as an inducement to, the execution of that certain area development agreement of even date herewith (“Development Agreement”) by the parties listed as Franchisor and Developer in the Development Agreement, the undersigned hereby personally and unconditionally, jointly and severally: guaranties to Franchisor and its successors and assigns, for the Term of the Development Agreement and, including any renewal thereof, as provided in the Development Agreement, that Franchisee shall punctually pay and perform each and every undertaking, agreement and covenant stated in the Development Agreement and any documents, agreements, and instruments signed with or in connection with the Development Agreement (collectively, the “Franchise Documents”); and (2) agrees to be personally bound by, and personally liable for the breach of, each and every provision in the Franchise Documents applicable to the owners of Franchisee.

The undersigned waives:

- acceptance and notice of acceptance by Franchisor of the foregoing undertakings;
- notice of demand for payment of any indebtedness or nonperformance of any obligations hereby guaranteed;
- protest and notice of default to any party with respect to the indebtedness of non-performance of any obligations hereby guaranteed;
- any right the undersigned may have to require that an action be brought against Franchisee or any other person as a condition of liability; and
- any and all other notices and legal or equitable defenses to which the undersigned may be entitled.

The undersigned consents and agrees that:

- the undersigned’s direct and immediate liability under this Guaranty shall be joint and several with all signatories to this and similar guaranties of Developer’s obligations;
- the undersigned shall render any payment or performance required under the Development Agreement upon demand if Developer fails or refuses punctually to do so;
- this Guaranty shall apply to any claims Franchisor may have due to return of any payments or property Franchisor may have received from Developer as a preference, fraudulent transfer or conveyance or the like in any legal proceeding;
- such liability shall not be contingent or conditioned upon pursuit by Franchisor of any remedies against Developer or any other person; and

- such liability shall not be diminished, relieved or otherwise affected by any extension of time, credit or other indulgence which Franchisor may from time to time grant to Developer or any other person, including without limitation, the acceptance of any partial payment or performance, or the compromise or release of any claims, none of which in any way modify or amend this Guaranty, which shall be continuing and irrevocable during and after the terms of the Franchise Documents, as the same may be amended or renewed, until Franchisee's duties and obligations to Franchisor are fully discharged and satisfied.

All capitalized terms when used shall have the meanings ascribed to them in the Development Agreement.

This Guaranty shall be governed, construed, and interpreted in accordance with the substantive laws of the state where Franchisor has its principal place of business at the time a dispute arises, without giving effect to its conflicts of law principles.

**IN WITNESS WHEREOF**, each of the undersigned has affixed his signature as dated below.

**GUARANTOR(S):**

*(add signature lines as necessary)*

**Signature:**

**Name:**

**Date:**

**EXHIBIT G**

**FORM OF GENERAL RELEASE**

## GENERAL RELEASE OF CLAIMS

*[This is our current standard form of General Release. This document is not signed when you purchase a franchise. In circumstances such as a renewal of your franchise or as a condition of our approval of a sale of your franchise, we may require you to sign a general release.]*

This General Release of Claims (“Release”) is made as of the date signed below, by the individual or entity listed below as franchisee (“Franchisee”), and each individual holding an ownership interest in Franchisee (collectively with Franchisee, “Releasor”) in favor of RobotLAB Franchising, LLC (“Franchisor,” and together with Releasor, the “Parties”).

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

**WHEREAS**, [Franchisee has notified Franchisor of its desire to transfer the Agreement and all rights related thereto, or an ownership interest in Franchisee, to a transferee/enter into a successor franchise agreement/amend the Agreement] OR [the Agreement is being terminated/or indicate other reason for the requirement of this waiver and release], and Franchisor has consented to such; and

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

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

- 1. Representations and Warranties.** Releasor represents and warrants that it is duly authorized to enter into this Release and to perform the terms and obligations herein contained, and has not assigned, transferred, or conveyed, either voluntarily or by operation of law, any of its rights or claims against Franchisor or any of the rights, claims, or obligations being terminated and released hereunder. Each individual executing this Release on behalf of Franchisee represents and warrants that he/she is duly authorized to enter into and execute this Release on behalf of Franchisee. Releasor further represents and warrants that all individuals that currently hold a direct or indirect ownership interest in Franchisee are signatories to this Release.
- 2. Release.** Releasor and its subsidiaries, affiliates, parents, divisions, successors and assigns, and all persons or firms claiming by, through, under, or on behalf of any or all of them, hereby release, acquit, and forever discharge Franchisor, any and all of its affiliates, parents, subsidiaries, or related companies, divisions, and partnerships, and its and their past and present officers, directors, agents, partners, shareholders, employees, representatives, successors and assigns, and attorneys, and the spouses of such individuals (collectively, the “Released Parties”), from any and all claims, liabilities, damages, expenses, actions, or causes of action which Releasor may now have or has ever had, whether known or unknown, past or present, absolute or contingent, suspected or unsuspected, of any nature whatsoever, including without limiting the generality of the foregoing, all claims, liabilities, damages, expenses, actions, or causes of action directly or indirectly arising out of or relating to the execution and performance of the Agreement and the offer and sale of the franchise related thereto, except to the extent such liabilities are payable by the applicable indemnified party in connection with a third party claim.
- 3. Nondisparagement.** Releasor expressly covenants and agrees not to make any false representation of facts, or to defame, disparage, discredit, or deprecate any of the Released Parties or otherwise communicate with any person or entity in a manner intending to damage any of the Released Parties, their business, or their reputation.
- 4. Confidentiality.** Releasor agrees to hold in strictest confidence and not disclose, publish, or use the existence of, or any details relating to, this Agreement to any third party without Franchisor’s express

written consent, except as required by law.

**5. Miscellaneous.**

a. Releasor agrees that it has read and fully understands this Release and that the opportunity has been afforded to Releasor to discuss the terms and contents of said Release with legal counsel and/or that such a discussion with legal counsel has occurred.

b. This Release shall be construed and governed by the laws of the state where the Franchised Business is located.

c. Each individual and entity that comprises Releasor shall be jointly and severally liable for the obligations of Releasor.

d. In the event that it shall be necessary for any Party to institute legal action to enforce or for the breach of any of the terms and conditions or provisions of this Release, the prevailing Party in such action shall be entitled to recover all of its reasonable costs and attorneys' fees.

e. All of the provisions of this Release shall be binding upon and inure to the benefit of the Parties and their current and future respective directors, officers, partners, attorneys, agents, employees, shareholders, and the spouses of such individuals, successors, affiliates, and assigns. No other party shall be a third-party beneficiary to this Release.

f. This Release constitutes the entire agreement and, as such, supersedes all prior oral and written agreements or understandings between and among the Parties regarding the subject matter hereof. This Release may not be modified except in a writing signed by all the Parties. This Release may be executed in multiple counterparts, each of which shall be deemed an original and all of which together shall constitute but one and the same document.

g. If one or more of the provisions of this Release shall for any reason be held invalid, illegal, or unenforceable in any respect, such invalidity, illegality, or unenforceability shall not affect or impair any other provision of this Release, but this Release shall be construed as if such invalid, illegal, or unenforceable provision had not been contained herein.

h. Releasor agrees to do such further acts and things and to execute and deliver such additional agreements and instruments as any Released Party may reasonably require to consummate, evidence, or confirm the Release contained herein in the matter contemplated hereby.

*[Signature Page follows]*

**Signature Page to General Release Form**

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

**FRANCHISEE:**

[FRANCHISEE]

**By:**

**Name:**

**Title:**

**Date:**

**FRANCHISEE'S OWNERS:**

*(add more lines signature lines as necessary)*

**Signature:**

**Name:**

**Date:**

**Signature:**

**Name:**

**Date:**

**EXHIBIT H**

**FORM OF NONDISCLOSURE AND NONCOMPETE AGREEMENT**

**[THIS EXHIBIT IS FOR REFERENCE PURPOSES ONLY AS A SAMPLE FORM CONFIDENTIALITY AGREEMENT THAT FRANCHISOR MAY APPROVE FOR USE BY FRANCHISEE – BEFORE USING WITH AN EMPLOYEE OR CONTRACTOR FRANCHISEE SHOULD HAVE THIS AGREEMENT REVIEWED AND APPROVED BY AN INDEPENDENT LOCAL ATTORNEY HIRED BY FRANCHISEE.]**



**CONFIDENTIALITY AND RESTRICTIVE COVENANT AGREEMENT**

*[Sample ONLY]*

This Agreement (the "Agreement") is entered into by the undersigned ("you") in favor of:

[On the Line Below, Insert Name of Franchisee that Owns and Operates the RobotLAB Franchised Business]

\_\_\_\_\_ (hereinafter referred to as "us", "our" or "we")

**Recitals and Representations**

**WHEREAS**, we are the owners of a licensed RobotLAB Business (hereinafter referred to as the "RobotLAB Business") that we independently own and operate as a franchisee;

**WHEREAS**, you are or are about to be an employee, independent contractor, officer and/or director of a RobotLAB Business that is independently owned and operated by us;

**WHEREAS**, in the course of your employment, independent contractor relationship and/or association with us, you may gain access to Confidential Information (defined below in this Agreement) and you understand that it is necessary to protect the Confidential Information and for the Confidential Information to remain confidential;

**WHEREAS**, our franchisor, RobotLAB Franchising, LLC is not a party to this agreement and does not own or manage the RobotLAB Business but is an intended third-party beneficiary of this Agreement; and

**WHEREAS**, this Agreement is not an employment agreement and is only a confidentiality agreement in connection with information, materials and access that may be provided to you in connection with the RobotLAB Business.

**NOW THEREFORE**, you acknowledge and agree as follows:

**1. Recitals and Representations.** You agree that the foregoing Recitals and Representations are true and accurate and shall constitute a part of this Agreement and are hereby incorporated into the main body of this Agreement.

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

*"Business Management System"* refers to and means the software and/or internet or cloud-based system and/or systems, point of sale system or systems and customer relationship management system or systems as used in connection with the operations of the RobotLAB Business.

*"Business Management System Data"* refers to and means the forms, data, tools, customer information, inventory and sales information, and other information that is entered into and/or maintained on the Business Management System of the RobotLAB Business.

*"Confidential Information"* refers to and means: (a) non-public methods, specifications, standards, policies, procedures, information, concepts, programs and systems relating to the development, establishment, marketing, promotion and operation of the RobotLAB Business; (b) information concerning customers, RobotLAB Franchising, LLC



customer lists, email lists, database lists, product sales, operating results, financial performance and other financial data of the RobotLAB Business; (c) customer lists and information related to the RobotLAB Business; (d) Business Management System Data; I current and future information contained in the RobotLAB Operations Manual made available to the RobotLAB Business by RobotLAB Franchising, LLC; and (e) production and service procedures that are not disclosed to the public but used by the RobotLAB Business.

“*Digital Media*” refers to and means any interactive or static electronic document, application or media including, but not limited to, www.RobotLab.com, social media platforms and applications such as Facebook, LinkedIn, Twitter, Pinterest, Instagram, Snapchat, YouTube, and world wide web and internet based directories and local directories that refers, references, identifies, reviews, promotes and/or relates, in any way, to the RobotLAB Business or other RobotLAB Businesses.

“*Licensed Marks*” refers to and means the word marks, trademarks, service marks, and logos now or hereafter utilized in the operation of a RobotLAB Business, including, but not limited to, the “RobotLAB” word mark, associated logos, and any other trademarks, service marks or trade names that we designate for use in a RobotLAB Business.

“*Operations Manual*” refers to and means the confidential operations manual made available to the RobotLAB Business by our franchisor or as otherwise designated by us. The Operations Manual may consist of one or more volumes, handbooks, manuals, written materials, video, electronic media files, cloud/internet-based list-service, intra-net, internet based and accessed databases, computer media, webinars and other materials as may be modified, added to, replaced, or supplemented.

“*Trade Dress*” refers to and means the RobotLAB designs, images, marketing materials, packaging, branding and/or branding images used in connection with the operation of the RobotLAB Business.

**3. Your Access to Confidential Information.** In addition to the representations and acknowledgments contained in the Recitals and Representations, above, you acknowledge and represent that in your capacity as an employee, independent contractor, officer and/or director of the RobotLAB Business that you will be gaining access to, among other things, the Confidential Information. You acknowledge that the terms of this Agreement are fair and reasonable.

**4. Protection of the Confidential Information.** You agree that: (i) you will not use the Confidential Information in any business or capacity other than the RobotLAB Business; (ii) you will maintain the confidentiality of the Confidential Information at all times; (iii) you will not make unauthorized copies of documents containing the Confidential Information; (iv) you will take such reasonable steps as the we may ask of you from time to time to prevent unauthorized use or disclosure of the Confidential Information; and (v) you will stop using the Confidential Information immediately at our request or demand. You will not use the Confidential Information for any purpose other than for the performance of your duties on behalf of us and in accordance with the scope of your work with us.

**5. Reasonableness of Covenants and Restrictions.** You agree that: (i) the terms of this Agreement are reasonable and fair and that you have sufficient resources and business experience and opportunities to earn an adequate living while complying with the terms of this Agreement. **You hereby waive any right to challenge the terms of this Agreement as being overly broad, unreasonable, or otherwise unenforceable.**

**6. Breach.** You agree that failure to comply with the terms of this Agreement will cause irreparable harm to us and to our franchisor, RobotLAB Franchising, LLC, and other RobotLAB franchisees for which there is no adequate remedy at law. Therefore, you agree that any violation of these covenants will entitle us or our franchisor, RobotLAB Franchising, LLC, to injunctive relief. You agree that we and/or our franchisor, RobotLAB Franchising, LLC, may apply for such injunctive relief, without bond, but upon due notice, in addition to such further and other relief as may be available at equity or law, and the sole remedy of yours, in the event of the entry of such injunction, will be the dissolution of such injunction, if warranted,

upon hearing duly held (all claims for damages by reason of the wrongful issuance of any such injunction being expressly waived hereby). If a court requires the filing of a bond notwithstanding the preceding sentence, you agree that the amount of the bond shall not exceed one thousand dollars (\$1,000.00). None of the remedies available to us under this Article are exclusive of any other, but may be combined with others under this Agreement, or at law or in equity, including injunctive relief, specific performance, and recovery of monetary damages.

**7. Miscellaneous.**

(a) If we hire an attorney or files suit against you because you have breached this Agreement and if we prevail in such lawsuit, you agree to pay the reasonable attorney fees and costs that we incur.

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

**YOU ACKNOWLEDGE THAT THIS IS NOT AN EMPLOYMENT AGREEMENT.**

**YOU ACKNOWLEDGE AND AGREE THAT OUR FRANCHISOR, ROBOTLAB FRANCHISING, LLC, IS NOT A PARTY TO THIS AGREEMENT BUT IS AN INTENDED THIRD-PARTY BENEFICIARY OF THIS AGREEMENT.**

**IN WITNESS WHEREOF**, each of the undersigned has executed this Agreement as of the date or dates set forth below.

**RESTRICTED PARTY**

Signature:

Name:

Date:

## EXHIBIT I

### STATE SPECIFIC ADDENDA

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

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

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

## CALIFORNIA

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

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

### ITEM 3 – LITIGATION

Neither the Franchisor, nor any person identified in Item 2 of the Disclosure Document is subject to any currently effective order of any national securities association or national securities exchange, as defined in the Securities Exchange Act of 1934, 15 U.S.C.A. 79a et seq., suspending or expelling such persons from membership in such association or exchange

### ITEM 17 – RENEWAL, TERMINATION, TRANSFER AND DISPUTE RESOLUTION

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

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

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

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

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

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

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

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

9. The Franchise Agreement and any Area Development Agreement require binding arbitration. The arbitration will occur in Texas. If we are the substantially prevailing party, we will be entitled to recover reasonable attorneys' fees and litigations costs and expenses in connection with the arbitration. Prospective RobotLAB Franchising, LLC  
FDD Exhibit I

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

## HAWAII

The following paragraphs are added in the state cover pages:

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

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

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

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

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

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

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

## ILLINOIS

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

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

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

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

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 behalf of the Franchisor. This provision supersedes any other term of any document executed in connection with the franchise.

## INDIANA

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

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



## IOWA

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

The following language will be added to the Franchise Agreement:

### NOTICE OF CANCELLATION

\_\_\_\_\_ (enter date of transaction)

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

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

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

To cancel this transaction, mail or deliver a signed and dated copy of this cancellation notice or any other written notice to RobotLAB Franchising, LLC – 950 East State Highway 114, Ste. 160, Southlake, TX 76092, not later than midnight of the third business day after the Effective Date.

I hereby cancel this transaction.

FRANCHISEE

Signed:

Name:

Date:

## **MARYLAND**

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

### **Item 17 - RENEWAL, TERMINATION, TRANSFER AND DISPUTE RESOLUTION**

1. No release language in the Franchise Agreement or Area Development Agreement will relieve us or any other person, directly or indirectly, from liability imposed by the laws concerning franchising of the State of Maryland. Any general release required as a condition of renewal, sale and/or assignment or transfer shall not apply to any liability under the Maryland Franchise Registration and Disclosure Law.
2. A franchisee may sue in Maryland for claims arising under the Maryland Franchise Registration and Disclosure Law. Any claims arising under the Maryland Franchise Registration and Disclosure Laws must be brought within three years after the grant of the franchise.
3. The provision in the Franchise Agreement which provides for termination upon bankruptcy of the franchisee may not be enforceable under federal bankruptcy law (11 U.S.C. Section 101 et seq.).

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

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

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

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

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

\*\*\*\*\*

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

\*\*\*\*\*

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

\*\*\*\*\*

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

Any questions regarding this notice should be directed to:

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

## MINNESOTA

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

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

## NEW YORK

### NOTICE TO PROSPECTIVE FRANCHISEES IN THE STATE OF NEW YORK

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

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

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

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

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

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

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

4. The following language replaces the "Summary" section of Item 17(d), titled "**Termination by franchisee**":

You may terminate the agreement on any grounds available by law.

5. The following is added to the end of the "Summary" section of Item 17(v), titled "**Choice of forum**", and Item 17(w), titled "**Choice of Law**":

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

## NORTH DAKOTA

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

Item 5 “Initial Fees,” is supplemented by the addition of the following:

Refund and cancellation provisions will be inapplicable to franchises operating under North Dakota Law, North Dakota Century Code Annotated Chapter 51-19, Sections 51-19-01 through 51-19-17. If franchisor elects to cancel this Franchise Agreement, franchisor will be entitled to a reasonable fee for its evaluation of you and related preparatory work performed and expenses actually incurred.

Item 6 “Other Fees,” is supplemented by the addition of the following:

No consent to termination or liquidated damages shall be required from franchisees in the State of North Dakota.

Item 17 “Renewal, Termination, Transfer and Dispute Resolution,” is supplemented by the addition of the following:

Any provision requiring a franchisee to sign a general release upon renewal of the franchise agreement has been determined to be unfair, unjust, and inequitable within the intent of Section 51-19-09 of the North Dakota Franchise Investment Law.

Any provision requiring a franchisee to consent to termination or liquidation damages has been determined to be unfair, unjust, and inequitable within the intent of Section 51-19-09 of the North Dakota Franchise Investment Law.

Covenants restricting competition contrary to Section 9-08-06 of the North Dakota Century Code, without further disclosing that such covenants may be subject to this statute, are unfair, unjust, and inequitable. Covenants not to compete such as those mentioned above are generally considered unenforceable in the State of North Dakota.

Any provision in the Franchise Agreement requiring a franchisee to agree to the arbitration or mediation of disputes at a location that is remote from the site of the franchisee’s business has been determined to be unfair, unjust, and inequitable within the intent of Section 51-19-09 of the North Dakota Franchise Investment Law. The site of arbitration or mediation must be agreeable to all parties and may not be remote from the franchisee’s place of business.

Any provision in the Franchise Agreement which designates jurisdiction or venue or requires the franchisee to agree to jurisdiction or venue in a forum outside of North Dakota is void with respect to any cause of action which is otherwise enforceable in North Dakota.

Apart from civil liability as set forth in Section 51-19-12 of the N.D.C.C., which is limited to violations of the North Dakota Franchise Investment Law (registration and fraud), the liability of the franchisor to a franchisee is based largely on contract law. Despite the fact that those provisions are not contained in the franchise investment law, those provisions contain substantive rights intended to be afforded to North Dakota residents and it is unfair to franchise investors to require them to waive their rights under North Dakota Law.

Any provision in the Franchise Agreement requiring that the Franchise Agreement be construed according to the laws of a state other than North Dakota are unfair, unjust, or



inequitable within the intent of Section 51-19-09 of the North Dakota Franchise Investment Law.

Any provision in the Franchise Agreement which requires a franchisee to waive his or her right to a jury trial has been determined to be unfair, unjust, and inequitable within the intent of Section 51-19-09 of the North Dakota Franchise Investment Law.

**OHIO**

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

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

Initials: \_\_\_\_\_ Date: \_\_\_\_\_

**NOTICE OF CANCELLATION**

\_\_\_\_\_ (enter date of transaction)

You may cancel this transaction, without penalty or obligation, within five business days from the above date. If you cancel, any payments made by you under the agreement, and any negotiable instrument executed by you will be returned within ten business days following the seller's receipt of your cancellation notice, and any security interest arising out of the transaction will be cancelled. If you cancel, you must make available to the seller at your business address all goods delivered to you under this agreement; or you may, if you wish, comply with the instructions of the seller regarding the return shipment of the goods at the seller's expense and risk. If you do make the goods available to the seller and the seller does not pick them up within 20 days of the date of your notice of cancellation, you may retain or dispose of them without further obligation. If you fail to make the goods available to the seller, or if you agree to return them to the seller and fail to do so, then you remain liable for the performance of all obligations under this agreement. To cancel this transaction, mail or deliver a signed and dated copy of this cancellation notice or any other written notice to RobotLAB Franchising, LLC – 950 East State Highway 114, Ste. 160, Southlake, TX 76092, not later than midnight of the fifth business day after the Effective Date.

I hereby cancel this transaction.

FRANCHISEE

Signed:

Name:

Date:

## **RHODE ISLAND**

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

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

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

Any general release as a condition of renewal, termination or transfer will be void with respect to claims under the Rhode Island Franchise Investment Act.

## VIRGINIA

**In recognition of the restrictions contained in Section 13.1-564 of the Virginia Retail Franchising Act, the Franchise Disclosure Document for ROBOTLAB FRANCHISING, LLC, for use in the Commonwealth of Virginia shall be amended as follows:**

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

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

## WASHINGTON

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

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

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

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

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

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

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

## **WISCONSIN**

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

**SIGNATURE PAGE FOR APPLICABLE ADDENDA**

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

- California
- Hawaii
- Illinois
- Iowa
- Indiana
- Maryland

- Michigan
- Minnesota
- New York
- North Dakota
- Ohio

- Rhode Island
- South Dakota
- Virginia
- Washington
- Wisconsin

Date: \_\_\_\_\_

**FRANCHISOR:**

ROBOTLAB FRANCHISING, LLC

Name:

Title:

**FRANCHISEE:**

FRANCHISEE

Name:

Title:

**EXHIBIT J**

**FORM OF FINANCING AGREEMENT**



**RobotLAB Financial Services LLC**  
 3120 Sabre Dr.  
 Southlake, TX 76092



**LEASE OR PURCHASE AGREEMENT**

Supplier Name & Address: **RobotLAB Inc. 75 Broadway St. STE 202, San Francisco, CA 94111**

Owner: **RobotLAB Financial Services LLC 3120 Sabre Dr. Southlake, TX 76092** Agreement Number:

**CUSTOMER INFORMATION**

Full Legal Name:		Phone:
Billing Address:		Contact Name:
City:		Contact Email:
State:	Zip:	EIN # (Required)

**EQUIPMENT**

Quantity	Model and Description	Purchase

**FINANCING OPTIONS**

Chosen Term	Terms	Total Purchased	Down Payment	Monthly Financing Fee	Total Monthly Payment

Equipment Location:

**PAYMENT**

Direct ACH Debit

**\*\* Include a copy of a voided check**

<b>Bank:</b>	<b>Routing Number:</b>
<b>Bank Address:</b>	<b>Account Number:</b>
<b>Bank Phone:</b>	<b>Account Name:</b>
<b>Swift Code:</b>	

**CUSTOMER ACCEPTANCE**

The undersigned Customer hereby authorizes RobotLAB Financial Services LLC ("RFS") to originate debits via the Automated Clearing House ("ACH") system or a Credit Card charges to its account at the Financial Institution named above for the purpose of making Lease Payments and any applicable Insurance Charges in accordance with this Lease Agreement. RFS reserves the right to modify the terms of this agreement by notifying you in writing 30 days in advance of the change. This payment agreement is to remain in effect throughout the entire term of the Lease Agreement. Any stoppage or change to the payment agreement without the written consent of RFS will constitute a default under the terms of the above referenced Lease Agreement(s) and would entitle RFS to any and all remedies contained therein. 30 days after the implementation date, charges will automatically be deducted by RFS according to the 24-month payment terms if no response is received from customer.

Authorized Signer Name	Title
Signature	Date

**PERSONAL GUARANTEE**

In consideration of Lessee entering into this Lease agreement, in reliance of this guaranty, the undersigned unconditionally and irrevocably guarantees to lessor, its successors and assigns, the prompt payment and performance of all existing and future obligations to Lessor, including the Lease. I agree that (a) this is a guaranty of payment and not of collection, and that Lessor can proceed directly against me personally without resorting to any security or seeking to collect from Lessee, (b) I waive all suretyship defenses including impairment of collateral, failure to properly perfect a security interest in the collateral, and all notices, including those of protest, presentment and demand, (c) Lessor may renew, extend or otherwise change the terms of the Lease without notice to me and I will be bound by such changes, and (d) I will pay all Lessor's costs of enforcement and collection, including attorney's fees. This guaranty survives the bankruptcy and binds my administrators, successors and assigns. My obligations under this guaranty continue even if Lessee becomes insolvent or bankrupt or is discharged from bankruptcy and I agree not to seek to be repaid by Lessee in the event I must pay Lessor, until you have been paid all amounts owed.

Printed Name	Address
Signature	Date

**OWNER ACCEPTANCE**

Accepted By:	Signature:	Name and Title	Date
RobotLAB Financial Services LLC			

**RobotLAB Financial Services LLC**

3120 Sabre Dr.

Southlake, TX 76092



1. **Definitions.** The words "you" and "your" mean the legal entity identified in "Customer Information" above, and "RobotLAB Financial Services," "we," "us", "Owner" and "our" mean RobotLAB Financial Services LLC. "Party" means you or RobotLAB Financial Services, and "Parties" means both you and RobotLAB Financial Services. "Supplier" means RobotLAB inc. "Acceptance Date" means the date you irrevocably determine Equipment has been delivered, installed and operating satisfactorily, post a Trial Period if agreed upon. "Agreement" means this Agreement, including any attached Equipment schedule. "Commencement Date" will be a date after the Acceptance Date, as set forth in our first invoice, for the purpose of facilitating an orderly transition and to provide a uniform billing cycle. "Equipment" means the Items Identified in "Equipment" above and in any attached Equipment schedule, plus any Software (as defined in Section 3 hereof), attachments, accessories, replacements, replacement parts, substitutions, additions and repairs thereto. "Interim Period" means the period, if any, between the Acceptance Date and the Commencement Date. "Interim Payment" means one thirtieth of the Lease Payment multiplied by the number of days in the Interim Period. "Payment" means the Lease Payment specified above, Taxes and other charges you, Supplier and RobotLAB Financial Services agree will be invoiced by RobotLAB Financial Services. "Maintenance Agreement" means a separate agreement between you and Supplier for maintenance and support purposes. "Origination Fee" means a one-time fee of \$125 billed on your first invoice, which you agree to pay, covering origination, documentation, processing and other initial costs. "Term" means the Interim Period, if any, together with the Initial Term plus any subsequent renewal or extension terms. "UCC" means the Uniform Commercial Code of the State(s) where RobotLAB Financial Services must file UCC-1 financing statements to perfect its security interest in the Equipment.
2. **Agreement, Payments and Late Payments.** You agree and represent that the Equipment was selected, configured and negotiated by you based on your judgment and supplied by Supplier. At your request, RobotLAB Financial Services will acquire same from Supplier to lease to you hereunder and you agree to lease same from RobotLAB Financial Services. The Initial Term commences on the Commencement Date. You agree to pay RobotLAB Financial Services the first Payment plus any applicable Interim Payment no later than 30 days after the Commencement Date; each subsequent Payment shall be payable on the same date of each month thereafter. You agree to pay us all sums due under each invoice via Automated Clearing House (ACH) debit, or direct debit from your credit card account by the due date. If any Payment is not paid in full within 5 days after its due date, you will pay a late charge of the greater of 10% of the amount due, not to exceed the maximum amount permitted by law. For each dishonored or returned Payment, you will be assessed the applicable fee of \$135, plus the late charge fee. Restrictive covenants on any method of payment will be ineffective. Inability to collect your past due fees may result in deactivation of the robots and the services.
3. **Equipment and Software.** To the extent that Equipment includes intangible property or associated services such as software licenses, such intangible property shall be referred to as "Software." You acknowledge and agree that RobotLAB Financial Services is not the licensor of such Software, and therefore has no right, title or interest in it, and you will comply throughout the Term with any license and/or other agreement ("Software License") with the supplier of the Software ("Software Supplier"). You are responsible for determining with the Supplier whether any Software Licenses are required, and entering into them with Software Supplier(s) no later than 30 days after the Acceptance Date. YOU AGREE THE EQUIPMENT IS FOR YOUR LAWFUL BUSINESS USE IN THE UNITED STATES, WILL NOT BE USED FOR PERSONAL, HOUSEHOLD OR FAMILY PURPOSES, AND IS NOT BEING ACQUIRED FOR RESALE. You will not attach the Equipment as a fixture to real estate or make any permanent alterations to it.
4. **Non-Cancellable Agreement.** THIS AGREEMENT, PAST THE TRIAL PERIOD, CANNOT BE CANCELLED OR TERMINATED BY YOU PRIOR TO THE END OF THE INITIAL TERM. YOUR OBLIGATION TO MAKE AU PAYMENTS IS ABSOLUTE AND UNCONDITIONAL AND NOT SUBJECT TO DELAY, REDUCTION, SET-OFF, DEFENSE, COUNTERCLAIM OR RECOVERY FOR ANY REASON WHATSOEVER, IRRESPECTIVE OF THE PERFORMANCE OF THE EQUIPMENT, SUPPLIER, ANY THIRD PARTY OR RobotLAB Financial Services. Any pursued claim by you against RobotLAB Financial Services for alleged breach of our obligations hereunder shall be asserted solely in a separate action; provided, however, that your obligations hereunder shall continue unabated.
5. **End of Agreement Options.** If a \$1 Purchase Option is designated, you will be deemed to have exercised your option to purchase the Equipment as of the Acceptance Date. If an FMV (Fair Market Value) purchase option is designated, if you are not in default and if you provide no greater than 150 days and no less than 60 days' prior written notice to RobotLAB Financial Services, you may, at the end of the Initial Term or any renewal term ("End Date"), either (a) purchase all, but not less than all, of the Equipment by paying its fair market value, as determined by RobotLAB Financial Services in its sole but reasonable discretion ("Determined FMV"), plus Taxes, or (b) return the Equipment within 30 days of the End Date, at your expense, fully insured, to a continental US location RobotLAB Financial Services shall specify. You cannot return Equipment more than 30 days prior to the End Date without our consent. If we consent, we may charge you, in addition to all undiscounted amounts due hereunder, an early termination fee. If you have not elected one of the above options, this Agreement shall renew for successive 3-month terms. Either party may terminate the Agreement as of the end of any 3-month renewal term on 30 days' prior written notice and by taking one of the actions identified in (a) or (b) in the preceding sentence of this section. Any FMV purchase option shall be exercised with respect to each item of Equipment on the day immediately following the date of expiration of the Term of such item, and by the delivery at such time by you to RobotLAB Financial Services of payment, in acceptable to RobotLAB Financial Services, of the amount of the applicable purchase price. Upon payment of the applicable amount, RobotLAB Financial Services shall transfer our interest in the Equipment to you on an "AS IS, WHERE IS, WITH ALL FAULTS" basis, without representation or warranty of any kind.
6. **Equipment Delivery and Maintenance.** You should arrange with Supplier to have the Equipment delivered to you at the location(s) specified herein, and you agree to execute a Delivery & Acceptance Certificate at RobotLAB Financial Services' request (and confirm same via email) confirming when you have received, inspected and irrevocably accepted the Equipment, and authorize RobotLAB Financial Services to fund the Supplier for the Equipment. If you fail to accept the Equipment, you shall no longer have any obligations hereunder; however, you remain liable for any Equipment purchase order or other contract issued on your behalf directly with Supplier. EQUIPMENT MAY NOT BE MOVED TO ANOTHER PHYSICAL ADDRESS WITHOUT RobotLAB Financial Services' PRIOR WRITTEN CONSENT, WHICH SHALL NOT BE UNREASONABLY WITHHELD OR DELAYED. You agree that you will not take the Equipment out of service during the Term. You shall permit RobotLAB Financial Services or its agent to inspect Equipment and any maintenance records relating thereto during your normal business hours upon reasonable notice. You represent you have entered into a Maintenance Agreement to maintain the Equipment in good working order in accordance with the manufacturer's maintenance guidelines and to provide you with Equipment supplies. You acknowledge that RobotLAB Financial Services is acting solely as an administrator for Supplier with respect to the billing and collecting of the charges under any Maintenance Agreement. RobotLAB Financial Services IS NOT LIABLE FOR ANY BREACH BY SUPPLIER OF ANY OF ITS OBLIGATIONS TO YOU. NOR WILL ANY OF YOUR OBLIGATIONS.
7. **Equipment Ownership, Labeling and UCC Filing.** If and to the extent a court deems this Agreement to be a security agreement under the UCC, and otherwise for precautionary purposes only, you grant RobotLAB Financial Services a first priority security interest in your interest in the Equipment as defined above in order to secure your performance hereunder. Unless a \$1 Purchase Option is applicable, RobotLAB Financial Services is and shall remain the sole owner of the Equipment, except the Software. You authorize RobotLAB Financial Services to file a UCC financing statement to show, and to do all other acts to protect, our interest in the Equipment. You agree to pay any filing fees and administrative costs for the filing of such financing statements. You agree to keep the Equipment free from any liens or encumbrances and to promptly notify RobotLAB Financial Services if there is any change in your organization such that a refiling or amendment to RobotLAB Financial Services' financing statement against you becomes necessary.
8. **Equipment Return.** If the Equipment is returned to RobotLAB Financial Services, it shall be in the same condition as when delivered to you, except for "ordinary wear and tear" and, if not in such condition, you will be liable for all expenses RobotLAB Financial Services incurs to return the Equipment to such condition. IT IS SOLELY YOUR RESPONSIBILITY TO SECURE ANY SENSITIVE DATA AND PERMANENTLY DELETE SUCH DATA FROM THE INTERNAL STORAGE PRIOR TO RETURNING THE EQUIPMENT TO RobotLAB Financial Services. YOU SHALL HOLD RobotLAB Financial Services HARMLESS FROM YOUR FAILURE TO SECURE AND PERMANENTLY DELETE ALL SUCH CUSTOMER DATA AS PER THIS SECTION.
9. **Assignment.** YOU MAY NOT ASSIGN, SELL, PLEDGE, TRANSFER, SUBLEASE OR PART WITH POSSESSION OF THE EQUIPMENT, THIS AGREEMENT OR ANY OF YOUR RIGHTS OR OBLIGATIONS UNDER THIS AGREEMENT (COLLECTIVELY "ASSIGNMENT") WITHOUT RobotLAB Financial Services' PRIOR WRITTEN CONSENT, WHICH SHALL NOT BE UNREASONABLY WITHHELD, BUT SUBJECT TO THE SOLE EXERCISE OF RobotLAB Financial Services' REASONABLE CREDIT DISCRETION AND EXECUTION OF ANY NECESSARY ASSIGNMENT DOCUMENTATION. If RobotLAB Financial Services agrees to an Assignment, you agree to pay the applicable assignment fee and reimburse RobotLAB Financial Services for any costs we incur in connection with that Assignment, which in the aggregate shall not exceed \$500. RobotLAB Financial Services may sell, assign or transfer all or any part of the Equipment, this Agreement and/or any of our rights (but none of our obligations except for invoicing and tax administration) hereunder. RobotLAB Financial Services' assignee will have the same rights that we have to the extent assigned. YOU AGREE NOT TO ASSERT AGAINST SUCH ASSIGNEE ANY CLAIMS, DEFENSES, COUNTERCLAIMS, RECOVERY, OR SET-OFFS THAT YOU MAY HAVE AGAINST RobotLAB Financial Services, and you agree to remit Payments to such Assignee if so designated. RobotLAB Financial Services agrees and acknowledges that any Assignment by us will not materially change your obligations hereunder.
10. **Taxes.** You will be responsible for, indemnify and hold RobotLAB Financial Services harmless from, all applicable taxes, fees or charges (including sales, use, personal property and transfer taxes (other than net income taxes), plus interest and penalties) assessed by any governmental entity on you, the Equipment, this Agreement, or the amounts payable hereunder (collectively, "Taxes"), which will be included in RobotLAB Financial Services' invoices to you unless you timely provide continuing proof of your tax exempt status. Regardless of your tax-exempt status, RobotLAB Financial Services reserves the right to pass through, and you agree to pay, any such Taxes that are actually assessed by the applicable State on RobotLAB Financial Services as lessor of the Equipment. For jurisdictions where certain taxes are calculated and paid at the time of agreement initiation, you authorize RobotLAB Financial Services to finance and adjust your Payment to include such Taxes over the Term. Unless and until RobotLAB Financial Services notifies you in writing to the contrary, the following shall apply to personal property taxes and returns. If an FMV purchase option is applicable, RobotLAB Financial Services will file all personal property tax returns covering the Equipment, pay the personal property taxes levied or assessed thereon, and collect from your account all personal property taxes on the Equipment. If a \$1 purchase option is applicable, you will file all personal property tax returns covering the Equipment, pay the personal property taxes levied or assessed thereon, and provide us proof thereof upon our request. RobotLAB Financial Services MAKES NO WARRANTY, EXPRESS OR IMPLIED, REGARDING THE TAX OR ACCOUNTING TREATMENT OF THIS AGREEMENT.
11. **Equipment Warranty information and Disclaimers.** RobotLAB Financial Services HAS NO INVOLVEMENT IN THE DESIGN, MANUFACTURE, SALE, DELIVERY, INSTALLATION, USE OR MAINTENANCE OF THE EQUIPMENT. THEREFORE, RobotLAB Financial Services DISCLAIMS, AND YOU WAIVE SOLELY AGAINST RobotLAB Financial Services, ALL EQUIPMENT WARRANTIES, EXPRESS OR IMPLIED, INCLUDING, BUT NOT LIMITED TO, THE IMPLIED WARRANTIES OF MERCHANTABILITY, NON-INFRINGEMENT AND FITNESS FOR PARTICULAR PURPOSE, AND RobotLAB Financial Services MAKES NO REPRESENTATIONS WHATSOEVER, INCLUDING, BUT NOT LIMITED TO, THE EQUIPMENT'S SUITABILITY, FUNCTIONALITY, DURABILITY OR CONDITION. Since you have selected the Equipment and Supplier, you acknowledge that you are aware of the name of the manufacturer of each item of Equipment, Supplier's contact information, and agree that you will contact manufacturer and/or Supplier for a description of any warranty rights you may have under the Equipment supply contract, sales order, or otherwise. Provided you are not in default hereunder, RobotLAB Financial Services hereby assigns to you any Equipment warranty rights we may have against Supplier or manufacturer. If the Equipment is returned to RobotLAB Financial Services or you are in default, such rights are deemed reassigned by you to RobotLAB Financial Services. IF THE EQUIPMENT IS NOT PROPERLY INSTALLED, DOES NOT OPERATE AS WARRANTED, BECOMES OBSOLETE, OR IS UNSATISFACTORY FOR ANY REASON WHATSOEVER, YOU SHALL MAKE ALL RELATED CLAIMS SOLELY AGAINST MANUFACTURER OR SUPPLIER AND NOT AGAINST RobotLAB Financial Services, AND YOU SHALL NEVERTHELESS CONTINUE TO PAY ALL PAYMENTS AND OTHER SUMS PAYABLE UNDER THIS AGREEMENT.
12. **Liability and Indemnification.** RobotLAB Financial Services IS NOT RESPONSIBLE FOR ANY LOSSES, DAMAGES, EXPENSES OR INJURIES OF ANY KIND OR TYPE, INCLUDING, BUT NOT LIMITED TO, ANY SPECIAL, INDIRECT, INCIDENTAL, CONSEQUENTIAL OR PUNITIVE DAMAGES (COLLECTIVELY, "CLAIMS") TO YOU OR ANY THIRD PARTY CAUSED BY THE EQUIPMENT OR ITS USE. You assume the risk of liability for, and hereby agree to indemnify and hold safe and harmless, and covenant to defend, RobotLAB Financial Services, its employees, officers and agents from and against: (a) any and all Claims (including legal expenses of every kind and nature) arising out of the acceptance or rejection, ownership, leasing, possession, operation, use, return or other disposition of the Equipment; and (b) any and all loss or damage of or to the Equipment. Neither sentence in this Section shall apply to Claims arising directly and proximately from RobotLAB Financial Services' gross negligence or willful misconduct.
13. **Default and Remedies.** You will be in default hereunder if RobotLAB Financial Services does not receive any Payment within 10 days after its due date, or you breach any other material obligation hereunder or any other agreement with RobotLAB Financial Services. If you default, and such default continues for 10 days after RobotLAB Financial Services provides notice to you, RobotLAB Financial Services may, in addition to other remedies (including disabling or repossessing the Equipment and/or requesting Supplier to cease performing under the Maintenance Agreement), immediately require you to do one or more of the following: (a) as liquidated damages for loss of bargain and not as a penalty, pay the sum of (i) all amounts then past due, plus interest from the due date until paid at the rate of 1.5% per month; (ii) the Payments remaining in the Term (including the fixed maintenance component thereof, if permitted under the Maintenance Agreement), discounted at the Discount Rate to the date of default, (iii) the Equipment's booked residual, and (iv) Taxes; and (b)

**RobotLAB Financial Services LLC**  
3120 Sabre Dr.  
Southlake, TX 76092



require you to return the Equipment as provided in Sections 5 and 8 hereof. You agree to pay all reasonable costs, including attorneys' fees and disbursements, incurred by RobotLAB Financial Services to enforce this Agreement.

14. **Risk of Loss and Insurance.** You assume and agree to bear the entire risk of loss, theft, destruction or other Impairment of the Equipment upon delivery. You, at your own expense, (i) shall keep Equipment insured against loss or damage at a minimum of full replacement value thereof, and (ii) shall carry liability insurance against bodily injury, including death, and against property damage in the amount of at least \$2 million (collectively, "Required Insurance"). All such Equipment loss/damage insurance shall be with lender's loss payable to "RobotLAB Financial Services, its successors and/or assigns, as their interests may appear," and shall be with companies reasonably acceptable to RobotLAB Financial Services. RobotLAB Financial Services shall be named as an additional Insured on all liability insurance policies. The Required Insurance shall provide for 30 days' prior notice to RobotLAB Financial Services of cancellation.

YOU MUST PROVIDE RobotLAB Financial Services OR OUR DESIGNEES WITH SATISFACTORY WRITTEN EVIDENCE OF REQUIRED INSURANCE WITHIN 30 DAYS OF THE ACCEPTANCE DATE AND ANY SUBSEQUENT WRITTEN REQUEST BY RobotLAB Financial Services OR OUR DESIGNEES. IF YOU DO NOT DO SO, THEN IN LIEU OF OTHER REMEDIES FOR DEFAULT, RobotLAB Financial Services IN OUR DISCRETION AND AT OUR SOLE OPTION MAY (BUT IS NOT REQUIRED TO) OBTAIN INSURANCE FROM AN INSURER OF RobotLAB Financial Services' CHOOSING, WHICH MAY BE AN RobotLAB Financial Services AFFILIATE, IN SUCH FORMS AND AMOUNTS AS RobotLAB Financial Services DEEMS REASONABLE TO PROTECT RobotLAB Financial Services' INTERESTS (COLLECTIVELY "EQUIPMENT INSURANCE"). EQUIPMENT INSURANCE WILL COVER THE EQUIPMENT AND RobotLAB Financial Services; IT WILL NOT NAME YOU AS AN INSURED AND MAY NOT COVER ALL OF YOUR INTEREST IN THE EQUIPMENT AND WILL BE SUBJECT TO CANCELLATION AT ANY TIME. YOU AGREE TO PAY RobotLAB Financial Services PERIODIC CHARGES FOR EQUIPMENT INSURANCE (COLLECTIVELY "INSURANCE CHARGES") THAT INCLUDE: AN INSURANCE PREMIUM THAT MAY BE HIGHER THAN IF YOU MAINTAINED THE REQUIRED INSURANCE SEPARATELY; A FINANCE CHARGE OF UP TO 1.5% PER MONTH ON ANY ADVANCES MADE BY RobotLAB Financial Services OR OUR AGENTS; AND COMMISSIONS, BILLING AND PROCESSING FEES; ANY OR ALL OF WHICH MAY GENERATE A PROFIT TO RobotLAB Financial Services OR OUR AGENTS. RobotLAB Financial Services MAY ADD INSURANCE CHARGES TO EACH PAYMENT. RobotLAB Financial Services shall discontinue billing or debiting Insurance Charges for Equipment Insurance upon receipt and review of satisfactory evidence of Required Insurance.

You must promptly notify RobotLAB Financial Services of any loss or damage to Equipment which makes any item of Equipment unfit for continued or repairable use. You hereby irrevocably appoint RobotLAB Financial Services as your attorney-in-fact to execute and endorse all checks or drafts in your name to collect under any such Required Insurance. Insurance proceeds from Required Insurance or Equipment Insurance received shall be applied, at RobotLAB Financial Services' option, to (a) restore the Equipment so that it is in the same condition as when delivered to you (normal wear and tear excepted), or (b) if the Equipment is not restorable, to replace it with like-kind condition Equipment from the same manufacturer, or (c) pay to RobotLAB Financial Services the greater of (i) the total unpaid Payments for the entire Term hereof plus, if an FMV purchase option is designated on the first page hereof, RobotLAB Financial Services' residual interest in such Equipment (herein agreed to be 20% of the Equipment's original cost to RobotLAB Financial Services) plus any other amounts due to RobotLAB Financial Services hereunder, or (ii) the Determined FMV immediately prior to the loss or damage. NO LOSS OR DAMAGE TO EQUIPMENT, OR RobotLAB Financial Services' RECEIPT AND APPLICATION OF INSURANCE PROCEEDS, SHALL RELIEVE YOU OF ANY OF YOUR REMAINING OBLIGATIONS UNDER THIS AGREEMENT. Notwithstanding procurement of Equipment Insurance or Required Insurance, you remain primarily liable for performance under this Section in the event the applicable insurance carrier fails or refuses to pay any claim. YOU AGREE (I) AT RobotLAB Financial Services' SOLE ELECTION TO ARBITRATE ANY DISPUTE WITH RobotLAB Financial Services, OUR AGENTS OR ASSIGNS REGARDING THE EQUIPMENT INSURANCE UNDER THE RULES OF THE AMERICAN ARBITRATION ASSOCIATION IN DALLAS COUNTY, TX, (II) THAT IF RobotLAB Financial Services MAKES THE FOREGOING ELECTION ARBITRATION (NOT A COURT) SHALL BE THE EXCLUSIVE REMEDY FOR SUCH DISPUTES; AND (III) THAT CLASS ARBITRATION IS NOT PERMITTED. This arbitration option does not apply to any other provision of this Agreement.

15. **Finance Lease and Customer Waivers.** The parties agree this Agreement shall be construed as a "finance lease" under UCC Article 2A. Customer waives its rights as a lessee under UCC 2A sections 508-522.

16. **Authorization of Signer and Credit Review.** You represent that you may lawfully enter into, and perform, this Agreement, that the individual signing this Agreement on your behalf has all necessary authority to do so, and that all financial information you provide accurately represents your financial condition. You agree to furnish financial information that RobotLAB Financial Services may request now, including your Federal Tax ID, and you authorize RobotLAB Financial Services to obtain credit reports on you in the future should you default or fail to make prompt payments hereunder.

17. **Original and Sole Controlling Document. No Modifications Unless in Writing.** This Agreement constitutes the entire agreement between the Parties as to the subjects addressed herein, and representations or statements not included herein are not part of this Agreement and are not binding on the Parties. You agree that an executed copy of this Agreement that is signed by your authorized representative and by RobotLAB Financial Services' authorized representative (an original manual signature or such signature reproduced by means of a reliable electronic form, such as electronic transmission of a facsimile or electronic signature) shall be marked "original" by RobotLAB Financial Services and shall constitute the only original document for all purposes. To the extent this Agreement constitutes UCC chattel paper, no security interest in this Agreement may be created except by the possession or transfer of the copy marked "original" by RobotLAB Financial Services. IF A PURCHASE ORDER OR OTHER DOCUMENT IS ISSUED BY YOU, NONE OF ITS TERMS AND CONDITIONS SHALL BE BINDING ON RobotLAB Financial Services, AS THE TERMS AND CONDITIONS OF THIS AGREEMENT EXCLUSIVELY GOVERN THE TRANSACTION DOCUMENTED HEREIN. SUPPLIER AND ITS REPRESENTATIVES ARE NOT OUR AGENTS AND ARE NOT AUTHORIZED TO MODIFY OR NEGOTIATE THE TERMS OF THIS AGREEMENT. THIS AGREEMENT MAY NOT BE AMENDED OR SUPPLEMENTED EXCEPT IN A WRITTEN AGREEMENT SIGNED BY AUTHORIZED REPRESENTATIVES OF THE PARTIES AND NO PROVISIONS CAN BE WAIVED EXCEPT IN A WRITING SIGNED BY RobotLAB Financial Services. You authorize RobotLAB Financial Services to insert or correct missing information on this Agreement, including but not limited to your proper legal name, agreement/numbers, serial numbers and other Equipment information, so long as there is no material impact to your financial obligations.

18. **Governing Law, Jurisdiction, Venue and JURY TRIAL WAIVER.** THIS AGREEMENT IS GOVERNED BY, AND SHALL BE CONSTRUED IN ACCORDANCE WITH, THE LAWS OF THE STATE OF TEXAS. THE JURISDICTION AND VENUE OF ANY ACTION TO ENFORCE THIS AGREEMENT, OR OTHERWISE RELATING TO THIS AGREEMENT, SHALL BE IN A FEDERAL OR STATE COURT IN DENTON COUNTY, TEXAS OR, EXCLUSIVELY AT RobotLAB Financial Services' OPTION, IN ANY OTHER FEDERAL OR STATE COURT WHERE THE EQUIPMENT IS LOCATED OR WHERE RobotLAB Financial Services' OR YOUR PRINCIPAL PLACES OF BUSINESS ARE LOCATED, AND YOU HEREBY WAIVE ANY RIGHT TO TRANSFER VENUE. THE PARTIES HEREBY WAIVE ANY RIGHT TO TRIAL BY JURY IN ANY ACTION RELATED TO OR ARISING OUT OF THIS AGREEMENT.

19. **Miscellaneous.** Your obligations under the "Taxes" and "Liability" Sections commence upon execution, and survive the expiration or earlier termination, of this Agreement. Notices hereunder must be in writing. Notices to you will be sent to the "Billing Address" provided on the first page hereof, and notices to RobotLAB Financial Services shall be sent to our address provided on the first page hereof. Notices will be deemed given 5 days after mailing by first class mail or 2 days after sending by nationally recognized overnight courier. Invoices are not considered notices and are not governed by the no ice terms hereof. You authorize RobotLAB Financial Services to communicate with you by any electronic means (including cellular phone, email, automatic dialing and recorded messages) using any phone number (including cellular) or electronic address you provide to us. If a court finds any term of this Agreement unenforceable, the remaining terms will remain in effect. The failure by either Party to exercise any right or remedy will not constitute a waiver of such right or remedy. If more than one party has signed this Agreement as Cosigner, each such party agrees that its liability is joint and several. The following four sentences control over every other part of this Agreement: Both Parties will comply with applicable laws. RobotLAB Financial Services will not charge or collect any amounts in excess of those allowed by applicable law. Any part of this Agreement that would, but for the last four sentences of this Section, be read under any circumstances to allow for a charge higher than that allowed under any applicable legal limit, is modified by this Section to limit the amounts chargeable hereunder to the maximum amount allowed under the legal limit. If, in any circumstances, any amount in excess of that allowed by law is charged or received, any such charge will be deemed limited by the amount legally allowed and any amount received by RobotLAB Financial Services in excess of that legally allowed will be applied by us to the payment of amounts legally owed hereunder or refunded to you.

**RobotLAB Financial Services LLC**  
 3120 Sabre Dr.  
 Southlake, TX 76092



## SERVICE AGREEMENT

Supplier Name & Address: <b>RobotLAB Inc. 75 Broadway St. STE 202, San Francisco, CA 94111</b>				Agreement Number:	
<b>EQUIPMENT LOCATION INFORMATION</b>					
Full Legal Name:			Contact Phone:		
Shipping Address:			Contact Name:		
			Contact Email:		
City:		State:		Zip:	EIN # (Required)
<b>EQUIPMENT</b>					
Make, Model and Description		Serial Number		Install Date	Comments
<b>ACCEPTANCE</b>					
Authorized Signer Name			Title		
Signature			Date		

1. This required Service Agreement Terms and Conditions ("Agreement") is attached to and made a part of the Service Agreement between Customer and ROBOTLAB INC. This Agreement covers required maintenance and all consumables ("Supplies") provided by ROBOTLAB INC necessitated by normal use by the Customer, as listed on page one, of Newly Acquired Machines from ROBOTLAB INC as listed on Schedule A, and Pre-Existing Customer Machines. Damage to the Equipment or its parts caused by misuse, abuse, or negligence beyond ROBOTLAB INC's control are not covered. ROBOTLAB INC reserves the right to replace the Equipment rather than repair it, at no cost to the Customer, if it is determined by ROBOTLAB INC service personnel that it is more cost effective. In the event Equipment cannot be repaired by ROBOTLAB INC due to age, excessive usage, chronic failure, parts unavailability or other reasons outside of ROBOTLAB INC's control, Customer has the option of replacing it by purchasing new Equipment, or a mutually agreed upon refurbished piece of Equipment, or rebalancing its fleet. ROBOTLAB INC may terminate this Agreement in the event: preexisting Customer Equipment is not in good working order as of the Start date of the Agreement, or any Equipment is: modified, altered, serviced by personnel other than those authorized by ROBOTLAB INC, damaged in a move, given supply items other than those provided by ROBOTLAB INC that, in ROBOTLAB INC's judgment, increase the cost of basic service, and in all such cases Customer agrees to pay ROBOTLAB INC for ROBOTLAB INC Supplies installed in Customer's Equipment that will be left with Customer at contract termination. Parts required for repair may be recovered or reprocessed, and replaced parts will become the property of ROBOTLAB INC at its option. The Customer's Equipment installation site must, at all times, conform to manufacturers recommended space, electrical, and environmental requirements. Customer will provide, at no charge to ROBOTLAB INC, access to the Equipment. When customer initiates the request for repair, if access is denied for greater than fifteen minutes, then Customer will pay a separate labor charge. ROBOTLAB INC Onsite service hours are from 8:00am to 5:00pm Monday through Friday excluding ROBOTLAB INC Holidays.
2. Except as otherwise expressly indicated herein, this Agreement is non-cancellable and will commence on the Start Date and remain in effect throughout the term as stated on the signature page. Upon expiration, this Agreement will automatically renew on a month to month basis (each a "Renewal Term") unless either party provides the other with written notice of its intent not to renew this Agreement at least 30 days before the end of the Term. If a party is in material breach of its obligations under this Agreement and fails to cure such breach within thirty (30) days from the date it receives written notice from the non-breaching party which sets forth in reasonable detail the nature of the breach, then the non-breaching party shall have the option to terminate this Agreement immediately by written notice. ROBOTLAB INC reserves the right to cancel this agreement, at any time, and without cause. Any charges during the Renewal Terms will be billed in the same manner as set forth herein. The Base Rate will be billed in advance of the time period covered. The Overage Rate will be billed at the end of the time period covered. Unused allowances expire at the end of the applicable billing period and are not carried over to future periods. Customer agrees to remit payment for ROBOTLAB INC invoices within thirty (30) days of invoice date. Any invoice(s) open and undisputed shall be assessed a late fee, not to exceed 10% of Total Invoice. All taxes resulting from this Agreement are the responsibility of the Customer. Shipping charges for replacements will be billed per order. If Customer fails to timely pay invoices when due, ROBOTLAB INC, at its sole discretion, may (1) refuse to provide service and or Supplies until past Invoices are paid in full, (2) furnish all future service and Supplies on a C.O.D. "Per Call" basis at ROBOTLAB INC's rates and/or (3) accelerate all remaining amounts due hereunder and terminate this Agreement. ROBOTLAB INC may increase either or both the monthly Base Rate or the Overage Rate on an annual basis. ROBOTLAB INC shall be entitled to and Customer shall pay all expenses, including attorneys' fees incurred by ROBOTLAB INC in any collection efforts of any amounts due hereunder. If Customer requires any specialized procedure or invoicing, Company reserves the right to bill an administrative fee not to exceed \$100 per invoice.
3. Customer is required to notify ROBOTLAB INC within one week upon installation of any additional Equipment at Customer's site capable of using ROBOTLAB INC Supplies provided by ROBOTLAB INC under this Agreement. Upon installation of said Equipment, such Equipment shall automatically be covered by this Agreement and shall be considered the Equipment for all purposes under this Agreement. For Equipment Adds or Remove, Customer must contact [support@robotlab.com](mailto:support@robotlab.com) and get a written confirmation for such change. The Equipment Serial Number and Installation Date must be clearly indicated or written on the request for change. If Customer is unable to provide serial numbers or other required information in a reasonable amount of time, ROBOTLAB INC will, at its sole discretion, convert the Equipment to ROBOTLAB INC's current flat rate monthly pricing program. Customer agrees to pay the monthly flat rate pricing charges until a current detailed report is provided and customer requests to change the equipment pricing program to a correct cost program. ROBOTLAB INC reserves the right to refuse Service and Supplies on certain devices and can elect to refuse to flat rate devices based on age of the Equipment. Under this agreement, ROBOTLAB INC will perform one mapping service, per serial number, per location. Shall Customer request to re-map or relocate the robot to another facility, a one time fee of \$2,500 will be assessed in order for an engineer to go on site and map the new location. Replacement robots will come pre-loaded with the map as created initially.
4. REMOTE PERFORMANCE COLLECTION. Customer agrees to connect Equipment to a stable, property-wide, high-speed and internet-enabled network, which will allow the Equipment to download the digital navigation maps from the cloud and allow ROBOTLAB INC to collect performance reads and monitor consumables levels to detect the need to ship refills on a timely basis. Customer agrees to provide ROBOTLAB INC reasonable assistance as required to maximize the network access and bandwidth allocation. The provided network must be separated from the guest network, and must be password protected. If such network does not exist where Equipment is installed, RobotLAB will provide a cellular-network enabled router, and will bill Customer for \$75 for equipment and network access.
5. TAXES. Payments are exclusive of all state and local sales, use, excise, privilege and similar taxes. You will pay when due, either directly or to us upon demand, all taxes, fines and penalties relating to this Agreement that are now or in the future assessed or levied.
6. DIAGNOSTIC SOFTWARE. Software used to evaluate or maintain the Equipment ("Diagnostic Software") is included with the Equipment. Diagnostic Software is a valuable trade secret of Company, or its Licensors. Title to Diagnostic Software will remain with Company or its licensors. Company does not grant Customer any right to use Diagnostic Software, and Customer will not access, use, reproduce, distribute or disclose Diagnostic Software for any purpose (or allow third parties to do so). Customer will allow Company reasonable access to the Equipment to remove or disable Diagnostic Software if Customer is no longer receiving Service from Company, provided that any on-site access to Customer's facility will be during Customer's standard business hours.
7. SUPPLIES. Supplies provided under this Agreement shall remain the property of ROBOTLAB INC provided however, Customer may use any Supplies delivered to the Customer's Site under this Agreement in the Equipment on an as-needed basis, and the ownership rights to the Supplies shall transfer from ROBOTLAB INC to Customer upon Customer's full payment for such Supplies. Customer agrees the Supplies in this Agreement are provided based on the industry standard 5 hours/day usage. Higher usage that requires more supplies, will result in excessive usage fee at the rates prevail when such usage occurs. Customer agrees that ROBOTLAB INC may periodically pick up any Supplies at the Customer's Site that ROBOTLAB INC deems is over normal stocking quantity. Customer shall promptly return to ROBOTLAB INC all Supplies not installed in Equipment at the termination or expiration of this Agreement or pay for any Supplies not returned within five (5) business days.
8. SOFTWARE LICENSE. Company grants (and is hereby authorized by its licensor's to grant) you a nonexclusive, non-transferable license to use in the U.S.: (a) software and accompanying documentation ("Base Software") only with the Equipment with which it was delivered; and (b) Software that is set forth as a separate line item in this Agreement ("Application Software") (including its accompanying documentation), as applicable, for as long as you are current in the payment of all applicable software license fees. "Base Software" and "Application Software" are referred to collectively as "Licensed Software". You have no other rights and may not: (1) distribute, copy, modify, create derivatives of, decompile, or reverse engineer Licensed Software; (2) activate Licensed Software delivered with the Equipment in an inactivated state; or (3) allow others to engage in same. Title to, and all intellectual property rights in, Licensed Software will reside solely with Company and/or its licensors (who will be considered third-party beneficiaries of this Section). Licensed Software may contain code capable of automatically disabling the Equipment. Disabling code may be activated if: (x) Company is denied access to periodically reset such code; (y) you are notified of a default under this Agreement;

Initials \_\_\_\_\_

**RobotLAB Financial Services LLC**  
 3120 Sabre Dr.  
 Southlake, TX 76092



or (z) your license is terminated or expires. The ease Software license will terminate: (i) if you no longer use or possess the Equipment; or (ii) upon the expiration or termination of this Agreement, unless you have exercised your option to purchase the Equipment. Neither Company nor its licensors warrant that Licensed Software will be free from errors or that its operation will be uninterrupted. The foregoing terms do not apply to Diagnostic Software or to Licensed Software/documentation accompanied by a clickwrap or shrink-wrap license agreement or otherwise made subject to a separate license agreement.

9. **SOFTWARE SUPPORT.** Except for Products and/or Third-Party Products identified as "No Svc.", Company (or a designated servicer) will provide the software support set forth below or in accordance with an attached statement of work ("Software Support"). For Base Software for Equipment, Software Support will be provided during the Initial Term and any renewal period but in no event longer than 5 years after Company stops taking customer orders for the subject model of Equipment. For Application Software, Software Support will be provided as long as you are current in the payment of all applicable software license and support fees. Company will maintain a web-based or toll-free hotline during Company's standard working hours to report Licensed Software problems and answer Licensed Software-related questions. Company, either directly or with its vendors, will make reasonable efforts to: (a) assure that Licensed Software performs in material conformity with its user documentation; (b) provide available workarounds or patches to resolve Licensed Software performance problems; and (c) resolve coding errors for (i) the current Release and (ii) the previous Release for a period of 6 months after the current Release is made available to you. Company will not be required to provide Software Support if you have modified the Licensed Software. New releases of Licensed Software that primarily incorporate compliance updates and coding error fixes are designated as "Maintenance Releases" or "Updates". Maintenance Releases or Updates that Company may make available will be provided at no charge and must be implemented within six months. New releases of Licensed Software that include new content or functionality ("Feature Releases") will be subject to additional license fees at then-current pricing. Maintenance Releases, Updates and Feature Releases are collectively referred to as "Releases". Each Release will be considered Licensed Software governed by the Software License and Licensed Software Support provisions of this Agreement (unless otherwise noted). Implementation of a Release may require you to procure, at your expense, additional hardware and/or software from Company or another entity. Upon installation of a Release, you will return or destroy all prior Releases. For Third Party Software identified as "No Svc.", you shall enter into a support agreement with a Third-Party Software vendor or its support services provider, who shall be solely responsible for the quality, timeliness and other terms and conditions of such support services. Company shall have no liability for the acts or omissions of such third-party support services provider.

10. **WARRANTY:** You acknowledge that the Equipment covered by this Agreement was selected by You based upon Your own judgment. COMPANY MAKES NO REPRESENTATIONS OR WARRANTIES, EXPRESS OR IMPLIED, ORAL OR WRITTEN, INCLUDING, WITHOUT LIMITATION, IMPLIED WARRANTIES OF NON-INFRINGEMENT; IMPLIED WARRANTIES OF MERCHANTABILITY; OR FITNESS FOR A PARTICULAR PURPOSE, ALL OF WHICH ARE SPECIFICALLY AND UNRESERVEDLY EXCLUDED.

11. **LIMITATION OF LIABILITY.** In no event, shall Company be liable for any indirect, special, incidental, consequential damages, loss of profits, or punitive damages whether based in contract, tort, or any other legal theory and irrespective of whether Company has notice of the possibility of such damages.

12. **DEFAULT; REMEDIES:** Any of the following events or conditions shall constitute an Event of Default under this Agreement: (a) failure to make payment when due of any indebtedness to Company or for the Equipment, whether or not arising under this Agreement, without notice or demand by Company; (b) breach by You of any obligation herein; or (c) if You cease doing business as a going concern. If You default, Company may: (1) require future Services, including supplies, be paid for in advance, (2) require you to immediately pay the amount of the remaining unpaid balance of the Agreement, (3) terminate any and all agreements with You, and/or (4) pursue any other remedy permitted at law or in equity. In the Event of Default, remaining payment amounts due will be calculated using the average of the last six months' billing or the amount set forth on the face of the Agreement, whichever is greater, multiplied by the remaining months of the Agreement. You agree that any delay or failure of Company to enforce its rights under this Agreement does not prevent Company from enforcing any such right at a later time. All of Company's rights and remedies survive the termination of this Agreement. In the event of a dispute arising out of this agreement or the Equipment listed herein, should it prevail, Company shall be entitled to collect on of its reasonable costs and attorneys' fees incurred in defending or enforcing

13. **ASSIGNMENT:** You may not sell, transfer, or assign this Agreement without the prior written consent of Company. Company may sell, assign or transfer this Agreement.

14. **NOTICES:** All notices required or permitted under this Agreement shall be by overnight courier or by registered mail to such party at the address set forth in this Agreement, or at such other address as such party may designate in writing from time to time. Any notice from Company to You shall be effective three days after it has been deposited in the mail, duly

15. **INDEMNIFICATION.** You are responsible for and agree to indemnify and hold Us harmless from, any and all (a) losses, damages, penalties, claims, suits and actions (collectively, "Claims"), whether based on a theory of contract, tort, strict liability of otherwise caused by or related to Your use or possession of the Equipment, and (b) all costs, and attorneys' fees incurred by Us relating to such claim.

16. **FAX/ELECTRONIC EXECUTION.** A faxed or electronically transmitted version of this Agreement may be considered the original and You will not have the right to challenge in court the authenticity or binding effect of any faxed or scanned copy or signature thereon. This Agreement may be signed in counterparts and all counterparts will be considered and constitute the same Agreement.

17. **MISCELLANEOUS.** (a) Choice of Law. This Agreement shall be governed by the laws of the state of Texas (without regard to the conflict of laws or principles of such states); (b) Jury Trial. YOU EXPRESSLY WAIVE TRIAL BY JURY AS TO ALL ISSUES ARISING OUT OF OR RELATED TO THIS AGREEMENT; (c) Entire Agreement. This Agreement constitutes the entire agreement between the parties with regards to the Services herein and supersedes all prior agreements, proposals or negotiations, whether oral or written regarding the Services set forth herein; (d) Enforceability. If any provision of this Agreement is unenforceable, illegal or invalid, the remaining provisions will remain in full force and effect; (e) Amendments. This Agreement may not be amended or modified except by a writing signed by the parties; provided You agree that we are authorized, without notice to You, to supply missing information or correct obvious errors provided that such change does not materially alter Your obligations; (f) Force Majeure. Company shall not be responsible for delays or inability to provide Services caused directly or indirectly by strikes, accidents, climate conditions, parts availability, unsafe travel conditions, or other reasons beyond our control; (g) Company has the right to modify/correct any clerical errors.

## EXHIBIT K

### STATE EFFECTIVE DATES

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

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

State	Effective Date
California	
Hawaii	
Illinois	
Indiana	
Maryland	
Michigan	May 15, 2023
Minnesota	
New York	
North Dakota	
Rhode Island	
South Dakota	
Virginia	
Washington	
Wisconsin	

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

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 RobotLAB 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. Texas requires that you be given this Disclosure Document at the earlier of the first personal meeting or 10 business days before the execution of any franchise or other agreement, or payment of any consideration that relates to the franchise relationship.

If RobotLAB 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 any applicable state agency.

This franchise is being offered by the following seller(s) at the principal business address and phone number listed below (check all that have been involved in the sales process):

Elad Inbar - 950 East State Highway 114, Ste. 160, Southlake, TX 76092; 415-702-3033

Franchise Brokers, Consultants, or Franchise Development Company Representatives (if any):

Name:

Address:

Phone:

Issuance Date: April 27, 2023, as amended September 8, 2023

I received a Disclosure Document that included the following Exhibits:

- A. Financial Statements
- B. List of State Administrators and Agents for Service of Process
- C. List of Current and Former Franchisees
- D. Operations Manual Table of Contents
- E. Franchise Agreement with Attachments
- F. Area Development Agreement with Attachments
- G. Form of General Release
- H. Form of Confidentiality and Noncompete Agreement
- I. State Specific Addenda
- J. Form of Financing Agreement
- K. State Effective Dates  
Receipts

Signature:

Print Name:

Date Received:

**PLEASE SIGN AND KEEP THIS COPY FOR YOUR RECORDS.**

## RECEIPT

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

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If RobotLAB 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 any applicable state agency.

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- I. State Specific Addenda
- J. Form of Financing Agreement
- K. State Effective Dates  
Receipts

Signature:

Print Name:

Date Received:

**RETURN THIS COPY TO US:**

RobotLAB Franchising, LLC  
c/o Elad Inbar  
950 East State Hwy 114, Ste. 160, Southlake, TX 76092  
elad@robotlab.com