



FRANCHISE DISCLOSURE DOCUMENT

AmSpirit Franchise Corporation

An Ohio Corporation

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Brief Description of the Franchised Business: The franchisee will receive a franchise to own and operate an AmSpirit Business Connections business, which organizes, and provides administrative support services to, groups of entrepreneurs, sales representatives and professionals who meet weekly with the primary purpose of exchanging business referrals. The franchise is granted for an initial term of 10 years with the right, upon payment of a renewal fee and compliance with other conditions, to renew for two additional 10 year renewal terms.

The total investment necessary to begin operation of an AmSpirit Business franchise for a franchisee that does not pay a Going Concern Payment ranges from \$13,900 to \$24,300. This includes the \$10,000 that must be paid to us or our affiliate.

The total investment necessary to begin operation of an AmSpirit Business franchise for a franchisee that pays a Going Concern Payment ranges from \$19,900 to \$49,300. This includes the \$16,000 to \$35,000 that must be paid to us or our affiliate.

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

You may wish to receive your disclosure document in another format that is more convenient for you. To discuss the availability of disclosures in different formats, contact Frank Agin at frankagin@amspirit.com and (888) 267-7474.

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

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

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

Issuance Date: March 17, 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
How much can I earn?	Item 19 may give you information about outlet sales, costs, profits or losses. You should also try to obtain this information from others, like current and former franchisees. You can find their names and contact information in Item 20 or Exhibit H.
How much will I need to invest?	Items 5 and 6 list fees you will be paying to the franchisor or at the franchisor's direction. Item 7 lists the initial investment to open. Item 8 describes the suppliers you must use.
Does the franchisor have the financial ability to provide support to my business?	Item 21 or Exhibit A includes financial statements. Review these statements carefully.
Is the franchise system stable, growing, or shrinking?	Item 20 summarizes the recent history of the number of company-owned and franchised outlets.
Will my business be the only AmSpirit business in my area?	Item 12 and the "territory" provisions in the franchise agreement describe whether the franchisor and other franchisees can compete with you.
Does the franchisor have a troubled legal history?	Items 3 and 4 tell you whether the franchisor or its management have been involved in material litigation or bankruptcy proceedings.
What's it like to be an AmSpirit franchisee?	Item 20 or Exhibit H lists current and former franchisees. You can contact them to ask about their experiences.
What else should I know?	These questions are only a few things you should look for. Review all 23 Items and all Exhibits in this disclosure document to better understand this franchise opportunity. See the table of contents.

What You Need To Know About Franchising Generally

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

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

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

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

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

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

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

Some States Require Registration

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

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

Special Risks To Consider About This Franchise

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

1. **Out-of-State Dispute Resolution.** The franchise agreement requires you to resolve disputes with the franchisor by litigation only in Ohio. Out-of-state litigation may force you to accept a less favorable settlement for disputes. It may also cost more to litigate with the franchisor in Ohio than in your own state.

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.

DISCLOSURES REQUIRED BY THE STATE OF MICHIGAN

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

- (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 franchisee 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 a failure.
- (d) A provision that permits a franchisor to refuse to renew a franchise without fairly compensating the franchisee by repurchase or other means for the fair market value at the time of expiration of the franchisee's inventory, supplies, equipment, fixtures and furnishings. Personalized materials which have no value to the franchisor and inventory, supplies, equipment, fixtures and furnishings not reasonably required in the conduct of the franchise business are not subject to compensation. This subsection applies only if: (i) The term of the franchise is less than five years; and (ii) the franchisee is prohibited by the franchise or other agreement from continuing to conduct substantially the same business under another trademark, service mark, trade name, logotype, advertising or other commercial symbol in the same area subsequent to the expiration of the franchise or the franchisee does not receive at least 6 months advance notice of the franchisor's intent not to renew the franchise.
- (e) A provision that permits the franchisor to refuse to renew a franchise on terms generally available to other franchisees of the same class or type under similar circumstances. This section does not require a renewal provision.
- (f) A provision requiring that arbitration or litigation be conducted outside this state. This shall not preclude the franchisee from entering into an agreement, at the time of arbitration, to conduct arbitration at a location outside this state.
- (g) A provision which permits a franchisor to refuse to permit a transfer of ownership of a franchise, except for good cause. This subdivision does not prevent a franchisor from exercising a right of first refusal to purchase the franchise. Good cause shall include, but is not limited to:
 - (i) The failure of the proposed transferee to meet the franchisor's then current reasonable qualifications or standards;
 - (ii) The fact that the proposed transferee is a competitor of the franchisor or subfranchisor.
 - (iii) The unwillingness of the proposed transferee to agree in writing to comply with all lawful obligations.
 - (iv) The failure of the franchisee or proposed transferee to pay any sums owing to the franchisor or to cure any default in the franchise agreement existing at the time of the proposed transfer.

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

The Michigan Franchise Investment Law also provides:

A franchisor whose most recent financial statements are unaudited and which show a net worth of less than One Hundred Thousand Dollars (\$100,000) shall, at the request of a 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 the place of escrow.

The escrow agent shall be a financial institution authorized to do business in the State of Michigan. The escrow agent may release to the franchisor that amount of the escrowed funds applicable to a specific franchisee upon presentation of an affidavit executed by the franchisee and an affidavit executed by the franchisor stating that the franchisor has fulfilled its obligation to provide real estate, improvements, equipment, inventory, training or other items. This sub-section does not prohibit a partial release of escrowed funds upon receipt of affidavits of partial fulfillment of the franchisor's obligation.

In addition:

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

Franchisees should direct any questions concerning this offering to:

Assistant Attorney General
Consumer Protection Division, Franchise Section
G. Mennen Williams Building, First Floor
525 West Ottawa Street
Lansing, MI 48933
(517) 335-7567

TABLE OF CONTENTS

<u>ITEM</u>	<u>PAGE</u>
1. THE FRANCHISOR AND ANY PARENTS, PREDECESSORS, AND AFFILIATES.....	1
2. BUSINESS EXPERIENCE	3
3. LITIGATION.....	3
4. BANKRUPTCY	3
5. INITIAL FEES	3
6. OTHER FEES	4
7. ESTIMATED INITIAL INVESTMENT.....	8
8. RESTRICTIONS ON SOURCES OF PRODUCTS AND SERVICES	10
9. FRANCHISEE’S OBLIGATIONS	13
10. FINANCING	16
11. FRANCHISOR’S ASSISTANCE, ADVERTISING, COMPUTER SYSTEMS AND TRAINING	17
12. TERRITORY	24
13. TRADEMARKS	25
14. PATENTS, COPYRIGHTS AND PROPRIETARY INFORMATION	27
15. OBLIGATION TO PARTICIPATE IN THE ACTUAL OPERATION OF THE FRANCHISE BUSINESS	28
16. RESTRICTIONS ON WHAT THE FRANCHISEE MAY SELL	28
17. RENEWAL, TERMINATION, TRANSFER AND DISPUTE RESOLUTION.....	29
18. PUBLIC FIGURES.....	35
19. FINANCIAL PERFORMANCE REPRESENTATIONS	35
20. OUTLETS AND FRANCHISEE INFORMATION.....	36
21. FINANCIAL STATEMENTS	41
22. CONTRACTS.....	41
23. RECEIPTS.....	42

EXHIBITS

- A. Financial Statements of AmSpirit Franchise Corporation
- B. AmSpirit Business Connections Franchise Agreement
- C. Joint and Several Unconditional Guaranty
- D. Option to Purchase Agreement
- E. Asset Purchase Agreement
- F. Non-Disclosure Agreements
- G. Installment Promissory Note
- H. List of AmSpirit Franchisees
- I. List of State Administrators
- J. List of Agents for Service of Process
- K. State Addenda
- L. General Release of All Claims
- M. Receipts

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

AmSpirit Franchise Corporation

AmSpirit Franchise Corporation is the franchisor and is referred to in this disclosure document as “AmSpirit Franchise Corporation”, “us” or “we”. We are an Ohio corporation, formed on July 15, 2005. In our franchising operations and franchise sales, we do business as “AmSpirit Business Connections”. “You” means the person who buys the AmSpirit Business Connections franchise (referred to in this disclosure document as an “AmSpirit franchise”). A business opened under the AmSpirit Business Connections name is referred to in this disclosure document as an “AmSpirit Business”. If you elect to acquire an AmSpirit franchise through a corporation, limited liability company, partnership or other business entity, the word “you” also includes the shareholders, members, partners or other owners of that entity. Our principal business offices are located at 2701 Tally Ho Lane, Blacklick, Ohio 43004, and our mailing address is Post Office Box 30724, Columbus, OH 43230-0724. If your state is listed in Exhibit J, our agent for service of process in your state is listed in Exhibit J. If your state is not listed in Exhibit J, our agent for service of process is Frank J. Agin, President, AmSpirit Franchise Corporation, 2701 Tally Ho Lane, Blacklick, Ohio 43004.

There are no predecessors required to be disclosed in this disclosure document.

Our principals, Frank J. Agin and Linda S. Agin, also own AmSpirit Holding Company, an Ohio corporation formed on October 14, 1992 that owns the trademarks and copyrights associated with the AmSpirit Business Connections franchise system. AmSpirit Holding Company has its principal business offices located at 2701 Tally Ho Lane, Blacklick, Ohio 43004, and its mailing address is 2701 Tally Ho Lane, Blacklick, Ohio 43004.

Frank J. Agin and Linda S. Agin also own AmSpirit Business Connections, Inc., an Ohio corporation that was formed on September 11, 1990 and which organizes and operates AmSpirit Business Connections Chapters. Chapters are groups of entrepreneurs, sales representatives and professionals who meet weekly with the primary purpose of exchanging business referrals (referred to in this disclosure document as “Chapters” or “AmSpirit Chapters”). In its operation of Chapters, AmSpirit Business Connections, Inc. may use the services of an area director (referred to in this disclosure document as an “AmSpirit Area Director”) to oversee and manage its Chapters. As of the original issuance date of this disclosure document, AmSpirit Business Connections, Inc. operates approximately 12 AmSpirit Chapters, which are located in Ohio and Florida, one of which is operated by an AmSpirit Area Director. AmSpirit Business Connections, Inc. has its principal business offices located at 2701 Tally Ho Lane, Blacklick, Ohio 43004, and its mailing address is Post Office Box 30724, Columbus, OH 43230-0724.

AmSpirit Business Connections, Inc. is the only affiliate required to be disclosed in this disclosure document, and is referred to in this disclosure document as “AmSpirit Business Connections” or our “Affiliate”.

Description of AmSpirit Franchise Corporation’s Business

We are in the business of franchising AmSpirit Businesses under uniform and distinctive methods, plans, standards, specifications and systems, as periodically modified by us (referred to in this disclosure document as the “AmSpirit System”), and other special characteristics identified to the public by the trademarks, service marks, trade names, emblems, signs, slogans, insignia and copyrights as have been designated by us for use in connection with the AmSpirit System (referred to in this disclosure

document as the “Marks”). We do not operate other businesses or franchises. Selling franchises for, and supporting the operation of, franchised AmSpirit Businesses is our sole line of business.

Description of the AmSpirit Business Connections Franchise

Each AmSpirit Business Connections franchisee (referred to in this disclosure document as an “AmSpirit franchisee”) will be granted the right to use the AmSpirit System in operating an AmSpirit Business within a specified territory (defined as the “Franchised Area” by the AmSpirit Business Connections Franchise Agreement). Typically, an AmSpirit Business is operated by an AmSpirit franchisee on a part-time basis. While you may devote your full time efforts to operating your AmSpirit Business, you are not required to do so. You will be required to operate your AmSpirit Business in accordance with the AmSpirit Business Connections Franchise Agreement (the “Franchise Agreement”) and our standards and specifications. You will have development obligations under the Franchise Agreement that will require you to establish a minimum number of Chapters by a certain date, and you must, for the duration of the Franchise Agreement, continuously operate each Chapter that you establish. The Franchise Agreement is attached to this disclosure document as Exhibit B.

Your AmSpirit Business will organize and provide administrative support services for Chapters that meet weekly with the primary purpose of exchanging business referrals. Your Chapter meetings may be held in person or through audio and video conferencing platforms such as Zoom or Microsoft Teams. However, we have the right to require some or all of our franchisees who are able to hold in-person Chapter meetings to do so. Your meetings must be held in accordance with the Franchise Agreements, our operations manual and other requirements of ours. However, we have the right to require franchisees who are able to hold in-person Chapter meetings to do so.

In the operation of your AmSpirit Business, you may use the services of an area director to oversee and manage your Chapters (referred to in this disclosure document as an “area director”). Your area director is typically an independent contractor, but you are not prohibited from hiring an employee to act as an area director. Typically, compensation paid by franchisees to area directors ranges from 15% to 25% of revenue collected from Chapter membership dues and application fees.

Your use of the Marks in connection with your AmSpirit Business will be by the grant of a sublicense from us to you contained in the Franchise Agreement. See Item 13 of this disclosure document for further discussion of the license arrangement.

Prior Business Experience

We began offering franchises in February 2006. We have never operated an AmSpirit Business. We have never offered franchises in any other lines of business. We are not engaged in other business activities.

AmSpirit Business Connections, Inc., our Affiliate, began organizing and operating AmSpirit Business Connections Chapters in 2004 and has conducted for eighteen (18) years the type of business that you will operate. As of the original issuance date of this disclosure document, our Affiliate operates one AmSpirit Business with approximately 12 AmSpirit Chapters, eleven of which are located in Ohio and one of which is located in Florida. One Chapter is operated by an AmSpirit Area Director. Our Affiliate has never offered franchises in any line of business.

AmSpirit Holding Company has never operated an AmSpirit Business or offered franchises in any line of business.

Market and Competition

The market for business networking and business networking referral services is becoming more developed, particularly in certain areas in and around major metropolitan areas. There is no seasonality associated with the AmSpirit Business. If you become an AmSpirit franchisee, you must compete with already established Chapters of competitive networking organizations, some of which offer franchises and many of which may have been in business for a significant period of time, as well as professional and trade organizations, chambers of commerce and service clubs.

Laws or Regulations Applicable to the AmSpirit System

An AmSpirit Business is subject to numerous laws and governmental regulations that apply to businesses generally. Before you purchase an AmSpirit franchise, we suggest that you check on the existence and the requirements of these types of laws and regulations in your area.

ITEM 2. BUSINESS EXPERIENCE

President and Director: Frank J. Agin

Mr. Agin has served as our President and a Director in Columbus, Ohio since our formation in July, 2005. From May, 1997 through the present he has also served as President, Treasurer and a Director of AmSpirit Business Connections, Inc., also in Columbus, Ohio. Since October, 1992, Mr. Agin has served as President and a Director of AmSpirit Holding Company, also in Columbus, Ohio.

Secretary, Treasurer and Director: Linda S. Agin

Mrs. Agin has served as our Secretary, Treasurer and a Director in Columbus, Ohio since the company's formation in July, 2005. From May, 1997 through the present she has also served as Secretary and a Director of AmSpirit Business Connections, Inc. also in Columbus, Ohio. Since October, 1992, Mrs. Agin has served as Secretary, Treasurer and a Director of AmSpirit Holding Company, also in Columbus, Ohio. From 1993 through 2021, Mrs. Agin was a financial analyst and accountant in Columbus, Ohio for L Brands, Inc. in Columbus, Ohio, and from 2021 through present, she has held the same positions with Bath & Body Works, LLC in Columbus, Ohio.

ITEM 3. LITIGATION

No litigation is required to be disclosed in this Item.

ITEM 4. BANKRUPTCY

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

ITEM 5. INITIAL FEES

You must pay us a non-refundable initial franchise fee of \$10,000, which is due at the time that you and we sign the Franchise Agreement. We do not typically offer financing for the payment of the initial franchise fee, but may do so on a case by case basis, in our discretion. The terms of this financing are disclosed in Item 10 of this disclosure document.

If there are on-going AmSpirit Chapters organized by us or our Affiliate operating in the territory in which you will be operating your AmSpirit Business, and you and we agree that these on-going

Chapters are to be transferred to your business, in addition to the non-refundable initial franchise fee that you must pay to us, you must pay our Affiliate a non-refundable “Going Concern Payment” in an amount equal to the gross receipts from these Chapters’ operations received during the previous twelve months by our Affiliate, you must accept assignment of, and assume obligations under, any then-effective agreements between our Affiliate and its AmSpirit Area Directors who have worked with the transferred Chapters, and you must sign an Asset Purchase Agreement, substantially in the form of Exhibit E to this disclosure document. Payment of the initial franchise fee and the Going Concern Payment is due at the time that you sign the Franchise Agreement. We estimate that the Going Concern Payment may range from \$6,000 to \$25,000.

If we sell an existing AmSpirit Area Director a franchise, the AmSpirit Area Director is required to pay a non-refundable initial franchise fee and a non-refundable Going Concern Payment at the time the Franchise Agreement is signed. We may negotiate a reduced initial franchise fee for these franchise sales, and we or our Affiliate may finance all or part of the purchase by the AmSpirit Area Director. The terms of this financing are disclosed in Item 10 of the disclosure document. For each sale, the AmSpirit Area Director will be required to sign an Asset Purchase Agreement, substantially in the form of Exhibit E to this disclosure document. Payment of the initial franchise fee and the Going Concern Payment is due at the time that you sign the Franchise Agreement. We estimate that the Going Concern Payment may range from \$6,000 to \$25,000.

If you want to operate more than one AmSpirit franchise in more than one Franchised Area and, if we agree, you may enter into separate Franchise Agreements for each franchise. If you want to reserve rights to establish an AmSpirit franchise within a specified geographic area at a future date, and if we agree, you may enter into an Option to Purchase Agreement in the form attached as Exhibit D to this disclosure document and you must pay us \$7,000 for each geographic area reserved. The Option to Purchase Agreement provides that, for a specified period to be determined by us, you have the right to (a) locate an appropriate site (or sites) within a particular reserved geographic area; (b) submit an application to us for an AmSpirit franchise to be located within a reserved area; (c) obtain our approval and acceptance of the application and site; and (d) secure the site through lease, purchase or option agreement. The \$7,000 option fee is non-refundable. If you exercise your option to purchase a new franchise, your \$7,000 option fee will be applied toward the initial franchise fee due upon signing the Franchise Agreement applicable to your new AmSpirit franchise.

ITEM 6. OTHER FEES

OTHER FEES

Type of Fee	Amount	Due Date	Remarks
Royalty (See Note 1.)	Seven percent (7%) of Gross Revenues.	Monthly on or before the 10 th day of the next month.	See Note 1.
Administrative Services Fee (See Note 2.)	Twenty-three percent (23%) of Gross Revenues.	Monthly on or before the 10 th day of the next month.	See Note 2.
Local Advertising Expenditure; Advertising Production Contribution; Contribution to Local or Regional	We reserve the right to require you to (1) spend at a minimum each quarter for local and regional advertising of 5% of your Gross Revenues; (2) pay to us a monthly	(1) As arranged by you; (2) Monthly on the same date when royalties are due; (3) According to due date set by the cooperative; (4) Monthly on the same date when royalties are due.	See Note 3.

Type of Fee	Amount	Due Date	Remarks
Advertising Cooperative (if applicable); Payment to National Advertising Fund (if applicable) (See Note 3.)	Advertising Production Contribution equal to 1/2 percent (0.5%) of your monthly Gross Revenues; (3) participate in a local or regional advertising cooperative, if any; and (4) pay us up to two and half percent (2.5%) of your monthly Gross Revenues if a national advertising program is established, with 1% of the contribution offset against the applicable local quarterly expenditure requirement.		
Late Payment Fee (See Note 4.)	Lesser of interest at 18% annual rate or maximum rate permissible under state law.	When payment is overdue	Amounts are payable to us. Any payments not received by Franchisor on the date payments are due bear interest at the lesser of eighteen percent (18%) per annum or the maximum amount allowed under applicable law from the date payment is due to the date payment in finally collectable funds is received by Franchisor.
Renewal Fee (See Note 5.)	An amount equal to twenty percent (20%) of the then-current initial franchise fee that would be payable at the time of renewal.	Prior to effectiveness of renewal.	Amounts are payable to us.
Transfer Fee (See Note 6.)	An amount equal to twenty percent (20%) of the original initial franchise fee.	Prior to effectiveness of transfer.	Amounts are payable to us. Payable when you sell your franchise or your franchise is otherwise transferred.

Type of Fee	Amount	Due Date	Remarks
Audit Fee (See Note 7.)	Costs and expenses (including attorneys' and accountants' fees) of inspection on understatement of Gross Revenues of at least 3%.	Immediately upon invoice.	Amounts are payable to us.
Indemnification of AmSpirit Franchise Corporation for Expenses of Claims	The amounts of all losses and expenses that we incur in connection with legal actions arising out of your ownership, operation, construction or improvement of your AmSpirit franchise.	Upon receipt of invoice.	Amounts are payable to us.
Inspection Fee and Related Fees (See Note 8.)	A rate per hour determined by AmSpirit in its reasonable discretion plus expenses of each of our representatives conducting the inspection for violations present in other inspections within previous 12 month period, as well as our costs and expenses of removing, replacing or repairing violations.	Upon receipt of invoice.	Amounts are payable to us.
Approved Supplier Fee	Our costs and expenses incurred in connection with examination, testing and/or inspection of proposed new approved supplier and goods or services.	Upon receipt of invoice.	Amounts are payable to us.
Attorneys' Fees and Disbursements, Accounting Fees and Disbursements and Court Costs	Prevailing party in a dispute between us is entitled to recover its expenses, including attorneys' fees and disbursements, accounting fees and disbursements, and court costs.	Upon receipt of invoice.	Amounts are payable to third parties.
Initial Training Fees for 4 th or More Attendee; Additional Training Fees for Persons Other than Those Designated by Us (See Note 9.)	Tuition fees to be established by us.	Upon receipt of invoice.	Amounts are payable to us.

Except for payments to third parties and as provided in the following notes, the fees and payments listed above are uniformly imposed and collected by us. These fees and payments are nonrefundable.

Note 1: Royalty Fee: The seven percent (7%) royalty is for your use of the AmSpirit System, including, but not limited to, a non-exclusive use of the Marks (as defined in Item 13 of this disclosure document) and certain copyrighted materials. Gross Revenues is defined as all amounts paid by members, including, but not limited to, membership fees and similar fees, and sales of all products and services related to the AmSpirit Business, whether for cash or on a charge basis, including, but not limited to, all sales and services, deducting all refunds and discounts made to members in good faith and in accordance with our policies and any sales or excise taxes which are separately stated and which you may be required to and do collect from customers or members and pay to any federal, state or local taxing authority.

Note 2: Administrative Services Fee: You must pay us twenty-three percent (23%) of your Gross Revenues in consideration of certain services provided to you by us such as (i) managing your Chapter and membership information database, (ii) invoicing your members, monitoring dues payments, and providing collection services for non-payment by your members, and (iii) website hosting and providing certain social media activities to your members on your behalf. (Gross Revenues is defined in Note 1 above.)

Note 3: Advertising Expenditures: We reserve the right, exercisable at any time, to require you to spend on local and regional advertising, promotion and marketing an amount equal to no less than five percent (5%) of your Gross Revenues during each quarter that your AmSpirit Business is open and operating. In addition, we reserve the right, exercisable at any time, to require you to pay us a monthly advertising contribution (the "Advertising Production Contribution") equal to 1/2 percent (0.5%) of your monthly Gross Revenues during each month that your AmSpirit Business is open and operating.

We reserve the right, exercisable at any time, to require you to join and participate with us and/or other AmSpirit franchisees in local and regional cooperative advertising market cooperatives. As a member of a cooperative, you would be required to contribute to the cooperative the amounts determined by the cooperative. Amounts contributed to the cooperatives will be applied against the quarterly advertising requirements disclosed above. As of the original issuance date of this disclosure document, no advertising cooperatives have been formed. If we have controlling voting power in a cooperative, we expect that the range of the advertising cooperative fees will be approximately 2% to 4%.

If we decide in the future to establish a national advertising program, you must participate in this program and contribute an amount of up to two and one-half percent (2.5%) of your monthly Gross Revenues. Amounts in excess of one percent (1%) of your Gross Revenues may be applied against the quarterly advertising requirement disclosed above.

Note 4: Late Payment Fee: You are required to pay a late charge equal to interest at an 18% annual rate for the period beginning on the date payment is due through the date the past due amounts are paid the late charge will be assessed on all amounts of whatever nature which are past due. In addition, you must reimburse us for all of our costs of collection.

Note 5: Renewal Fee: Among the other conditions of our approval of a request by you to renew your franchise, you must pay us a renewal fee in an amount equal to twenty percent (20%) of the then-current initial franchise fee before your renewal will be effective.

Note 6: Transfer Fee: Among the other conditions of our approval of a proposed transfer of your franchise, you must pay us a transfer fee in the amount of twenty percent (20%) of the then effective initial franchise fee for an AmSpirit Business.

Note 7: Audit Fee: In the Franchise Agreement, we reserve the right to audit your books, records and tax returns at any reasonable time. That audit is at our expense unless it discloses that you have understated your Gross Revenues by more than 3% for the period covered by the audit. In that event, you must immediately reimburse us for the cost of the audit.

Note 8: Inspection Fee and Related Fees: In the Franchise Agreement, we reserve the right, for the purpose of conducting inspections, to enter onto your premises. In the event that any inspection reveals one or more violations which were present in any other inspection by us of the premises in the previous twelve (12) month period, you shall reimburse us at an hourly rate to be determined by us in our reasonable discretion.

Note 9: Tuition Fees: We provide and pay for the instructors, training facilities, and training materials utilized in training for you and the first four persons designated by you to attend the initial training program and for each person who may be required and designated by us to attend subsequent training programs. You pay any tuition and fees as we may establish from time to time for any other persons to attend the initial training program or any subsequent training program.

ITEM 7. ESTIMATED INITIAL INVESTMENT

YOUR ESTIMATED INITIAL INVESTMENT

AmSpirit Franchise

Type of Expenditure	Amount	Method of Payment	When Due	To Whom Payment is to be Made
INITIAL FRANCHISE FEE (See Note 1.)	\$10,000	Lump sum	At signing of Franchise Agreement	AmSpirit Franchise Corporation
SITE RENTAL (See Note 2.)	See Note 3	See Note 3	See Note 3	See Note 3
COMPUTER SYSTEM	\$0 to \$1,500	Lump sum	Prior to opening	Approved Suppliers
OTHER EQUIPMENT AND SUPPLIES (See Note 3.)	\$0 to \$2,000	Lump sum	Prior to opening	Approved Suppliers
ADVERTISING ASSOCIATED WITH OPENING OF BUSINESS (See Note 4.)	\$1,000 to \$3,000	As incurred	Prior to opening	Media, Other Suppliers
BUSINESS PERMITS, LICENSES AND FEES (See Note 5.)	\$200 to \$1,000	Lump sum	Prior to opening	Governmental Entities
SECURITY DEPOSITS & PREPAID EXPENSES	\$200 to \$300	Lump sum	Prior to opening	Telephone company

Type of Expenditure	Amount	Method of Payment	When Due	To Whom Payment is to be Made
PUBLIC, PRODUCTS AND OTHER LIABILITY INSURANCE AS REQUIRED UNDER SECTION 7.14 OF THE FRANCHISE AGREEMENT (See Note 6.)	\$500 to \$1,500	Lump sum	Prior to opening	Insurance Company or Companies
GOING CONCERN PAYMENT (if applicable) (See Note 7.)	\$6,000 to \$25,000	Lump sum	At signing of Franchise Agreement	AmSpirit Business Connections, Inc.
ADDITIONAL FUNDS: 3 TO 6 MONTHS (See Note 8.)	\$2,000 to \$5,000	As incurred	As incurred	Various suppliers, employees and others
TOTAL	\$13,900 to \$24,300 (for a franchisee that does not pay a Going Concern Payment) \$19,900 to \$49,300 (for a franchisee that pays a Going Concern Payment)	(Does not include cost of real estate)		

All figures in Item 7 are estimates only. Actual amounts will vary for each franchisee and each location depending upon a number of factors. Generally, none of the amounts presented in this Item 7 is refundable.

Note 1: See Item 5 of this disclosure document for additional information regarding the initial franchise fee. The initial franchise fee is payable by you to us in a lump sum when you sign the Franchise Agreement. Neither we nor our Affiliate provide financing of the initial franchise fee except in limited circumstances.

Note 2: You are not required to lease real estate for the operation of your AmSpirit Business. You may operate your AmSpirit Business from your home or from office space that you currently lease for reasons other than the operation of your AmSpirit Business. You may also operate your AmSpirit Business as a

mobile-business through the use of a personal computer or tablet. We are unable to estimate a low to high range of expenses related to your purchase or lease of real estate because, based upon our experience with AmSpirit franchisees, franchisees do not purchase or lease real estate for the operation of their AmSpirit Businesses. Franchisees typically operate their AmSpirit Businesses as home-based or mobile-based businesses. If you lease real estate for the operation of your AmSpirit Business, we estimate the approximate size of your office will be between 100 s.f. to 200 s.f., which will likely be located in an office building in a suburban area. If you lease real estate to operate your AmSpirit Business, you may incur real estate broker fees, prepayment of a security deposit, common area maintenance fees, operating fees and other expenses. We are unable to estimate the amounts of these expenses, as they vary widely based on location, size of the leased space and lease negotiations, and because rents vary significantly from one area of the country to another and from one area of a community to another depending upon the location.

Note 3: The range of estimates provided above is for other equipment and supplies for use in your AmSpirit Business.

Note 4: Media advertising expenses can vary considerably from area to area based on the size of the franchised area, the types of media available and other factors. The amounts spent on media advertising are generally not refundable.

Note 5: You must comply with all federal, state and local statutes, ordinances and regulations affecting the conduct of your AmSpirit Business. These costs and fees will vary depending upon the location and size of your AmSpirit Business and are payable to the governmental entity requiring payment of these fees, generally prior to opening. These costs and fees are not refundable.

Note 6: Insurance costs may vary in different localities. The estimate is for one year of liability insurance coverage. If you have employees, you may incur expenses for workers' compensation insurance. We are unable to estimate amounts that you may be required to spend for workers' compensation insurance. The requirements and rates vary widely from place to place. We reserve the right to require you to obtain additional types of insurance and coverages. See Item 8 of this disclosure document for additional information regarding required insurance coverage.

Note 7: See Item 5 of this disclosure document for additional information regarding the Going Concern Payment.

Note 8: This is an estimate only of the range of initial start-up expenses that you may incur. The actual amount of additional funds that you will need depends upon a variety of factors, including the time of year when you start your business, your own management skill, economic conditions, competition in your area and other factors. The estimate is for a period of 3 to 6 months. The estimate of additional funds is based on our management's experience. We cannot guarantee that you will not have additional expenses starting your business. These amounts are generally not refundable.

You may finance all or part of the initial investment. In limited circumstances, we or our Affiliate may make financing available to you. (See Items 5 and 10 of this disclosure document.)

ITEM 8. RESTRICTIONS ON SOURCES OF PRODUCTS AND SERVICES

As of the original issuance date of this disclosure document, in the establishment and operation of your AmSpirit Business, you are required to use business cards, brochures, flyers and miscellaneous promotional products such as pens, mugs and other give away items that meet our specifications. We

have the right to change the specifications from time to time, as well as change the types of equipment, inventory, items or services that must meet our specifications. In addition, you may only offer services and products, and use products, supplies and equipment, authorized by us, including any new services and products which may be developed, and you must provide those products and services in accordance with our requirements, as established periodically. The source of these obligations is the Franchise Agreement and the purpose of these requirements is to maintain the AmSpirit franchise image, maintain the AmSpirit System trademarks and service marks to insure the identification of AmSpirit franchise by the public, to preserve and enhance the goodwill associated with the AmSpirit Business Connections image, and to fulfill the expectations of our customers.

The specifications and standards required for operation of your AmSpirit Business will be provided to you in the Operations Manual and other written notices that we provide to you from time to time, by regular mail or email communication. Specifications may include minimum standards for quality, durability, appearance, size, color, fitness for purpose, design, material, cleanliness, compliance with governmental regulations, trademark and service mark requirements, and other characteristics. We have the right to modify specifications and standards by sending you written revisions of the specifications and standards.

Designated and Approved Suppliers

You are not required to purchase or obtain items or services from any designated suppliers or approved suppliers, but you are required to purchase certain inventory, supplies and equipment only from those suppliers with products that meet our specifications. If, in the future, we require you to purchase products from a designated or a supplier approved by us (“Approved Suppliers”), we will provide you with a complete list of all inventory, supplies and equipment which you are required to purchase from those suppliers. Approved Suppliers must meet our standards and specifications, possess adequate quality controls, and must have the capacity to supply the needs of our franchisees promptly and reliably. We may permit you to use an alternative supplier, if the alternative supplier meets our standards and specifications. A review of a prospective alternative supplier is typically completed within 60 days. We reserve the right to limit the number of Approved Suppliers for purposes of efficiency and effective buying power. We may also amend the Approved Suppliers list periodically at our discretion in accordance with the procedures in Section 7.5 of the Franchise Agreement and based on our evaluation of product quality, the proposed supplier’s financial capacity, business reputation, and other information. If the list is amended or if we revoke approval of an Approved Supplier, we will communicate to you the amended list of Approved Suppliers in writing by regular mail and/or email communication. We reserve the right to revoke our approval of any supplier upon the supplier’s failure, as determined by us, to continue to meet our criteria and specifications. You must reimburse us for all of our costs and expenses that we incur in connection with any examination, testing and inspection of a new supplier proposed by you. Except for confidential and proprietary specifications, our criteria for alternative supplier approval is available to our franchisees.

We will offer to sell to you printed materials for use in your AmSpirit Business. You may also purchase printed materials for use in your AmSpirit Business from third parties. The printed materials we offer to sell to you will be at a price which is no more than 10% higher than our cost to buy the printed materials.

To determine whether you are meeting the then current specifications and requirements, and to insure the maintenance of uniform quality standards and compliance with the Franchise Agreement, our representatives may inspect your AmSpirit Business.

In addition to the required purchases described above, you are obligated to obtain and maintain, at your own expense, the insurance coverage that we require, and you must meet the other insurance-related

obligations in the Franchise Agreement. You are required to maintain by advance payment of premium, fire and extended coverage, vandalism and malicious mischief insurance on all structures, equipment, fixtures, furnishings and appliances on your business premises, and general liability insurance coverage, including products liability insurance, in an amount not less than \$1,000,000 per occurrence for bodily injury and property damage, and automobile liability insurance coverage with a combined single limit of \$1,000,000. You are also required to maintain worker's compensation insurance in an amount not less than that prescribed by law in the state in which your AmSpirit Business is located if you employ others in your AmSpirit Business. The cost of this coverage will vary depending on the insurance carriers, the terms of payment and your history. All insurance policies must be in a form and must be obtained from insurance carriers acceptable to us. We have the right to require you to increase the amount of coverage if in our judgment an increase in coverage is required. All policies must name us as an additional insured and provide that we will be given 30 days prior written notice of change, termination or cancellation of the policy.

We do not derive revenue from your purchases from designated suppliers or Approved Suppliers because of your transactions with those suppliers. We had total revenues of \$133,319 during the 2022 fiscal year. We received less than \$500 of revenue in 2022 from required purchases or leases by franchisees. No affiliates of ours sells or leases products to franchisees, nor did any affiliate of ours derive revenues from purchases by franchisees during fiscal year 2022.

We estimate that the required AmSpirit Business purchases from designated suppliers, Approved Suppliers or suppliers whose products meet our specifications will constitute 10% to 25% of your cost to establish an AmSpirit Business, and 5% to 10% of your total operating expenses thereafter. We do not expect that we will receive revenue from required purchases by AmSpirit franchisees. The percentage of our revenues that came from purchases or leases required by us was 0% in 2022.

We may, but are not obligated to, negotiate volume discounts and purchase agreements with suppliers for the benefit of AmSpirit franchisees.

None of our officers own an interest in any supplier listed in Item 8.

No purchasing or distribution cooperatives have been established as of the original issuance date of this disclosure document.

We may receive rebates from certain suppliers of equipment and inventory to AmSpirit Businesses. We did not receive rebates during 2022.

Except for your AmSpirit Business, we do not provide material benefits, such as franchise renewals or additional franchises, based upon your use of Approved Suppliers.

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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.

Franchise Agreement

Obligation	Section(s) in Agreement	Disclosure Document Item
a. Site selection and acquisition/lease	Article 3	Items 7, 11 and 12
b. Pre-opening purchases/leases	Section 7.3	Items 6, 7 and 8
c. Site development and other pre-opening requirements	Sections 7.3, 7.4 and 7.5	Item 7
d. Initial and ongoing training	Section 7.6	Items 6 and 11
e. Opening	Article 3 and Sections 6.1 and 7.7	Item 11
f. Fees	Articles 4 and 5 and Sections 2.2, 6.1, 7.6, 7.11, 12.2 and 14.1	Items 5, 6, 7, 8, 11 and 17
g. Compliance with standards and policies/Operations Manual	Articles 7 and 9 and Sections 1.4, 1.5, 6.1, 8.1, 11.1 and 16.1	Items 6, 8, 11, 15 and 16
h. Trademarks and proprietary information	Article 8 Sections 1.1, 7.18 and 7.19	Items 12, 13, 14 and 15
i. Restrictions on products/services offered	Sections 1.3 and 7.2	Items 6, 8 and 16
j. Warranty and customer service requirements	Section 7.1	Item 16
k. Territorial development and sales quotas	Not Applicable	Item 12
l. Ongoing product/service purchases	Not Applicable	Items 6, 8 and 16
m. Maintenance, appearance, and remodeling requirements	Not Applicable	Item 17
n. Insurance	Section 7.13	Items 6, 7 and 8
o. Advertising	Article 11 and Sections 7.19 and 14.1	Items 6, 7, 8 and 11
p. Indemnification	Section 7.13	Item 6
q. Owner’s participation/management/staffing	Section 7.7	Items 11 and 15
r. Records and reports	Section 7.11	Item 6
s. Inspections and audits	Sections 7.5, 7.9 and 7.11	Items 6 and 11
t. Transfer	Article 12 and Section 13.1	Items 6 and 17
u. Renewal	Section 2.2	Items 6 and 17
v. Post-termination obligations	Article 14	Item 17
w. Non-competition covenants	Sections 7.12 and 14.3	Items 15 and 17

Obligation	Section(s) in Agreement	Disclosure Document Item
x. Dispute resolution	Not Applicable	Item 17
y. Payment of accounts	Section 7.15	Item 6
z. Compliance with statutory obligations	Section 7.16	Item 1

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.

Installment Promissory Note

Obligation	Section(s) in Agreement	Disclosure Document Item
a. Site selection and acquisition/lease	Not Applicable	Items 7, 11 and 12
b. Pre-opening purchases/leases	Not Applicable	Items 6, 7 and 8
c. Site development and other pre-opening requirements	Not Applicable	Item 7
d. Initial and ongoing training	Not Applicable	Items 6 and 11
e. Opening	Not Applicable	Item 11
f. Fees	Not Applicable	Items 5, 6, 7, 8, 11 and 17
g. Compliance with standards and policies/Operations Manual	Not Applicable	Items 6, 8, 11, 15 and 16
h. Trademarks and proprietary information	Not Applicable	Items 12, 13, 14 and 15
i. Restrictions on products/services offered	Not Applicable	Items 6, 8 and 16
j. Warranty and customer service requirements	Not Applicable	Item 16
k. Territorial development and sales quotas	Not Applicable	Item 12
l. Ongoing product/service purchases	Not Applicable	Items 6, 8 and 16
m. Maintenance, appearance and remodeling	Not Applicable	Item 17
n. Insurance	Not Applicable	Items 6, 7 and 8
o. Advertising	Not Applicable	Items 6, 7, 8 and 11
p. Indemnification	Not Applicable	Item 6
q. Owner's participation/management/staffing	Not Applicable	Items 11 and 15
r. Records and reports	Not Applicable	Item 6
s. Inspections/audits	Not Applicable	Items 6 and 11
t. Transfer	Not Applicable	Items 6 and 17
u. Renewal	Not Applicable	Items 6 and 17
v. Post-termination obligations	Paragraph 6	Item 17
w. Non-competition covenants	Not Applicable	Items 15 and 17
x. Dispute resolution	Not Applicable	Item 17

Obligation	Section(s) in Agreement	Disclosure Document Item
y. Payment of principal and interest	Paragraphs 1 and 3	Item 6
z. Waive presentment for payment, notice of dishonor, protest and notice of protest	Paragraph 8	Item 1

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.

Asset Purchase Agreement

Obligation	Section(s) in Agreement	Disclosure Document Item
a. Site selection and acquisition/lease	Not Applicable	Items 7, 11 and 12
b. Pre-opening purchases/leases	All	Items 6, 7 and 8
c. Site development and other pre-opening requirements	Not Applicable	Item 7
d. Initial and ongoing training	Not Applicable	Items 6 and 11
e. Opening	Not Applicable	Item 11
f. Fees	Not Applicable	Items 5, 6, 7, 8, 11 and 17
g. Compliance with standards and policies/Operations Manual	Not Applicable	Items 6, 8, 11, 15 and 16
h. Trademarks and proprietary information	Not Applicable	Items 12, 13, 14 and 15
i. Restrictions on products/services offered	Not Applicable	Items 6, 8 and 16
j. Warranty and customer service requirements	Not Applicable	Item 16
k. Territorial development and sales quotas	Not Applicable	Item 12
l. Ongoing product/service purchases	Not Applicable	Items 6, 8 and 16
m. Maintenance, appearance and remodeling requirements	Not Applicable	Item 17
n. Insurance	Not Applicable	Items 6, 7 and 8
o. Advertising	Not Applicable	Items 6, 7, 8 and 11
p. Indemnification	Not Applicable	Item 6
q. Owner's participation/management/staffing	Not Applicable	Items 11 and 15
r. Records and reports	Not Applicable	Item 6
s. Inspections and audits	Not Applicable	Items 6 and 11
t. Transfer	Not Applicable	Items 6 and 17
u. Renewal	Not Applicable	Items 6 and 17
v. Post-termination obligations	Not Applicable	Item 17

Obligation	Section(s) in Agreement	Disclosure Document Item
w. Non-competition covenants	Not Applicable	Items 15 and 17
x. Dispute resolution	Not Applicable	Item 17
y. Compliance with statutory obligations	Section 3.05	Item 6

ITEM 10. FINANCING

We or our Affiliate may offer financing of the initial franchise fee, or, if applicable, the Going Concern Payment from time to time, on a case-by-case basis, with terms and conditions designed to meet your and our particular needs, capabilities and financial requirements.

If we or our Affiliate offer financing to you, you will be required to sign a promissory note, in the form of Exhibit G attached to this disclosure document, providing for the payment of the initial franchise fee and, if applicable, the Going Concern Payment, at a per annum interest rate equal to the sum of the then current Prime Rate plus 3%. The term “Prime Rate” means the rate of interest per annum published on the date of the promissory note in the “Money Rates” column (or any successor column thereto) of the “Credit Markets” page of The Wall Street Journal as the “Prime Rate”. As of March 3, 2023, the Prime Rate is 7.75 %. The amount financed could be up to 100% of the initial franchise fee and up to 100% of the Going Concern Payment, and the amount of the down payment, if any, will be negotiated. If we or our Affiliate agrees to offer financing to you, factors such as your credit history, financial condition, business acumen and prior relationship with us or a Chapter, are taken into account when determining the amount that will be financed by us or our Affiliate. Monthly installments of principal and interest fully amortized over the term of the note will start the first month after the date of the note. The term for repayment of the promissory note will be negotiated, but is typically between 12 and 18 months.

The promissory note contains certain material terms of which you should be aware. These include the following: (1) You have the right to prepay the note without penalty. (Installment Promissory Note, Paragraph 2). (2) If you do not pay on time, we have the right to declare the entire amount of the note to be due by accelerating the note, and to bring legal proceedings to collect the note. If this happens, you will also be liable for our costs incurred in collecting the note, including our attorney’s fees and court costs. (Installment Promissory Note, Paragraph 6). (3) If you default in payment of the note, this is also a default under the Franchise Agreement, and we may terminate the Franchise Agreement. (Franchise Agreement, Section 13.1). (4) After the maturity date of the note, the interest rate increases to the post-maturity interest rate specified in the note. This rate will not exceed 3 percentage points over the stated interest rate of the note. (Installment Promissory Note, Paragraph 7). (5) The note contains provisions by which you waive certain rights, which include, among others, presentment for payment, notice of dishonor, protest and notice protest and claims that you may have against us which could result from us not strictly enforcing the terms of the note. (Promissory Note, Paragraph 9). (6) If you are a business entity, the note must be personally guaranteed by your shareholders, partners, members or other owners. (7) No security interest is required to be granted by you to obtain financing. (8) If you default under the Franchise Agreement, including a default due to your failure to pay amounts owed to us, this is also a default under the note. (Installment Promissory Note, Paragraph 6). (9) If you default under the note you are required to pay our attorneys’ fees and court costs and disbursements incurred by us to collect your debt. (Promissory Note, Paragraph 7).

Other than as disclosed above, neither we nor our Affiliate offer direct or indirect financing to you. Neither we nor our Affiliate guarantee any loan or lease that may be obtained by you or any obligation that you may incur in your AmSpirit Business.

Although we have not done so, the promissory note may be assigned to a third party without your consent. If so, the third party may become immune under the law to any defenses to payment you may have against us or our Affiliate. Notwithstanding any assignment of the note to a third party, as long as the Franchise Agreement is effective, we will remain primarily obligated to provide the assistance to the franchisee for which we are obligated under the Franchise Agreement.

We do not receive direct or indirect payments for placing financing.

ITEM 11. FRANCHISOR’S ASSISTANCE, ADVERTISING, COMPUTER SYSTEMS AND TRAINING

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

Obligations Before Opening

Before you begin operation of your AmSpirit Business, we will provide the following assistance:

- 1) Review and approve a location for operating your AmSpirit Business. (Franchise Agreement – Section 3.1).
- 2) Designate your Franchised Area. The Franchised Area will be that area which is within the geographic area designated in your Franchise Agreement. The Franchised Area is designated by us. We will consult with you in determining your Franchised Area but we retain the sole authority to designate Franchised Areas. You should not sign the Franchise Agreement if you do not consent to your designated Franchised Area. (Franchise Agreement – Sections 1.1 and 1.2).
- 3) Complete information regarding any existing operations in the Franchised Area, including any active AmSpirit Area Director agreements, membership rosters and revenue collection information. (Franchise Agreement – Section 6.1(a)).
- 4) Provide initial training to you and up to three other persons, as disclosed in more detail below. (Franchise Agreement – Section 6.1(b)).
- 5) Assistance as we determine is required in connection with your opening of your AmSpirit Business, including assistance by our personnel in planning and developing pre-opening and promotional programs. (Franchise Agreement – Section 6.1(c)).
- 6) Permit you to use our Operations Manual and other manuals and training aids as adopted by us, as disclosed in more detail below. (Franchise Agreement – Section 6.1(f)).

We generally do not provide equipment, signs, fixtures, opening inventory or supplies directly, but we are in the practice of providing you with written specifications and the names of approved supplier offering these items.

Obligations After Opening

After commencement, and during the operation, of your AmSpirit Business we will provide or make available to you the following:

- 1) Depending upon availability of our staff, and upon your request, provide a member of our staff to provide advice and consultation to you by telephone or other electronic

communications free of charge in connection with the operation of your AmSpirit Business at a reasonable frequency based upon your experience as a AmSpirit franchisee and based upon other factors as determined by us. (Franchise Agreement – Section 6.1(d)).

- 2) At our discretion, produce and conduct an annual conference for franchisees and their managers, area directors, employees or associates who are actively engaged in the operation of the AmSpirit Business, provided that you are responsible for a reasonable fee for the conference, as well as salary and incidental expenses and the expenses of your manager, employees or associates while attending. If the annual conference is held in person, you are responsible for all costs associated with your travel and room and board, and those of your managers, employees or associates attending the training. (Franchise Agreement – Section 6.1(e)).
- 3) Maintain an electronic database of your active and inactive members and related contact information and business information, and deliver monthly reports to you of a membership roster for all Chapters operated by you. (Franchise Agreement – Section 6.1(g)).
- 4) Provide invoicing services for each of your active members at designated times during the year. You will be responsible for reimbursing us for the costs associated with producing and mailing these invoices. (Franchise Agreement – Section 6.1(h)).
- 5) Process your new member applications and initiation fees. (Franchise Agreement – Section 6.1(i)).
- 6) Provide periodic payment reminders by electronic means for active members who fail to timely pay the membership fees when due. (Franchise Agreement – Section 6.1(j)).
- 7) Merchandising, marketing and other data and advice as we develop from time to time which we deem to be helpful in the operation of the AmSpirit Business. (Franchise Agreement – Section 6.1(k)).
- 8) Periodic continuing individual or group advice, consultation and assistance, as we deem necessary or appropriate. (Franchise Agreement – Section 6.1(l)).
- 9) Bulletins, brochures and reports as may from time to time be published by us regarding our plans, policies, research, developments and activities with respect to the AmSpirit System. (Franchise Agreement – Section 6.1(m)).
- 10) Maintain an AmSpirit website for you and your members and provide you access to franchisees-only information on the website. (Franchise Agreement – Section 6.1(n)).
- 11) Other resources and assistance as we may develop and offer to our franchisees. (Franchise Agreement – Section 6.1(o)).

For you to meet your obligations under the Franchise Agreement, you must offer your customers all products and services as provided for in the Operations Manual or as otherwise designated by us. (Franchise Agreement – Section 7.2).

We do not have an obligation, either before or after opening, to hire your employees.

Although we do not have an obligation to do so, due in part to our Affiliate's operation of AmSpirit Chapters, we are significantly involved in improving and developing the franchised business.

We may establish prices for the services and products that you will offer in your AmSpirit Business from time to time.

We provide to franchisees an electronic database of active and inactive members, invoicing services and processing of new member applications and initiation fees for your operation of AmSpirit Business. (Franchise Agreement – Section 6.1(g), (h), and (i). Although we do not have an obligation to do so, we are in the practice of establishing and using additional administrative, bookkeeping, accounting and inventory control procedures which we may share with you from time to time.

Although we do not have an obligation to resolve operating problems you encounter, we do provide you with advice and consultation in connection with the operation of your AmSpirit Business and periodic continuing individual advice, consultation and assistance. (Franchise Agreement – Section 6.1(d)).

Advertising Programs

We reserve the right to require you to spend certain amounts (see Note 2 of Item 6 of this disclosure document for specific information) on a quarterly basis for advertising, promotional and marketing programs that we have approved. We reserve the right to require you to spend five percent (5%) of your Gross Revenues on local and regional advertising, promotion and marketing. Except for your obligations (1) to advertise and market in your local and regional area, (2) to pay us the Advertising Production Contribution (as defined below), if required by us, and (3) to participate in the national advertising program, if one is established, you are free to determine how to spend your annual advertising expenditures, subject to our approval. We do not currently provide you with marketing and advertising plans and programs but may in the future. If so, you will be required to use them. Any other marketing plans and programs that you intend to use must first be approved by us.

We use the services of various outside advertising agencies to assist its own in-house staff in producing advertising for the AmSpirit System. Currently, we produce copy for advertising materials for dissemination by newspapers, magazines, flyers, and direct mail. As they become available, all of these are made available to our franchisees free of charge. Subject to the requirement that all advertising materials must be approved in advance by us, you are also free to prepare your own materials and to contract with advertising agencies of your choice.

We reserve the right to require AmSpirit franchisees to contribute 1/2 percent (0.5%) of monthly Gross Revenues as an "Advertising Production Contribution". The fund in which the Advertising Production Contributions are placed is administered by us and will be used solely for the purposes of administering our advertising program, advising franchisees regarding advertising and promotion, producing advertising and promotional materials for use by all AmSpirit Businesses, payment of outside consultants retained by us in connection with the advertising and promotional program, and reimbursement of our costs of administering the advertising program as we reasonably estimate, including expenses of salary and office overhead related thereto. The fund's unaudited financial statements will be available for review by you. There is no plan to create this fund at this time. If and when a fund is created, we will not be obligated to spend money on advertising in your designated territory. Advertising Production Contributions must be paid at the same time and in the same manner as the royalties. We may in turn pay all or part of the Advertising Production Contributions to our Affiliate for its services to us in fulfilling our obligations with respect to advertising and promotion. If a separate entity is subsequently established to administer a national advertising program, we may at our option assign our rights and obligations including the right to receive the Advertising Production Contributions to this entity. We do

not plan to spend funds received from Advertising Production Contributions for advertising that is primarily a solicitation for the sale of franchises.

Currently all AmSpirit Business advertising is done on a local basis. There are no media area advertising cooperatives at the present time. We have the right to implement a national advertising program and to require you and all other AmSpirit franchisees to contribute up to two and one-half percent (2.5%) of your monthly Gross Revenues to the national advertising program, but have no present intent to do so in the foreseeable future. The media in which the advertising for a national advertising program may be disseminated and the coverage of such media have not yet been determined. We would likely utilize the services of an outside advertising agency for a national advertising program, but this has not yet been determined. The national advertising program, if established, would be administered by us. We have no current plans to audit the national advertising program if one is established or to make financial statements pertaining to such a program available for review by franchisees. We would plan to make summaries of categories and amounts of expenditures in connection with the program available to franchisees. If a national advertising program is created, we will not be obligated to spend money on advertising in your designated territory. If a national advertising program is established, a franchisee can obtain an accounting of advertising expenditures for such program by providing a written request to our President. We could, potentially, receive payment from advertising program funds for goods and services that it provides to the national advertising program. Any amounts received by the national advertising program and not spent by the program during a year would typically be carried over from year to year. We would not plan to spend funds received for the national advertising program for advertising that is primarily a solicitation for the sale of franchises.

If we or the owners of a majority of the AmSpirit Businesses in your media area determine that a cooperative media area advertising program should be formed, you are required to participate in and pay your pro rata share for that cooperative advertising program. In such event, all AmSpirit franchisees who have AmSpirit Businesses in the media area must participate in the cooperative. In addition, if we were to have a company-owned AmSpirit Businesses in the media area, we must participate on the same terms as the franchisees. The media area will be determined by us based upon the number and sizes of businesses in the geographic area. The amount of funding required to operate the cooperative is determined by the members of the cooperative. Each member's pro rata share is determined by the members of the cooperative and varies depending upon the media used. For example, for print media the pro rata share is generally determined based upon the percentage that the number and sizes of businesses in each franchisee's Franchised Area bears to the total number and sizes of businesses in the total media area.

Each cooperative is free to adopt its own bylaws and is self-administered. We expect that all cooperatives will operate on a one AmSpirit Business equals one-vote basis. It is our position that each cooperative should operate from written governing documents and make them available to members of the cooperative. In the event of disputes that cannot be amicably resolved by the members of the cooperative, we reserve the right to resolve the dispute. We do not require cooperatives to prepare or submit periodic financial statements, although they are free to do so. If cooperatives do prepare financial statements, we do not require them to make those statements available to franchisees, although we would encourage them to do so. We have the power to require cooperatives to be formed, changed, dissolved or merged.

Unless we are a member of an advertising cooperative in your media area, we have no obligation to spend any money for advertising in that area.

We have not appointed an advertising council composed of franchisees that advises us on advertising policies.

Along with the general requirement that all advertising materials must be approved in advance by us, there are additional advertising restrictions on your use of the Internet, Web pages or email. The Franchise Agreement requires you to recognize that the Web site located at www.amspirit.com is the only authorized AmSpirit Business Connections site, that you disclose to us all Web sites owned, registered to or operated by you that are related to the franchised business and, if we decide to request it, transfer the registration of the domain names associated with these Web sites to us, and that you not reserve, register, use or maintain any Web sites that are related to the franchised business.

Other than as described above, you are not required to participate in any other advertising fund.

Computer System & Communications Equipment

You must purchase and use in your AmSpirit Business a computer system, including hardware and software, meeting specifications. Provided that you have existing computer hardware that meets our specifications, you may use that computer hardware in your AmSpirit Business. We estimate that it will cost you approximately \$1,200 to \$1,500 to purchase the computer system. Your computer system will be used to store data and general business information and to access information that we make available only to franchisees over the Internet. We do not require you to provide us with independent access to the information on your computer system.

You must license, at your expense, Microsoft Windows Professional and Microsoft Office Professional. We are not aware of the availability of any support programs for this software. You must upgrade or update any software as we prescribe for your use during the term of the Franchise Agreement whenever these upgrades or updates become available. In the event that your computer system hardware or software must be replaced, upgraded or updated to enable your computer to run any required software, you must implement that replacement, upgrade or update. There are no contractual limitations on the frequency and costs of these obligations.

You must purchase at your own expense all computer system maintenance, repairs, replacement, upgrades or updates. Neither we nor our Affiliate is required to provide you with any ongoing maintenance, repairs, upgrades or updates. Your area directors must also use the computer hardware and software when providing services to you or your Chapter members. We estimate that your annual cost of optional or required maintenance, repairs, support contracts, upgrades and updates will be between \$500 and \$1,000 during your first year of operation. There is no limitation on the frequency or cost of your maintenance, repairs, upgrade and update obligations.

You must establish and maintain an e-mail account with a reputable e-mail service provider which meets the specifications we provide periodically and you must provide us with that e-mail address. You must also have access to and maintain an account with a reputable Internet service provider. Broadband Internet service is required. If broadband Internet service is not available in your area, the highest available speed dial up service is required. You must maintain a facsimile machine and maintain a separate telephone line for your facsimile machine and provide us with that telephone number. You must also purchase or lease and carry with you at all times during the operation of your AmSpirit Business a cellular telephone meeting our specifications or other specifications that we may communicate to you. You must sign a service agreement with a reputable cellular telephone service provider acceptable to us that operates within your area to provide cellular telephone service.

We are not obligated to provide, or to assist you in obtaining, any of the described items or services.

Operations Manual

As described above, we provide to you, one or more copies of our Operations Manual. We may provide you access to the Operations Manual through our website instead of in a paper copy. This Manual contains both mandatory and suggested specifications, standards, operating procedures and rules prescribed from time to time by us, as well as information relative to your other obligations under the Franchise Agreement and the operation of the AmSpirit System.

As of the original issuance date of this disclosure document, the table of contents of our Operations Manual and the number of pages (out of a total of 1,143 pages) on each subject within the Operations Manual is as follows:

AMSPIRIT BUSINESS OPERATIONS MANUAL TABLE OF CONTENTS

<u>Subject</u>	<u>Number of Pages</u>
Director Training Program Manual	46
Chapter Training Programs	205
Community Training Programs	10
Director & Chapter Support Materials	
• Administrative	186
• Marketing	30
Business Connector Quarterly	54
Director Development Shorts	612

The Operations Manual must remain confidential and is our property. We will have the right to add to and otherwise modify the Operations Manual periodically as it deems necessary, provided these additions or modifications will not alter your fundamental status and rights under the Franchise Agreement.

Business Location Selection

It is your responsibility to identify a proposed site from which your AmSpirit Business will be operated. Your AmSpirit Business may be operated out of any location, including your home or business, provided that it is reasonably acceptable to us. We do not select a business location for you and we are not required to provide any assistance to you in selecting a location. We do not assist you in conforming the business location to local ordinances and building codes and/or obtaining any required permits. We are not responsible for constructing, remodeling or decorating the business location.

Time Before Opening

We estimate that the typical length of time between the execution of the Franchise Agreement and opening for business of your AmSpirit Business is, in most cases, less than six months, but this period could be shorter depending upon several factors. Factors affecting the length of time usually include obtaining any financing arrangements with third parties that you wish to obtain. In the event that you fail to open and commence business operations at your AmSpirit Business immediately after satisfactorily completing training, we will have the right, in our sole discretion to terminate the Franchise Agreement. Commencement of business operations generally includes beginning actively to recruit members to form one or more Chapters.

Training

As noted above, we provide a training program for you and up to three other persons. As of the original issuance date of this disclosure document, the training program is as follows:

TRAINING PROGRAM

Subject	Hours of Classroom Training*	Hours of On the Job Training*	Location
Review of Director Development Shorts and Other Online Materials	Not applicable	Not applicable	Online, Electronic Communications and Platforms
Introduction to AmSpirit Business Connections, Welcome, History, Philosophy and Attitude of a Successful Director	1 Hour	Ongoing	Online, Electronic Communications and Platforms
The Attitude of a Successful Director	1 Hour	Ongoing	Online, Electronic Communications and Platforms
The Chapter Meeting Module	4 Hours	Ongoing	Online, Electronic Communications and Platforms
Chapter Officers Module	4 Hours	Ongoing	Online, Electronic Communications and Platforms
General Operations Module	2 Hours	Ongoing	Online, Electronic Communications and Platforms
Recruiting Members & Starting a New Chapter Module	6 Hours	Ongoing	Online, Electronic Communications and Platforms
The Leadership Module	2 Hours	Ongoing	Online, Electronic Communications and Platforms
Director Resources Module	2 Hours	Ongoing	Online, Electronic Communications and Platforms
Chapter & Community Training Program Module	8 Hours	Ongoing	Online, Electronic Communications and Platforms

* The hours of classroom training and on the job training are estimates, and more or less training may be necessary to gain proficiency in the various subject areas depending upon your prior experience with these subject areas.

The training instructors have the following numbers of years of experience in the subjects for which they will provide instruction and the following number of years experience with us, respectively: Frank Agin (24 years/16 years).

The training sessions, whether initial training programs or additional mandatory training sessions or programs, will be conducted as often as required and, except as noted below, will be presented at our expense. Neither you nor your employees or area directors will receive any compensation from us while participating in training. We may conduct your training in conjunction with training for other franchisees, other franchisee's area directors or employees, and/or AmSpirit Area Directors of ours or our Affiliate. Training materials consist of the AmSpirit Operations Manual and other manuals and training aids and videos adopted or revised by AmSpirit from time to time. At our discretion, training may be provided online, via electronic communications or platforms, or at a location determined by us (most likely in the central Ohio area).

All franchisees and any managers and area directors of franchised AmSpirit Businesses must successfully complete the initial training program within the time period agreed upon by the parties at the time of the signing of the Franchise Agreement and prior to opening the AmSpirit Business. As of the original issuance date of this disclosure document, initial training is held approximately four times a year. If the franchisee is a business entity, the franchisee's principal owner must attend the initial training.

Periodically, and on an as-needed basis, we may provide mandatory follow-up training sessions and programs that you, the manager of your franchised AmSpirit Business and/or your area directors, or other employees must attend. As of the original issuance date of this disclosure document, AmSpirit has not required its franchisees to attend mandatory training sessions or programs.

As of the original issuance date of this disclosure document, we provide optional self-directed weekly training programs via electronic communications or platforms. We have the right to stop offering this training at any time, and we have the right to require you to participate in these training sessions.

In connection with training provided by us after the initial training program, whether mandatory or optional, presented in-person or through electronic communications or platforms, we have the right to charge you a tuition fee for each attendee at the training. If we require you, your managers, area directors or employees to attend in-person training of any type, you are responsible for the costs of travel, lodging and meals for all of your training attendees.

ITEM 12. TERRITORY

You must operate your AmSpirit Business office at a specific location within the Franchised Area unless we agree, in our discretion, to allow you to operate it elsewhere. You may not relocate your AmSpirit Business office without our prior written consent. We generally only consent to relocations within the Franchised Area.

Your AmSpirit franchise will be granted for a non-exclusive Franchised Area. You will not receive an exclusive territory. You may face competition from other franchisees, from outlets that we own, or from other channels of distribution or competitive brands that we control. We have the right to grant other AmSpirit Business franchises and/or to operate one or more company-owned AmSpirit Businesses from or at any location inside or outside of your Franchised Area at any time. By signing the Franchise Agreement, you consent to your Franchised Area. We may not modify this Franchised Area without your written approval. You are obligated to offer the AmSpirit System under the Marks continuously throughout each year during the term of your Franchise Agreement.

You may not, without our written consent, provide AmSpirit Business services to Chapters that meet outside of your Franchised Area. You must hold your Chapter meetings within your Franchised Area, unless we agree, in our discretion, to allow you to hold your meetings outside of your Franchised

Area. Individuals living or working at locations outside of your Franchised Area may join your Chapter located within your Franchised Area, and you are not restricted from soliciting customers, regardless of who they are or where they reside (including customers who reside outside of your Franchised Area), whether directly or through other channels such as the Internet, telemarketing or other direct marketing; however, if we allow you to hold your Chapter meetings on-line or via electronic communications or platforms, we may limit the size of the geographic area in which the Chapter members who live or work outside of your Franchised Area can be located.

Except as described in the preceding paragraph with respect to Chapters that meet on-line or via electronic communications or platforms, there are no restrictions on us or other franchisees (or our existing licensees) from soliciting customers, regardless of the customers' locations, whether directly or through other channels such as the Internet, telemarketing or other direct marketing. You will not receive any compensation from any sales made by us or other AmSpirit franchisees (or licensees) to customers located within your Franchised Area.

We have the right to develop, use and franchise the rights to any trade names, trademarks, service marks, trade symbols, emblems, signs, slogans, insignia or copyrights not designated by us as rights licensed to AmSpirit franchises for use with similar or different franchise systems for the sale of similar or different products or services other than in connection with the AmSpirit System at any location within or outside of any Franchised Area on the terms and conditions that we deem advisable. Although we retain this right, other than otherwise disclosed in this Item 12, we have no current plans to exercise it.

The Franchise Agreement does not grant to you options, rights of first refusal or similar rights to acquire additional franchises within the Franchised Area or within contiguous areas to the Franchised Area, and you will not be provided these rights except in a separate written agreement.

ITEM 13. TRADEMARKS

You are licensed to use the following trademarks, service marks, trade names, logos and symbols (referred to in Item 13 as the "Mark") in the operation of your AmSpirit Business in accordance with the terms of your Franchise Agreement. The Mark is owned by AmSpirit Holding Company and is the subject of a license agreement between AmSpirit Holding Company and us.

The following Mark is registered on the Principal Register of the United States Patent and Trademark Office ("USPTO") and, as of the original issuance date of this disclosure document, all Affidavits of Use required to be filed under Section 8 of the Lanham Trademark Act and all renewal registrations to maintain the registrations of this Mark have been filed:

Mark:	"AMSPIRIT"
For Use With:	Business networking; business networking referral services, namely, promoting the goods and services of others by passing business leads and referrals among group members.
	Clothing; namely shirts, t-shirts, sweatshirts, golf shirts, pants, short pants, sweatpants, leisure pants, hats, jackets, coats, socks, gloves, mittens and athletic shoes.
Registration No.:	3082820
Registration Date:	April 18, 2006
Renewal Date:	April 18, 2016

In addition, we believe that we have common law rights in the Mark in those areas in which the Mark has been used.

There are no currently effective material determinations of the USPTO, USPTO Trademark Trial and Appeal Board, or the trademark administrator of any state or any court, nor any pending infringement, opposition or cancellation proceedings, nor any pending material litigation involving the Mark. In addition, there are no agreements currently in effect that significantly limit the rights of us to use or license the use of the Mark in a manner material to the franchise.

In the Franchise Agreement, you acknowledge and agree that your license to use the Mark is nonexclusive and limited to their use in connection with the business operations of your AmSpirit Business, and that we have retained the rights, among others, to grant other licenses for the use of the Mark outside your Franchised Area, in addition to those licenses granted to you and to other AmSpirit franchisees.

You must use the Mark in full compliance with the Franchise Agreement, the Operations Manual and reasonable rules prescribed periodically by us. You are prohibited from using the Mark as part of any corporate or other legal name without our prior written consent. You must, except as prohibited by applicable law, operate your AmSpirit Business only under the Mark designated by us for that purpose without any prefix, suffix or other modifying words, terms, designs or symbols without our prior written consent. In addition, you may not use the Mark in connection with the sale of any unauthorized product or service or in any manner not authorized in writing by us. You must submit to us samples of all advertising and other materials to be used by you upon which the Mark appears. You must use the symbol “®”, “SM”, “TM” or other symbols or words as we may designate to protect the Mark in all printed or other advertising materials and upon all printed surfaces (such as your vehicles) upon which the Mark appears. You may not contest, directly or indirectly, the ownership, title, right or interest of us in the Mark(s) that are a part of the AmSpirit System. Upon the termination or expiration of the Franchise Agreement, you must immediately discontinue all use of the Mark, remove all copies of the Mark from your business premises and vehicles, and take all necessary steps to assign to us all trade names, trademarks and service marks that you have used or registered during the term of the Franchise Agreement.

You may not permit any third party to print the Mark on any products, materials, documents or supplies used by you in your AmSpirit Business without our prior consent and without causing the third party to sign a license agreement with us.

The Franchise Agreement does not obligate us to protect your use of the Mark or protect you against claims of infringement of unfair competition arising out of your use of the Mark. You must promptly notify us of any use of, or claim of right to, the Mark or any colorable variation of the Mark and any litigation instituted by any third party against us or you involving the Mark. The Franchise Agreement does not require us to take affirmative action when notified of these uses or claims. We may, in our sole discretion, undertake the defense, prosecution or settlement of any litigation relating to the Mark. If we do so, you are required to sign documents and to render assistance as is reasonably necessary in our opinion to carry out the defense, prosecution or settlement. We have the right to control any administrative proceedings or litigation involving the Mark. The Franchise Agreement does not require us to participate in your defense and/or to indemnify you for expenses or damages if you are a party to an administrative or judicial proceeding involving the Mark, or if a proceeding involving the Mark is resolved unfavorably to you.

If we discontinue or modify the Mark, we may require you to discontinue or similarly modify your use of that Mark. Your rights under the Franchise Agreement will continue so long as you

implement the modification or discontinuance of the Marks as required by us. If you fail to comply with this requirement, we have the right to terminate the Franchise Agreement.

We do not know of any superior prior rights or infringing uses that could materially affect your use of the Mark in the state where your franchise will be located.

ITEM 14. PATENTS, COPYRIGHTS AND PROPRIETARY INFORMATION

We do not currently own any patents or copyrights that are material to the AmSpirit franchise. We do not currently have any pending patent applications that are material to the AmSpirit franchise. However, we do own proprietary rights in the AmSpirit System. The AmSpirit Business Connections Operations Manual and various other bulletins and directives, which we publish to our franchise system periodically and which relate to the standards, procedures and specifications of the AmSpirit System and to the operation of a AmSpirit Business, are proprietary and confidential. We grant you a limited license to use certain copyrighted materials in the operation of your AmSpirit Business. These copyrights are owned by our Affiliate and are the subject of a license agreement between us and our Affiliate. These copyrights are not registered with the United States Copyright Office, however, we believe they are subject to copyright protection under federal copyright law.

We grant you a limited license to use our trade secrets and proprietary know-how relating to the operation of your AmSpirit Business (the “Confidential Information”). You acquire no interest in the Confidential Information provided to you other than the right to utilize it in development and operation of your AmSpirit Business in accordance with and during the term of the Franchise Agreement. You are also obligated to treat the contents of the Operations Manual as confidential. You are prohibited from disclosing, copying, duplicating, recording, reproducing or otherwise making available the contents of the Operations Manual to any unauthorized person without our consent.

You must promptly notify us of any use of, or claim of right to, the Confidential Information and any litigation instituted by any third party against us or you involving the Confidential Information. The Franchise Agreement does not require us to take affirmative action when notified of these uses or claims. We may, in our sole discretion, undertake the defense, prosecution or settlement of any litigation relating to the Confidential Information. If we discontinue or modify any of the Confidential Information, we may require you, at your expense, to discontinue or similarly modify your use of that Confidential Information.

Article 9 of the Franchise Agreement provides that the Confidential Information is confidential and a trade secret of ours and is disclosed to you under the conditions that you:

- (a) will not use the Confidential Information in any business or capacity other than with the AmSpirit System;
- (b) will maintain the confidentiality of the Confidential Information;
- (c) will not use the Confidential Information for the benefit of any third party; and
- (d) will restrict disclosure of the Confidential Information to your employees who need access to it in order to operate your AmSpirit Business.

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

Although we strongly recommend your personal participation, you are not required to participate personally in the actual operation of the franchised AmSpirit Business if your AmSpirit Business is under the direct supervision of a manager that we approve of or we have approved in writing another person proposed by you. You are also obligated to attend and satisfactorily complete the initial training program disclosed in Item 11 of this disclosure document. Typically, an AmSpirit Business is operated by an AmSpirit franchisee on a part-time basis. While you may devote your full time efforts to operating your AmSpirit Business, you are not required to do so. Your AmSpirit Business must be under your direct supervision or that of a trained competent manager. You may use the services of an area director to oversee and manage your Chapters. Your manager and area directors must complete the initial training program to our satisfaction. Managers and area directors used by you after the opening of your AmSpirit Business may, subject to reasonable limitations prescribed by us and at your expense for room, meal, living and travel costs, enroll in training programs conducted by us.

You must acknowledge that certain confidential information is confidential, proprietary and a trade secret of ours. Additionally, we require you and your officers and directors or primary owners to sign with us a Non-Disclosure, Customer Non-Solicitation and Non-Competition Agreement. If you have employees, we require you and your employees to sign an Employee Non-Disclosure, Customer Non-Solicitation and Non-Competition Agreement. If you use the services of an independent contractor to act as your area director, we require you and the area director to sign an Independent Contractor Area Director Agreement, which includes non-disclosure, customer non-solicitation and non-competition provisions. Each of the non-disclosure, customer non-solicitation and non-competition agreements described above are included in Exhibit F of this disclosure document.

Other than as described above, there are no limitations on whom you can hire as the manager or area director of your AmSpirit Business. The manager or area director of your AmSpirit Business is not required to have any amount of equity interest in the franchised AmSpirit Business.

An individual franchisee who decides to form a corporation, limited liability company or other business entity to operate his or her AmSpirit Business must sign a personal guaranty of the entity's obligations to us (see Exhibit C of this disclosure document).

ITEM 16. RESTRICTIONS ON WHAT THE FRANCHISEE MAY SELL

You may provide only those services and goods approved by us as a part of or for use in connection with the AmSpirit System and operation of the AmSpirit Business. You must provide all of the services and products necessary to constitute the AmSpirit System. You may request our approval for the sale of certain services and products not designated for general use as part of the AmSpirit System, and we will consider these requests based upon your individual qualifications, local or regional differences between franchisees and test marketing. You must discontinue selling or offering for sale any services or products that we may, in our sole discretion, disapprove in writing from time to time. We have the right to add to, discontinue or modify the required services and products at our discretion. There are no limits on this right to make changes.

As described in Item 12 of this disclosure document, you may not provide the AmSpirit Business services to Chapters meeting outside your Franchised Area without our prior written consent

We have the right to add to, discontinue or modify required services, products and procedures at our discretion. There are no limits on this right to make changes.

See Item 12 of this disclosure document for additional information.

ITEM 17. RENEWAL, TERMINATION, TRANSFER AND DISPUTE RESOLUTION

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.

Franchise Agreement

Provision	Section in Franchise Agreement	Summary
a. Length of the franchise term	Section 2.1	The term continues for ten (10) years, unless terminated earlier as permitted by the terms of the Franchise Agreement.
b. Renewal or extension of the term	Section 2.2	Franchisee may, at its option, renew the Agreement for a total of two (2) additional renewal terms of ten (10) years each.
c. Requirements for franchisee to renew or extend	Section 2.2	Franchisee may renew, provided that at the end of the initial term and each renewal term Franchisee: gives written notice not more than 180 days, nor less than 90 days prior to the end of the then-current term; is not in default under any provision of the Franchise Agreement; signs our then-current form of the Franchise Agreement (which may have materially different terms, including increased royalty fees, advertising fees and advertising expenditure requirements and a different Franchised Area); grants a general release of all claims against us through the date of renewal (see form of General Release of All Claims in Exhibit L of this disclosure document); complies with then-current training requirements; and pays the renewal fee. (See State Addenda) The term renewal means that the franchise relationship is extended for an additional term of years under our then-current form of Franchise Agreement, which may have materially different terms and conditions than your original contract.
d. Termination by franchisee	Not Applicable	Not Applicable
e. Termination by franchisor without cause	Not Applicable	Not Applicable
f. Termination by franchisor with cause	Sections 13.1 and 13.2	We may terminate the Franchise Agreement upon your default.
g. "Cause" defined – curable defaults	Sections 13.1 and 13.2	Defaults that can be cured include: misuse of the AmSpirit System, licensed rights or marks or other actions that impair the goodwill associated with these; your failure to make any payment to us when due; your failure to furnish us with any report or information required by the Franchise

Provision	Section in Franchise Agreement	Summary
		Agreement; your failure to operate the AmSpirit Business in compliance with the Franchise Agreement and Operations Manual; your failure to perform and observe any provision of any lease or sublease covering the Premises; your failure to perform in compliance with any provisions of the Franchise Agreement or other agreement to which you and we are parties; your abandonment of the AmSpirit Business by failing to operate the business for sixty (60) consecutive days; and failure by your executor to comply with Section 12.5 of the Franchise Agreement.
h. “Cause” defined – non-curable defaults	Sections 13.1 and 13.2	Non curable defaults include: failure to open AmSpirit Business within the time frame specified in Section 7.7 of the Franchise Agreement or failure to satisfy the Development Obligation as specified in Section 1.5 of the Franchise Agreement; failure to satisfactorily complete the initial training program; termination or expiration of the lease or sublease covering the premises; any assignment for the benefit of creditors, if not dismissed within fifteen (15) days; failure, for ten (10) days after receipt of notification of noncompliance, to comply with any federal, state or local law or regulation; any attempted transfer in violation of Article 12 of the Franchise Agreement; material misrepresentation relating to the acquisition of the franchise or conduct reflecting materially and unfavorably upon the AmSpirit System; seizure or foreclosure of the franchised business by government official, creditor, lienholder or lessor, if not dismissed within thirty (30) days; your conviction of a felony or any other crime involving moral turpitude; determination by us that continued operation will result in immediate danger to public health or safety and the default is not cured within three (3) days after notice; and your or any of your employees’ breach of Section 10.1 and/or Section 9.2 of the Franchise Agreement resulting in the disclosure of the Operations Manual to any third party.
i. Franchisee’s obligations on termination/non-renewal	Sections 14.1 and 14.4	Obligations include cessation of operation of franchised AmSpirit Business; cessation of use of AmSpirit System and the Marks and advertising; complete deidentification of the Franchised AmSpirit Business; return of all AmSpirit manuals; customer lists and records in all forms of media; transfer of all telephone numbers and lines and classified listings to us; payment to us of all amounts owed; and keep confidential all information that you acquired through operation of your AmSpirit Business. (See also r. below).
j. Assignment of contract by franchisor	Section 12.1	We have the right to assign our rights and obligations under the Franchise Agreement to anyone assuming our

Provision	Section in Franchise Agreement	Summary
		obligations under the Franchise Agreement.
k. "Transfer" by franchisee – definition	Section 12.2	A transfer includes any sale, assignment, transfer, pledge or encumbrance under the Franchise Agreement, the franchise, or any ownership in the franchise.
l. Franchisor's approval of transfer by franchisee	Section 12.2	We will not unreasonably withhold our consent to a transfer by you, but will have the right to approve the transfer.
m. Conditions for franchisor's approval of transfer	Section 12.2	You have paid all of your obligations to us; your right to receive payment for any interest in the franchised AmSpirit Business is made subordinate to our right to receive all outstanding monetary obligations under the Franchise Agreement; you sign a release of all claims against us (see form of General Release of All Claims in Exhibit L of this disclosure document); new franchisee enters into assumption agreement and agrees to repair, refurbish and update the AmSpirit Business and its furnishings; new franchisee meets our qualifications; current Franchise Agreement signed by new franchisee; new franchisee and its managers successfully complete initial training program; and transfer fee paid. (See State Addenda) (See also n. and r. below).
n. Franchisor's right of first refusal to acquire your business	Section 12.4	We can match any offer for your business.
o. Franchisor's option to purchase your business	Not Applicable	Not Applicable
p. Death or disability of franchisee	Section 12.5	Executor must notify us within fifteen (15) days of death or disability of election to transfer and franchise must be transferred by estate to approved franchisee within six (6) months, and executor must retain a manager approved by us to manage and operate the franchised AmSpirit Business from the date of election until the date of transfer. Transfer is subject to usual conditions of transfer. Following your death, AmSpirit may operate your AmSpirit Business until your estate and AmSpirit reach a resolution as to whether your AmSpirit Business may be continued, and, if so, who may operate the AmSpirit Business after your death.
q. Non-competition covenants during the term of the franchise	Section 7.12	No involvement in competing business.
r. Non-competition covenants after the franchise is terminated or expires	Section 14.3	No competing business for two (2) years within the Franchised Area or the Franchised Areas of other AmSpirit franchisees or within the markets of Company owned AmSpirit Businesses. (See State Addenda)
s. Modification of the agreement	Sections 9.3 and 17.1	No modifications generally unless in writing signed by both parties, but AmSpirit System and Operations Manual

Provision	Section in Franchise Agreement	Summary
		subject to change by us in our sole discretion.
t. Integration/merger clause	Section 17.1	Only the terms of the Franchise Agreement and other related written agreements are binding (subject to applicable state law). However, nothing in the Franchise Agreement, or any related agreement, is intended to disclaim the representations made in the franchise disclosure document that we provided to you. Any representations or promises outside of this disclosure document and the franchise agreement may not be enforceable.
u. Dispute resolution by arbitration or mediation	Not Applicable	Not Applicable
v. Choice of forum	Section 15.2	Subject to applicable state law, litigation must be filed in Franklin County, Ohio or the Southern District of Ohio. (See State Addenda)
w. Choice of law	Section 17.3	Subject to applicable state law, Ohio law applies. (See State Addenda)

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.

Installment Promissory Note

Provision	Section in Installment Promissory Note	Summary
a. Length of the franchise term	Paragraph 2	The term of the Note shall be from the date you sign the Note through the date that you pay the final installment due under the Note.
b. Renewal or extension of the term	Not Applicable	Not Applicable
c. Requirements for franchisee to renew or extend	Not Applicable	The term renewal means that the franchise relationship is extended for an additional term of years under our then-current form of Franchise Agreement, which may have materially different terms and conditions than your original contract.
d. Termination by franchisee	Not Applicable	Not Applicable
e. Termination by franchisor without cause	Not Applicable	Not Applicable
f. Termination by franchisor with cause	Paragraph 6	Upon default, we, or any holder of the Note, have the right to accelerate the entire principal sum of the Note remaining unpaid, together with all accrued interest.

Provision	Section in Installment Promissory Note	Summary
g. "Cause" defined – curable defaults	Paragraph 6	Defaults that can be cured include failure to pay any installment when due and payable.
h. "Cause" defined – non-curable defaults	Not Applicable	Not Applicable
i. Franchisee's obligations on termination/non-renewal	Paragraph 7	Obligations include payment of the entire principal sum remaining unpaid, together with all accrued interest.
j. Assignment of contract by franchisor	Not Applicable	Not Applicable
k. "Transfer" by franchisee – definition	Not Applicable	Not Applicable
l. Franchisor's approval of transfer by franchisee	Not Applicable	Not Applicable
m. Conditions for franchisor's approval of transfer	Not Applicable	Not Applicable
n. Franchisor's right of first refusal to acquire your business	Not Applicable	Not Applicable
o. Franchisor's option to purchase your business	Not Applicable	Not Applicable
p. Death or disability of franchisee	Paragraph 6	If your business is not a corporation, limited liability company or partnership, default automatically occurs upon your death or disability.
q. Non-competition covenants during the term of the franchise	Not Applicable	Not Applicable
r. Non-competition covenants after the franchise is terminated or expires	Not Applicable	Not Applicable
s. Modification of the agreement	Not Applicable	Not Applicable
t. Integration/merger clause	Not Applicable	Not Applicable
u. Dispute resolution by arbitration or mediation	Not Applicable	Not Applicable
v. Choice of forum	Not Applicable	Not Applicable
w. Choice of law	Not Applicable	Not Applicable

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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.

Asset Purchase Agreement

Provision	Section in Asset Purchase Agreement	Summary
a. Length of the franchise term	Not Applicable	Not Applicable
b. Renewal or extension of the term	Not Applicable	Not Applicable
c. Requirements for franchisee to renew or extend	Not Applicable	The term renewal means that the franchise relationship is extended for an additional term of years under our then-current form of Franchise Agreement, which may have materially different terms and conditions than your original contract.
d. Termination by franchisee	Not Applicable	Not Applicable
e. Termination by franchisor without cause	Not Applicable	Not Applicable
f. Termination by franchisor with cause	Not Applicable	Not Applicable
g. “Cause” defined – curable defaults	Not Applicable	Not Applicable
h. “Cause” defined – non-curable defaults	Not Applicable	Not Applicable
i. Franchisee’s obligations on termination/non-renewal	Not Applicable	Not Applicable
j. Assignment of contract by franchisor	Not Applicable	Not Applicable
k. “Transfer” by franchisee – definition	Not Applicable	Not Applicable
l. Franchisor’s approval of transfer by franchisee	Not Applicable	Not Applicable
m. Conditions for franchisor’s approval of transfer	Not Applicable	Not Applicable
n. Franchisor’s right of first refusal to acquire your business	Not Applicable	Not Applicable
o. Franchisor’s option to purchase your business	Not Applicable	Not Applicable
p. Death or disability of franchisee	Not Applicable	Not Applicable

Provision	Section in Asset Purchase Agreement	Summary
q. Non-competition covenants during the term of the franchise	Not Applicable	Not Applicable
r. Non-competition covenants after the franchise is terminated or expires	Not Applicable	Not Applicable
s. Modification of the agreement	Section 5.02	No modifications unless in writing and signed by both parties.
t. Integration/merger clause	Section 5.08	The Asset Purchase Agreement and related instruments, as well as the Franchise Agreement and other related documents and agreements, constitute the entire agreement between the parties and supersede all prior written agreements and understandings, oral or written, between the parties. However, nothing in the Asset Purchase Agreement, Franchise Agreement, or any related agreement, is intended to disclaim the representations made in the franchise disclosure document that we provided to you.
u. Dispute resolution by arbitration or mediation	Not Applicable	Not Applicable
v. Choice of forum	Section 5.9	Subject to applicable state law, litigation must be filed in Franklin County, Ohio or the Southern District of Ohio. (See State Addenda.)
w. Choice of law	Section 5.9	Subject to applicable state law, Ohio law applies. (See State Addenda.)

ITEM 18. PUBLIC FIGURES

We do not use any public figure to promote the AmSpirit franchise.

ITEM 19. FINANCIAL PERFORMANCE REPRESENTATIONS

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

We do not make any representations about a franchisee's future financial performance or the past financial performance of company-owned or franchised outlets. We also do not authorize our employees or representatives to make any such representations either orally or in writing. If you are purchase 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 AmSpirit Franchise Corporation, Attn.: Frank J. Agin, President, P.O. Box 30724, Columbus, OH 43230-0724, (888) 267-7474 or (614) 476-5540, the Federal Trade Commission, and the appropriate state regulatory agencies.

ITEM 20. OUTLETS AND FRANCHISEE INFORMATION

A list of AmSpirit franchisees and the addresses and telephone numbers of their franchises are included in Exhibit H to this disclosure document. As of the original issuance date of this disclosure document, AmSpirit Franchise Corporation does not operate any company-owned AmSpirit Businesses and does not intend to open any company-owned AmSpirit Businesses during 2023, and our Affiliate, AmSpirit Business Connections, Inc., operates one AmSpirit Business with eleven (11) Chapters located in Ohio and one (1) Chapter located in Florida. Disclosures in Item 20 regarding company-owned outlets refer to the AmSpirit Business operated by our Affiliate, AmSpirit Business Connections, Inc.

Following is information on AmSpirit franchises as of the end of its 2020, 2021 and 2022 fiscal years:

**ITEM 20 TABLE NO. 1
SYSTEMWIDE OUTLET* SUMMARY
FOR FISCAL YEARS 2020/2021/2022**

Column 1	Column 2	Column 3	Column 4	Column 5
Outlet Type	Year	Outlets at the Start of the Year	Outlets at the End of the Year	Net Change
Franchised*	2020	15	15	0
	2021	15	17	+2
	2022	17	19	+2
Company Owned**	2020	1	1	0
	2021	1	1	0
	2022	1	1	0
Total Outlets	2020	16	16	0
	2021	16	18	+2
	2022	18	20	+2

* The number of Franchised outlets represents the number of franchises sold and not the total number of AmSpirit Chapters that may be in operation.

** The number of Company-owned outlets represents the AmSpirit Business operated by AmSpirit Business Connections, Inc. and not the total number of AmSpirit Business Connections, Inc.’s AmSpirit Chapters that may be in operation..

Following is information on transfers of AmSpirit Businesses to new owners (other than to us) as of the end of our 2020, 2021 and 2022 fiscal years:

ITEM 20 TABLE NO. 2
TRANSFERS OF OUTLETS* FROM FRANCHISEES TO NEW OWNERS
(OTHER THAN THE FRANCHISOR)
FOR FISCAL YEARS 2020/2021/2022

Column 1	Column 2	Column 3
State	Year	Number of Transfers
South Carolina	2020	0
	2021	0
	2022	1
Total	2020	0
	2021	0
	2022	1

Following is information on AmSpirit franchised Businesses as of the end of our 2020, 2021 and 2022 fiscal years:

ITEM 20 TABLE NO. 3
STATUS OF FRANCHISED OUTLETS
FOR FISCAL YEARS 2020/2021/2022

Column 1	Col. 2	Column 3	Col. 4	Column 5	Col. 6	Column 7	Column 8	Column 9
State	Year	Outlets at Start of Year	Outlets Opened	Terminations	Non-Renewals	Re-acquired by Franchisor	Ceased Operations Other Reasons	Outlets at end of the Year
Arizona	2020	1	0	0	0	0	0	1
	2021	1	0	0	0	0	0	1
	2022	1	0	0	0	0	0	1
Florida	2020	0	0	0	0	0	0	0
	2021	0	1	0	0	0	0	1
	2022	1	0	0	0	0	0	1
Illinois	2020	0	2	0	0	0	0	2
	2021	2	0	0	0	0	0	2
	2022	2	0	0	0	0	0	2
Massachusetts	2020	0	1	0	0	0	0	1
	2021	1	0	0	0	0	0	1
	2022	1	0	0	0	0	0	1
Ohio	2020	8	0	0	0	0	1	7
	2021	7	1	0	0	0	0	8
	2022	8	2	0	0	0	0	10
Pennsylvania	2020	1	0	0	0	0	0	1
	2021	1	0	0	0	0	0	1
	2022	1	0	0	0	0	0	1

Column 1	Col. 2	Column 3	Col. 4	Column 5	Col. 6	Column 7	Column 8	Column 9
State	Year	Outlets at Start of Year	Outlets Opened	Terminations	Non-Renewals	Re-acquired by Franchisor	Ceased Operations Other Reasons	Outlets at end of the Year
South Carolina	2020	1	0	0	0	0	0	1
	2021	1	0	0	0	0	0	1
	2022	1	0	0	0	0	0	1
Texas	2020	1	0	0	0	0	1 ¹	0
	2021	0	0	0	0	0	0	0
	2022	0	0	0	0	0	0	0
Wisconsin	2020	3	0	0	0	0	1	2
	2021	2	0	0	0	0	0	2
	2022	2	0	0	0	0	0	2
Total	2020	15	3	0	0	0	3	15
	2021	15	2	0	0	0	0	17
	2022	17	2	0	0	0	0	19

* The number of Franchised outlets represents the number of franchises sold and not the total number of AmSpirit Chapters that may be in operation.

Company Owned Outlets

Following is information on the company-owned AmSpirit Business (owned by AmSpirit Franchise Corporation's affiliate, AmSpirit Business Connections, Inc.) as of the end of our 2020, 2021 and 2022 fiscal years:

**ITEM 20 TABLE NO. 4
STATUS OF COMPANY-OWNED OUTLETS*
FOR FISCAL YEARS 2020/2021/2022**

Col. 1	Col. 2	Col. 3	Col. 4	Col. 5	Col. 6	Col. 7	Col. 8
State	Year	Outlets at Start of the Year	Outlets Opened	Outlets Re-acquired from Franchisees	Outlets Closed	Outlets Sold to Franchisees	Outlets at end of the Year
Ohio	2020	1	0	0	0	0	1
	2021	1	0	0	0	0	1
	2022	1	0	0	0	0	1

¹ At the request of this franchisee, citing reasons related to the COVID-19 pandemic, AmSpirit allowed this franchisee to be inactive for a portion of AmSpirit's 2020 fiscal year and a portion of AmSpirit's 2021 fiscal year. Later that same year, this franchisee ceased operating entirely. Because this franchisee was already disclosed as a franchisee who ceased operations in 2020, and because this franchisee did not operate during 2021, this franchisee is included in Table 3 above as a franchisee that ceased operations during 2020.

Col. 1	Col. 2	Col. 3	Col. 4	Col. 5	Col. 6	Col. 7	Col. 8
State	Year	Outlets at Start of the Year	Outlets Opened	Outlets Re-acquired from Franchisees	Outlets Closed	Outlets Sold to Franchisees	Outlets at end of the Year
Total	2020	1	0	0	0	0	1
	2021	1	0	0	0	0	1
	2022	1	0	0	0	0	1

* As of the original issuance date of this disclosure document, our Affiliate, AmSpirit Business Connections, Inc., operates an AmSpirit Business in Ohio, with eleven (11) AmSpirit Chapters located in Ohio and one (1) AmSpirit Chapter located in Florida. The number of Company Owned outlets represents the AmSpirit Business operated by AmSpirit Business Connections, Inc. and not the total number of AmSpirit Business Connections, Inc.'s AmSpirit Chapters.

Following is information on our projections for the sale of AmSpirit franchises and the opening of company-owned AmSpirit Businesses during our 2023 fiscal year (January 1, 2023 through December 31, 2023):

**ITEM 20 TABLE NO. 5
PROJECTED OPENINGS AS OF DECEMBER 31, 2022**

Column 1	Column 2	Column 3	Column 5
State	Franchise Agreements Signed but Outlet Not Opened	Projected New Franchised Outlets in the Next Fiscal Year	Projected New Company-Owned Outlets in the Next Fiscal Year
Arizona	0	1	0
California	0	1	0
Connecticut	0	1	0
Florida	0	2	0
Illinois	0	1	0
Indiana	0	1	0
Michigan	0	1	0
New Hampshire	0	1	0
New Jersey	0	1	0
Ohio	0	1	0
Pennsylvania	0	1	0
Texas	0	1	0
Wisconsin	0	1	0
Total	0	14	0

Following is a list of the names, cities and states and current business telephone numbers of franchisees that signed a Franchise Agreement during our most recent fiscal year but have not yet opened a franchised outlet:

None.

Following is a list of AmSpirit franchisees that began operation of an AmSpirit Business after the date of our most recent fiscal year end (December 31, 2022) until the original issuance date of this disclosure document (March 17, 2023):

Florida:

Greater Southwest Florida
Breakthrough Champions, LLC
Matt Ward
3020 50th ST SW
Lehigh Acres, FL 33976

Following is a list of the names, cities and states and current business telephone numbers (or, if unknown, the last known home telephone number) of every franchisee who had an outlet terminated, canceled, not renewed or who 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 before the original issuance date of this disclosure document:

None.

Following is a list of the names, cities and states and current business telephone numbers (or, if unknown, the last known home telephone number) of every franchisee who had an outlet terminated, cancelled, not renewed or who otherwise voluntarily or involuntarily ceased to do business under the Franchise Agreement from the date of our most recently completed fiscal year end until the original issuance date of this disclosure document:

South Carolina:

Breakthrough Champions, LLC (voluntary termination and relocation to Florida)
Matt Ward
3020 50th ST SW
Lehigh Acres, FL 33976
(978) 895-6262

Following is a list of the names, cities and states, and the current business telephone numbers (or, if unknown, the last known home telephone numbers) of every franchisee who transferred their AmSpirit franchise during our prior fiscal year to another individual or business entity (other than us), as well as the names, addresses, cities and states, and current business telephone numbers of the individual or business entity that acquired the AmSpirit franchise:

Transferor (Seller):

South Carolina:

Sirak Enterprises, LLC
Bryan Sirak
6593 Majestic Drive
North Ridgeville, Ohio 44039
(614) 477-5951

Transferee (Buyer):

South Carolina:

Breakthrough Champions, LLC
Matt Ward
3020 50th ST SW
Lehigh Acres, FL 33976
(978) 895-6262

Following is a list of the names, cities and states, and the current business telephone numbers (or, if unknown, the last known home telephone numbers) of every franchisee who transferred their AmSpirit franchise from the date of our most recently completed fiscal year end until the original issuance date of this disclosure document, as well as the names, addresses, cities and states, and current business telephone numbers of the individual or business entity that acquired the AmSpirit franchise:

None.

If you buy this franchise, your contact information may be disclosed to other buyers when you leave the franchise system.

In some instances, current and former franchisees sign provisions restricting their ability to speak openly about their experience with us. You may wish to speak with current and former franchisees, but be aware that not all franchisees will be able to communicate with you.

No AmSpirit franchisees have signed agreements with confidentiality clauses in the last three fiscal years.

ITEM 21. FINANCIAL STATEMENTS

Our audited financial statements for the fiscal year ending December 31, 2020, December 31, 2021 and December 31, 2022 are attached to this disclosure document as Exhibit A.

ITEM 22. CONTRACTS

Attached to this disclosure document are copies of the following agreements relating to the offering of the AmSpirit franchise:

Exhibit A	Financial Statements
Exhibit B	AmSpirit Business Connections Franchise Agreement
Exhibit C	Joint and Several Unconditional Guaranty
Exhibit D	Option to Purchase Agreement
Exhibit E	Asset Purchase Agreement
Exhibit F	Non-Disclosure Agreements
Exhibit G	Installment Promissory Note
Exhibit H	List of AmSpirit Franchisees
Exhibit I	List of State Administrators
Exhibit J	List of Agents for Service of Process
Exhibit K	State Addenda
Exhibit L	General Release of All Claims
Exhibit M	Receipts

ITEM 23. RECEIPTS

The last page of this disclosure document is a detachable document acknowledging your receipt of the disclosure document. Please sign this receipt and return it directly to us at our offices at the address listed below. If this page or any other pages or exhibits are missing from your copy, please contact us at this address or phone number:

AmSpirit Franchise Corporation
P.O. Box 30724
Columbus, OH 43230-0724
Attn: Frank J. Agin, President
(888) 267-7474
(614) 476-5540

EXHIBIT A
FINANCIAL STATEMENTS

AmSpirit Franchise Corporation

Financial Statements

Years Ended December 31, 2022, 2021 and 2020



670 Windmill Dr., Suite A
Pickerington, OH 43147
(p) 614-367-7850 (f) 614-864-0301
www.columbus-cpa.com

Member American Institute of Certified Public Accountants

Member Ohio Society of Certified Public Accountants

INDEPENDENT AUDITORS' REPORT

To the Stockholders
of AmSpirit Franchise Corporation
Columbus, OH

Opinion

We have audited the accompanying financial statements of AmSpirit Franchise Corporation (an Ohio corporation), which comprise the balance sheets as of December 31, 2022, 2021 and 2020, and the related statements of income and retained earnings, and cash flows for the years then ended, and the related notes to the financial statements.

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

Basis for Opinion

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

Responsibilities of Management for the Financial Statements

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

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about AmSpirit Franchise Corporation's ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

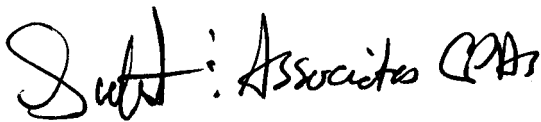
Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

A handwritten signature in black ink that reads "Siebert & Associates CPAs". The signature is written in a cursive, flowing style.

Siebert & Associates CPA's

Pickerington, OH

January 24, 2023

AmSpirit Franchise Corporation

BALANCE SHEETS

As of December 31, 2022, 2021, and 2020

	ASSETS		
	<u>2022</u>	<u>2021</u>	<u>2020</u>
Current Assets			
Cash	\$ 23,695	\$ 11,253	\$ 19,024
Investments - securities	157,256	159,985	113,333
Current maturities of long-term notes receivable	281	2,756	7,483
Total Current Assets	<u>181,232</u>	<u>173,994</u>	<u>139,840</u>
Long-term notes receivable, net of current maturities and allowance for doubtful accounts	<u>-</u>	<u>145</u>	<u>2,640</u>
TOTAL ASSETS	<u>\$ 181,232</u>	<u>\$ 174,139</u>	<u>\$ 142,480</u>
LIABILITIES AND STOCKHOLDERS' EQUITY			
Stockholders' Equity			
Common stock, \$1 stated value, 1,500 shares authorized, 200 shares outstanding	\$ 200	\$ 200	\$ 200
Additional paid-in capital	34,425	34,425	34,425
Retained earnings	146,607	139,514	107,855
Total Stockholder's Equity	<u>181,232</u>	<u>174,139</u>	<u>142,480</u>
TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY	<u>\$ 181,232</u>	<u>\$ 174,139</u>	<u>\$ 142,480</u>

AmSpirit Franchise Corporation

STATEMENTS OF INCOME AND RETAINED EARNINGS

For the Years Ended December 31, 2022, 2021, and 2020

	2022	2021	2020
Net Sales			
Franchise royalties	\$ 112,446	\$ 93,707	\$ 73,620
Franchise fees	20,873	16,000	32,000
Total sales	133,319	109,707	105,620
Cost of Sales			
Royalties and franchise expense	84,334	70,280	57,215
Gross Profit	48,985	39,427	48,405
Operating Expenses			
Advertising	548	500	2,209
Bad debt	-	-	9,462
Legal fees	14,163	13,414	8,277
Accounting fees	4,400	4,200	4,000
Filing fees	1,578	1,611	1,556
Franchise Commission	5,000	-	-
Training & development	-	-	1,499
Miscellaneous	655	1,179	775
Total operating expenses	26,344	20,904	27,778
INCOME FROM OPERATIONS	22,641	18,523	20,627
Other Income			
Dividend income	4,170	4,719	2,200
Other income	-	-	121
Interest income	71	444	2,138
Unrealized gain on investments	(19,789)	7,973	9,601
Total other income (loss)	(15,548)	13,136	14,060
NET INCOME	7,093	31,659	34,687
Retained Earnings, Beginning of Year	139,514	107,855	73,168
Retained Earnings, End of Year	\$ 146,607	\$ 139,514	\$ 107,855

AmSpirit Franchise Corporation

STATEMENTS OF CASH FLOWS

For the Years Ended December 31, 2022, 2021, and 2020

	2022	2021	2020
Cash Flows from Operating Activities			
Net income	\$ 7,093	\$ 31,659	\$ 34,687
Unrealized (gain) loss on investments	19,789	(7,973)	(9,601)
Changes in operating assets and liabilities:			
Due from AmSpirit Business Connections, Inc.	-	-	39,341
Notes receivable	2,620	7,222	22,036
Net cash (used in) provided by operating activities	29,502	30,908	86,463
Cash Flows from Investing Activities			
Purchase of investments	(12,890)	(33,960)	(101,532)
Dividends received	(4,170)	(4,719)	(2,200)
Net cash (used in) provided by investing activities	(17,060)	(38,679)	(103,732)
NET (DECREASE) INCREASE IN CASH	12,442	(7,771)	(17,269)
Cash, beginning of year	11,253	19,024	36,293
Cash, end of year	\$ 23,695	\$ 11,253	\$ 19,024

AmSpirit Franchise Corporation
NOTES TO FINANCIAL STATEMENTS

December 31, 2022

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Nature of Operations – AmSpirit Franchise Corporation (the “Company”) is an Ohio corporation formed on July 15, 2005, for the purpose of franchising AmSpirit Business Connections businesses, which organize and provide administrative support services to groups of business people who meet weekly for the primary purpose of exchanging business referrals using a proprietary structured meeting format. The Company provides initial and ongoing training, advertising support, maintenance of the AmSpirit website, the use of registered trademarks, managerial expertise, and billing services for franchisees.

Financial Estimates – The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires the Company’s administrator to make estimates and assumptions that affect the reported amounts of assets and liabilities, and disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Investments - Securities – The Company carries its investments in securities at their fair values based on quoted prices in active markets (all Level 1 measurements) and classifies them as current assets on the balance sheet. Unrealized gains and losses are reported in earnings.

Trade Receivables – The Company utilizes the allowance method in accounting for bad debts. An allowance is made for possible losses on collection of accounts based upon periodic review of credit risks. Management individually reviews all accounts receivable balances that exceed 90 days from the invoice date and based on an assessment of current creditworthiness, estimates the portion, if any, of the balance that will not be collected. When accounts are determined to be uncollectible, they are charged off against the allowance. Management deems an account to be uncollectible when all internal collection efforts have been exhausted. Receivables past 90 days old are considered uncollectible. Management deemed an allowance of \$9,462 was necessary at December 31, 2020. During 2021, management determined this balance to be uncollectible and the receivable was charged off against the allowance. No accounts were uncollectible at December 31, 2022 or December 31, 2021.

Revenue Recognition

We have analyzed the provisions of the FASB’s ASC Topic 606, Revenue from Contracts with Customers, and have concluded that no changes are necessary to conform with the new standard. Franchise revenue is recognized upon completion of performance obligations as described below.

Initial Fees: The company sells non-exclusive franchises. The initial franchise fee is \$10,000 and shall be fully earned, due and payable upon execution of the franchise agreement and is not refundable. Initial fees are recognized as revenue upon signing of the franchise agreement.

Renewal Fees: Franchisees may renew their agreements provided that, at the end of the term, conditions are met. Renewal fees are nonrefundable and are recognized as revenue when paid.

Monthly Fees: Franchise revenue also consists of continuing monthly royalties of 30% of franchisee gross revenue. Such amounts are recognized as revenue on a monthly basis when charged to franchisees and are generally collected by the 10th day of the following month. Franchisees are required to utilize the Company or its agent to perform billing and certain collection functions related to revenue from customers of Franchisees. The Company is also

AmSpirit Franchise Corporation
NOTES TO FINANCIAL STATEMENTS

December 31, 2022

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – CONTINUED

Revenue Recognition - Continued

reimbursed for 70% of the cost of merchant fees associated with accepting credit or debit card payments from customers of Franchisees.

The Company reports only the net revenue provided by charges to Franchisees instead of the gross revenue billed by the Company to customers of Franchisees. The amount the Company earns is a fixed percentage of the amount billed to customers of Franchisees, and the credit risk of Franchisee customer receivables remains exclusively with the Franchisee instead of with the Company as billing agent for the Franchisee.

Concentrations – The Company is dependent on the use of trademarks, slogans, logos, and copyrighted materials including training programs, marketing literature, and operational documents (intellectual property) owned by two commonly owned affiliates. Should either affiliate cease to exist or the license to utilize such intellectual property otherwise be terminated, such events would likely have an adverse effect on the Company’s operations.

Income Taxes – The Company, with the consent of its stockholders, has elected to have its income taxed directly to its stockholders under the provisions of Subchapter S of the Internal Revenue Code, the effect of which is to eliminate federal and state income taxes at the corporate level. It is the intention of management to distribute funds to the stockholders in amounts at least sufficient to pay the increased personal taxes, which result from the election.

Accounting for Uncertainty in Income Taxes – Accounting standards require the evaluation of tax positions taken, or expected to be taken, in the course of preparing the Company’s tax returns, to determine whether the tax positions are “more-likely-than-not” of being sustained by the applicable tax authority. This statement provides that a tax benefit from an uncertain tax position may be recognized in the financial statements only when it is “more-likely-than-not” the position will be sustained upon examination, including resolution of any related appeals or litigation processes, based upon the technical merits and consideration of all available information. Once the recognition threshold is met, the portion of the tax benefit that is recorded represents the largest amount of tax benefit that is greater than 50 percent likely to be realized upon settlement with a taxing authority. No significant uncertain tax positions exist as of December 31, 2022.

Advertising – Advertising costs are expensed as incurred. Advertising expense was \$548, \$500 and \$2,209 for the years 2022, 2021, and 2020, respectively.

NOTE 2 – INVESTMENTS – SECURITIES

The company uses the fair value method of accounting for investments. The following is a summary of investments:

	2022	2021	2020
Bank sweep	\$ 1,517	\$ 1,062	\$ 830
Bond funds	26,500	31,129	25,999
Equity funds	29,115	31,156	18,561
Exchange traded funds	100,124	96,638	67,943
Total	\$157,256	\$159,985	\$113,333

AmSpirit Franchise Corporation

NOTES TO FINANCIAL STATEMENTS

December 31, 2022

NOTE 3 – NOTES RECEIVABLE

The Company entered into multiple notes receivable with franchisees to provide the franchisee financing for the purchase of the franchise. The amounts financed ranged from \$3,500 to \$29,300 at the prime rate at the date of each note plus 3.00%. Interest rates range from 6.00% to 7.75%.

Payments are made in monthly installments and are based upon 50% of the revenue collected by the franchisee after payment of the 30% franchise royalty. Therefore, payments are based upon franchisee revenue and are both variable and tied to franchisee member enrollment from month to month.

NOTE 4 – RELATED PARTY TRANSACTIONS

The Company has entered into a Trademark Royalty Agreement with a commonly owned affiliate, AmSpirit Holding Company, which owns the AmSpirit trademark. The agreement is exclusive to the Company and an existing affiliate and cannot be terminated as long as the Company has any active franchisees unless a determination is made that the Company has not used reasonable, best efforts to protect the value of the AmSpirit trademark. The agreement permits the Company to use the AmSpirit name and trademark for a monthly royalty fee of 5% of the Company's gross revenue earned from franchisee initial fees and monthly fees, net of broker commissions. The royalty fee expense was \$5,622, \$4,685 and \$3,681 for the years 2022, 2021, and 2020, respectively. There were no receivables or payables between the related parties at December 31, 2022, 2021, and 2020.

The Company has entered into an exclusive Intellectual Property and Service Agreement with another commonly owned affiliate, AmSpirit Business Connections, Inc., which has operated a business similar to that of AmSpirit franchisees since 2004. The agreement cannot be terminated as long as the Company has any active franchisees.

The agreement obligates the affiliate to provide certain turn-key administrative and website services to the Company in exchange for 50% of the Company's gross revenue earned from franchisee monthly fees and permits the Company the use of copyrighted materials including training programs, marketing literature, and operational documents for a monthly fee of 20% of the Company's gross revenue earned from franchisee monthly fees. Service fee expenses were \$78,712, \$65,595 and \$51,534 for the years ended 2022, 2021, and 2020, respectively.

No amounts were due from AmSpirit Business Connections, Inc. as of December 31, 2022, 2021, or 2020.

NOTE – 5 SUBSEQUENT EVENTS

In preparing these financial statements, the Company has evaluated events and transactions for potential recognition or disclosure through January 24, 2023, the date the financial statements were available to be issued.

EXHIBIT B

AMSPIRIT BUSINESS CONNECTIONS FRANCHISE AGREEMENT

FRANCHISOR: AmSpirit Franchise Corporation

FRANCHISEE: _____

CITY, STATE OF
FRANCHISED AREA: _____

EFFECTIVE DATE: _____

INDEX

	<u>Page</u>
RECITALS	1
Article 1 Appointment	2
1.1 Grant of Franchise	2
1.2 Franchised Area	2
1.3 Limitations of Franchise	2
1.4 Members and Meetings of Chapters	3
1.5 Chapter Opening Schedule	3
Article 2 Term and Renewal	3
2.1 Initial Term	3
2.2 Renewal	3
Article 3 Location of Premises	4
3.1 Location	4
Article 4 Initial Franchise Fee	4
4.1 Initial Franchise Fee	4
Article 5 Royalty and Administrative Services Fees	5
5.1 Monthly Royalty Fee	5
5.2 Monthly Administrative Services Fee	5
5.3 Collection of Fees; Payment of Royalties	5
5.4 Late Payment	5
Article 6 Duties of AmSpirit	6
6.1 Assistance by AmSpirit	6
Article 7 Duties of Franchisee	8
7.1 Operating Standards	8
7.2 Products and Services	8
7.3 Equipment and Supplies	8
7.4 Initial Promotional Program	9
7.5 Approved Supplier Program	9
7.6 Training	9
7.7 Business Operations	10
7.8 Location of Meetings	10
7.9 Inspection	10
7.10 Taxes	11
7.11 Records and Reports	11
7.12 Competing Business	11
7.13 Indemnity and Insurance	11
7.14 Stock Certificates	12
7.15 Payment of Accounts	13
7.16 Compliance with Laws	13

7.17	Notification of Litigation.....	13
7.18	Use of Marks and Licensed Rights.....	13
7.19	License Relating to Franchisee Developments.....	13
7.20	Compliance with Other Requirements.....	14
Article 8	Proprietary Marks	14
8.1	Use by Franchisee.....	14
8.2	Exclusive Property of AmSpirit, AmSpirit Holding Company and AmSpirit Business Connections, Inc.	14
8.3	Infringement by Franchisee	16
8.4	Infringement by Others	16
8.5	Improper Use	16
8.6	Nonexclusive Use	16
8.7	Use by Others	16
8.8	Use of Marks on Internet Sites	16
8.9	Internet Sites or Similar Media.....	17
Article 9	Franchise Operations Manual.....	17
9.1	Business Operations	17
9.2	Confidentiality	17
9.3	Modification	17
Article 10	Confidential Information	17
10.1	Confidentiality	17
Article 11	Advertising and Promotion.....	18
11.1	Local and Regional Advertising	18
11.2	National Advertising.....	20
Article 12	Transferability of Interest	21
12.1	Transfer by AmSpirit.....	21
12.2	Transfer by Franchisee	21
12.3	Transfer to Franchisee’s Corporation or Other Business Entity	22
12.4	AmSpirit’s Right of First Refusal.....	23
12.5	Right of Franchisee’s Heirs Upon Death or Disability of Franchisee.....	24
Article 13	Termination.....	25
13.1	Events of Default	25
13.2	Termination.....	27
Article 14	Obligations Upon Termination	27
14.1	Obligations of Franchisee	27
14.2	AmSpirit’s Purchase Option.....	28
14.3	Covenant Not to Compete.....	28
14.4	Confidentiality	29
14.5	Survival of Provisions After Termination or Expiration	29
Article 15	Enforcement.....	29
15.1	Injunctive Relief	29

15.2	Venue.....	29
15.3	Expenses in Legal Proceedings	29
Article 16	Independent Contractor	29
16.1	Independent Contractor	29
Article 17	Miscellaneous	30
17.1	Nature of Agreement	30
17.2	Benefit.....	30
17.3	Construction.....	30
17.4	Headings	30
17.5	Notices	30
17.6	Joint and Several Obligations	31
17.7	Pronouns	31
17.8	Severability	31
17.9	Counterparts.....	31
17.10	Consents.....	31
Article 18	Acknowledgments and Representations	31
18.1	Acknowledgments By Franchisee	31
18.2	Representations By Franchisee.....	32
Article 19	Effective Date	32
19.1	Effective Date	32

SCHEDULE A
SCHEDULE B

AMSPIRIT BUSINESS CONNECTIONS FRANCHISE AGREEMENT

This AmSpirit Business Connections Franchise Agreement (this “Agreement”) is made and entered into as of the Effective Date, as provided and defined in Section 19.1 hereof, at Columbus, Ohio by and between AmSpirit Franchise Corporation, an Ohio corporation having its principal business offices located at 2701 Tally Ho Lane, Blacklick, Ohio 43004, and doing business as AmSpirit Business Connections (“AmSpirit”), and _____, a(n) _____ having its principal business offices located at _____ (“Franchisee”).

Background

- A. AmSpirit is engaged in the business of franchising a distinctive type of structured referral groups in which groups of entrepreneurs, sales representatives, service providers and other professionals are organized into chapters that meet weekly with the primary purpose of exchanging business referrals.
- B. AmSpirit has developed a business plan and method of operation in connection with the operation of an AmSpirit franchise by utilizing certain standards, specifications, methods, procedures, techniques and management systems, identification schemes and proprietary marks and information (the “AmSpirit System”), all of which may be changed, improved and further developed from time to time by AmSpirit. A business operated using the AmSpirit System is referred to in this Agreement as an “AmSpirit Business”.
- C. The distinguishing characteristics of the AmSpirit System include, without limitation, the name, and marks “AmSpirit”, “AmSpirit Business Connections” and the AmSpirit logo, together with such other trade names, service marks, trademarks and trade symbols, emblems, signs, slogans, trade dress, logos, colors, insignia and copyrights as AmSpirit has adopted (and/or acquired a license to use from one of its affiliates, AmSpirit Holding Company or AmSpirit Business Connections, Inc.) and designated for use in connection with the AmSpirit System and as AmSpirit may hereafter acquire or develop and designate for use in connection with the AmSpirit System (the “Marks”). The right to use the AmSpirit System and the Marks and to operate an AmSpirit Business is herein referred to as the “Licensed Rights”.
- D. AmSpirit is authorized to use the Marks and certain other marks owned by AmSpirit Holding Company or AmSpirit Business Connections, Inc., as applicable, to identify the source of the services provided by AmSpirit Businesses and to sublicense the use of the Marks to its franchisee, pursuant to the terms and conditions of license arrangements between AmSpirit and AmSpirit Holding Company and AmSpirit Business Connections, Inc.
- E. Franchisee desires to purchase an AmSpirit franchise and to obtain the Licensed Rights to construct, own and operate an AmSpirit Business within a geographic area approved by AmSpirit in accordance with and subject to the terms and conditions set forth herein, which terms and conditions are reasonably necessary to maintain AmSpirit’s high and uniform standards of quality and service and to protect the goodwill and enhance the public image of the AmSpirit System and the Marks.

Agreement

NOW, THEREFORE, in consideration of the above recitals and the covenants and agreements contained in this Agreement, AmSpirit and Franchisee agree as follows:

ARTICLE 1

APPOINTMENT:

1.1 **Grant of Franchise:** AmSpirit hereby grants to Franchisee, upon the terms and conditions herein contained, the franchise and license to own and operate one AmSpirit Business (the “Business”) and to use the AmSpirit System and the Licensed Rights in connection with the ownership and operation of the Business from the location set forth in Section 3 of Schedule A attached hereto, unless otherwise agreed in writing by AmSpirit in its sole and absolute discretion. The business operated by Franchisee at the Business using the Licensed Rights is referred to herein as the “Franchised Business.” The Marks available for Franchisee’s use shall be those on the list periodically distributed in writing by AmSpirit to Franchisee.

1.2 **Franchised Area:** Franchisee shall be granted the right to operate its AmSpirit Business within the area as specified in Section 2 of Schedule A (the “Franchised Area”), unless otherwise agreed in writing by AmSpirit in its sole and absolute discretion. Other than as may be expressly restricted by the terms herein, AmSpirit may grant other franchises or it may operate one or more company-owned businesses within the Franchised Area without obligation to Franchisee. In the event that Franchisee wishes to start a Chapter (as defined below) outside of the Franchised Area in an area in which no other franchisee of AmSpirit or AmSpirit company-owned business is currently operating, Franchisee may request in writing that AmSpirit approve the commencement of such new Chapter outside of the Franchised Area. AmSpirit will have 45 days within which to make a decision respecting approval of such Chapter outside of the Franchised Area, which decision shall be in AmSpirit’s sole and absolute discretion. Any approval by AmSpirit to permit Franchisee to operate a Chapter outside of the Franchised Area shall not be deemed a waiver of Franchisee’s obligation to obtain approval for operation of any other Chapters outside of the Franchised Area.

1.3 **Limitations of Franchise:** Notwithstanding any other provisions of this Agreement to the contrary, the Licensed Rights do not include, and AmSpirit retains the right, in its sole discretion, itself or through a parent, subsidiaries or affiliated or related business entities:

- (a) To continue to open and operate other AmSpirit Businesses and to use the AmSpirit System and the Licensed Rights at or from any location outside or inside of the Franchised Area, and to license others to do so;
- (b) To develop, merchandise, sell and license others to sell services and related products, under the Marks or under other names and trademarks through company-owned businesses and other non-traditional business outlets and through non-traditional methods of product distribution (including, without limitation, mail order, catalog sales and internet-based online sales of products) within or outside the Franchised Area;
- (c) To develop, use and franchise the rights to any trade names, trademarks, service marks, trade symbols, emblems, signs, slogans, insignia or copyrights not designated by AmSpirit as Licensed Rights for use with similar or different franchise systems for the sale of the same, similar or different products or services other than in connection with the AmSpirit System at any location within or outside of the Franchised Area on such terms and conditions as

AmSpirit may deem advisable and without granting Franchisee any rights therein; and

- (d) To promote or conduct special events at fairs, conventions, meetings at business organizations or other special events within the Franchised Area to raise awareness of the services of AmSpirit.

1.4 **Members and Meetings of Chapters:** Individuals living or working at locations outside of the Franchised Area are permitted to join Franchisee's Chapters, provided, however, that all meetings of Chapters must take place within the Franchised Area, unless otherwise agreed in writing by AmSpirit, in its sole and absolute discretion. A "Chapter" shall consist of a group of professionals which meets regularly for the purpose of networking and providing referrals to other professionals within the Chapter. A Chapter, generally, may include only one of each type of each professional in its membership, as more fully set forth in the AmSpirit Operations Manual from time to time. Each individual member of a Chapter is known as a "Member." Franchisee will not be limited in the number of Chapters it may operate in the Franchised Area, provided that each Chapter is operated in accordance with the requirements of the AmSpirit Operations Manual and AmSpirit standards and Franchisee is in compliance with the terms and conditions of this Agreement. In its sole and absolute discretion, AmSpirit may allow Franchisee to hold its Chapter meetings on-line or via electronic communications or platforms; provided such meetings are held in strict conformance with the requirements of this Agreement, the Operations Manual and any other written requirements of AmSpirit provided to Franchisee from time to time. Upon prior written notice to Franchisee, AmSpirit shall have the right at any time and in its sole and absolute discretion to revoke any previously granted consent to Franchisee to hold Chapter meetings on-line or via electronic communications or platforms.

1.5 **Chapter Opening Schedule:** As a material condition of and in consideration for this Agreement and the grant of the Licensed Rights, Franchisee shall establish that minimum number of Chapters specified in Schedule B to this Agreement on or before each of the respective dates provided therefor in accordance with the terms of this Agreement and thereafter to continuously operate each such Chapter in accordance with the terms of this Agreement and the Operations Manual. The obligation to establish, maintain and operate Chapters is referred to as the "Development Obligation". A Chapter shall be deemed to be established and maintained when it has seven (7) or more active and fully-paid members.

ARTICLE 2

TERM AND RENEWAL:

2.1 **Initial Term:** The initial term of this Agreement shall be for a period of ten (10) years commencing on the Effective Date. Such initial term and any renewal term, as applicable, shall be referred to herein as the "Term".

2.2 **Renewal:** Franchisee may, at its option, renew this Agreement for up to two (2) additional renewal terms of ten (10) years each, provided that at the end of the initial term (and each renewal term):

- (a) Franchisee has given AmSpirit written notice of its election to renew not more than one hundred eighty (180) days, nor less than ninety (90) days prior to the end of the then-current term;
- (b) Franchisee is not in default under any provision of this Agreement, or any other agreement between AmSpirit and Franchisee, and has been in full compliance with all material terms and conditions of such agreements during their terms;
- (c) Franchisee executes AmSpirit's then-current form of AmSpirit Business Connections Franchise Agreement, which agreement shall supersede in all respects this Agreement, and the terms of which may differ from the terms of this Agreement including, without limitation, different advertising fees and advertising expenditure requirements, a different royalty, and a different Franchised Area;
- (d) Franchisee shall execute a general release, in a form prescribed by AmSpirit, of any and all claims through the date of renewal against AmSpirit and its parent, subsidiaries and corporate affiliates, and their respective officers, directors, members, agents, and employees in their corporate and individual capacities;
- (e) Franchisee shall comply with AmSpirit's then-current qualifications and training requirements, including, without limitation, training requirements specifically designed for renewing franchisees; and
- (f) Franchisee pays to AmSpirit a non-refundable renewal fee in an amount equal to twenty (20) percent of the then-current initial franchise fee.

ARTICLE 3

LOCATION OF PREMISES:

3.1 **Location:** Franchisee may operate the AmSpirit Business out of any location, including Franchisee's home or business, provided however that such location is reasonably acceptable to AmSpirit (the "Premises"). Any change in the location of the Premises must be approved in writing by AmSpirit unless such location is within the Franchised Area.

ARTICLE 4

INITIAL FRANCHISE FEE:

4.1 **Initial Franchise Fee:** Franchisee shall pay to AmSpirit an initial franchise fee (the "Initial Franchise Fee") in the amount of Ten Thousand Dollars (\$10,000.00). The Initial Franchise Fee shall be fully earned, due and payable upon execution of this Agreement by AmSpirit and is not refundable.

ARTICLE 5

ROYALTY AND ADMINISTRATIVE SERVICES FEES:

5.1 **Monthly Royalty Fee:** Upon commencement of operations of Franchisee's Business (the "Royalty Commencement Date") and in consideration for Franchisee's continued right to utilize the AmSpirit System and Marks and AmSpirit's ongoing assistance as described herein, Franchisee shall pay to AmSpirit a monthly royalty fee (the "Royalty Fee") in an amount equal to seven percent (7%) of Franchisee's Gross Revenues (as hereinafter defined).

5.2 **Monthly Administrative Services Fee:** Beginning on the Royalty Commencement Date and in consideration for Franchisee's continued right to utilize the AmSpirit System and Marks and AmSpirit's ongoing assistance as described herein, Franchisee shall pay to AmSpirit a monthly administrative services fee (the "Administrative Services Fee") in an amount equal to twenty-three percent (23%) of Franchisee's Gross Revenues (as hereinafter defined).

5.3 **Collection of Fees; Payment of Royalties:** AmSpirit, and/or any of AmSpirit's designated agents or representatives, shall have the right to invoice and collect membership fees, initiation fees, and similar fees (collectively, "Membership Fees") from Members of Franchisee's Chapters. In the event that Franchisee collects Membership Fees directly from Members or collects other amounts which are included in Gross Revenues (as defined below), Franchisee shall immediately report and forward such collections (and any accompanying membership information) to AmSpirit in the form and by the method designated by AmSpirit. AmSpirit shall have the right to deduct and retain Royalty Fees, Administrative Services Fees and other amounts owed by Franchisee to AmSpirit before AmSpirit provides to Franchisee, on a monthly basis, the remaining portion of such Membership Fees. AmSpirit will remit to Franchisee no later than the fifteenth (15th) day of each month the balance of any Gross Receipts (less Royalty Fees, Administrative Services Fees and other amounts required to be paid by Franchisee under this Agreement or other agreements between Franchisee and AmSpirit) paid to AmSpirit by Members during the preceding calendar month. Any Royalty Fees and Administrative Services Fees owed to AmSpirit which are not deducted from fees collected by AmSpirit on behalf of Franchisee shall be paid by Franchisee to AmSpirit no later than the tenth (10th) day of each month for the preceding calendar month. The term "Gross Revenues" as used in this Agreement shall mean all amounts paid by Members including, but not limited to, Membership Fees and similar fees, and sales of all products and services related to the Business, whether for cash or on a charge basis, including, but not limited to, sales and services, deducting from such amount all refunds and discounts made to Members in good faith and in accordance with AmSpirit's policies and any sales or excise taxes which are separately stated and which Franchisee may be required to and does collect from customers or Members and pays to any federal, state or local taxing authority. AmSpirit and Franchisee agree to share in the same proportion as the Royalty Fees and Administrative Fees any expenses or fees associated with accepting payments from Members of Franchisee by way of electronic payments, credit cards, debit cards, and similar payment systems.

5.4 **Late Payment:** Any payments due from Franchisee that are not received by AmSpirit on the date such payments are due shall bear interest at the lesser of eighteen percent (18%) per annum or the maximum amount allowed under applicable law (the "Default Rate") from the date payment is due to the date payment in finally collectable funds is received by AmSpirit.

ARTICLE 6

DUTIES OF AMSPIRIT:

6.1 **Assistance by AmSpirit:** In addition to the other duties and obligations set forth in this Agreement, AmSpirit, at its sole expense and cost, shall, following the Effective Date, provide the following assistance and materials to Franchisee:

- (a) Complete information regarding any existing operations in the Franchised Area, including, but not limited to, active Area Director Agreements (as defined in Section 7.7), membership rosters and revenue collection information;
- (b) An initial training program for up to four (4) persons (including Franchisee and its employees or Area Directors (as defined in Section 7.7), if any), which shall be provided at no charge to Franchisee or Franchisee's representatives except as provided in this paragraph. As determined by AmSpirit in its sole discretion, initial training may be provided on-line or via electronic communications or platforms, or provided in-person at a location or locations determined by AmSpirit. Franchisee shall be responsible for its own salary and incidental expenses and the expenses of its manager(s), Area Directors and employee(s) while attending the initial training program. If initial training is held in-person, Franchisee shall be responsible for its own travel and room and board, and that of its manager(s), Area Directors, and employee(s) attending the initial training program. Depending upon availability, Franchisee may send additional employees or Area Directors to the initial training program upon payment of such tuition fees as AmSpirit may establish from time to time for such additional persons attending the initial training program;
- (c) Such assistance as AmSpirit determines is required in connection with the opening of the Business by Franchisee, including assistance by AmSpirit's personnel in planning and developing the initial promotional program;
- (d) During such initial period and thereafter, and depending upon availability of AmSpirit's staff, and upon request by Franchisee, a member of AmSpirit's staff will provide advice and consultation by telephone and other electronic communications to Franchisee in connection with the operation of the Business at a reasonable frequency based upon Franchisee's experience as an AmSpirit franchisee and based upon other factors as determined by AmSpirit. Such advice and consultation shall be provided by AmSpirit free of charge to Franchisee. Depending on the availability of AmSpirit's staff, if Franchisee requests in writing onsite advice and consultation by a member of AmSpirit's staff and AmSpirit agrees, Franchisee will reimburse AmSpirit for all of the staff member's costs and expenses of such on-site visits, including all meals, housing and travel expenses, plus one hundred fifty percent (150%) of the daily salary of such staff member;
- (e) At AmSpirit's discretion, produce and conduct an annual conference for franchisees and their managers, Area Directors, employees or associates who are actively engaged in the operation of the AmSpirit Business; provided, however,

Franchisee shall, be responsible for a reasonable fee for such conference, as well as Franchisee's salary and incidental expenses and the expenses of Franchisee's managers, Area Directors, employees and associates while attending the annual conference. As determined by AmSpirit in its sole and absolute discretion, any such annual conference may be held via electronic communications or platforms, or in-person at a location or locations determined by AmSpirit. If the conference is held in-person, Franchisee shall be responsible for its own travel and room and board, and that of its managers, Area Directors, employees and associates attending the annual conference.

- (f) The use of the AmSpirit Operations Manual (which may consist of several topic-specific manuals and/or a collection of materials in hard and electronic form, including materials available on the AmSpirit website franchisee-only web pages) (collectively, the "Operations Manual"), and other manuals and training aids as adopted or revised by AmSpirit from time to time;
- (g) Maintenance of an electronic database of Franchisee's active and inactive Members and related contact information and business information for such Members and delivery of monthly reports to Franchisee of a membership roster for all Chapters operated by Franchisee;
- (h) Invoicing services for each of Franchisee's active Members at designated times during the year and pursuant to procedures AmSpirit has established (which may be changed from time to time in AmSpirit's discretion), provided that Franchisee will be responsible for reimbursing AmSpirit for the costs associated with producing and mailing such invoices;
- (i) Processing of Franchisee's new Member applications and initiation fees according to the procedures AmSpirit has established (which may be changed from time to time in AmSpirit's discretion);
- (j) Periodic payment reminders by electronic means for active Members who fail to timely pay any Membership Fees when due;
- (k) Such merchandising, marketing and other data and advice as may from time to time be developed by AmSpirit and deemed by it to be helpful in the operation of the Business;
- (l) Such periodic continuing individual or group advice, consultation and assistance, rendered by personal visit, telephone, electronic communication, or by newsletters or bulletins made available from time to time to all AmSpirit franchisees, as AmSpirit may deem necessary or appropriate;
- (m) Such bulletins, brochures and reports as may from time to time be published by AmSpirit regarding its plans, policies, research, developments and activities with respect to the AmSpirit System;
- (n) Maintenance of an AmSpirit website for franchisees and Members of franchisees and provide access to Franchisee to franchisees-only information located therein; and

- (o) Such other resources and assistance as may hereafter be developed and offered by AmSpirit to its AmSpirit franchisees.

ARTICLE 7

DUTIES OF FRANCHISEE:

7.1 **Operating Standards:** Franchisee agrees to comply with all of the mandatory specifications, standards and operating procedures as set forth and described in the Operations Manual and as communicated by AmSpirit from time to time to Franchisee in writing for the operation of its AmSpirit Business and not to deviate therefrom without the written consent of AmSpirit. Franchisee shall attempt to resolve any disputes with its Members to the satisfaction of AmSpirit and in accordance with the policies and operating procedures prescribed by AmSpirit in the Operations Manual. Any disputes between Franchisee and AmSpirit as to such matters as standards, operating procedures, merchandising, distribution, promotions, advertising, and general business policies shall be resolved as determined by AmSpirit.

7.2 **Products and Services:** Franchisee shall offer at its AmSpirit Business all products and services as provided for in the Operations Manual or as designated in writing by AmSpirit from time to time. Franchisee shall not offer or make available any other products or services at or from its AmSpirit Business without the prior written consent of AmSpirit.

AmSpirit may in its sole discretion from time to time give its consent to one or more of its franchisees to provide certain products or services not designated for general use as a part of the AmSpirit System based upon such factors as AmSpirit determines, including but not limited to, the individual qualifications of the franchisee, local or regional differences, and test marketing. The consent of AmSpirit with respect to any other franchisee providing such products or services shall not create any rights in Franchisee to provide the same products or services. Franchisee shall discontinue selling or offering any product or service AmSpirit may, in its discretion, disapprove in writing at any time.

7.3 **Equipment and Supplies:**

(a) Franchisee shall purchase and use in the operation of the Business only such equipment as is specified by AmSpirit in the Operations Manual or elsewhere or is otherwise approved by AmSpirit and which conforms to AmSpirit's specifications if such specifications have been developed by AmSpirit ("Equipment").

Franchisee shall purchase or lease a computer meeting AmSpirit's specifications and shall purchase any system software that AmSpirit identifies for use by AmSpirit franchisees. Franchisee must install and maintain high-speed Internet access with such standards as AmSpirit may require from time to time. Franchisee must fully utilize the computer and the software in the operation of the Franchised Business and must purchase and install any upgrades and updates for the system hardware and software as AmSpirit may, from time to time, specify for use by AmSpirit franchisees.

(b) Franchisee will use only such supplies, products and similar items ("Supplies") as conform to AmSpirit's specifications if such specifications have been developed by AmSpirit for the particular category of Supplies. Since certain Supplies may bear the Marks, AmSpirit may require each

supplier of such Supplies to execute an AmSpirit license agreement setting forth the manner in which the Marks are to be imprinted, the required text of such materials and other necessary specifications and standards for the preparation of such materials.

7.4 **Initial Promotional Program:** In connection with starting operations of the Franchised Business, Franchisee shall conduct, at Franchisee's sole expense, an initial promotional program which complies with the requirements set forth in the Operations Manual.

7.5 **Approved Supplier Program:** AmSpirit reserves the right, if it determines in its sole discretion that the same is appropriate to protect the reputation and goodwill of the AmSpirit System, to implement an approved supplier program (the "Approved Supplier Program"), pursuant to which AmSpirit may require Franchisee to purchase or lease specified merchandise, Supplies, products, Equipment, and signs solely from suppliers who demonstrate to AmSpirit's reasonable satisfaction the ability to meet AmSpirit's standards and specifications for each item; who possess adequate quality control and capacity to supply Franchisee's needs promptly and reliably and who have been approved in writing by AmSpirit and not thereafter disapproved in accordance with the procedures set forth below. If AmSpirit implements the Approved Supplier Program, and if Franchisee proposes to use in the operation of its AmSpirit Business, any product, merchandise, Supplies, Equipment, or signs not theretofor approved by AmSpirit in writing as conforming to its specifications and quality standards, or from a supplier not theretofor designated in writing as an approved supplier to AmSpirit franchisees, Franchisee shall obtain AmSpirit's prior written approval. Franchisee shall submit to AmSpirit a written request for such approval or shall request the supplier of the item for which approval is requested to do so. Upon request, Franchisee shall also submit to AmSpirit without cost to AmSpirit sufficient specifications, photographs, or other information or samples for examination and testing and for a determination by AmSpirit of whether such product, Supplies, Equipment, sign, uniform or supplier meets AmSpirit's specifications and standards as set forth in the Operations Manual or as set forth in writing by AmSpirit from time to time. AmSpirit shall also have the right to require that its representatives be permitted to inspect the suppliers' facilities. In addition, AmSpirit reserves the right, at its option, to reinspect the facilities and products of any approved supplier and to revoke its approval upon such supplier's failure to continue to meet AmSpirit's criteria and specifications. As a condition for approval of any new supplier as an approved supplier, Franchisee shall reimburse AmSpirit for all costs and expenses incurred by AmSpirit in connection with any examination, testing or inspection. Nothing contained herein shall be deemed to require AmSpirit to approve an inordinate number of suppliers for a given item which approval in the reasonable judgment of AmSpirit would result in higher costs generally to AmSpirit franchisees or prevent the effective and economical supervision of its designated suppliers by AmSpirit. Further, Franchisee acknowledges and agrees that AmSpirit or affiliates of AmSpirit may be approved suppliers of certain products and, in certain cases involving products containing confidential trade secrets, AmSpirit may be the sole approved supplier.

7.6 **Training:** At least one (1) and up to four (4) persons (including Franchisee and Area Directors (as defined in Section 7.7) and any manager of the Business shall attend and complete, to AmSpirit's satisfaction, AmSpirit's initial training program as described at Section 6.1(b) herein. In addition, any other person who holds the position of manager or Area Director of Franchisee's AmSpirit Business from time to time shall attend AmSpirit's initial training program. Franchisee, its manager and other employees, as AmSpirit may designate, shall attend and complete, to AmSpirit's satisfaction, such other training programs as AmSpirit may reasonably require from time to time. In connection with AmSpirit's training program, AmSpirit shall provide and pay for the instructors, training facilities, and training materials utilized in such training for the first four (4) persons designated by Franchisee to attend the initial training program and for such persons who may be required and designated by AmSpirit to

attend subsequent training programs. Franchisee shall pay such tuition fees as AmSpirit may establish from time to time for any other person to attend the initial training program or any subsequent training program. Franchisee shall be responsible for all other expenses incurred by Franchisee, its manager, or other employees, including, without limitation, the costs of travel, room, board, and wages. If Franchisee fails to complete the initial training program to the satisfaction of AmSpirit, then AmSpirit shall have the right to terminate this Agreement without further notice. Franchisee shall attend all mandatory conferences held by AmSpirit at Franchisee's sole cost and expense.

7.7 **Business Operations:**

(a) Franchisee shall commence operation of its AmSpirit Business immediately after satisfactorily completing training and shall maintain the Business in continuous operation thereafter during the Term of this Agreement. Franchisee shall refrain from using or allowing the use of the Business for any other purpose or activity other than as provided herein without first obtaining the written consent of AmSpirit. Franchisee's Business must at all times be under the direct supervision of Franchisee, or such person who has been approved in writing by AmSpirit. The individual providing such direct supervision shall devote sufficient time to the Business to meet or exceed the Development Obligation on a continuing basis. If Franchisee is a business entity, at least one individual having at least a fifty-one percent (51%) ownership interest in Franchisee must be directly involved in the day to day operation of the Business.

(b) Franchisee must participate in a meeting of each Chapter no less than once a month. Franchisee may contract with an individual who will be responsible for managing a Chapter and performing Franchisee's duties under this Agreement ("Area Director") with respect to the operations of one or more Chapters by executing with such Area Director an Area Director Independent Contractor Agreement ("Area Director Agreement") in such form and content as is acceptable to AmSpirit. Franchisee must enter into and continuously maintain an Area Director Agreement with an additional Area Director acceptable to AmSpirit for each additional four (4) Chapters exceeding nineteen (19). For example, upon the commencement of the twentieth (20) Chapter, Franchisee must have entered into an Area Director Agreement with at least one Area Director, and upon commencing of the twenty-fourth (24) Chapter, Franchisee must have entered into an Area Director Agreement with at least two Area Directors.

7.8 **Location of Meetings:** Franchisee shall ensure that all meetings of each Chapter are conducted at a location which is clean, attractive, well maintained and convenient to the majority of the Members in such Chapter. All meetings of Chapters will be held within the Franchised Area, unless otherwise agreed in writing in advance of such meeting by AmSpirit or as otherwise permitted in the Operations Manual.

7.9 **Inspection:** Franchisee shall grant to AmSpirit and its agents, designees or representatives the right to enter onto the Premises, to attend meeting locations and meetings for the purpose of conducting inspections and shall cooperate with AmSpirit's agents, designees or representatives during all inspections by rendering such assistance as may reasonably be requested. Franchisee shall take such steps, upon request, as may be necessary to correct any deficiencies detected during an inspection. In the event that any inspection should reveal one or more violations that were present in any other inspection by AmSpirit of the Business in the previous twelve (12) month period, Franchisee agrees to reimburse AmSpirit at the rate per hour determined by AmSpirit in its reasonable discretion plus expenses for each representative of AmSpirit conducting the inspection.

7.10 **Taxes:** Franchisee shall pay all taxes on real and personal property, leasehold improvements and Equipment, and all sales, payroll and other taxes promptly when due and hold AmSpirit harmless therefrom. All taxes shall be paid directly to the taxing authorities prior to the delinquent date.

7.11 **Records and Reports:** AmSpirit shall have the right to require Franchisee to maintain and preserve, for such duration as determined by AmSpirit, full, complete, and accurate books, records and accounts relating to the Business, including without limitation, reports of financial and operational results of the Business, monthly and year-to-date financial information, annual financial statements of the Business prepared by an independent public accountant in accordance with generally accepted accounting principles, and federal, state and local income tax returns (individually and collectively, the "Records and Reports").

Upon request from AmSpirit, Franchisee shall submit the Records and Reports to AmSpirit, for review and/or auditing. Any such Records and Reports shall be in the form and manner prescribed by AmSpirit from time to time in the Operations Manual or otherwise in writing. Franchisee shall permit AmSpirit to electronically access and retrieve the Records and Reports from Franchisee's computer.

AmSpirit shall also have the right, at any time, to have an independent audit made of the Records and Reports of Franchisee. If an inspection and/or audit should reveal that Gross Revenues have been understated in any Records and Reports provided to AmSpirit, then Franchisee shall immediately pay to AmSpirit the applicable Royalty Fee and Administrative Services Fee on the amount(s) understated upon demand, in addition to interest from the date(s) such amount(s) were due until paid, at the Default Rate. If an inspection and/or audit discloses an understatement in the Records and Reports of three percent (3%) or more for the period so inspected, Franchisee shall reimburse AmSpirit for all amounts understated, and for interest from the date(s) such amount(s) were due until paid at the Default Rate, and any and all costs and expenses connected with the inspection and/or audit (including, without limitation, reasonable accounting and attorneys' fees and disbursements). The foregoing shall be in addition to any other remedies AmSpirit may have.

7.12 **Competing Business:** Franchisee shall not, during the Term of this Agreement, without the prior written consent of AmSpirit, own, maintain, engage in, be employed by, or have any interest in, either direct or indirect, in any other business for which its business is similar to or competitive with the AmSpirit Business, provided, however, that this provision shall not apply to the operation by Franchisee of another AmSpirit Business, or to any ownership by Franchisee of less than three percent (3%) of the outstanding stock of any publicly held corporation.

Franchisee shall require each of its employees who have access to or knowledge of Confidential Information, proprietary information or trade secrets relating to the AmSpirit System and who are or will be involved in the AmSpirit Business to execute a non-competition and non-disclosure and non-solicitation agreement in a form approved by AmSpirit, which non-competition agreement shall be effective during the Term of this Agreement, as well as the two (2) year period following the termination or expiration hereof.

7.13 **Indemnity and Insurance:** Franchisee shall indemnify and hold harmless, to the fullest extent permitted by law, AmSpirit and its parent, shareholders, directors, officers, employees and agents from all losses and expenses, including without limitation, compensatory, exemplary or punitive damages, fines, charges, costs, expenses, lost profits, attorneys' fees, court costs, settlement amounts,

judgments and compensation for damages to AmSpirit's reputation and goodwill, incurred in connection with any action, suit, proceeding, claim, demand, investigation or inquiry (formal or informal), or any settlement thereof, arising out of or otherwise connected with Franchisee's ownership, operation, construction or improvement of its Business. AmSpirit shall promptly notify Franchisee of any claims, and Franchisee shall be given the opportunity to assume the defense of the matter. If Franchisee fails to confirm in writing to AmSpirit that it will assume the defense at least ten (10) business days prior to the date an answer is due, AmSpirit may defend the action in the manner that it deems appropriate, and Franchisee shall pay to AmSpirit on demand all costs, including attorneys' fees and disbursements, incurred by AmSpirit in effecting such defense, in addition to any sum which AmSpirit may pay by reason of any settlement made by AmSpirit, in its sole discretion, or any judgment against AmSpirit. AmSpirit's right to indemnification by Franchisee under this Agreement shall arise notwithstanding that joint or concurrent liability may be imposed upon AmSpirit and Franchisee by statute, ordinance, representation or other law.

Franchisee shall, prior to the opening of its Business and thereafter at all times during the Term of this Agreement, at its own expense, keep in force by advance payment of premium, fire and extended coverage, vandalism and malicious mischief insurance on all structures, equipment, fixtures, furnishings and appliances on the Premises, and general liability insurance coverage in an amount not less than as may be specified by AmSpirit in the Operations Manual or otherwise in writing, and automobile liability insurance coverage with a combined single limit as may be specified by AmSpirit in the Operations Manual or otherwise in writing, or such other amounts of coverage and self insurance as AmSpirit may specify from time to time in the Operations Manual, insuring Franchisee against any liability that may accrue by reason of the operation by Franchisee of the Business. Franchisee shall procure any additional insurance required within thirty (30) days after its receipt from AmSpirit of written notice of the additional requirement. In addition, Franchisee agrees to carry such additional insurance as may be required by any lease for the Premises. All policies of insurance to be maintained by Franchisee shall contain a separate endorsement naming AmSpirit Franchise Corporation as an additional insured, as its interest may appear. All insurance shall be placed with an insurance carrier or carriers with an A.M. Best's rating of "A" and an A.M. Best's Class rating of "xiv" or be otherwise approved in writing by AmSpirit, and shall not be subject to cancellation except upon thirty (30) days written notice to AmSpirit. All policies of insurance, or certifications for insurance with a copy of the original policy attached, showing full compliance with the requirements of this covenant, shall at all times be kept on deposit with AmSpirit. On an annual basis, Franchisee shall provide to AmSpirit evidence in the form of a certificate of insurance that such insurance remains in full force and effect. If Franchisee fails to comply with these requirements, AmSpirit may obtain required insurance and keep it in force and effect, and Franchisee shall pay AmSpirit, upon demand, the premium costs thereof, together with interest at the Default Rate on all sums expended by AmSpirit.

7.14 **Stock Certificates:** If Franchisee is a corporation or another form of business entity, it shall have the following legend printed on the face of each of its stock (or other ownership) certificates:

"The transfer of this stock (or other ownership) certificate is subject to the terms and conditions of a certain AmSpirit Business Connections Franchise Agreement or agreements executed with AmSpirit Franchise Corporation. Reference is made to the provisions of such agreements and to the articles and bylaws [or other governing documents] of this corporation [or other entity]."

Upon request by AmSpirit, Franchisee shall deliver a copy of each such stock (or other ownership) certificates to evidence compliance with this Section 7.14.

7.15 **Payment of Accounts:** Franchisee shall pay on a timely basis for all inventory, merchandise, Supplies, equipment, furniture, uniforms, services, or anything whatsoever used in the operation of the Business. Franchisee is aware that its failure to make prompt payment to suppliers may cause irreparable harm to the reputation and credit of AmSpirit and other AmSpirit franchisees. In the event that Franchisee fails to pay any expenses related to the Business on a timely basis as required herein, AmSpirit may, but is not obligated to, pay such expenses and Franchisee shall reimburse AmSpirit immediately for the full amount of such payments by AmSpirit upon AmSpirit's demand for such payment. Such expenses will accrue interest at the Default Rate upon payment by AmSpirit until such time that AmSpirit receives payment in full from Franchisee.

7.16 **Compliance with Laws:** Franchisee shall comply with all laws, ordinances and regulations affecting or relating to the operation of the Business.

7.17 **Notification of Litigation:** Franchisee shall notify AmSpirit of any action, suit, proceeding, claim, demand, inquiry, or investigation, and the issuance of any order, writ, injunction, award or decree of any court, agency or governmental instrumentality which relates to the operation of the Business or which may adversely affect Franchisee's financial condition or ability to meet its obligations hereunder, within ten (10) days after Franchisee first becomes aware of the same.

7.18 **Use of Marks and Licensed Rights:** In order to further protect the AmSpirit System, the Licensed Rights and the goodwill associated therewith, Franchisee shall:

- (a) Except where prohibited by state law to the contrary, operate under the name "AmSpirit Business Connections" and advertise only under the Licensed Rights designated by AmSpirit for use for that purpose and shall use such Licensed Rights without prefix or suffix, except where such use may conflict with a superior, prior right of a third party or may be required by applicable state law or regulation, in which event Franchisee shall operate and advertise only under such other names as AmSpirit has previously approved in writing;
- (b) Feature and use the Licensed Rights solely in the manner prescribed by AmSpirit;
- (c) Observe such reasonable requirements with respect to service mark, trade name, trademark and fictitious name registrations and copyright notices as AmSpirit may, from time to time, direct in writing; and
- (d) Comply with the provisions of Article 8 hereof.

7.19 **License Relating to Franchisee Developments:** Franchisee hereby grants to AmSpirit a nonexclusive royalty-free license to use in its Businesses and to sublicense the right to use in its franchisees' AmSpirit Businesses any and all inventions, enhancements, processes, copyrights, methods, designs and other creations (hereinafter, "Developments") that, during the Term of this Agreement, Franchisee may develop, invent, discover, conceive or originate, alone or in conjunction with any other person, which Developments relate in any way to Franchisee's operation of its Business hereunder.

7.20 **Compliance with Other Requirements:** Franchisee shall comply with all other requirements of this Agreement.

ARTICLE 8

PROPRIETARY MARKS:

8.1 **Use by Franchisee:** Franchisee's rights to use the Marks as granted in Section 1.1 hereof is limited to their use in connection with the business operations of Franchisee's Business as described herein, as set forth in the Operations Manual and as prescribed in writing by AmSpirit from time to time.

8.2 **Exclusive Property of AmSpirit, AmSpirit Holding Company and AmSpirit Business Connections, Inc.:** Franchisee acknowledges the validity of, and, as applicable, AmSpirit Holding Company's and AmSpirit Business Connections, Inc.'s respective exclusive rights, titles and interests in and to the Marks, along with any identification schemes, trade dress, logos, colors, standards, specifications, operating procedures, and other concepts embodied in the AmSpirit System. Except as expressly provided by this Agreement, Franchisee shall acquire no right, title or interest therein, and, as between Franchisee and AmSpirit, any and all goodwill associated with the AmSpirit System, the Marks and the Copyrighted Materials (as hereinafter defined) shall inure exclusively to AmSpirit Holding Company's or AmSpirit Business Connections, Inc.'s benefit. Upon the expiration or termination of this Agreement, no monetary amount shall be assigned as attributable to any goodwill associated with Franchisee's use of the AmSpirit System, the Marks, the Copyrighted Materials or the Licensed Rights.

Franchisee acknowledges the validity of, and, as applicable, AmSpirit Holding Company's or AmSpirit Business Connections, Inc.'s respective exclusive rights, titles and interests in and to the Marks and the Copyrighted Materials (which term shall herein be defined to include but not be limited to all material, including without limitation all artwork and designs, created by Franchisee or any other person or entity retained or employed by Franchisee, and used with either the Marks), and shall not do or suffer to be done any act or thing which will impair the respective rights of AmSpirit Holding Company and AmSpirit Business Connections, Inc. in and to the Marks or the Copyrighted Materials. Franchisee shall not acquire and shall not claim any right, title or interest therein or any other proprietary right to the Marks or the Copyrighted Materials or in any derivation, adaptation, variation or name thereof by virtue of the license granted to Franchisee or through Franchisee's use of the Marks or the Copyrighted Materials, the parties intending and agreeing that all use of the Marks or the Copyrighted Materials by Franchisee, and all goodwill associated with such use, shall inure exclusively to the benefit of AmSpirit Holding Company, AmSpirit Business Connections, Inc., and/or their related companies. Upon the expiration or termination of this Agreement, no monetary amount shall be assigned as attributable to any goodwill associated with Franchisee's use of the Marks or the Copyrighted Materials.

Franchisee's use of any of the Marks shall, depending upon the directions provided by AmSpirit and/or AmSpirit Holding Company, in every instance be combined with one of the following notices: (i) ®; (ii) trademark of AmSpirit Holding Company or AmSpirit Business Connections, Inc. (or AmSpirit) or (iii) such other similar language as shall have the prior approval of AmSpirit and AmSpirit Holding Company and/or AmSpirit Business Connections, Inc., as applicable. Franchisee shall not use any language or display the Marks in such a way as to create the impression that the Marks belong to Franchisee. Franchisee shall not use any Mark, or any trademark incorporating all or any part of the Mark or Copyrighted Materials on any business sign, business cards, stationery or forms (except as

permitted herein), or as the name of Franchisee's business or any division thereof, unless otherwise agreed by AmSpirit and/or AmSpirit Holding Company or AmSpirit Business Connections, Inc., as applicable, in writing. Franchisee waives all claims to any rights in Franchisee's use, advertising or display of the Marks beyond the limited permission to use the Marks granted in this Agreement.

AmSpirit and Franchisee agree and intend that the Copyrighted Materials are works made for hire within the meaning of the United States Copyright Act and shall be the property of AmSpirit Holding Company, AmSpirit Business Connections, Inc., or AmSpirit, which shall be entitled to use and license others to use the Copyrighted Materials subject to the provisions of this Agreement unencumbered by moral rights. To the extent the Copyrighted Materials are not works made for hire or rights in the Copyrighted Materials do not automatically accrue to AmSpirit Holding Company, AmSpirit Business Connections, Inc. or AmSpirit, Franchisee irrevocably assigns and agrees to assign to AmSpirit Holding Company or AmSpirit Business Connections, Inc., as applicable, and their successors and assigns, the entire right, title and interest in perpetuity throughout the world in and to any and all rights, including all copyrights and related rights, in such Copyrighted Materials, which Franchisee and the author of such Copyrighted Materials warrant and represent as being created by and wholly original with the author. Where applicable, Franchisee agrees to obtain any other assignments of rights in the Copyrighted Materials from the author or third parties to AmSpirit Holding Company or AmSpirit Business Connections, Inc., as applicable, their successors and assigns, that may be required.

The following notice (or such other notice as shall have the prior approval of AmSpirit Business Connections, Inc.) shall appear at least once on each piece of promotional or packaging materials for the articles and on any articles using Copyrighted Materials with the Marks: © (year of first publication) AmSpirit Business Connections, Inc., All Rights Reserved. Franchisee shall not use any language or display the Copyrighted Materials in such a way as to create the impression that the Copyrighted Materials belong to Franchisee. Franchisee waives all claims to any rights in Franchisee's use, advertising, or display of the Copyrighted Materials beyond the limited permission to use the Copyrighted Materials granted in this Agreement.

Upon the request of AmSpirit and/or AmSpirit Holding Company or AmSpirit Business Connections, Inc., as applicable, and without further consideration, Franchisee agrees to execute any additional documents proposed by AmSpirit and/or AmSpirit Holding Company or AmSpirit Business Connections, Inc., or do or have done all things as may be requested by AmSpirit and/or AmSpirit Holding Company or AmSpirit Business Connections, Inc., as applicable, to vest and/or confirm the sole and exclusive ownership of all right, title and interest, including copyrights and related rights in and to the Copyrighted Materials in favor of AmSpirit and/or AmSpirit Holding Company or AmSpirit Business Connections, Inc., as applicable, and their successors and assigns.

Franchisee hereby irrevocably assigns and transfers to AmSpirit and/or AmSpirit Holding Company or AmSpirit Business Connections, Inc., or if applicable, Franchisee agrees to obtain an appropriate assignment by any author to AmSpirit and/or AmSpirit Holding Company or AmSpirit Business Connections, Inc., as applicable, to the extent permissible in any jurisdiction, any and all moral rights in and to the Copyrighted Materials, and where non-assignable, Franchisee hereby irrevocably waives, or if applicable, Franchisee agrees to obtain an appropriate waiver by any authors of, in favor of AmSpirit and/or AmSpirit Holding Company or AmSpirit Business Connections, Inc., as applicable, their successors, assigns, employees, agents, representatives and/or any persons acting under the authority of AmSpirit and/or AmSpirit Holding Company or AmSpirit Business Connections, Inc., as applicable, any and all moral rights in such Copyrighted Materials.

8.3 **Infringement by Franchisee:** Franchisee acknowledges that the use of the Marks or the Copyrighted Materials outside of the scope of this Agreement without the prior written consent of AmSpirit is an infringement of the right, title and interest of AmSpirit in and to the Marks and/or the Copyrighted Materials. Franchisee expressly covenants that, during the Term of this Agreement and after the expiration or termination hereof, Franchisee shall not, directly or indirectly, commit any act of infringement or contest, or aid in contesting, the validity or ownership of the Marks or the Copyrighted Materials or take any other action in derogation thereof.

8.4 **Infringement by Others:** Franchisee shall promptly notify AmSpirit of any use of the Marks or the Copyrighted Materials or any colorable variation thereof by any person, persons, partnership, association, corporation, limited liability company or other entity (“Person”) other than AmSpirit Franchise Corporation or AmSpirit Holding Company or any of its representatives and agents or other franchisees, or of any other mark in which AmSpirit has or claims a proprietary interest. Franchisee further agrees to notify AmSpirit promptly of any litigation instituted by any Person against AmSpirit or Franchisee involving the Marks or the Copyrighted Materials. In the event AmSpirit, in its sole discretion, undertakes the defense, prosecution, or settlement of any litigation relating to the Marks or the Copyrighted Materials, Franchisee agrees to execute any and all documents and to render such assistance as may, in the opinion of AmSpirit, be reasonably necessary to carry out such defense, prosecution, or settlement.

8.5 **Improper Use:** Franchisee shall not, without AmSpirit’s prior written consent, use the Marks, or any of them, as part of Franchisee’s business entity or other legal name, or hold out or otherwise employ the Marks to perform any activity or to incur any obligation or indebtedness in such a manner as could reasonably result in making AmSpirit liable therefor.

8.6 **Nonexclusive Use:** Franchisee expressly acknowledges and agrees that this license to use the Marks is nonexclusive and that AmSpirit has and retains the rights, among others:

- (a) To grant other licenses for the use of the Marks, in addition to those already granted to existing AmSpirit franchisees and to Franchisee; and
- (b) To develop and establish other systems and programs utilizing the same or similar marks, or any other proprietary marks, and to grant franchises therein without providing Franchisee any rights therein.

8.7 **Use by Others:** Franchisee shall not permit any third party to imprint the Marks on any products, materials, documents and supplies utilized by Franchisee in connection with the operation of its Business without first obtaining the consent of AmSpirit and causing such third party to execute an AmSpirit license agreement.

8.8 **Use of Marks on Internet Sites:** AmSpirit retains the sole right to create an internet Web site using “AmSpirit,” any of the other Marks, “www.amspirit.com” and “www.amspiritbusinessconnections.com”, or variation thereof, and to register or use other domain names related or similar to any of the Marks. Franchisee shall not, without the prior written consent of AmSpirit, register or use any domain name that includes any of the Marks, in whole or in part. Prior to its creation of any Web site related in any manner to Franchisee’s Business and pursuant to the approval process provided in Section 11.1(g) of this Agreement, Franchisee must obtain AmSpirit’s written approval of (and AmSpirit shall have continuing approval rights regarding) the domain name for such Web site, the content of such Web site (including all framing employed) and use of any of the Marks in

the content of such Web site. AmSpirit retains the right to pre-approve Franchisee's use of linking between Franchisee's Web pages related in any manner to Franchisee's Business and all other Web sites. Within five (5) days of any written request by AmSpirit, Franchisee shall (a) dismantle any links between Franchisee's Web pages related in any manner to Franchisee's Business and all other Web sites; and/or (b) remove any references on Franchisee's Web pages to the Marks. Further, Franchisee shall comply with AmSpirit's guidelines, as published from time to time to the AmSpirit franchise system, regarding the use by franchisees of Web sites related to franchisees' AmSpirit Businesses.

8.9 **Internet Sites or Similar Media:** AmSpirit may, from time to time in its sole discretion, create certain communication services through its internet web site, or similar media, to facilitate communication between and among AmSpirit franchisees and AmSpirit. To access this media, Franchisee must be in good standing and comply with any and all reasonable terms and conditions governing such access rights as AmSpirit may put in place from time to time. In the event that Franchisee fails to comply with the terms and conditions governing access to any internet web site or similar media, AmSpirit may terminate Franchisee's access to such internet web site or media for such duration and under such conditions that AmSpirit believes is appropriate under the circumstances.

ARTICLE 9

FRANCHISE OPERATIONS MANUAL:

9.1 **Business Operations:** In order to protect the reputation and goodwill of AmSpirit and to maintain uniform standards of operation under the Marks, Franchisee shall conduct its operations hereunder in accordance with the Operations Manual, one copy of which Franchisee acknowledges having received on loan from AmSpirit for the Term of this Agreement.

9.2 **Confidentiality:** The Operations Manual shall at all times remain the sole property of AmSpirit. Franchisee shall treat the Operations Manual, any other materials created for or approved for its use by AmSpirit, and the information contained therein as confidential, and shall use all reasonable efforts to maintain such information as secret and confidential. Franchisee shall not at any time, without AmSpirit's prior written consent, copy, duplicate, record, or otherwise reproduce the Operations Manual, in whole or in part, nor otherwise make the same available to any unauthorized person.

9.3 **Modification:** AmSpirit shall have the right to add to or otherwise modify the Operations Manual from time to time to reflect changes in authorized products and services, standards or product quality, and operations of AmSpirit Businesses. In the event of a dispute as to the contents of the Operations Manual, the master copy of the Operations Manual maintained by AmSpirit at its principal place of business shall be controlling.

ARTICLE 10

CONFIDENTIAL INFORMATION:

10.1 **Confidentiality:** Franchisee shall not, during the Term of this Agreement or thereafter, use, except in the Franchised Business licensed hereunder, or communicate, divulge, or use for the benefit of any other Person, any Confidential Information (as defined below), knowledge, or know-how concerning the AmSpirit System or the methods of operation hereunder which may be communicated to

Franchisee, or of which Franchisee may be apprised, by virtue of Franchisee's business operations under the terms of this Agreement. Franchisee shall divulge such confidential information only to such of its employees as must have access to it in order to operate the AmSpirit Business as described herein. In connection therewith, Franchisee shall be fully responsible to ensure that its employees comply with this Section 10.1. Franchisee and its officers, directors, owners and principals and certain of Franchisee's employees (as described more fully in Section 7.12 hereof) shall be required to sign non-disclosure agreements in form(s) satisfactory to AmSpirit.

"Confidential Information" means all financial, technical, operational, management and other information that the disclosing party designates as confidential when it is disclosed to the other party in connection with this Agreement.

Notwithstanding anything contained herein, Confidential Information shall not include any information:

- (i) which, at the date of disclosure to either party or its authorized Person, is in the public domain or which, after such disclosure, comes within the public domain through no fault of the party to which it is disclosed or its authorized Person;
- (ii) which was known to the party to which it was disclosed hereunder or its authorized Person prior to such disclosure;
- (iii) the disclosure of which is required by law or by any competent regulatory authority; or
- (iv) which at any time comes independently and lawfully into the possession of the recipient, either from its own resources or from any third party.

This Section 10.1 shall survive the termination or expiration of this Agreement.

ARTICLE 11

ADVERTISING AND PROMOTION:

11.1 **Local and Regional Advertising:** Recognizing the value of advertising, marketing and promotion and the importance of standardized advertising, marketing and promotion programs to the furtherance of the goodwill and public image of the AmSpirit System and all AmSpirit Businesses, the parties agree as follows:

- (a) AmSpirit reserves the right, exercisable at any time, to require Franchisee to spend on local and regional advertising, promotion and marketing an amount equal to not less than five percent (5%) of Franchisee's Gross Revenues during each quarter that the Business is open and operating. Provided however, with the consent of AmSpirit, Franchisee may allocate its advertising expenditures to account for seasonal advertising and promotions provided that at least five percent (5%) of Franchisee's Gross Revenues are spent annually for advertising and promotion. Such sums shall be spent directly for advertising and promotion

and shall not include the costs in terms of reduced Gross Revenues resulting from the use of coupons, discounts or similar devices as a part of a promotional campaign or charitable or similar donations. Such sums shall only include payments by Franchisee to outside sources, unless approved in writing by AmSpirit. In the event of any question as to whether a particular expenditure or cost may be applied against Franchisee's advertising obligation hereunder, the decision of AmSpirit shall be conclusive.

- (b) AmSpirit reserves the right, exercisable at any time, to require Franchisee pay to AmSpirit a monthly advertising contribution (the "Advertising Production Contribution") equal to 1/2 per cent (0.5%) of Franchisee's Gross Revenues during each month that the Business is open and operating. Such Advertising Production Contribution shall be paid at the same time and in the same manner as the monthly Royalty under Section 5.1 hereof. All Advertising Production Contributions received by AmSpirit shall be held in a separate account (the "Advertising Program Account") by AmSpirit and shall be used solely for the purpose of administering AmSpirit's advertising program, advising franchisees regarding advertising and promotion, producing templates for advertising, promotional and related materials for use by all AmSpirit Businesses, payment of outside consultants retained by AmSpirit in connection with the advertising and promotional program, and reimbursement of AmSpirit of the costs of AmSpirit in administering the advertising program as reasonably estimated by AmSpirit, including expenses of salary and office overhead related thereto. AmSpirit may in turn pay all or part of the Advertising Production Contribution to AmSpirit Business Connections, Inc. for its services to AmSpirit in fulfilling its obligations with respect to advertising and promotion. If a separate entity is subsequently established to administer a national advertising program, AmSpirit may at its option assign its rights and obligations under this paragraph to such entity including the right to receive the Advertising Production Contributions.
- (c) AmSpirit reserves the right, exercisable at any time, to require Franchisee to join and participate with AmSpirit and/or other franchisees in local and regional cooperative advertising and marketing activities.
 - (i) Franchisee agrees to be bound by the terms of an advertising and marketing cooperative agreement to be entered into with other owners and operators of AmSpirit Businesses in such local and regional cooperatives as may be designated by AmSpirit, which may include AmSpirit and its affiliates. Such agreement shall be in such form and upon such terms as determined by the participants, provided that, if the participants are unable to agree, the form of agreement shall be as prescribed by AmSpirit.
 - (ii) Franchisee shall contribute to such advertising and marketing cooperative such amounts as are determined by the cooperative, which amount shall be applied against the monthly advertising requirement set forth in subparagraph 11.1(a) hereof.
 - (iii) Participation in the advertising and marketing cooperative shall be on the basis of a one vote per AmSpirit Business voting structure. Franchisee

agrees to abide by all rules, regulations and bylaws, if any, adopted by the members of the cooperative advertising and marketing program and failure to abide by those rules, regulations or bylaws shall be an event of default under this Agreement.

- (d) Subject to the licensing requirements set forth at Section 7.3 hereof and in compliance with the provisions of Section 16.1 hereof, Franchisee shall affix the Marks in the manner prescribed by AmSpirit to all stationery, cards, signs, and other advertising and promotional materials used in connection with the operation of the Business hereunder. If Franchisee causes a third party to prepare any such materials, AmSpirit may require such person to enter into an AmSpirit license agreement.
- (e) Franchisee shall, at its sole cost and expense, and in the form prescribed by AmSpirit, list its Business in such directories and in such form as set forth in the Operations Manual or as otherwise directed by AmSpirit. Franchisee shall make available, in compliance with the requirements of AmSpirit, to the customers of its Business any marketing materials provided by AmSpirit regarding alternative methods of product distribution, including, without limitation, mail order or internet based sales of products.
- (f) Franchisee shall cooperate with AmSpirit in any and all advertising, promotional and marketing plans and campaigns established by AmSpirit in its sole discretion.
- (g) All advertising, promotions and marketing carried out by Franchisee in any media shall be conducted in a dignified manner and shall conform to the standards and requirements prescribed by AmSpirit and to the highest ethical standards of advertising. Thirty (30) days prior to publication, Franchisee shall submit to AmSpirit, for its prior written approval (except with regard to prices to be charged), samples of all advertising and promotional plans and materials that Franchisee desires to use and that have not been prepared or previously approved by AmSpirit. Such approval shall not be unreasonably withheld. Any materials submitted to AmSpirit and not disapproved within thirty (30) days shall be deemed approved. AmSpirit may upon thirty (30) days notice revoke its approval of any advertising and promotion previously approved.
- (h) Franchisee agrees to honor any coupon or similar promotional materials issued by AmSpirit or other AmSpirit franchisees in promotional programs approved by AmSpirit in accordance with such regulations as AmSpirit may prescribe from time to time in connection with such program.

11.2 **National Advertising:** At such time, if any, that a national advertising program is established by AmSpirit, Franchisee agrees to participate therein and to contribute such amount of its Gross Revenues thereto as may be prescribed by AmSpirit up to two and one-half percent (2.50%) of Franchisee's monthly Gross Revenues. Provided, however, that any amount contributed to such national advertising program in excess of one percent (1%) of Franchisee's Gross Revenues may be offset against Franchisee's advertising obligation as set forth in Section 11.1(a). Such national advertising

contributions shall be payable to AmSpirit, or its designee, with Royalty Fee and Administrative Services Fee payments as provided in Section 5.1 hereof.

ARTICLE 12

TRANSFERABILITY OF INTEREST:

12.1 **Transfer by AmSpirit:** AmSpirit shall have the right to transfer or assign all or any part of its rights and/or obligations herein to any Person assuming the obligations of AmSpirit hereunder. Franchisee agrees to execute any documents that AmSpirit may reasonably request to effectuate any transfer or assignment by AmSpirit.

12.2 **Transfer by Franchisee:**

- (a) Franchisee understands and acknowledges that the rights and duties set forth in this Agreement are personal to Franchisee, and that AmSpirit has granted this AmSpirit Business franchise in reliance on Franchisee's business skills, professional reputation and financial capacity. Accordingly, neither Franchisee nor any shareholder, partner, member or any immediate or remote successor to any part of Franchisee's interest in this AmSpirit Business franchise shall sell, assign, transfer, pledge or encumber, by operation of law or otherwise, this Agreement, the Licensed Rights or the franchise granted hereunder, any ownership interest in Franchisee or the assets used in the Business without the prior written consent of AmSpirit. Such transfer, sale, assignment, pledge or encumbrance not having the written consent of AmSpirit shall be null and void and shall constitute a material breach of this Agreement, for which AmSpirit may then terminate this Agreement.
- (b) AmSpirit shall not unreasonably withhold its consent to a transfer of any interest in this Agreement, the Business, Franchisee or in the AmSpirit franchise granted hereunder, provided, however, that, prior to the time of transfer, AmSpirit may, in its sole discretion, require that:
 - (1) All of Franchisee's accrued monetary obligations to AmSpirit and all other outstanding obligations related to the Franchised Business shall have been satisfied;
 - (2) The transferor's right to receive compensation, pursuant to any agreement or agreements for the purchase of any interest in Franchisee or in the AmSpirit Business, shall be subordinate and secondary to AmSpirit's rights to receive any outstanding monetary obligation or other outstanding obligations due from the transferor Franchisee pursuant to this Agreement, and whether arising before or after the transfer;
 - (3) Franchisee shall have executed a general release in a form satisfactory to AmSpirit, effective as of the date of transfer, of any and all claims against AmSpirit, its corporate affiliates and its officers, members,

directors, shareholders, and employees in their corporate and individual capacities, including, without limitation, claims arising under federal, state and local laws, rules and ordinances;

- (4) The transferee franchisee shall enter into a written assumption, in a form satisfactory to AmSpirit, assuming and agreeing to discharge all of Franchisee's obligations under this Agreement prior to and after the date of the assumption and to fully repair, refurbish and update the Business and the furnishings, Equipment and signs used therein and therewith, in accordance with AmSpirit's most current specifications prior to the completion of the sale or transfer;
 - (5) The transferee franchisee shall demonstrate to AmSpirit's satisfaction that he or she, if an individual, its general partners, if it is a partnership, its members, if it is a limited liability company, and its officers, directors and principal shareholders or other owners, if it is a corporation or other business entity, meets AmSpirit's educational, managerial and professional standards; possesses a good moral character, professional reputation, and credit rating; has the aptitude and ability to conduct the Franchised Business (as may be evidenced by prior related business experience or otherwise); and has adequate financial resources and capital to operate the Franchised Business;
 - (6) The transferee franchisee shall execute the then-current standard form of AmSpirit Business Connections Franchise Agreement and other ancillary agreements as AmSpirit may require for the Business for a term ending on the date of expiration of this Agreement;
 - (7) At transferee franchisee's expense, and upon such other terms and conditions as AmSpirit may reasonably require, the transferee franchisee and its managers shall complete the training course then in effect for new franchisees to the satisfaction of AmSpirit; and
 - (8) Franchisee shall pay to AmSpirit a transfer fee of twenty percent (20%) of the then effective initial franchise fee for an AmSpirit Business. Such transfer fee shall not be required in case of a transfer by Franchisee to a corporation or other business entity formed by Franchisee solely for the convenience of ownership under Section 12.3 hereof.
- (c) If Franchisee is a corporation, partnership, limited liability company, or similar entity, the terms of this Section 12.2 shall apply to any sale, resale, pledge, assignment, transfer or encumbrance of any voting stock of, or other ownership interest in Franchisee.

12.3 Transfer to Franchisee's Corporation or Other Business Entity: In the event that Franchisee proposes to transfer all of its interest in the AmSpirit franchise granted pursuant hereto to a corporation or other business entity formed by Franchisee solely for the convenience of ownership, the provisions of Section 12.2(b) shall not apply; provided AmSpirit's consent to such transfer may, in its sole discretion, be conditioned on the following requirements:

- (a) The transferee corporation (or other business entity) shall be newly organized, its Articles of Incorporation and/or Bylaws (or other governing documents) shall provide that its activities are confined exclusively to operate the Franchised Business and activities related thereto and its legal name(s) and trade names shall comply with Section 8.5 of this Agreement;
- (b) Franchisee shall own all of the stock (or other ownership interest) in the transferee corporation, except as may be required by law, and shall act as its principal executive and operating officer;
- (c) Franchisee shall enter into an agreement, in a form satisfactory to AmSpirit, unconditionally guaranteeing the full payment and performance of the transferee corporation's (or other business entity's) obligations to AmSpirit;
- (d) Each stock (or other ownership) certificate of the transferee corporation (or other business entity) shall have conspicuously endorsed upon its face the following legend:

“The transfer for this stock [or other ownership] certificate is subject to the terms and conditions of a certain AmSpirit Business Connections Franchise Agreement or agreements executed with AmSpirit Franchise Corporation. Reference is made to the provisions of such agreements and to the articles and bylaws [or other governing documents] of this corporation [or other entity].”
- (e) Copies of transferee corporation's (or other business entity's) Articles of Incorporation, Bylaws and other governing documents, including the resolutions of the Board of Directors (or other governing body) authorizing entry into this Agreement, shall be furnished to AmSpirit for its approval prior to the transfer; and
- (f) The name of the transferee corporation (or other business entity) shall not, without AmSpirit's prior written approval, consist of or contain the Marks or any colorable variation thereof or any other mark in which AmSpirit has or claims a proprietary interest.

12.4 **AmSpirit's Right of First Refusal:** If Franchisee or its owners shall at any time decide to sell, transfer or assign any right or interest under this Agreement and/or the AmSpirit Business franchise granted pursuant hereto, any of the assets used in the Franchised Business hereunder, or any ownership interest in Franchisee, if Franchisee is a corporation, partnership or other business entity, Franchisee or its owners shall first obtain a bona fide, executed, written offer from a responsible and fully disclosed purchaser and shall submit an exact copy of such offer to AmSpirit, which shall, for a period of thirty (30) days from the date of delivery of such offer, have the right, exercisable by written notice to Franchisee or its owners, to purchase such rights or interests for the price and on the terms and conditions contained in such offer, provided that AmSpirit may substitute equivalent cash for any form of payment proposed in such offer. Any purchase by AmSpirit must be completed within sixty (60) days of AmSpirit's delivery of written notice of its intent to purchase. If AmSpirit does not exercise its right of

first refusal, Franchisee or its owners may complete the sale of such interest to the bona fide purchaser, subject to AmSpirit's approval of the purchaser, provided that if the sale to such purchaser is not completed within one hundred twenty (120) days after delivery of the offer to AmSpirit, AmSpirit shall again have the right of first refusal herein provided.

12.5 **Right of Franchisee's Heirs Upon Death or Disability of Franchisee:** Upon the death of Franchisee, if Franchisee is an individual, or the death of the last remaining shareholder of Franchisee who owns at least ten percent (10%) of the voting shares of Franchisee if Franchisee is a corporation, or the death of the last remaining general partner of Franchisee if Franchisee is a general partnership, or the death of the last holder of at least a ten percent (10%) ownership interest in Franchisee, if Franchisee is another business entity (in any such event, the "Deceased Franchisee") shall result in the termination of this Agreement; provided, however, in such event the heirs, surviving spouse, conservators, or personal or other legal representatives of the Deceased Franchisee (collectively the "Executor") may elect to transfer and sell the AmSpirit Business and assign this Agreement to another party subject to each of the following conditions:

- (a) The Executor must notify AmSpirit of such election in writing no later than fifteen (15) days after the death of the Deceased Franchisee together with evidence of the authority of the Executor to make such election on behalf of the Deceased Franchisee and the name of the manager who the Executor proposes to retain to operate the Franchised Business until the time of such sale and transfer. Failure of the Executor to notify AmSpirit of such election within the fifteen (15) day period shall result in the automatic termination of this Agreement;
- (b) The Executor must retain a manager, approved by AmSpirit, to manage and operate the Franchised Business during the period from the date of such election until the transfer;
- (c) Notwithstanding any other provision of this Agreement to the contrary, (i) during the period of time between the notification of AmSpirit of the event of death and the approval by AmSpirit of individuals to operate the Franchised Business, or (ii) during the period of time from the date AmSpirit is made aware of your death (which notification may include knowledge obtained or received by AmSpirit from some source other than the Executor) and the approval by AmSpirit of individuals to operate the Franchised Business, AmSpirit shall retain the rights, in its sole discretion, to operate or to allow an affiliate of AmSpirit or a designee of AmSpirit to operate the Franchised Business for the benefit of the estate of the Deceased Franchisee; and
- (d) The sale and transfer shall be subject to all of the provisions of Section 12.2 hereof (although the provisions of Section 12.4 shall not apply); and
- (e) The sale and transfer must be completed within six (6) months of the death of the Deceased Franchisee.

The failure of the Executor to comply with the provisions of paragraphs (b) and/or (d) of this Section 12.5 shall be a default under this Agreement.

ARTICLE 13

TERMINATION:

13.1 **Events of Default:** The occurrence of any of the following events shall constitute a default under this Agreement:

- (a) The failure to open the Business and commence business operations within the time period specified in Section 7.7 of this Agreement or failure to satisfy the Development Obligation as specified in Section 1.5 of this Agreement;
- (b) The failure of Franchisee to satisfactorily complete the initial training program to the satisfaction of AmSpirit as set forth in Section 7.6 hereof;
- (c) If Franchisee shall misuse the AmSpirit System, the Licensed Rights or the Marks or otherwise materially impair the goodwill associated therewith or AmSpirit's rights therein, or if Franchisee shall use, at the Business, any name, marks, systems, insignia or symbols not authorized by AmSpirit;
- (d) If Franchisee fails to promptly pay any sum due by virtue of this Agreement;
- (e) If Franchisee fails to furnish to AmSpirit any report or information required in this Agreement;
- (f) If Franchisee fails to operate the Business in compliance with the terms of this Agreement, the Operations Manual and any quality or operations standards and guidelines issued in writing by AmSpirit;
- (g) If Franchisee fails to perform and observe any provision of any lease or sublease covering the Equipment utilized in the operation of the Business;
- (h) Franchisee's failure to perform any provision of this Agreement or of any other agreement to which AmSpirit and Franchisee are parties, or defaults under any other agreement with AmSpirit when such default is not cured in accordance with the terms of such other agreement;
- (i) Any assignment for the benefit of creditors of Franchisee, if not dismissed within fifteen (15) days;
- (j) If Franchisee abandons the Business by failing to operate the Business for sixty (60) consecutive days during which Franchisee is required to operate the business under the terms hereof, or any shorter period in which AmSpirit reasonably concludes that Franchisee does not intend to continue to operate the Business, unless such failure to operate is due to fire, flood, earthquake or other similar causes beyond Franchisee's control;
- (k) If Franchisee fails, for a period of ten (10) days after receipt of notification of noncompliance, to comply with any federal, state or local law or regulation applicable to the operation of the Franchised Business;

- (l) Any attempted transfer in violation of Article 12 hereof;
- (m) Any material misrepresentation by Franchisee relating to his, her or its acquisition of the franchise granted hereunder or conduct by Franchisee that reflects materially and unfavorably upon the operation and reputation of the Franchised Business or the AmSpirit System;
- (n) If the Franchised Business or the Premises are seized, taken over or foreclosed by a government official in the exercise of his duties, or seized, taken over or foreclosed by a creditor, lienholder or lessor, and not dismissed within thirty (30) days; or if Franchisee admits its inability to pay its obligations as they come due; or if a receiver is appointed over all or any part of the assets of Franchisee; or a levy of execution has been made upon the license granted by this Agreement or upon any property used in the Franchised Business and it is not discharged within five (5) days of such levy, or if Franchisee shall file a petition in bankruptcy, reorganization or similar proceeding or be named a debtor in any such proceeding under the bankruptcy laws of the United States;
- (o) If Franchisee (or, if Franchisee is a business entity, any owner or principal officer of Franchisee) is convicted of a felony or any other crime involving moral turpitude;
- (p) If AmSpirit makes a reasonable determination that the continued operation of the Franchised Business by Franchisee will result in immediate danger to public health or safety and such default is not cured within three (3) days after notice from AmSpirit to Franchisee;
- (q) If AmSpirit gives Franchisee a notice of default under this Article 13 after two previous defaults that have been cured after notice of default within the preceding twelve (12) month period;
- (r) If Franchisee, or any of Franchisee's employees, breaches Section 10.1 and/or Section 9.2 of this Agreement resulting in the disclosure of the Operations Manual to any third party;
- (s) The death of Franchisee (or, if the Franchisee is a business entity, the death of an owner or the chief executive officer of the business entity) without the election to sell and transfer the Franchised Business as set forth in Section 12.5 hereof; or
- (t) The failure of the Executor of a Deceased Franchisee to comply with the provisions of paragraphs (b) or (d) of Section 12.5 hereof.

For purposes of paragraphs (c), (h), and (o) set forth in this Section 13.1, the definition of Franchisee shall include any officer, director, shareholder or holder of an ownership interest in Franchisee, if Franchisee is a corporation or other business entity, any partner of Franchisee, if Franchisee is a partnership, and any member or manager of Franchisee, if Franchisee is a limited liability company.

13.2 **Termination:** Upon the occurrence of any of the events set forth in Section 13.1, AmSpirit may, without prejudice to any other rights or remedies continued in this Agreement or provided by law or equity, terminate this Agreement. Such termination shall be effective thirty (30) days after written notice (or such other notice as may be required by applicable state law) is given by AmSpirit to Franchisee of any of the events set forth in paragraphs (c), (d), (e), (f), (g), (h), (j) or (t) of Section 13.1 if such defaults are not cured within such period. Such termination shall be effective immediately upon written notice upon the occurrence of the events set forth in paragraph (a), (b), (i), (k), (n), (o), (q) or (r) of Section 13.1. Such termination shall be effective immediately without notice upon the occurrence of the events set forth in paragraph (l), (m), (p) or (s) of Section 13.1.

Notwithstanding anything in this Section 13.2 to the contrary, in the event of default pursuant to paragraph 13.1(j) above, AmSpirit shall have the right, with or without termination of this Agreement, to operate the Franchised Business from and after the date of abandonment of the Franchised Business by the Franchisee for the benefit of Franchisee, using Franchisee's employees or employees or independent contractors of AmSpirit or any parent, affiliate or subsidiary of AmSpirit. Any such assistance shall be provided for a reasonable fee to Franchisee and for a reasonable amount of time, as determined by AmSpirit in its commercially reasonable discretion. In connection therewith, Franchisee shall at all times be responsible for salary and incidental expenses of Franchisee, its owners, officers, manager(s), Area Director(s) and other employee(s) during such operation of the Franchised Business by AmSpirit.

ARTICLE 14

OBLIGATIONS UPON TERMINATION:

14.1 **Obligations of Franchisee:** Upon termination or expiration of this Agreement, Franchisee shall:

- (a) Cease to operate the Business and shall not thereafter, directly or indirectly, represent to the public or hold itself out as a present or former franchisee of AmSpirit;
- (b) Immediately and permanently cease to use, by advertising or in any manner whatsoever, any equipment, materials, confidential methods, procedures and techniques associated with the AmSpirit System or which display the Marks or any other distinctive forms, slogans, signs, symbols, or devices associated or belonging to AmSpirit;
- (c) Make such modifications or alterations to the Business and the Premises operated hereunder (including, without limitation the changing of all telephone numbers), as may be necessary or as requested by AmSpirit to prevent the operation of any business on the Premises which might be deemed substantially similar to or confusingly similar with that of AmSpirit or any other AmSpirit franchisee, and cease utilizing any trade dress, designation of origin, description or representation which falsely suggests or represents an association or connection with AmSpirit. If Franchisee fails or refuses to comply with the requirements of this Section 14.1(c), AmSpirit shall have the right to enter upon Franchisee's Premises, without being guilty of trespass or any other tort, for the

purpose of making or causing to be made such changes as may be required at the expense of Franchisee, including reasonable attorney's fees incurred by AmSpirit subsequent to the termination or expiration of this Agreement in obtaining injunctive relief, damages or other relief for the enforcement of any provision of this Article 14;

- (d) Turn over to AmSpirit all manuals, including the Operations Manual, all customer lists and records (including, without limitation, lists of any current or potential Members) in all forms and media, other records, files, instructions, correspondence, and materials including, without limitation, brochures, agreements, disclosure statements and any and all other materials relating to the Franchised Business operated hereunder in Franchisee's possession including all copies thereof (all of which are hereby acknowledged to be AmSpirit's sole property and on loan to Franchisee during the Term of this Agreement);
- (e) Assign to AmSpirit all of Franchisee's telephone numbers and classified listings and advertisements used in the operation of the Business;
- (f) Pay to AmSpirit all sums due and owing to AmSpirit or any affiliate of AmSpirit, including any unpaid Royalty Fees, any unpaid Administrative Services Fees, any amount owed for products and Supplies purchased or for any other reason, and to pay any unpaid advertising contributions to any advertising cooperative or national advertising program; and
- (g) Comply with all other obligations upon termination set forth in this Agreement.

14.2 **AmSpirit's Purchase Option:** Within thirty (30) days following the expiration or termination of this Agreement for any reason AmSpirit shall have the option (but not the obligation unless otherwise required by applicable state law) to purchase all or any portion of Franchisee's inventory, merchandise or supplies used by Franchisee in its Franchised Business for a purchase price equal to the lower of Franchisee's cost or Franchisee's book value thereof. Any purchase under this Section 14.2 shall be closed within thirty (30) days of the exercise of the option at a location designated by AmSpirit.

14.3 **Covenant Not to Compete:** For a period of two (2) years following the termination or expiration of this Agreement, whether by lapse of time or by other cause, sale and/or assignment of the AmSpirit franchise granted hereunder or the Business or by purchase by AmSpirit of all or substantially all of the assets of Franchisee pursuant hereto, Franchisee shall not, directly or indirectly, either as a principal, agent, employee, officer, or director of any corporation, as a partner, sole proprietor, or in any other way engage in any business competitive or substantially competitive with, or similar to, an AmSpirit Business within one hundred (100) miles of the premises of the Business or within one hundred (100) miles of the premises of any other AmSpirit franchised Businesses or within one hundred (100) miles of the premises of any AmSpirit Businesses owned and operated by AmSpirit Franchise Corporation or any other affiliate of AmSpirit. For the purpose of this Section 14.3 and Section 7.12 of this Agreement, the term "Franchisee" shall include any officer, director, shareholder or holder of an ownership interest in Franchisee, if Franchisee is a corporation or other business entity, any partner of Franchisee, if Franchisee is a partnership, and any member or manager of Franchisee, if Franchisee is a limited liability company.

14.4 **Confidentiality:** Following the termination or expiration of this Agreement for any reason, Franchisee and its officers, directors, shareholders, agents and representatives, if any, shall not communicate, divulge or use for the benefit of itself or any other person or entity, any information or knowledge which it may have acquired by virtue of the conduct of the operation of the Franchised Business granted herein or otherwise from materials received from AmSpirit, and shall not do anything prejudicial or injurious to the business or goodwill of AmSpirit, or any other franchisee of AmSpirit.

14.5 **Survival of Provisions After Termination or Expiration:** The obligations of Franchisee set forth in, and the other provisions of, Sections 7.13, 7.18 and 10.1 and Articles 8, 14, 15 and 17 shall survive the termination or expiration of this Agreement.

ARTICLE 15

ENFORCEMENT:

15.1 **Injunctive Relief:** AmSpirit shall be entitled, without bond, to the entry of temporary and permanent injunctions and orders of specific performance enforcing the provisions of this Agreement relating to (a) Franchisee's use of the Marks; (b) Franchisee's preparation and distribution of products and provision of services from its AmSpirit Business; (c) the obligations of Franchisee upon termination or expiration of this Agreement; or (d) an assignment of this Agreement or the franchise granted hereunder or any ownership interest therein and also as necessary to prohibit any act or omission by Franchisee or its employees that would constitute a violation of any applicable law, ordinance, or regulation, or which is dishonest or misleading to AmSpirit, AmSpirit's other franchisees, or the general public.

15.2 **Venue:** Except to the extent prohibited by applicable state law to the contrary, AmSpirit and Franchisee agree that any litigation or legal action to enforce or relating to this Agreement and the relationship of the parties hereunder shall be filed in the federal district court for the Southern District of Ohio, or the Common Pleas Court of Franklin County, Ohio, and AmSpirit and Franchisee hereby consent to the jurisdiction of such courts.

15.3 **Expenses in Legal Proceedings:** In the event a dispute arises under this Agreement, the prevailing party shall be entitled to recover its expenses, including without limitation attorneys' fees and disbursements, accounting fees and disbursements, court costs and costs of collection, in addition to any other relief to which it is found entitled.

ARTICLE 16

INDEPENDENT CONTRACTOR:

16.1 **Independent Contractor:** It is understood and agreed that nothing in this Agreement shall create a partnership, employment or agency relationship between AmSpirit and Franchisee or authorize Franchisee to make any contract, agreement, warranty, or representation on AmSpirit's behalf, or to incur any debt or other obligation in AmSpirit's name, and that AmSpirit shall in no event assume liability for, or be deemed liable hereunder as a result of, any such action, or by reason of any act or omission of Franchisee in any of its operations hereunder or any claim or judgment arising therefrom against AmSpirit. Franchisee shall indemnify and hold AmSpirit harmless against any and all such

claims, debts, liabilities or obligations arising directly or indirectly from, as a result of, or in connection with, Franchisee's operation of the Franchised Business, and shall pay all costs (including, without limitation, attorneys' and accountants' fees and disbursements) incurred by AmSpirit in defending against and/or responding to them. Franchisee shall display prominently, in full compliance with the policies and procedures set forth in the Operations Manual, including without limitation, at its place of business, on all correspondence with third parties, and on any printed materials bearing its name or business location, a statement, as specified by AmSpirit, that the Franchised Business is independently owned and operated by Franchisee. Franchisee further acknowledges and agrees that AmSpirit owes no fiduciary duty whatsoever to Franchisee.

ARTICLE 17

MISCELLANEOUS:

17.1 **Nature of Agreement:** This Agreement, together with the schedules attached, constitutes the entire and whole Agreement between the parties and supersedes any and all prior negotiations, understandings, representations and agreements between such parties. Nothing in this Agreement or any other related agreement, however, is intended to disclaim the representations AmSpirit made in the AmSpirit Business Connections Franchise Disclosure Document that AmSpirit furnished to Franchisee. Except as otherwise set forth herein, this Agreement may not be modified or amended except by a written instrument, signed by each of the parties, expressing such amendment or modification. No failure on the part of any party to exercise, and no delay in exercising, any right, power or remedy hereunder shall operate as a waiver; nor shall any single or partial exercise of any right, power or remedy preclude any other or further exercises or the exercise of any other right, power or remedy.

17.2 **Benefit:** This Agreement shall be binding upon and inure to the benefit of the parties hereto and their respective and legal representatives, successors and assigns.

17.3 **Construction:** Except to the extent governed by the U.S. Trademark Act of 1946, as amended, this Agreement shall be deemed to have been entered into and for all purposes shall be governed by the local laws of the State of Ohio, without application of its conflicts of laws provisions.

17.4 **Headings:** The headings contained in this Agreement are for reference purposes only and shall not affect the meaning or interpretation of any provision of this Agreement.

17.5 **Notices:** All payments shall be made to, and all notices, requests, demands and other communications hereunder shall be deemed to have been duly received by, the person to whom addressed when personally delivered, or forty-eight (48) hours after deposit in the United States mail, registered or certified mail, postage prepaid, return receipt requested, or twenty-four (24) hours after deposit with an overnight delivery service, charges prepaid, addressed:

(a) In the case of AmSpirit, to:

AmSpirit Franchise Corporation
2701 Tally Ho Lane
Blacklick, Ohio 43004
Attention: President

or to such other person or address as AmSpirit may from time to time furnish to Franchisee.

(b) In the case of Franchisee, to:

The address set forth
in Section 3 of Schedule A
attached hereto,

or to such other person or address as Franchisee may from time to time furnish to AmSpirit.

17.6 **Joint and Several Obligations:** If Franchisee consists of more than one person, their liability under this Agreement shall be deemed to be joint and several.

17.7 **Pronouns:** Each pronoun used herein shall be deemed to include the other number and gender.

17.8 **Severability:** In the event that any provision of this Agreement, in whole or in part (or the application of any provision to a specific situation), is held to be invalid or unenforceable by the final judgment of a court of competent jurisdiction after appeal or the time for appeal has expired, such invalidity shall be limited to such specific provision or portion thereof (or to such situation), and this Agreement shall be construed and applied in such manner as to minimize such unenforceability. This Agreement shall otherwise remain in full force and effect.

17.9 **Counterparts:** This Agreement may be executed in two or more counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same instrument.

17.10 **Consents:** Whenever this Agreement requires the prior approval or consent of AmSpirit, Franchisee shall make a timely written request to AmSpirit therefor, and such approval shall be obtained in writing. AmSpirit will also consider granting, in its sole discretion, other reasonable requests individually submitted by Franchisee in writing for AmSpirit's prior waiver of any obligation imposed by this Agreement. AmSpirit makes no warranties or guarantees upon which Franchisee may rely, and assumes no liability or obligation to Franchisee, by providing any waiver, approval, consent, or suggestion to Franchisee in connection with their Agreement, or by reason of any neglect, delay or denial of any request therefor. Any waiver granted by AmSpirit shall be subject to AmSpirit's continuing review, may subsequently be revoked for any reason effective upon Franchisee's receipt of thirty (30) days prior written notice, and shall be without prejudice to any other rights AmSpirit may have.

ARTICLE 18

ACKNOWLEDGMENTS AND REPRESENTATIONS:

18.1 **Acknowledgments By Franchisee:** Franchisee acknowledges that:

- (a) It has conducted an independent investigation and financial assessment of the business contemplated by this Agreement and the market in which the Franchised Area is located and recognizes that it involves business risks making the success of the venture largely dependent upon the business abilities of Franchisee as well as other variables. AmSpirit expressly disclaims the making

of, and Franchisee acknowledges that it has not received or relied upon, any representations, warranties or guarantees, express or implied, as to the potential volume, profits or success of the business venture contemplated by this Agreement.

- (b) It has no knowledge of any representations by AmSpirit, or its parent, officers, directors, shareholders, employees, agents or servants, about the business contemplated by this Agreement that are contrary to the terms of this Agreement or the documents incorporated herein, and further represents to AmSpirit, as an inducement to its entry into this Agreement, that it has made no misrepresentations in obtaining this Agreement.
- (c) It has received, read and understood this Agreement and the attachments hereto, if any, and AmSpirit has fully and adequately explained the provisions of each to its satisfaction. AmSpirit has afforded it ample time and opportunity to consult with advisors of its own choosing about the potential benefits and risks of entering into this Agreement.
- (d) It has received AmSpirit's Franchise Disclosure Document for the state in which the Franchised Area is located no less than fourteen (14) calendar days prior to the execution of any such agreements or the payment of any consideration to AmSpirit.
- (e) It is aware of the fact that some franchisees may operate under different forms of agreements, and consequently, that AmSpirit's obligations and rights in respect to its various franchisees may differ materially in certain circumstances.

18.2 **Representations By Franchisee:** Franchisee hereby represents that the information that it has provided in Sections 1, 3 and 4 of Schedule A attached hereto is true, accurate and complete as of the date that Franchisee has executed this Agreement and that any modifications of such information provided to AmSpirit shall be true, accurate and complete as of the date such modification is provided to AmSpirit.

ARTICLE 19

EFFECTIVE DATE:

19.1 **Effective Date:** This Agreement shall be effective as of the date it is executed by AmSpirit (the "Effective Date").

[remainder of page intentionally left blank]

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

FRANCHISEE:

(Name of Franchisee Entity)

By: _____

Name Printed: _____

Title: _____

Date: _____

By: _____

Name Printed: _____

Title: _____

Date: _____

AMSPIRIT:

AmSpirit Franchise Corporation

By: _____

Name Printed: _____

Title: _____

Date: _____

SCHEDULE A

(to AmSpirit Business Connections Franchise Agreement)

Section 1. Franchisee (the following information should be identical to that in the first paragraph of Page 1 of Franchise Agreement):

Name of Individual or Entity: _____

Type of entity and State of organization (if applicable): _____

Principal business office address: _____

Names and Addresses and
Percentage of Ownership
of all Shareholders
or Partners
or Limited Liability
Company Members

Section 2. Description of Franchised Area (as referenced in Section 1.2 of the Franchise Agreement):

Section 3. Location of the Franchised Business (as referenced in Section 1.1 of the Franchise Agreement):

Section 4. Franchisee's Address for Notices (as referenced in Section 17.5 of Franchise Agreement):

SCHEDULE B
(to AmSpirit Business Connections Franchise Agreement)

As referenced in Section 1.5 of the Franchise Agreement:

<u>Days After Completion of Initial Training</u>	<u>Minimum Number of Chapter Required to be Opened</u>	<u>Aggregate Minimum Number of Chapters Opened</u>
61-90	2	2
150-180	2	4
240-270	2	6
330-360	1	7
420-450	1	8
510-540	1	9
600-630	1	10
690-720	1	11

EXHIBIT C

JOINT AND SEVERAL UNCONDITIONAL GUARANTY

This Joint and Several Unconditional Guaranty (this "Guaranty") dated as of _____, 20__, is made by _____, an individual residing in the State of _____ and _____, an individual residing in the State of _____ (and each additional individual whose signature appears at the end hereof under the heading "Guarantors") (collectively referred to herein as the "Guarantors"), in favor of AmSpirit Franchise Corporation, an Ohio corporation with its principal place of business at 2701 Tally Ho Lane, Blacklick, Ohio 43004 (referred to herein as "AFC"), and executed and delivered as of the date of that certain AmSpirit Business Connections Franchise Agreement (the "Franchise Agreement") between _____, a(n) _____ having
Name of Franchisee Type of business entity business
an address of _____ (referred to herein as "Franchisee"), and AFC.

Background

- A. Franchisee and AFC are prepared to execute and deliver the Franchise Agreement, and, as an inducement to AFC to enter into the Franchise Agreement, each of the Guarantors has agreed to guarantee the performance of all obligations of Franchisee as set forth in the Franchise Agreement (the "Obligations") and to execute and deliver this Guaranty; and
- B. Each Guarantor will directly benefit from the agreement by AFC to enter into the Franchise Agreement with Franchisee;

NOW, THEREFORE, in consideration of the foregoing, the execution of the Franchise Agreement and other good and valuable consideration the receipt and sufficiency of which are hereby acknowledged, and intending to be legally bound hereby, the Guarantors, and each of them, hereby agree as follows:

Section 1. Statement of Guaranty. The Guarantors, and each of them, jointly and severally, unconditionally, absolutely and irrevocably guarantee prompt and satisfactory performance of the Obligations set forth in the Franchise Agreement in accordance with all its terms and conditions, and all renewals, extensions, modifications and amendments thereof. If Franchisee defaults in performance of its Obligations under the Franchise Agreement according to its terms and conditions, the Guarantors, and each of them, jointly and severally, irrevocably and unconditionally agree that they are each liable to AFC as primary obligors for the full payment and performance of the Obligations and all damages, costs, and expenses that AFC is entitled to recover from Franchisee by reason of such default.

Section 2. Payment. The Guarantors, and each of them, jointly and severally, agree that, if any of the Obligations requiring payment to AFC of sums of money are not punctually paid to AFC when such amounts are due according to the terms of the Franchise Agreement, the Guarantors, and each of them, shall, immediately upon demand by AFC and without any other notice whatsoever, pay the amount due to AFC at the address set forth in the Franchise Agreement or at such other address as AFC may notify the Guarantors in writing. It shall not be necessary for AFC, and AFC shall not be required in order to enforce such payment by any of the Guarantors, first to institute suit or exhaust its remedies against Franchisee or others liable for such amount. AFC shall not be required to mitigate damages or take any other action to reduce, collect or enforce the Obligations. No setoff, counterclaim, reduction or diminution of any Obligation, or any defense of any kind or nature that any of the Guarantors has or may have against Franchisee or AFC shall be available hereunder to such Guarantor. No payment by any of the Guarantors shall discharge the liability of such Guarantor hereunder until all Obligations have been satisfied in full.

Section 3. Duration. This Guaranty shall continue in force until all Obligations under the Franchise Agreement have been satisfied or until Franchisee's liability to AFC under the Franchise Agreement has been completely discharged, whichever occurs first. The Guarantors, and each of them, shall not be discharged from liability under the Guaranty as long as any claim by AFC against Franchisee remains outstanding.

Section 4. Joint and Several Liability. The Guarantors, and each of them, shall be jointly and severally liable for all Obligations under this Guaranty. This Guaranty may be enforced against any of the Guarantors separately or against all Guarantors jointly.

Section 5. Waivers and Consents. The Guarantors, and each of them, hereby: (a) assent to all terms and agreements heretofore or hereafter made by Franchisee with AFC; and (b) consent that AFC may without in any manner impairing its rights or the obligations of the Guarantors hereunder: (1) waive or delay the exercise of its rights or remedies against Franchisee or any other person or entity, including, without limitation, any of the Guarantors; (2) release Franchisee or any other person or entity, including, without limitation, any of the Guarantors; (3) make, grant or give any adjustment, indulgence, forbearance or compromise to Franchisee or to any of the Guarantors; (4) renew, extend or modify the terms of, or increase, any of the Obligations or any agreement evidencing the same; and (5) apply payments by Franchisee, the Guarantors, or any other person or entity to any of the Obligations.

Section 6. Notices. The Guarantors, and each of them, hereby waive all notices whatsoever with respect to this Guaranty or with respect to the Obligations, including, but without limitation, notice of: (1) AFC's acceptance hereof or its intention to act, or its action, in reliance hereon; (2) the present existence or future incurring of any of the Obligations or any terms or amounts thereof or any change therein; (3) any default by Franchisee or any surety, pledgor, grantor of security, or guarantor, including, without limitation, any of the Guarantors; and (4) the obtaining or release of any guaranty or surety agreement (in addition to this Guaranty), pledge, assignment, or other security for all or any part of the Obligations.

Section 7. Benefit. This Guaranty shall inure to the benefit of AFC, its successors and assigns, and to any person to whom AFC may grant an interest in any of the Obligations, and shall be binding upon the Guarantors and their respective successors, assigns, heirs, executors, administrators and legal representatives.

IN WITNESS WHEREOF, the Guarantors, and each of them, intending to be jointly and severally legally bound hereby, have caused this Guaranty to be executed as of the date and year first above written.

GUARANTORS:

Name Printed: _____

Name Printed: _____

Name Printed: _____

Name Printed: _____

EXHIBIT D

OPTION TO PURCHASE AGREEMENT

THIS OPTION TO PURCHASE AGREEMENT (referred to herein as the “Agreement”) is made and entered into this ____ day of _____, 20__, by and between **AMSPIRIT FRANCHISE CORPORATION**, an Ohio corporation with its principal place of business at 2701 Tally Ho Lane, Blacklick, Ohio 43004 (referred to herein as “AFC”) and _____, a(n) _____ having a business address of _____ (referred to herein as “Prospective Franchise Owner”).

Background

A. Prospective Franchise Owner desires to purchase the franchise to own and operate an AmSpirit Business Connections business in the area comprised of _____.

B. AFC desires to grant to Prospective Franchise Owner said option to purchase upon the terms and conditions set forth herein.

Agreement

NOW, THEREFORE, IN CONSIDERATION OF THE FOREGOING, AND THE PREMISES HEREINAFTER SET FORTH, THE PARTIES HERETO AGREE AS FOLLOWS:

1. **Grant and Term.** AFC grants to Prospective Franchise Owner the option to purchase the franchise to operate an AmSpirit Business Connections business in the area comprised of _____ for a sum of Seven Thousand Dollars (\$7,000.00) for a period beginning on the date of the execution of this Agreement and ending on the ____ day of _____, 20__ (the “Expiration Date”). Prospective Franchise Owner acknowledges and agrees that the option to purchase contained in this Agreement shall expire on the Expiration Date stated above.

2. **Purchase Price.** In consideration of the grant of the option set forth in Paragraph 1 above, Prospective Franchise Owner hereby agrees to pay AFC the nonrefundable sum of Seven Thousand Dollars (\$7,000.00) upon execution hereof. Although not refundable, this sum may be transferred and applied toward payment of the initial franchise fee due upon the execution of the Franchise Agreement applicable to the AmSpirit Business Connections business to be located within the area described above.

3. **Assignment.** Prospective Franchise Owner may not assign or transfer this Agreement without the written consent of AFC. AFC can grant or withhold such consent at its sole discretion and for any reason or no reason.

4. **Entire Agreement.** This Agreement contains the entire agreement of the parties hereto and no representations, inducements, promises or agreements, oral or written, not included herein shall be of any force and effect.

[signature page follows]

THE UNDERSIGNED HAVE READ AND UNDERSTAND THE FOREGOING AGREEMENT AND AGREE THERETO.

Signed and acknowledged
in the presence of:

AMSPIRIT FRANCHISE CORPORATION

By: _____
Name: _____
Title: _____
Date: _____

PROSPECTIVE FRANCHISE OWNER

By: _____
Name: _____
Title: _____
Date: _____

EXHIBIT E

ASSET PURCHASE AGREEMENT

This ASSET PURCHASE AGREEMENT (this "Agreement") is entered into as of the ____ day of _____, 20__, by and among AmSpirit Business Connections, Inc., an Ohio corporation ("Seller"), and _____, a(n) _____ [corporation/limited liability company/individual] ("Buyer").

WITNESSETH:

WHEREAS, Seller offers, under the "AmSpirit" trademark and trade name, business networking services (collectively, the "Services"), and Seller's corporate affiliate, AmSpirit Franchise Corporation, an Ohio corporation ("Company"), is engaged in the business of franchising a business involving the provision of the Services;

WHEREAS, as of the date first written above, Company and Buyer are executing one or more "AmSpirit Business Connections Franchise Agreements" (each, a "Franchise Agreement"), pursuant to which the Buyer will have the rights to own and operate a franchised AmSpirit business in _____ County(ies), Ohio (the "Franchised Area(s)");

WHEREAS, under the Franchise Agreement, the Buyer has the right to provide the Services to and for customers within the Franchised Area(s);

WHEREAS, in connection with Buyer's purchase of such franchise from Company, Seller desires to sell, and Buyer desires to purchase, certain assets owned by Seller and used in the operation of Seller's AmSpirit business conducted in _____ County(ies), Ohio, on the terms and subject to the conditions provided herein.

NOW, THEREFORE, in consideration of the foregoing and the representations, warranties, covenants and agreements herein contained, the parties hereto agree as follows:

ARTICLE I DEFINITIONS

1.01. Definitions. The following terms, as used herein, have the following meanings under this Agreement unless the context clearly requires otherwise:

"Business" means the AmSpirit business conducted by Seller in _____ County(ies), Ohio.

"Closing" means the actual transfer and delivery of the deeds, bills of sale or other instruments of conveyance for the Assets (as defined below) and the exchange and delivery by the parties of such other documents and instruments contemplated by this Agreement.

"Closing Date" means _____, 20__, or such other date as the parties hereto mutually agree upon in writing.

ARTICLE II PURCHASE AND SALE

2.01. Purchase and Sale. Seller shall, on the Closing Date, sell, transfer, convey, assign and deliver to Buyer, and Buyer shall purchase and accept from Seller, all of Seller's right, title and interest in and to all of the following assets, properties and other rights (collectively, the "Assets"):

(a) all of the AmSpirit chapter(s) attached hereto as Exhibit A (collectively, the “Chapters”); and

(b) [Insert description of other assets, if any].

2.02. Assumption of Liabilities. As further consideration, Buyer hereby agrees to undertake, perform and discharge all obligations of the Business to provide any and all other services required to be performed after the Closing Date to customers in a Chapter (defined below), if any, (the “Assumed Liabilities”). Buyer is assuming only the Assumed Liabilities and is not assuming any other liability or obligation of Seller of whatever nature whether presently in existence or arising hereafter relating to the Assets.

2.03. Purchase Price. The purchase price for the Assets shall be _____ and ___/100 Dollars (“Purchase Price”) payable in full with immediately available funds on the Closing Date.

2.04. Bill of Sale. At the Closing, Seller shall deliver to Buyer an assignment and bill of sale in the form attached hereto as “Attachment 1”, such assignment and bill of sale being effective to transfer to and vest in Buyer good and marketable title in and to the Assets.

ARTICLE III REPRESENTATIONS AND WARRANTIES OF SELLER

Seller represents and warrants to Buyer that:

3.01. Organization. Seller is a duly organized and validly existing corporation in good standing under the laws of the State of Ohio. Seller has all requisite corporate power and authority to carry on its business as presently conducted.

3.02. Valid and Enforceable Agreement. This Agreement constitutes a valid and binding agreement of Seller enforceable in accordance with its terms, except insofar as enforceability may be limited by bankruptcy, insolvency, reorganization or similar laws affecting the rights of creditors generally. Neither the execution and delivery of this Agreement nor the consummation of the transactions contemplated hereby violates or conflicts with the governing documents of Seller, or any agreement or other restriction of any kind or character to which Seller is a party or by which Seller is bound.

3.03. Title. Seller has good and marketable title to the Assets and the Assets are free and clear of all liens, claims, encumbrances and restrictions. Seller has the legal right to assign its rights in the Assets to Buyer.

3.04. Customer Revenue. The Chapters identify approximately ___ active customers of Seller. Seller has no knowledge that any such active customers intend to cancel their memberships in the Chapters after the Closing. The amount of Business revenues generated by the Seller from the Chapters during the period of _____ through _____ was approximately \$ _____.

3.05. Compliance with Laws. Except for such breaches that do not (either individually or in the aggregate) materially and adversely affect the Business, the Business has been and is being conducted in accordance with all applicable laws, rules and regulations of all authorities.

3.06. Litigation and Claims. There are no actions, suits, claims, governmental investigations or arbitration proceedings pending or threatened against or affecting the Business or the Assets which could have a material adverse impact on the Assets sold hereunder.

ARTICLE IV
REPRESENTATIONS AND WARRANTIES OF BUYER

Buyer represents and warrants to Seller that:

4.01. Organization. This Agreement constitutes a valid and binding agreement of Buyer enforceable in accordance with its terms, except insofar as enforceability may be limited by bankruptcy, insolvency, reorganization or similar laws affecting the rights of creditors generally. Neither the execution and delivery of this Agreement nor the consummation of the transactions contemplated hereby violates or conflicts with the governing documents of Buyer, or any agreement or other restriction of any kind or character to which Buyer is a party or by which Buyer is bound.

4.02. Valid and Enforceable Agreement. Buyer is a duly organized and validly existing [corporation/limited liability company] in good standing under the laws of the State of _____. Buyer has all requisite corporate power and authority to carry on its business as presently conducted.

ARTICLE V
MISCELLANEOUS

5.01. Expenses and Taxes. Each party hereto shall pay its own expenses and costs incident to the preparation of this Agreement and the consummation of the transactions contemplated hereby. If any portion of the transactions to be effected pursuant hereto shall be determined to be subject to sales or use taxes, the party on whom such taxes are imposed shall be liable therefore and shall promptly pay the same.

5.02. Amendments. This Agreement may only be amended or modified by written instrument executed by the parties hereto.

5.03. Notices. Any notice, request, information or other document to be given hereunder to any party by any other party shall be in writing and shall be deemed received when actually received if personally delivered, when receipt is acknowledged if telecopied, or upon the expiration of the third business day after being deposited in the United States mail, certified or registered mail, postage prepaid, addressed as follows:

If to the Seller:

AmSpirit Business Connections, Inc.
P.O. Box 30724
Columbus, OH 43230-0724
Attention: Frank Agin
Fax: (614) 476-6699

If to the Buyer:

Fax: () _____

Any party may change the address to which notices hereunder are to be sent by giving written notice of such change of address as provided above. All notices shall be deemed made upon actual receipt or upon mailing as provided for above, whichever shall occur earlier.

5.04. Waiver. No waiver by either party hereto of any condition or of any breach of any term, covenant, representation or warranty contained in this Agreement shall be deemed or construed as a further or continuing waiver of such condition or breach, or waiver of any other or subsequent condition or the breach of any other term, covenant, representation or warranty contained in this Agreement.

5.05. Severability. If any provision of this Agreement is determined to be illegal or unenforceable, such provision will be deemed amended to the extent necessary to conform to applicable law or, if it cannot be so amended without materially altering the intention of the parties, it will be deemed stricken and the remainder of this Agreement will remain in full force and effect.

5.06. Counterparts. This Agreement may be executed simultaneously in two or more counterparts, each of which shall be deemed an original, but all of which together shall constitute the same Agreement.

5.07. Binding Agreement. This Agreement shall be binding upon and inure to the benefit of the parties hereto, their respective successors, heirs and assigns.

5.08. Entire Agreement. This Agreement and the instruments delivered pursuant hereto, as well as the Franchise Agreement and other documents and agreements related thereto, constitute the entire agreement between the parties hereto and supersede all prior written agreements and understandings, oral or written, between the parties relating to the subject matter hereof.

5.9. Governing Law and Jurisdiction. This Agreement shall be governed by and construed in accordance with the substantive laws of the State of Ohio without application of its conflicts of laws principles. This Agreement shall be subject to the exclusive jurisdiction of the state courts of the State of Ohio and all parties hereby irrevocably submit to the jurisdiction of such courts, with venue in Franklin County, with respect to any claim or dispute arising out of or in connection with this Agreement. Each party irrevocably waives, to the fullest extent permitted by applicable law, any objection which it may have to the venue of any such claim or dispute brought in such court or any defense of inconvenient forum for the maintenance of such claim or dispute.

5.10. Headings. The section and article headings contained in this Agreement are for reference purposes only and shall not affect the interpretation of this Agreement.

[signature page follows]

IN WITNESS WHEREOF, the parties hereto have signed this Agreement or caused this Agreement to be signed by their duly authorized representatives as of the date first above written.

SELLER:

AMSPIRIT BUSINESS CONNECTIONS, INC.,
an Ohio corporation

By: _____

Printed Name: Frank Agin

Title: President

Date: _____

BUYER:

_____, a(n)

By: _____

Printed Name: _____

Title: _____

Date: _____

EXHIBIT A

List of Chapters

[to be attached]

ATTACHMENT 1

ASSIGNMENT AND BILL OF SALE

KNOW ALL MEN BY THESE PRESENTS that AmSpirit Business Connections, Inc., an Ohio corporation (the "Seller"), in accordance with the terms of that certain Asset Purchase Agreement (the "Agreement") dated _____, 20 __, between Seller and _____ ("Buyer"), for good and valuable consideration, hereby sells, transfers, assigns, conveys, grants, delivers, alienates, and sets over to Buyer, and its successors and assigns, forever, all of Seller's legal, beneficial and other rights, title and interest in and to the Assets (as defined in the Agreement), free and clear of all liens, claims and encumbrances, to have and to hold the same and unto the Buyer and its successors and assigns, for its or their use forever.

IN WITNESS WHEREOF, Seller has caused this instrument to be executed by its duly authorized representative as of the ____ day of _____, 20 __.

SELLER:

AMSPIRIT BUSINESS CONNECTIONS, INC.,
an Ohio corporation

By: _____
Printed Name: Frank Agin
Title: President

EXHIBIT F

NON-DISCLOSURE AGREEMENTS

See attached:

**NON-DISCLOSURE, CUSTOMER NON-SOLICITATION AND NON-COMPETITION
AGREEMENT (OFFICER/DIRECTOR/MEMBER/SHAREHOLDER)**

and

**EMPLOYEE NON-DISCLOSURE, CUSTOMER NON-SOLICITATION
AND NON-COMPETITION AGREEMENT**

and

INDEPENDENT CONTRACTOR AREA DIRECTOR AGREEMENT

NON-DISCLOSURE, CUSTOMER NON-SOLICITATION AND NON-COMPETITION AGREEMENT
(OFFICER/DIRECTOR/MEMBER/SHAREHOLDER)

This Non-Disclosure, Customer Non-Solicitation and Non-Competition Agreement (Officer/Director/Member/Shareholder) (this "Agreement") is made and entered into this ____ day of _____, 20__, by and among AmSpirit Franchise Corporation, an Ohio corporation with its principal place of business located at 2701 Tally Ho Lane, Blacklick, Ohio 43004 ("AFC"), _____ (hereinafter, "Individual"), a(n) _____ [indicate: officer/director/member/shareholder] of _____ [indicate name of legal entity], a(n) _____ [indicate: state of formation and corporation/limited liability company] with its principal place of business located at _____ (hereinafter, "Franchisee"), and Franchisee.

Whereas, AFC and Franchisee have entered into that certain AmSpirit Business Connections Franchise Agreement dated _____, 20__ and incorporated herein by this reference thereto (the "Franchise Agreement"); and

Whereas, Individual, in the course of performance of his or her responsibilities to Franchisee, or as a result of his or her business or official relationship with or for Franchisee, will be provided the confidential and proprietary information of the AmSpirit Business Connections system, including but not limited to information concerning equipment, standards, specifications, systems, methods, procedures, techniques and management systems (collectively, the "AmSpirit System"); and

Whereas, Individual and Franchisee acknowledge the need for confidentiality of the confidential and proprietary information and the AmSpirit System and agree that full compliance with the terms of this Agreement is necessary to protect such confidentiality;

Whereas, Section 10.1 of the Franchise Agreement provides that the officers, directors, members and shareholders of Franchisee shall be required to sign a non-disclosure agreement with AFC in form satisfactory to AFC; and

Whereas, Individual will receive benefits by virtue of the grant of the franchise by AFC to Franchisee.

Now therefore, in consideration of the covenants herein contained, it is agreed:

1. **Capitalized Terms.** All capitalized terms not otherwise defined herein shall have the meaning ascribed to such terms in the Franchise Agreement.

2. **Confidential and Proprietary Information.** Individual shall not, during the term of this Agreement or thereafter, (a) use, except in the AmSpirit Business Connections business licensed under the Franchise Agreement; or (b) communicate, divulge, or use for the benefit of any other person, any Confidential Information (as defined below), knowledge, or know-how concerning the AmSpirit System or the methods of operation thereunder which may be communicated to Individual, or of which Individual may be apprised, by virtue of Individual's position in Franchisee's business operations.

"Confidential Information" means all financial, technical, operational, management and other information (a) which AFC designates as confidential when it is disclosed to Franchisee in connection with the Franchise Agreement or (b) which is known by Individual or should have been known by Individual to be confidential to AFC from the nature of the information or the circumstances of its disclosure.

Notwithstanding anything contained herein, Confidential Information shall not include any information:

- (a) which, at the date of disclosure to any party, is in the public domain or which, after such disclosure, comes within the public domain through no fault of the party to which it is disclosed;
- (b) which was known to the party to which it was disclosed hereunder prior to such disclosure;
- (c) the disclosure of which is required by law or by any competent regulatory authority; or
- (d) which at any time comes independently and lawfully into the possession of the recipient, either from his or her own resources or from any third party.

3. Individual Work Product. Individual hereby grants to AFC a nonexclusive royalty-free license to use in the AmSpirit Business Connections business owned by it or its corporate affiliates and to sublicense the right to use in its franchisees' AmSpirit Business Connections businesses any and all inventions, enhancements, processes, methods, designs and other creations (hereinafter, "Developments") that, during the term of this Agreement, Individual may develop, invent, discover, conceive or originate, alone or in conjunction with any other person, which Developments relate in any way to Individual's involvement in the operation of Franchisee's AmSpirit Business Connections business.

4. Remedies for Breach of Agreement. In the event of the breach or threatened breach of this Agreement by Individual, each of Franchisee and AFC shall be entitled to injunctions, both preliminary and final, enjoining and restraining such breach or threatened breach and to recover for the benefit of AFC, by means of an accounting, any profits Individual may obtain in violation of this Agreement. Such remedies shall be in addition to all of the remedies available at law or in equity. Each of Franchisee and AFC shall also be entitled to recover its attorneys' fees and expenses from Individual in any successful action to enforce this Agreement.

5. Customer Non-Solicitation. Individual acknowledges that AFC has a proprietary interest in the goodwill established by Individual's interactions with Franchisee's customers and accounts. Therefore, Individual specifically agrees that, during the period of his or her relationship with Franchisee and for a period of twelve (12) months following the termination of such relationship with Franchisee for any reason, Individual shall not directly or indirectly, on behalf of himself or herself or any competing organization, as to competing products or services, solicit any of Franchisee's customers.

6. Covenant Not to Compete. For a period of two (2) years following the termination or expiration of the Franchise Agreement, whether by lapse of time or by other cause, sale and/or assignment of the franchise granted thereunder or the AmSpirit Business Connections business or by purchase by AFC of all or substantially all of the assets of Franchisee pursuant thereto, Individual shall not, directly or indirectly, either as a principal, agent, employee, officer, or director of any corporation, as a partner, sole proprietor, or in any other way engage in any business competitive or substantially competitive with, or similar to, an AmSpirit Business Connections business within the Franchised Area (as defined in the Franchise Agreement) or within the Franchised Areas of any other AmSpirit Business Connections franchisees or within the market areas of any AmSpirit Business Connections business owned and operated by AFC or its corporate affiliates.

7. Enforcement. Individual acknowledges that the restricted period of time, activity limitations, and any territorial restrictions specified herein are reasonable in view of the nature of the business in which Franchisee and AFC are engaged and Individual's knowledge of Franchisee's and AFC's

operations. If the scope of any restriction stated herein is too broad to permit enforcement of such restriction to its full extent, then such restriction shall be enforced to the maximum extent permitted by law.

8. Injunctive Relief. Individual understands and agrees that the full extent of the damages which Franchisee or AFC may suffer from Individual's violation of any of Individual's obligations pursuant to this Agreement would be difficult or impossible to measure and that either Franchisee or AFC, or both, is entitled to injunctive relief for any violation, plus damages in an amount equal to the profits of Individual gained by or from such violation.

9. Binding Effect. This Agreement shall be binding upon the parties hereto and upon their respective executors, administrators, legal representatives, successors and assigns.

10. Applicable Law. This Agreement shall be governed by and construed under the internal laws of the State of Ohio, without application of its conflicts of laws principles. If any provision of this Agreement is declared void, such provision shall be deemed severed from this Agreement, which shall otherwise remain in full force and effect.

11. Entire Agreement. This Agreement constitutes the entire agreement between the parties with respect to the subject matter hereof, and no modifications or revisions hereof shall have any force and effect, unless the same are in writing and executed by the parties hereto.

12. Notices. Any notices required or permitted to be given under this Agreement shall be in writing, and sent by certified mail to the last known residential address in the case of Individual, or to its principal business office in the case of Franchisee or AFC.

13. Construction of Agreement. The parties hereby confirm and agree that this Agreement is the result of negotiation and compromise, and that in interpreting this Agreement neither party shall be considered to be the drafter hereof, and that the language should not be strictly construed against either party, but rather this Agreement shall be interpreted consistent with the ordinary and reasonable meaning of the words used herein.

[signature page follows]

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

FRANCHISOR: AmSpirit Franchise Corporation

By: _____

Name Printed: _____

Title: _____

Date: _____

INDIVIDUAL:

_____ Individually

(Please Print Name)

FRANCHISEE: _____

By: _____

Name Printed: _____

Title: _____

Date: _____

**EMPLOYEE NON-DISCLOSURE, CUSTOMER NON-SOLICITATION
AND NON-COMPETITION AGREEMENT**

This Employee Non-Disclosure, Customer Non-Solicitation Agreement and Non-Competition Agreement (this "Agreement") is made and entered into this _____ day of _____, 20____, by and between _____, a(n) _____ **(Indicate: franchisee state and type of business entity)** with its principal place of business located at _____ (hereinafter, "Employer"), and _____ **(Indicate: name of employee)**, a resident of the State of _____ **(Indicate: state of residence)**, having an address of _____ **(Indicate: employee's address)** (hereinafter, "Employee").

Whereas, Employer and AmSpirit Franchise Corporation, an Ohio corporation (hereinafter "AFC"), have entered into that certain AmSpirit Business Connections Franchise Agreement dated _____, 20____ (the "Franchise Agreement"); and

Whereas, Employee, in the course of the performance of his or her responsibilities to Employer, will be provided certain confidential and proprietary information of AFC relating to the AmSpirit Business Connections system, including but not limited to information concerning equipment, standards, specifications, systems, methods, procedures, techniques and management systems (collectively, the "AmSpirit System"); and

Whereas, Employee and Employer acknowledge the need for confidentiality of the confidential and proprietary information and the AmSpirit System and agree that full compliance with the terms of this Agreement is necessary to protect such confidentiality.

Now therefore, in consideration of Employee's employment by Employer, this Agreement being a condition thereof and ancillary thereto and not purporting to set out the terms of such employment, it is agreed:

1. **Capitalized Terms.** All capitalized terms not otherwise defined herein shall have the meaning ascribed to such terms in the Franchise Agreement.

2. **Confidential and Proprietary Information.** Employee shall not, during the term of Employee's employment with Employer or thereafter, (a) use, except in Employee's service to Employer in connection with the AmSpirit Business Connections business licensed under the Franchise Agreement; or (b) communicate, divulge, or use for the benefit of any other person, any Confidential Information (as defined below), knowledge, or know-how concerning the AmSpirit System or the methods of operation thereunder which may be communicated to Employee, or of which Employee may be apprised, by virtue of Employee's employment in Employer's business operations.

"Confidential Information" means all financial, technical, operational, management and other information (a) which AFC designates as confidential when it is disclosed to Employer in connection with the Franchise Agreement or (b) which is known by Employee or should have been known by Employee to be confidential to AFC from the nature of the information or the circumstances of its disclosure.

Notwithstanding anything contained herein, Confidential Information shall not include any information:

- (a) which, at the date of disclosure to any party, is in the public domain or which, after such disclosure, comes within the public domain through no fault of the party to which it is disclosed;

- (b) which was known to the party to which it was disclosed hereunder prior to such disclosure;
- (c) the disclosure of which is required by law or by any competent regulatory authority; or
- (d) which at any time comes independently and lawfully into the possession of the recipient, either from his or her own resources or from any third party.

3. Employee Work Product. Employee hereby grants to AFC a nonexclusive royalty-free license to use in the AmSpirit Business Connections business owned by it or its corporate affiliates and to sublicense the right to use in its franchisees' AmSpirit Business Connections businesses any and all inventions, enhancements, processes, methods, designs and other creations (hereinafter, "Developments") that, during the term of this Agreement, Employee may develop, invent, discover, conceive or originate, alone or in conjunction with any other person, which Developments relate in any way to Employee's involvement in the operation of Employer's AmSpirit Business Connections business.

4. Remedies for Breach of Agreement. In the event of the breach or threatened breach of this Agreement by Employee, each of Employer and AFC shall be entitled to injunctions, both preliminary and final, enjoining and restraining such breach or threatened breach and to recover for the benefit of AFC, by means of an accounting, any profits Employee may obtain in violation of this Agreement. Such remedies shall be in addition to all of the remedies available at law or in equity. Each of Employer and AFC shall also be entitled to recover its attorneys' fees and expenses from Employee in any successful action to enforce this Agreement.

5. Customer Non-Solicitation. Employee acknowledges that AFC has a proprietary interest in the goodwill established by Employee's interactions with Employer's customers and accounts. Therefore, Employee specifically agrees that, during the period of his or her relationship with Employer and for a period of twelve (12) months following the termination of such relationship with Employer for any reason, Employee shall not directly or indirectly, on behalf of himself or herself or any competing organization, as to competing products or services, solicit any of Employer's customers.

Employee acknowledges that the restricted period of time and customer limitation specified herein are reasonable in view of the nature of the business in which Employer and AFC are engaged and Employee's knowledge of Employer's and AFC's operations. If the scope of any stated restriction is too broad to permit enforcement of such restriction to its full extent, then such restriction shall be enforced to the maximum extent permitted by law. Employee hereby agrees that this Agreement is supported by adequate consideration.

6. Covenant Not to Compete.

(a) In the event Employee is a manager or area director of Employer's AmSpirit franchised business, the following provisions shall apply to such Employee:

During the term of Employee's employment by Employer, and for 180 days after the termination of such employment, Employee shall not, directly or indirectly, on Employee's own behalf, or as a member of any partnership, or as an officer, director, shareholder, agent, principal, consultant or employee of any other sole proprietorship, corporation or entity, compete with, have an interest in, be employed by or otherwise participate in any other business which competes with or is similar to an AmSpirit Business Connections business or which competes with Employer within twenty (25) miles of any Chapter the Employee as been assigned by Employer.

(b) In the event Employee is not a manager or area director of Employee's AmSpirit franchised business, the Covenant Not to Compete set forth in paragraph (a) above shall not apply to such Employee.

7. Injunctive Relief. Employee understands and agrees that the full extent of the damages which Employer or AFC may suffer from Employee's violation of any of Employee's obligations pursuant to this Agreement would be difficult or impossible to measure and that either Employer or AFC, or both, is entitled to injunctive relief for any violation, plus damages in an amount equal to the profits of Employee gained by or from such violation.

8. Binding Effect. This Agreement shall be binding upon the parties hereto and upon their respective executors, administrators, legal representatives, successors and assigns.

9. Applicable Law. This Agreement shall be governed by and construed under the internal laws of the State of Ohio, without application of its conflicts of laws principles. If any provision of this Agreement is declared void, such provision shall be deemed severed from this Agreement, which shall otherwise remain in full force and effect.

10. Entire Agreement. This Agreement constitutes the entire agreement between the parties with respect to the subject matter hereof, and no modifications or revisions hereof shall have any force and effect, unless the same are in writing and executed by the parties hereto.

11. Notices. Any notices required or permitted to be given under this Agreement shall be in writing, and sent by certified mail to the last known residential address in the case of Employee, or to its principal office in the case of Employer or AFC.

12. Construction of Agreement. The parties hereby confirm and agree that this Agreement is the result of negotiation and compromise, and that in interpreting this Agreement neither party shall be considered to be the drafter hereof, and that the language should not be strictly construed against either party, but rather this Agreement shall be interpreted consistent with the ordinary and reasonable meaning of the words used herein.

13. **Third Party Beneficiary. Employer and Employee agree that AmSpirit Franchise Corporation has a substantial economic interest in this Agreement and that this Agreement is intended to benefit AmSpirit Franchise Corporation as a third party beneficiary.**

13. Right To Enforce. Upon legal action taken by Employer against Employee relating to violations or anticipated violations of this Agreement, AFC may, but shall not be obligated to, cooperate with Employer in the prosecution of Employer's claim or, at AFC's election, assume the prosecution of the claim entirely. If AFC determines, in its sole discretion, that Employer is not enforcing this Agreement, AFC may require Employer to take prompt action against Employee or may, in its own name, enforce, by injunction or other remedy, the terms of this Agreement against Employee.

[signature page follows]

In Witness Whereof, the parties hereto have executed this Agreement as of the day and year first above written.

EMPLOYEE:

_____ Individually
(Please Print Name)

Date: _____

EMPLOYER: _____

By: _____

Name Printed: _____

Title: _____

Date: _____



INDEPENDENT CONTRACTOR AREA DIRECTOR AGREEMENT

This Independent Contractor Area Director Agreement (this "Agreement") is made as of _____, 20____, by and between _____ [Franchisee name], a(n) _____ [state of formation and entity type] (hereinafter referred to as "**Franchisee**"), whose address is [ADDRESS], [CITY], [ST] [ZIP] (who holds the franchise rights under a franchise agreement (hereinafter referred to as the "Franchise Agreement") with AmSpirit Franchise Corporation based in Columbus, Ohio referred to as "**AmSpirit Business Connections**" throughout this agreement, and [NAME], an individual (hereinafter referred to as "Contractor"), whose address is, [ADDRESS], [CITY], [ST] [ZIP].

BACKGROUND INFORMATION

In an effort to expand the number of Chapters in its territory (hereinafter referred to as the "Franchised Area") and to increase the number of members in such Chapters, Franchisee desires to retain the services of Contractor to serve as an Area Director pursuant to the terms and conditions of this Agreement. Contractor is familiar with the AmSpirit Business Connections business model and is desirous of serving as an Area Director pursuant to the terms and conditions of this Agreement.

STATEMENT OF AGREEMENT

The parties hereby acknowledge the accuracy of the above Background Information and hereby agree as follows:

1. **Retention of Contractor.** Franchisee hereby retains the Contractor to serve as an Area Director, and the Contractor hereby accepts such engagement by Franchisee, on the terms and subject to the conditions set forth in this Agreement.
2. **Term of Engagement.** The Contractor's retention by Franchisee shall be at will, and this Agreement may be terminated by Contractor or by Franchisee at any time, with or without cause and without prior notice. In addition, this Agreement shall automatically terminate upon the termination or expiration of the Franchise Agreement.
3. **Services of Contractor.** As an Area Director, Contractor's duties shall include, but shall not necessarily be limited to, the following:
 - (a) Completing the Director Training Program to the satisfaction of AmSpirit Business Connections national headquarters and Franchisee;
 - (b) Assuming complete responsibility for Franchisee's existing Chapters identified on Exhibit A (if any);

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- (c) Establishing new Chapters, the locations of such new Chapters being reasonably approved by Franchisee (hereinafter, the existing Chapters and the new Chapters shall be collectively referred to as the “Assigned Chapters”);
- (d) Participating in at least one of the Assigned Chapters each week and participating in each Assigned Chapters at least once per calendar month;
- (e) Ensuring that each of the Assigned Chapters follows the techniques and procedures for conducting Chapter meetings, including, but not limited to, conducting weekly Chapter meetings, holding monthly board meetings, completing monthly performance reports, and complying with any other rules, regulations or procedures established by AmSpirit Business Connections national offices concerning Franchisee’s franchised business;
- (f) Advocating that each member in the Assigned Chapters pays, in a timely manner, all quarterly AmSpirit Business Connections membership dues and assisting Franchisee and AmSpirit Business Connections, as reasonably necessary in collecting any such quarterly dues;
- (g) Attending the annual conference, if any, organized by AmSpirit Business Connections, quarterly president’s meetings organized by Franchisee and such other similar functions reasonably requested of Contractor by Franchisee including initial and ongoing Director Training Programs; and
- (h) Using Contractor’s best efforts to ensure that a representative from each of the Assigned Chapters attends the events and activities organized by Franchisee.

Contractor shall use Contractor’s best efforts and devote such time to the furnishing of such services and responsibilities required hereunder in a timely manner. Franchisee, however, recognizes that Contractor shall perform the services on a part-time basis. In addition to serving as the Area Director, Contractor shall maintain a paid membership in any one of Contractor’s Assigned Chapters. Finally, the Contractor agrees to only use the materials prescribed by AmSpirit Business Connections’ national office (pursuant to the franchise agreement entered into by Franchisee) and shall only use the “AmSpirit Business Connections” name and logo in a manner or manners approved by AmSpirit Business Connections’ national office (approved through the efforts of Franchisee).

4. **Independent Contractor.** Contractor’s services hereunder shall be as an independent contractor and not as an employee of AmSpirit Business Connections or Franchisee. Franchisee is solely interested in the results to be obtained by Contractor’s services and shall not control or direct the manner or means by which Contractor accomplishes such results. Contractor shall have no obligation to work any particular hours or any particular amount of hours so long as Contractor performs the services contemplated by this Agreement. Neither AmSpirit Business Connections nor Franchisee shall provide Contractor with any employee or “fringe” benefits that may be provided by AmSpirit Business Connections or Franchisee to any of its employees, and Contractor shall file and pay on Contractor’s own behalf all required federal and state withholdings required of an independent contractor.
5. **Compensation.** Contractor shall receive as compensation for Contractor’s services as an Area Director hereunder an amount equal to: (i) [] % of all collected quarterly AmSpirit Business Connections membership dues resulting from the Assigned Chapters; plus (ii) [] % of all collected AmSpirit Business Connections application fees resulting from the Assigned Chapters. The calculation of the amount of compensation as set forth in this paragraph shall be determined by AmSpirit Business Connections national office based on AmSpirit Business Connections

official records. Franchisee shall provide Contractor with entitled compensation by the 15th day of each month while this Agreement is in effect and shall provide contractor with reasonable supporting documentation detailing how AmSpirit Business Connections national offices calculated Contractor's compensation for Contractor's prior month's service.

6. **Expenses.** Contractor shall be solely responsible for any and all other expenses related to performance of the services hereunder. Franchisee shall provide Contractor a reasonable amount of AmSpirit Business Connections supplies necessary to start and operate the Assigned Chapters. Contractor recognizes and respects that Franchisee incurs great expense in producing and distributing these supplies.
7. **Noncompetition and Confidentiality.** In consideration of being retained as Area Director under the terms set forth in this Agreement, and in exchange for being exposed to and taught AmSpirit Business Connections trade secrets and confidential information (through the Director Training Program, other training and gaining access to the Director Only Section of the AmSpirit Business Connections website, the following provisions shall apply:
 - (a) Contractor shall not, at any time, either during the term of this Agreement or after expiration or termination of this Agreement for whatever reason, (i) disclose to anyone, except to the extent necessary as a benefit to Franchisee in the performance of Contractor's services under this Agreement and with prior authorization by AmSpirit Business Connections and Franchisee (each an "Authorized Person"), any trade secrets or confidential information of AmSpirit Business Connections, or (ii) solicit, recruit or otherwise attempt to persuade any member of any Chapter to terminate such member's membership interest in such Chapter.
 - (b) During the term of this Agreement, and for 180 days after expiration or termination of this Agreement for whatever reason, Contractor shall not, directly or indirectly, on Contractor's own behalf, or as a member of any partnership, or as an officer, director, shareholder, agent, principal, consultant or employee of any other sole proprietorship, corporation or entity, compete with, have an interest in, be employed by or otherwise participate in any other business which competes with or is similar to an AmSpirit Business Connections business or which competes with Franchisee within twenty (25) miles of any Chapter the Contractor has been assigned by Franchisee.
 - (c) Contractor understands that this section is an essential element of this Agreement and that Franchisee would not have entered into this Agreement without this section being included in the Agreement. As such, Contractor acknowledges that this section is reasonable and appropriate in all respects and that an alleged breach of this Agreement by either AmSpirit Business Connections or Franchisee shall not be a defense to enforcement of this section by either AmSpirit Business Connections or Franchisee against Contractor. In the event of any violation or attempted violation of this section, Contractor specifically acknowledges and agrees that both AmSpirit Business Connections and Franchisee's remedy at law will be inadequate, that AmSpirit Business Connections and Franchisee will suffer irreparable injury and therefore, both AmSpirit Business Connections and/or Franchisee will be entitled to injunctive relief upon such breach in addition to any other remedy to which AmSpirit Business Connections or Franchisee may be entitled, either in law or in equity, without the necessity of proof of actual damage.
 - (d) As used in this Agreement, the terms "trade secrets" and "confidential information" shall mean any information which is generally not known to the public which, if revealed to anyone other than an Authorized Person, would be detrimental to the reputation or

business interests of AmSpirit Business Connections' and Franchisee and includes, but is not limited to, any information relating to AmSpirit Business Connections business operations and structures, practices and techniques, technical know-how, advertising, or marketing methods and practices, its membership and Chapter list(s) (including members' names and addresses), and AmSpirit Business Connections or Franchisee's relationships with members and potential members or other persons or entities doing business with either AmSpirit Business Connections and/or Franchisee.

8. **Retention of Records.** Upon termination of this Agreement for whatever reason, Contractor shall promptly deliver to Franchisee all records, reports, data, memoranda, membership lists, notes, models, and equipment of any nature that are in Contractor's possession or under the Contractor's control prepared or acquired in the course of Contractor's engagement and relationship with Franchisee. Contractor further acknowledges Contractor shall not take any such information or data, or reproductions of such information or data that relates to the business activities of AmSpirit Business Connections or Franchisee or to parties in a contractual relationship with AmSpirit Business Connections or Franchisee. Upon termination of this Agreement, Franchisee may request that Contractor also terminate Contractor's membership interest in Contractor's Chapter.
9. **Contractor's Capacity.** Contractor represents and warrants to AmSpirit Business Connections and Franchisee that Contractor has the capacity and right to enter into this Agreement and to perform all of the contemplated services under this Agreement without any restriction whatsoever by any other agreement, other document, or otherwise.
10. **Complete Agreement.** This Agreement (including all of the Exhibit(s) attached hereto and incorporated herein by reference) contains the entire agreement between the parties and supersedes any prior discussions, negotiations, representations or agreements between them relating to retention of the Contractor hereunder. No additions or other changes to this Agreement shall be made or be binding on either party unless made in writing and signed by each party to this Agreement.
11. **Notices.** Any notice or other communication required or desired to be given to any party under this Agreement shall be in writing and shall be deemed given when: (a) In the case of notice to Contractor, when delivered personally to the Contractor when deposited in the United States mail, first class, postage prepaid, addressed to Contractor at the address set forth at the beginning of this Agreement or at any other address thereafter designated by Contractor in notice theretofore given to Franchisee; and (b) In the case of notice to Franchisee, when deposited in the United States mail, first class postage prepaid, addressed to Franchisee at the address set forth at the beginning of this Agreement or at any other address thereafter designated by Franchisee in notice theretofore given to Contractor. Both the Contractor and Franchisee agree that should it provide any notice to the other party under this provision that it will also provide AmSpirit Business Connections national offices a copy of the notice, which shall be directed via first class mail to Post Office Box 30724, Columbus, Ohio 43230 (or by any other means or to any other address as provided by AmSpirit Business Connections national offices).
12. **Agreement Approval.** Both the Contractor and Franchisee agree and acknowledge that this Agreement will not become effective unless and until it is approved by AmSpirit Business Connections national offices.
13. **Third Party Beneficiary.** Franchisee and Contractor agree that AmSpirit Business Connections has a significant stake in this agreement and the underlying relationship, and that AmSpirit Business Connections has the right to enforce any aspect of this Agreement as a third-party beneficiary.

EXHIBIT A TO FRANCHISEE AREA DIRECTOR AGREEMENT

EXISTING CHAPTERS

EXHIBIT G

INSTALLMENT PROMISSORY NOTE

\$ _____, 20__

MAKER(S): _____

GUARANTOR(S) (if applicable): _____

FOR VALUE RECEIVED, the undersigned Maker(s) (hereinafter, "Maker"), jointly and severally if more than one, promises to pay to the order of [AmSpirit Franchise Corporation] [AmSpirit Business Connections, Inc.] (hereinafter, "Payee"), having its principal place of business at 2701 Tally Ho Lane, Blacklick, OH 43004, or at such other address as Payee may from time to time designate to Maker in writing, the principal sum of _____ Dollars (\$ _____) (hereinafter referred to as "principal") together with interest thereon from the date of this instrument until maturity at a fixed rate of interest per annum (the "Interest Rate") equal to (i) the Prime Rate in effect on the date of this Note (which is _____%), plus (ii) three percent (3.0%). As used herein, "Prime Rate" means the rate of interest per annum published in the "Money Rates" column (or any successor column thereto) of the "Credit Markets" page of *The Wall Street Journal* as the "Prime Rate". The principal and interest shall be due and payable as follows:

[THIS PARAGRAPH OF THIS INSTALLMENT PROMISSORY NOTE WILL BE REVISED TO REFLECT THE TERMS OF THE NOTE, AS NEGOTIATED BY AMSPIRIT FRANCHISE CORPORATION AND ITS FRANCHISEE.]

[Maker shall pay principal and interest in _____ (_____) consecutive equal monthly installments of _____ Dollars (\$ _____), which amount includes principal and interest. The first installment shall be due and payable on or before the ____ day of _____, 20__, and the final installment shall be due and payable on or before the ____ day of _____, 20__. The entire unpaid balance of principal and accrued interest shall be paid in full on or before _____, 20__. (See payment schedule attached hereto and incorporated herewith for all purposes.) All or any part of the principal and accrued interest may be prepaid at any time without penalty.]

This Installment Promissory Note is executed in connection with a AmSpirit Business Connections Franchise Agreement (the "Franchise Agreement") executed by Maker on the ____ day of _____, 20__.

All payments received under the terms of this Note will be applied by Payee first to any sums due under this Note other than principal or interest, second to interest due and payable, third to any installment of principle due and payable and fourth to the last to mature of the payments of principle due under this Note.

Principle, interest and other sums payable in accordance with this Note shall be payable in lawful money of the United States of America.

At the option of Payee, the entire unpaid principle balance of this Note, together with all accrued interest and other sums payable in accordance with this Note, shall become immediately due and payable, without notice or demand (which Maker hereby expressly waives), upon the occurrence of any of the following events ("Events of Default"), whether or not within the control of Maker (or any of them): (a) Maker fails to pay any installment of principle, interest, or any other sum payable in accordance with this Note when due; (b) an event of default, as defined under the Franchise Agreement, shall occur; (c) Maker (or any of them) becomes insolvent, or a receiver or custodian, as that term is defined under The Bankruptcy Code of 1978, as amended, Title 11, U.S.C. (the "Bankruptcy Code"), is appointed or exists of or for any of the property of Maker (or any of them); (d) Maker (or any of them) makes any assignment for the benefit of creditors or any petition initiating any case is filed by or against Maker (or any of them) under any applicable chapter of the Bankruptcy Code; (e) Maker (or any of them), if an individual, dies or has any

guardian appointed for him or her; (f) Maker, if a partnership, corporation or limited liability company, dissolves or liquidates, or suspends or terminates business activities; or (g) any event has occurred or condition exists that, in the sole opinion of Payee, has a material adverse effect on the ability of Maker (or any of them) to make the payments when due under this Note.

Upon the occurrence of any Event of Default, (1) Maker shall pay to Payee all attorneys' fees and disbursements, court costs and expenses incurred by Payee in connection with Payee's efforts to collect the indebtedness evidenced hereby, (2) Payee may exercise from time to time any of the rights and remedies available to Payee under this Note, under the Franchise Agreement and under applicable law, (3) the outstanding principle under this Note shall, at the option of Payee, bear interest at the rate of (i) the Interest Rate plus (ii) three percent (3.0%) per annum, and (4) the entire principle hereof remaining unpaid, together with all accrued interest, shall, at Payee's option, become immediately due and payable without any notice or demand.

No delay or failure on the part of Payee to exercise any of its rights hereunder shall be deemed a waiver of such rights or of any other rights of Payee nor shall any delay, omission or waiver on any one occasion be deemed a bar to or a waiver of such rights or any other right on any future occasion.

Maker and all other persons now or hereafter liable, primarily or secondarily, for the payment of the indebtedness evidenced hereby or any part thereof, hereby jointly and severally and expressly waives presentment for payment, demand, notice of dishonor, protest and notice of protest, and all notices of every kind and hereby assents to all extensions or postponements of the time of payment or any other indulgences by Payee, to any substitutions, exchanges, or releases of any security for this Note, and to additions or releases of any other parties or persons primarily or secondarily liable hereon.

Upon any transfer of this Note by Payee or by any subsequent transferee, the transferee shall thereupon become vested with all rights, benefits and privileges of Payee under this Note and by law provided, and the term "Payee" shall mean such subsequent transferee(s).

This Note and all rights and obligations under this Note shall be governed by and construed under the local laws of the State of Ohio, without application of its conflicts of laws principles. If any provision hereof is or becomes invalid or unenforceable under any law of mandatory application, it is the intent of Maker, Payee, and all parties primarily or secondarily liable hereunder, that such provision will be deemed severed and omitted herefrom, the remaining portions hereof to remain in full force and effect as written.

In witness whereof, the undersigned has executed this Note on the day and year first above written at Columbus, Ohio.

Maker

Maker

EXHIBIT H

LIST OF AMSPIRIT FRANCHISEES

(As of March 17, 2023)

Following is a list of AmSpirit franchisees who were in operation at any time during our most recent fiscal year (January 1, 2022 through December 31, 2022) and who were still in operation as of the original issuance date of this disclosure document (March 17, 2023).

Arizona:

Greater Phoenix
MAD Events, LLC
Joseph C. DeMarco
11653 E. Four Peaks Road
Scottsdale, AZ 85262
(480) 797-1179

Florida:

Greater Southwest
Breakthrough Champions, LLC
Matt Ward
3020 50th ST SW
Lehigh Acres, FL 33976
(978) 895-6262

Florida Panhandle and Southern Alabama
Yolee Solutions, Inc.
John Manzanet
6847 N. 9th Avenue, Suite A-337
Pensacola, FL 32504
(850) 232-1160

Illinois:

Greater Chicago
The Viaggio Group
Kaleen Marshall
720 Glacier Parkway
Algonquin, IL 60102
(847) 946-5962

Greater Chicago
Epic Networking, LLC
Paula Ankele
3312 Rocky Beach Road
Johnsburg, IL 60051
(847) 420-2647

Massachusetts:

Breakthrough Champions, LLC
Matt Ward
3020 50th ST SW
Lehigh Acres, FL 33976
(978) 895-6262

Ohio:

Akron/Canton
Rodek & Associates, LLC
Joyce Rodek
4786 Dressler Road, NW
Suite 206
Canton, Ohio 44178
(330) 414-5319

Greater Cincinnati
BLR of Ohio, Inc.
11260 Chester Road, Suite 260-7
Cincinnati, Ohio 45246
(513) 982-2020
(513) 403-1018

Greater Columbus
CBJGALT, LLC
Dean Curry
1050 Perry Street
Columbus, Ohio 43201
(614) 635-0639

Greater Columbus
Excelleweb, LLC
Tom Anderson
3469 Mautino Drive
Columbus, OH 43231
(614) 679-0912

Greater Columbus
Bryan Mulvany
2037 Twin Flower Circle
Grove City, Ohio 43213
(614) 795-0196

(Ohio Cont'd)

Greater Cincinnati
MCM Marketing, LLC
Michael Comperchio
5932 Snider Cove Way
Mason, Ohio 45040
(740) 590-0487

Greater Columbus
Walker Promotion and Specialty Co., LLC
Shannon Walker
6 North Park Place
Newark, Ohio 43055

Greater Miami Valley
Sheila Westfall-Preston
DS Legacy Services, LLC
P.O. Box 732
235 Miami Street
Waynesville, Ohio 45068
(513) 428-2476

Greater Columbus
Connections Technologies, Inc.
Gina Winterstein
479 Deer Run Court
Westerville, Ohio 43081
(614) 794-3500

Greater Cleveland
Northern Ohio Networking, Inc.
Matthew Burk
5149 Karen Isle Drive
Willoughby, Ohio 44094
(440) 343-5878

Pennsylvania

Greater Pittsburgh Area
Glen D. Mason, Inc.
Glen D. Mason
4001 Sunflower Road
New Brighton, PA 15066
(412) 916-8999

Wisconsin:

Madison – Greater Madison Wisconsin #1
AmSpirit Business Connections of Southern
Wisconsin LLC
Diane Reiner
P.O. Box 14522
Madison, Wisconsin 53708
(608) 335-7543

Madison – Greater Madison Wisconsin #2
AmSpirit Business Connections of Southern
Wisconsin LLC
Diane Reiner
1116 Oakland Avenue
Janesville, WI 53545
(608) 335-7543

Following is a list of AmSpirit franchisees that began operation of an AmSpirit Business after the date of our most recent fiscal year end (December 31, 2022) until the original issuance date of this disclosure document (March 17, 2023): None

EXHIBIT I

LIST OF STATE ADMINISTRATORS

California

Commissioner of Financial Protection and
Innovation
Department of Financial Protection and
Innovation
320 West 4th Street, Suite 750
Los Angeles, CA 90013-2344
(866) 275-2677
Ask.dfpi@dfpi.ca.gov

Connecticut

Assistant Director
Securities and Business Investment Division
Connecticut Department of Banking
260 Constitution Plaza
Hartford, CT 06103-1800
(860) 240-8230

Florida

Regulatory Consultant
Department of Agriculture and Consumer
Services
Division of Consumer Services
P.O. Box 6700
Tallahassee, FL 32314-6700
(850) 410-3800

Hawaii

Commissioner of Securities
Business Registration Division
Department of Commerce and Consumer Affairs
P.O. Box 40
Honolulu, HI 96810
(808) 586-2744

Illinois

State of Illinois Attorney General
Franchise Bureau
500 South Second Street
Springfield, IL 62701-1705
(217) 782-1090

Indiana

State of Indiana Securities Division
302 West Washington Street, Room E-111
Indianapolis, IN 46204
(317) 232-6681

Iowa

Iowa Secretary of State
Business Services
First Floor, Lucas Building
321 East 12th Street
Des Moines, IA 50319
(515) 281-5204

Kentucky

State of Kentucky Attorney General
Office of Consumer Protection
1024 Capital Center Drive, Suite 200
Frankfort, KY 40601
(502) 696-5389

Maryland

Office of the Attorney General
Securities Division
200 St. Paul Place
Baltimore, MD 21202
(410) 576-6360

Michigan

Michigan Department of Attorney General
Consumer Protection Division
Franchise Section
G. Mennen Williams Building, 1st Floor
525 West Ottawa Street
Lansing, MI 48933
(517) 373-7117

Minnesota

Minnesota Department of Commerce
Securities Unit
85 7th Place East, Suite 280
St. Paul, MN 55101
(651) 539-1638

Nebraska

Nebraska Department of Banking and Finance
Bureau of Securities
1526 K Street, Suite 300
Lincoln, NE 68508-2732
(402) 471-3445

New York

NYS Department of Law
Investor Protection Bureau
28 Liberty St. 21st Fl.
New York, NY 10005
(212) 416-8222

North Dakota

North Dakota Securities Department
Franchise Registration
600 East Boulevard Avenue
State Capital, Fifth Floor
Bismarck, ND 58505-0510
(701) 328-4712

Oregon

Department of Consumer and Business Services
Division of Financial Regulation
350 Winter Street NE, Room 410
Salem, OR 97301-3883
(503) 378-4140

Rhode Island

Rhode Island Dept. of Business Regulation
Securities Division
1511 Pontiac Avenue, Building 68-2
Cranston, RI 02920
(401) 462-9500

South Dakota

Division of Insurance
Securities Regulation
124 South Euclid, 2nd Floor
Pierre, SD 57501
(605) 773-3563

Texas

Secretary of State
Registrations Unit
James E. Rudder Office Building
1019 Brazos Street
Austin, TX 78701
(512) 475-0775

Utah

Director
State of Utah Department of Commerce
Division of Consumer Protection
160 East 300 South, 2nd Floor
P.O. Box 146704
Salt Lake City, UT 84114-6704
(801) 530-6601

Virginia

State Corporation Commission
Division of Securities and Retail Franchising
Tyler Building, 9th Floor
1300 East Main Street
Richmond, VA 23219
(804) 371-9051

Washington

Administrator
Department of Financial Institutions
Securities Division
P.O. Box 9033
Olympia, WA 98507-9033
(360) 902-8760

Wisconsin

Franchise Registration
Division of Securities, Suite 300
Department of Financial Institutions
P.O. Box 1768
Madison, WI 53701-1768
(608) 266-0448

EXHIBIT J
LIST OF AGENTS FOR SERVICE OF PROCESS

California

Commissioner of Financial Protection and
Innovation
California Department of Financial Protection
and Innovation
2101 Arena Blvd
Sacramento, CA 95834

Hawaii

Commissioner of Securities
Business Registration Division
Department of Commerce and Consumer Affairs
King Kalakaua Building
335 Merchant Street, Room 203
Honolulu, Hawaii 96813

Illinois

Illinois Office of the Attorney General
500 South Second Street
Springfield, Illinois 62701-1705

Indiana

Indiana Secretary of State
302 W. Washington Street
Room E-111
Indianapolis, Indiana 46204

Iowa

Iowa Commissioner of Insurance
1936 Bell Avenue, Suite 100
Des Moines, IA 50315
(515) 281-5204

Kentucky

Office of the Attorney General
Consumer Protection Division
700 Capital Avenue, Capital Suite 118
Frankfort, KY 40601-3449

Maryland

Maryland Securities Commissioner
200 St. Paul Place
Baltimore, Maryland 21202-2020

Michigan

Corporations, Securities, & Commercial
Licensing Bureau
Securities & Audit Division
PO Box 30018
Lansing, MI 48909

Minnesota

Minnesota Department of Commerce
Securities Unit
85 7th Place East, Suite 280
St. Paul, Minnesota 55101
(651) 539-1600

Nebraska

Nebraska Department of Banking & Finance
Bureau of Securities
Commerce Court
1526 "K" Street, Suite 300
Lincoln, NE 68508

New York

New York Secretary of State
New York Department of State
One Commerce Plaza
99 Washington Avenue, 6th Floor
Albany, NY 12231-0001
(518) 473-2492

North Dakota

North Dakota Securities Commissioner
State Capitol – Suite 414
600 East Boulevard Avenue
Bismarck, North Dakota 58505-0510

Oregon

Director of Oregon Department of Consumer
and Business Services
Division of Finance and Corporate Securities
Labor and Industries Building
350 Winter Street, NE, Room 410
Salem, Oregon 97301

Rhode Island

Director of Rhode Island Department
of Business Regulation
Department of Business Regulation
Securities Division
John O. Pastore Complex, Building 68-2
1511 Pontiac Avenue
Cranston, Rhode Island 02920-4407

South Dakota

Division of Insurance
Securities Regulation
124 South Euclid, Suite 104
Pierre, SD 57501
(605) 773-3563

Virginia

Clerk of the State Corporation Commission
Commonwealth of Virginia
1300 East Main Street, 1st Floor
Richmond, VA 23219

Washington

Director of Dept. of Financial Institutions
Securities Division
150 Israel Rd SW
Tumwater, WA 98501
(360) 902-8760

Wisconsin

Wisconsin Department of Financial Institutions
Division of Securities
4822 Madison Yards Way
4th Floor North Tower
Madison, WI 53705

EXHIBIT K
STATE ADDENDA

ADDENDUM TO DISCLOSURE DOCUMENT (CALIFORNIA)

1. California Corporations Code, Section 31125, requires AmSpirit Franchise Corporation to give you a disclosure document, approved by the California Department of Financial Protection and Innovation, before solicitation of a proposed material modification of an existing franchise.

2. 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.

3. Item 3 of the disclosure document is hereby modified by adding the following paragraph to the end thereof:

“Except as may be disclosed in this Item 3, neither AmSpirit Franchise Corporation nor any person listed in Item 2 of this Franchise Disclosure Document is subject to any currently effective order of any national securities association or national securities exchange, as defined in the Securities Exchange Act of 1934, 15 U.S.C.A. 78a et seq., suspending or expelling such persons from membership in such association or exchange.”

4. The chart in Item 6 of the disclosure document is hereby modified by adding the following language to the end of the “Amount” column for the “Late Payment Fee” row:

“The maximum annual interest rate permitted under California law is ten percent (10%).”

5. Note 4 in Item 6 of the disclosure document is hereby modified by adding the following language to the end of Note 4:

“The maximum annual interest rate permitted under California law is ten percent (10%).”

6. The third paragraph of Item 10 is hereby modified by adding the following language to the end of item (5):

“The maximum annual interest rate permitted under California law is ten percent (10%).”

7. Item 17 of the disclosure document is hereby modified by adding the following paragraphs to the end thereof:

“California Business and Professions Code Sections 20000 through 20043 provide rights to the franchisee concerning termination, transfer or nonrenewal of a franchise. If the franchise agreement contains a provision that is inconsistent with the law, the law will control.

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.).

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

The Franchise Agreement requires that the courts of the State of Ohio or the United States District Court for the Southern District of Ohio will have sole jurisdiction over the enforcement of the Franchise Agreement. This provision may not be enforceable under California law.

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

The Franchise Agreement requires application of the laws of Ohio. This provision may not be enforceable under California law.

The Franchise Agreement requires you to sign a general release of claims upon renewal or transfer of the Franchise Agreement. California Corporations Code Section 31512 provides that any condition, stipulation or provision purporting to bind any person acquiring any franchise to waive compliance with any provision of that law or any rule or order thereunder is void. Section 31512 voids a waiver of your rights under the Franchise Investment Law (California Corporations Code Section 31000-31516). Business and Professions Code Section 20010 voids a waiver of your rights under the Franchise Relations Act (Business and Professions Code Sections 20000 - 20043).”

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

9. OUR WEBSITE HAS NOT BEEN REVIEWED OR APPROVED BY THE CALIFORNIA DEPARTMENT OF FINANCIAL PROTECTION AND INNOVATION. ANY COMPLAINTS CONCERNING THE CONTENT OF THIS WEBSITE MAY BE DIRECTED TO THE CALIFORNIA DEPARTMENT OF FINANCIAL PROTECTION AND INNOVATION at www.dfpi.ca.gov.

10. **Registration of this franchise does not constitute approval, recommendation, or endorsement by the commissioner.**

ADDENDUM TO FRANCHISE AGREEMENT (CALIFORNIA)

This Addendum to Franchise Agreement (California) (this “Addendum”) is attached to and made a part of the AmSpirit Business Connections Franchise Agreement (the “Franchise Agreement”), by and between AmSpirit Franchise Corporation, an Ohio corporation having its principal business offices located at 2701 Tally Ho Lane, Blacklick, Ohio 43004 and doing business as AmSpirit Business Connections (“AmSpirit”), and _____, a(n) _____, having its principal business offices located at _____, (“Franchisee”), for the purpose of modifying and amending the terms of the Franchise Agreement. For such purpose, Franchisor and Franchisee agree as follows:

1. All capitalized terms herein which are not separately defined herein shall have the meanings ascribed to these terms in the Franchise Agreement.

2. In the event of a conflict between the terms of the Franchise Agreement and the terms of this Addendum, the terms of this Addendum shall control.

3. Except as specifically modified by this Addendum, all terms of the Franchise Agreement are in full force and effect.

4. The Table of Contents of the Franchise Agreement is hereby modified by deleting the references to following:

“Article 18 Acknowledgments and Representations; 18.1 Acknowledgments By Franchisee, and 18.2 Representations by Franchisee”;

and replacing them with the following:

“Article 18 Franchisee Statements and 18.1 Franchisee Statements”.

5. Section 17.3 of the Franchise Agreement is hereby modified by adding the following paragraph at the end thereof:

“THIS AGREEMENT REQUIRES APPLICATION OF THE LAW OF THE STATE OF OHIO. THIS PROVISION MAY NOT BE ENFORCEABLE UNDER CALIFORNIA LAW.”

6. Section 15.1 of the Franchise Agreement is hereby modified by adding the following paragraph at the end thereof:

“THIS AGREEMENT REQUIRES OHIO AS THE VENUE. THIS PROVISION MAY NOT BE ENFORCEABLE UNDER CALIFORNIA LAW.”

7. Article 18 of the Franchise Agreement is hereby deleted in its entirety and the following shall be substituted therefor:

ARTICLE 18

FRANCHISEE STATEMENTS

18.1 **Franchisee Statement:** By signing this Agreement, Franchisee agrees with each of the following statements:

(a) As an inducement to Franchisee’s entry into the Agreement, Franchisee has made no misrepresentations in obtaining this Agreement;

- (b) Franchisee is aware of the fact that some franchisees may operate under different forms of agreements, and consequently, that AmSpirit's obligations and rights in respect to its various franchisees may differ materially in certain circumstances; and
- (c) The information that Franchisee has provided in Sections 1, 3 and 4 of Schedule A attached hereto is true, accurate and complete as of the date that Franchisee has executed this Agreement and that any modifications of such information provided to AmSpirit shall be true, accurate and complete as of the date such modification is provided to AmSpirit.

8. The Franchise Agreement is hereby modified by adding the following language immediately preceding Article 19 of the Franchise Agreement:

“California Disclosures and Modifications.

(a) California Corporations Code, Section 31125, requires AmSpirit to give you a disclosure document, approved by the Department of Financial Protection and Innovation, before a solicitation of a proposed material modification of an existing franchise.

(b) Relative to the provision for termination upon bankruptcy, this provision may not be enforceable under federal bankruptcy law.

(c) California Business and Professions Code Sections 20000 through 20043 provide rights to the franchisee concerning termination, transfer or nonrenewal of a franchise. If the Franchise Agreement contains a provision that is inconsistent with the law, the law will control.

(d) The Franchise Agreement requires you to sign a general release of claims upon renewal or transfer of the Franchise Agreement. California Corporations Code Section 31512 provides that any condition, stipulation or provision purporting to bind any person acquiring any franchise to waive compliance with any provision of that law or any rule or order thereunder is void. Section 31512 voids a waiver of your rights under the Franchise Investment Law (California Corporations Code Section 31000-31516). Business and Professions Code Section 20010 voids a waiver of your rights under the Franchise Relations Act (Business and Professions Code Sections 20000 - 20043).

(e) The Franchise Agreement contains a covenant not to compete which extends beyond the termination of the franchise. This provision may not be enforceable under California law.

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

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

9. This Addendum, together with the Franchise Agreement to which it is attached, constitutes the entire agreement of the parties with respect to the subject matter hereof and may not be further modified or amended except in a written agreement signed by both parties.

IN WITNESS WHEREOF, the parties hereto have signed this Addendum to be effective as of the date first above written.

FRANCHISEE:

(Name of Franchisee Entity)

By: _____

Name Printed: _____

Title: _____

Date: _____

By: _____

Name Printed: _____

Title: _____

Date: _____

AMSPIRIT:

AmSpirit Franchise Corporation

By: _____

Name Printed: _____

Title: _____

Date: _____

ADDENDUM TO DISCLOSURE DOCUMENT (ILLINOIS)

1. Special Risk(s) to Consider About This Franchise:

The page entitled “Special Risks to Consider About This Franchise” of this disclosure document is hereby modified to comply with Section 4 of the Illinois Franchise Disclosure Act, which provides that any provision in a franchise agreement that, other than jurisdiction and venue for arbitration, designates jurisdiction or venue in a forum outside of Illinois is void.

2. Item 17 of the disclosure document is hereby modified by adding the following immediately below each table in Item 17:

“With respect to item “v. Choice of forum” in the table above, courts in the State of Illinois or the U.S. District Court having jurisdiction in the State of Illinois will have sole jurisdiction over enforcement of the Franchise Agreement.

With respect to item “w. Choice of law” in the table above , Illinois law applies.

The conditions under which your franchise can be terminated and your rights upon non-renewal may be affected by Illinois law: 815 ILCS 705/19 and 20.”

3. Illinois law governs the agreements between the parties to this franchise. Pursuant to Section 41 of the Illinois Franchise Disclosure Act, any condition, stipulation, or provision purporting to bind any person acquiring any franchise to waive compliance with any provision of the Act or any other law of Illinois is void.

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

ADDENDUM TO FRANCHISE AGREEMENT (ILLINOIS)

This Addendum to Franchise Agreement (Illinois) (this “Addendum”) is attached to and made a part of the AmSpirit Business Connections Franchise Agreement (the “Franchise Agreement”), by and between AmSpirit Franchise Corporation, an Ohio Corporation (“Franchisor”) and _____, a(n) _____, the principal place of business of which is located at _____ (“Franchisee”), dated as of _____, 20____, for the purpose of modifying and amending the terms of the Franchise Agreement. For such purpose, Franchisor and Franchisee agree as follows:

1. All capitalized terms herein which are not separately defined herein shall have the meanings ascribed to such terms in the Franchise Agreement.

2. In the event of a conflict between the terms of the Franchise Agreement and the terms of this Addendum, the terms of this Addendum shall control.

3. Except as specifically modified by this Addendum, all terms of the Franchise Agreement are in full force and effect.

4. The Table of Contents of the Franchise Agreement is hereby modified by deleting the references to following:

“Article 18 Acknowledgments and Representations; 18.1 Acknowledgments By Franchisee, and 18.2 Representations by Franchisee”;

and replacing them with the following:

“Article 18 Franchisee Statements, 18.1 Franchisee Statements and 18.2 Statement, Questionnaire or Acknowledgement”.

5. Section 15.2 of the Franchise Agreement is hereby deleted and the following substituted therefor:

“**15.2 Venue.** Except to the extent prohibited by applicable state law to the contrary, AmSpirit and Franchisee agree that any litigation or legal action to enforce or relating to this Agreement and the relationship of the parties hereunder shall be filed in a state or federal court having jurisdiction in the State of Illinois, and each of AmSpirit and Franchisee hereby consents to the jurisdiction of such courts.

6. Section 17.3 of the Franchise Agreement is hereby deleted and the following substituted therefor:

“**17.3 Construction.** Except to the extent governed by the U.S. Trademark Act of 1946, as amended, this Agreement shall be deemed to have been entered into and for all purposes shall be governed by the local laws of the State of Illinois, without application of its conflicts of laws principles.”

6. A new Section 15.4 is hereby added to the Franchise Agreement as follows:

“**15.4 Illinois Law and Illinois Franchise Disclosure Act.** Illinois law governs the agreements between the parties to this franchise. Pursuant to section 41 of the Illinois Franchise Disclosure

Act, any condition, stipulation, or provision purporting to bind any person acquiring any franchise to waive compliance with any provision of the Act or any other law of Illinois is void.”

7. Article 18 of the Franchise Agreement is hereby deleted in its entirety and the following shall be substituted therefor:

ARTICLE 18

FRANCHISEE STATEMENTS

18.1 **Franchisee Statement:** By signing this Agreement, Franchisee agrees with each of the following statements:

- (a) Franchisee has conducted an independent investigation and financial assessment of the business contemplated by this Agreement and the market in which the Franchised Area is located;
- (b) As an inducement to Franchisee’s entry into the Agreement, Franchisee has made no misrepresentations in obtaining this Agreement;
- (c) Franchisee is aware of the fact that some franchisees may operate under different forms of agreements, and consequently, that AmSpirit’s obligations and rights in respect to its various franchisees may differ materially in certain circumstances; and
- (d) The information that Franchisee has provided in Sections 1, 3 and 4 of Schedule A attached hereto is true, accurate and complete as of the date that Franchisee has executed this Agreement and that any modifications of such information provided to AmSpirit shall be true, accurate and complete as of the date such modification is provided to AmSpirit.

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

8. This Addendum, together with the Franchise Agreement to which it is attached, constitutes the entire agreement of the parties with respect to the subject matter hereof and may not be further modified or amended except in a written agreement signed by both parties, provided, however, nothing in this or in any related agreement is intended to disclaim the representations Franchisor made in the franchise disclosure document that Franchisor furnished to Franchisee.

[remainder of page intentionally blank; signature page follows]

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

FRANCHISEE:

(Name of Franchisee Entity)
By: _____
Name Printed: _____
Title: _____
Date: _____

By: _____
Name Printed: _____
Title: _____
Date: _____

AMSPIRIT:

AmSpirit Franchise Corporation
By: _____
Name Printed: _____
Title: _____
Date: _____

**ADDENDUM TO
NON-DISCLOSURE, CUSTOMER NON-SOLICITATION AND NON-COMPETITION
AGREEMENT (OFFICER/DIRECTOR/MEMBER/SHAREHOLDER)
FOR THE STATE OF ILLINOIS**

This Addendum to Non-disclosure, Customer Non-solicitation and Non-competition Agreement (Officer/Director/ Member/Shareholder) (this “Addendum”) is attached to and made a part of the Non-disclosure, Non-solicitation and Non-competition Agreement (Officer/Director/Member/Shareholder) (the “Non-disclosure Agreement”), executed and delivered by _____, a(n) _____, the principal place of business of which is located at _____ (“Franchisee”), dated as of _____, 20____, for the purpose of modifying and amending the terms of the Non-disclosure Agreement. For such purpose, Franchisee agrees as follows:

1. All capitalized terms herein which are not separately defined herein shall have the meanings ascribed to such terms in the Non-disclosure Agreement.

2. In the event of a conflict between the terms of the Non-disclosure Agreement and the terms of this Addendum, the terms of this Addendum shall control.

3. Except as specifically modified by this Addendum, all terms of the Non-disclosure Agreement are in full force and effect.

4. Section 10 of the Non-disclosure Agreement is hereby deleted and the following substituted therefor:

“10. Applicable Law. This Agreement shall be governed by and construed under the internal laws of the State of Illinois, without application of its conflicts of laws principles. If any provision of this Agreement is declared void, such provision shall be deemed severed from this Agreement, which shall otherwise remain in full force and effect.

5. Illinois law governs the agreements between the parties to this franchise. Pursuant to section 41 of the Illinois Franchise Disclosure Act, any condition, stipulation, or provision purporting to bind any person acquiring any franchise to waive compliance with any provision of the Act or any other law of Illinois is void.”

6. This Addendum, together with the Non-disclosure Agreement to which it is attached, constitutes the entire agreement of the parties with respect to the subject matter hereof and may not be further modified or amended except in a written agreement signed by both parties, provided, however, nothing in this or in any related agreement is intended to disclaim the representations AmSpirit Franchise Corporation (“Franchisor”) made in the franchise disclosure document that Franchisor furnished to Franchisee.

[signature page follows]

IN WITNESS WHEREOF, Franchisee has executed this Addendum to be effective as of the effective date of the Non-disclosure Agreement.

FRANCHISOR: AmSpirit Franchise Corporation

By: _____

Name Printed: _____

Title: _____

Date: _____

INDIVIDUAL:

_____ Individually
(Please Print Name)

FRANCHISEE: _____

By: _____

Name Printed: _____

Title: _____

Date: _____

**ADDENDUM TO ASSET PURCHASE AGREEMENT
FOR THE STATE OF ILLINOIS**

This Addendum to Asset Purchase Agreement (this “Addendum”) is attached to and made a part of the Asset Purchase Agreement (the “Asset Purchase Agreement”), by and between AmSpirit Business Connections, Inc., an Ohio Corporation (“Seller”) and _____, a(n) _____, the principal place of business of which is located at _____ (“Buyer”), dated as of _____, 20____, for the purpose of modifying and amending the terms of the Asset Purchase Agreement. For such purpose, Seller and Buyer agree as follows:

1. All capitalized terms herein which are not separately defined herein shall have the meanings ascribed to such terms in the Asset Purchase Agreement.

2. In the event of a conflict between the terms of the Asset Purchase Agreement and the terms of this Addendum, the terms of this Addendum shall control.

3. Except as specifically modified by this Addendum, all terms of the Asset Purchase Agreement are in full force and effect.

4. Section 5.9 of the Asset Purchase Agreement is deleted in its entirety and the following substituted therefor:

“5.9. Governing Law and Jurisdiction. This Agreement shall be governed by and construed in accordance with the substantive laws of the State of Illinois without application of its conflicts of laws principles. This Agreement shall be subject to the exclusive jurisdiction of the state courts of the State of Illinois or a U.S. District Court located in Illinois and all parties hereby irrevocably submit to the jurisdiction of such courts and venue in such courts with respect to with respect to any claim or dispute arising out of or in connection with this Agreement. Each party irrevocably waives, to the fullest extent permitted by applicable law, any objection which it may have to the venue of any such claim or dispute brought in such court or any defense of inconvenient forum for the maintenance of such claim or dispute.”

5. This Addendum, together with the Asset Purchase Agreement to which it is attached, constitutes the entire agreement of the parties with respect to the subject matter hereof and may not be further modified or amended except in a written agreement signed by both parties, provided, however, nothing in this or in any related agreement is intended to disclaim the representations AmSpirit Franchise Corporation (“Franchisor”) made in the franchise disclosure document that Franchisor furnished to Buyer.

[signature page follows.]

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

BUYER:

(Name of Entity)

By: _____

Name Printed: _____

Title: _____

Date: _____

By: _____

Name Printed: _____

Title: _____

Date: _____

SELLER:

AmSpirit Business Connections, Inc.

By: _____

Name Printed: _____

Title: _____

Date: _____

ADDENDUM TO DISCLOSURE DOCUMENT (INDIANA)

1. Special Risk(s) to Consider About This Franchise:

The page entitled “Special Risks to Consider About This Franchise” of this disclosure document is hereby modified to comply with Indiana law by adding the following disclosure after the stated risk:

“INDIANA LAW IS CONTROLLING FOR INDIANA FRANCHISEES.”

2. Item 17 of the disclosure document is hereby modified by adding the following immediately below each table in Item 17:

“With respect to item “v. Choice of forum” in the table above, courts in the State of Indiana or the U.S. District Court having jurisdiction in the State of Indiana will have sole jurisdiction over enforcement of the Franchise Agreement.

With respect to item “w. Choice of law” in the table above, Indiana law applies.

With respect to item “c. Requirements for franchisee to renew or extend” and item “m. Conditions for franchisor’s approval of transfer” in the table above, you are not required to release any claims against AmSpirit arising under Indiana franchise law.”

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

ADDENDUM TO FRANCHISE AGREEMENT (INDIANA)

This Addendum to Franchise Agreement (Indiana) (this “Addendum”) is attached to and made a part of the AmSpirit Business Connections Franchise Agreement (the “Franchise Agreement”), by and between AmSpirit Franchise Corporation, an Ohio corporation having its principal business offices located at 2701 Tally Ho Lane, Blacklick, Ohio 43004 and doing business as AmSpirit Business Connections (“AmSpirit”), and _____, a(n) _____, having its principal business offices located at _____, (“Franchisee”).for the purpose of modifying and amending the terms of the Franchise Agreement. For such purpose, Franchisor and Franchisee agree as follows:

1. All capitalized terms herein which are not separately defined herein shall have the meanings ascribed to such terms in the Franchise Agreement.

2. In the event of a conflict between the terms of the Franchise Agreement and the terms of this Addendum, the terms of this Addendum shall control.

3. Except as specifically modified by this Addendum, all terms of the Franchise Agreement are in full force and effect.

4. The Table of Contents of the Franchise Agreement is hereby modified by deleting the references to following:

“Article 18 Acknowledgments and Representations; 18.1 Acknowledgments By Franchisee, and 18.2 Representations by Franchisee”;

and replacing them with the following:

“Article 18 Franchisee Statements, 18.1 Franchisee Statements and 18.2 Statement, Questionnaire or Acknowledgement”.

5. Subsections 2.2(d) and 12.2(b)(3) of the Franchise Agreement are hereby modified by adding the following language to the end thereof:

“; provided, however, that Franchisee shall not be required to release any claim against AmSpirit arising under Indiana franchise law.”

6. Section 14.1(c) and Section 15.1 of the Franchise Agreement are hereby modified by adding the following to the end thereof:

“AmSpirit’s right to injunctive relief shall be subject to Indiana Code Section 23-2-2.7-1(10). In addition, nothing in this Agreement shall be construed as a waiver by Franchisee of any applicable bond requirement with regard to AmSpirit’s entitlement to injunctive relief.”

7. Franchisor’s right to enforce Section 14.3 of the Franchise Agreement shall be subject to Indiana Code Section 23-2-2.7-1(9).

8. Section 17.3 of the Franchise Agreement is hereby deleted in its entirety and the following substituted therefor:

“Construction: Except to the extent governed by the U.S. Trademark Act of 1946, as amended, this Agreement shall be deemed to have been entered into and for all purposes shall be governed by the local laws of the State of Indiana, without application of its conflicts of laws provisions. ”

9. Subsection 15.2 is hereby deleted in its entirety and following substituted therefor:

“Venue: Except to the extent prohibited by applicable state law to the contrary, AmSpirit and Franchisee agree that any litigation or legal action to enforce or relating to this Agreement and the relationship of the parties hereunder shall be filed in courts of the State of Indiana or a United States District Court having jurisdiction in the State of Indiana, and AmSpirit and Franchisee hereby consent to the jurisdiction of such courts.”

10. Article 18 of the Franchise Agreement is hereby deleted in its entirety and the following shall be substituted therefor:

ARTICLE 18

FRANCHISEE STATEMENTS

18.1 **Franchisee Statement:** By signing this Agreement, Franchisee agrees with each of the following statements:

- (a) Franchisee has conducted an independent investigation and financial assessment of the business contemplated by this Agreement and the market in which the Franchised Area is located;
- (b) As an inducement to Franchisee’s entry into the Agreement, Franchisee has made no misrepresentations in obtaining this Agreement;
- (c) Franchisee is aware of the fact that some franchisees may operate under different forms of agreements, and consequently, that AmSpirit’s obligations and rights in respect to its various franchisees may differ materially in certain circumstances; and
- (d) The information that Franchisee has provided in Sections 1, 3 and 4 of Schedule A attached hereto is true, accurate and complete as of the date that Franchisee has executed this Agreement and that any modifications of such information provided to AmSpirit shall be true, accurate and complete as of the date such modification is provided to AmSpirit.

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

11. This Addendum, together with the Franchise Agreement to which it is attached, constitutes the entire agreement of the parties with respect to the subject matter hereof and may not be further modified or amended except in a written agreement signed by both parties.

IN WITNESS WHEREOF, the parties hereto have signed this Addendum to be effective as of the effective date of the Franchise Agreement.

FRANCHISEE:

(Name of Franchisee Entity)

By: _____

Name Printed: _____

Title: _____

Date: _____

By: _____

Name Printed: _____

Title: _____

Date: _____

AMSPIRIT: AmSpirit Franchise Corporation

By: _____

Name Printed: _____

Title: _____

Date: _____

AMSPIRIT BUSINESS CONNECTIONS FRANCHISE AGREEMENT
SIGNATURE PAGE AND NOTICE OF CANCELLATION FOR THE STATE OF IOWA

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

You, the buyer, may cancel this transaction at any time prior to midnight of the third business day after the date of this transaction. See the attached notice of cancellation form for an explanation of this right.

FRANCHISEE:

(Name of Franchisee Entity)

By: _____

Name Printed: _____

Title: _____

Date: _____

By: _____

Name Printed: _____

Title: _____

Date: _____

AMSPIRIT:

AmSpirit Franchise Corporation

By: _____

Name Printed: _____

Title: _____

Date: _____

NOTICE OF CANCELLATION (IOWA)

**AmSpirit Business Connections Franchise Agreement
signed / dated _____**

You may cancel this transaction, without any 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, 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 twenty 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, or send a telegram, to AmSpirit Franchise Corporation, 2701 Tally Ho Lane, Blacklick, Ohio 43004, Attention: Frank Again, not later than midnight of _____ (Date).

I hereby cancel this transaction.

Buyer's Signature: _____

Date: _____

NOTICE OF CANCELLATION (IOWA)

**AmSpirit Business Connections Franchise Agreement
signed / dated _____**

You may cancel this transaction, without any 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, 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 twenty 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, or send a telegram, to AmSpirit Franchise Corporation, 2701 Tally Ho Lane, Blacklick, Ohio 43004, Attention: Frank Again, not later than midnight of _____ (Date).

I hereby cancel this transaction.

Buyer's Signature: _____

Date: _____

ADDENDUM TO FRANCHISE AGREEMENT (MICHIGAN)

This Addendum to Franchise Agreement (Michigan) (this “Addendum”) is attached to and made a part of the AmSpirit Business Connections Franchise Agreement (the “Franchise Agreement”), by and between AmSpirit Franchise Corporation, an Ohio corporation having its principal business offices located at 2701 Tally Ho Lane, Blacklick, Ohio 43004 and doing business as AmSpirit Business Connections (“AmSpirit”), and _____, a(n) _____, having its principal business offices located at _____, (“Franchisee”), for the purpose of modifying and amending the terms of the Franchise Agreement. For such purpose, Franchisor and Franchisee agree as follows:

1. All capitalized terms herein which are not separately defined herein shall have the meanings ascribed to these terms in the Franchise Agreement.

2. In the event of a conflict between the terms of the Franchise Agreement and the terms of this Addendum, the terms of this Addendum shall control.

3. Except as specifically modified by this Addendum, all terms of the Franchise Agreement are in full force and effect.

4. The Table of Contents of the Franchise Agreement is hereby modified by deleting the references to following:

“Article 18 Acknowledgments and Representations; 18.1 Acknowledgments By Franchisee, and 18.2 Representations by Franchisee”;

and replacing them with the following:

“Article 18 Franchisee Statements, 18.1 Franchisee Statements and 18.2 Statement, Questionnaire or Acknowledgement”.

5. Article 18 of the Franchise Agreement is hereby deleted in its entirety and the following shall be substituted therefor:

ARTICLE 18

FRANCHISEE STATEMENTS

18.1 **Franchisee Statements:** By signing this Agreement, Franchisee agrees with each of the following statements:

- (a) Franchisee has conducted an independent investigation and financial assessment of the business contemplated by this Agreement and the market in which the Franchised Area is located;
- (b) As an inducement to Franchisee’s entry into the Agreement, Franchisee has made no misrepresentations in obtaining this Agreement;
- (c) Franchisee is aware of the fact that some franchisees may operate under different forms of agreements, and consequently, that AmSpirit’s obligations and rights in respect to its various franchisees may differ materially in certain circumstances; and
- (d) The information that Franchisee has provided in Sections 1, 3 and 4 of Schedule A attached hereto is true, accurate and complete as of the date that Franchisee has

executed this Agreement and that any modifications of such information provided to AmSpirit shall be true, accurate and complete as of the date such modification is provided to AmSpirit.

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

6. This Addendum, together with the Franchise Agreement to which it is attached, constitutes the entire agreement of the parties with respect to the subject matter hereof and may not be further modified or amended except in a written agreement signed by both parties.

IN WITNESS WHEREOF, the parties hereto have signed this Addendum to be effective as of the date first above written.

FRANCHISEE:

(Name of Franchisee Entity)

By: _____

Name Printed: _____

Title: _____

Date: _____

By: _____

Name Printed: _____

Title: _____

Date: _____

AMSPIRIT:

AmSpirit Franchise Corporation

By: _____

Name Printed: _____

Title: _____

Date: _____

ADDENDUM TO FRANCHISE AGREEMENT (WISCONSIN)

This Addendum to Franchise Agreement (Wisconsin) (this “Addendum”) is attached to and made a part of the AmSpirit Business Connections Franchise Agreement (the “Franchise Agreement”), by and between AmSpirit Franchise Corporation, an Ohio corporation having its principal business offices located at 2701 Tally Ho Lane, Blacklick, Ohio 43004 and doing business as AmSpirit Business Connections (“AmSpirit”), and _____, a(n) _____, having its principal business offices located at _____, (“Franchisee”), for the purpose of modifying and amending the terms of the Franchise Agreement. For such purpose, Franchisor and Franchisee agree as follows:

1. All capitalized terms herein which are not separately defined herein shall have the meanings ascribed to these terms in the Franchise Agreement.

2. In the event of a conflict between the terms of the Franchise Agreement and the terms of this Addendum, the terms of this Addendum shall control.

3. Except as specifically modified by this Addendum, all terms of the Franchise Agreement are in full force and effect.

4. The Table of Contents of the Franchise Agreement is hereby modified by deleting the references to following:

“Article 18 Acknowledgments and Representations; 18.1 Acknowledgments By Franchisee, and 18.2 Representations by Franchisee”;

and replacing them with the following:

“Article 18 Franchisee Statements, 18.1 Franchisee Statements and 18.2 Statement, Questionnaire or Acknowledgement”.

5. Article 18 hereby deleted in its entirety and the following substituted therefor:

“ARTICLE 18

FRANCHISEE STATEMENTS:

18.1 **Franchisee Statement:** By signing this Agreement, Franchisee agrees with each of the following statements:

- (a) Franchisee has conducted an independent investigation and financial assessment of the business contemplated by this Agreement and the market in which the Franchised Area is located;
- (b) As an inducement to Franchisee’s entry into the Agreement, Franchisee has made no misrepresentations in obtaining this Agreement;
- (c) Franchisee is aware of the fact that some franchisees may operate under different forms of agreements, and consequently, that AmSpirit’s obligations and rights in respect to its various franchisees may differ materially in certain circumstances; and
- (d) The information that Franchisee has provided in Sections 1, 3 and 4 of Schedule A attached hereto is true, accurate and complete as of the date that Franchisee has executed this Agreement and that any modifications of such information provided

to AmSpirit shall be true, accurate and complete as of the date such modification is provided to AmSpirit.

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

6. This Addendum, together with the Franchise Agreement to which it is attached, constitutes the entire agreement of the parties with respect to the subject matter hereof and may not be further modified or amended except in a written agreement signed by both parties.

IN WITNESS WHEREOF, the parties hereto have signed this Addendum to be effective as of the date first above written.

FRANCHISEE:

AMSPIRIT:

(Name of Franchisee Entity)

AmSpirit Franchise Corporation

By: _____

By: _____

Name Printed: _____

Name Printed: _____

Title: _____

Title: _____

Date: _____

Date: _____

By: _____

Name Printed: _____

Title: _____

Date: _____

ADDENDUM TO DISCLOSURE DOCUMENT (WISCONSIN)

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

EXHIBIT L

GENERAL RELEASE OF ALL CLAIMS
(For use in connection with Transfer or Renewal of Franchise)

This General Release Of All Claims (“General Release”) is made effective this ____ day of _____, 20___. As a requirement of and in consideration for the willingness on the part of AmSpirit Franchise Corporation, an Ohio corporation (“Franchisor”), to _____ the Franchise Agreement, dated _____ (“Franchise Agreement”) as requested by the undersigned, and for other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the undersigned, individually and collectively, hereby unconditionally RELEASES and DISCHARGES Franchisor, any person acting by, through, under or on behalf of Franchisor, and its past and present shareholders, officers, directors, employees, successors, assigns, agents, parent and affiliates from any and all liabilities, claims, damages, demands, costs, indebtedness, expenses, debts, indemnities, compensation, suits, controversies, covenants, contracts, actions and causes of action of any kind whatsoever, whether developed or undeveloped, known or unknown, fixed or contingent, regarding or arising out of the Franchise Agreement, any prior or existing franchise agreement, or any other agreement or document executed by any of the undersigned and Franchisor (or any corporate affiliate of Franchisor), the franchise relationship, or any other prior or existing business relationship between any of the undersigned and Franchisor (or any corporate affiliate of Franchisor) which the undersigned or any of them individually or collectively has asserted, may have asserted or could have asserted against Franchisor (or any of the aforementioned related parties) at any time up to the date of this General Release, including specifically, without limitation, claims under the Sherman and Clayton Acts and the anti-trust laws or regulations of the United States, and claims arising from contract, written or oral communications, alleged misstatements of fact, indebtedness of any kind or nature, and acts of negligence whether active or passive. This General Release shall survive the assignment, expiration or termination of any of the franchise agreements or other agreements entered into by and between Franchisor (or any corporate affiliate of Franchisor) and any of the undersigned. This General Release is not intended as a waiver of those rights of the undersigned which cannot be waived under applicable state franchise laws. The undersigned acknowledges and agrees that certain of its obligations as provided in Article 14 of the of the Franchise Agreement, in addition to those other obligations of the undersigned which specifically or by their nature survive termination of the Franchise Agreement, shall continue after the transfer, expiration or termination of the Franchise Agreement. Notwithstanding anything in this General Release to the contrary, this General Release does not apply to claims by the undersigned that arise under the California Franchise Investment Law, California Corporations Code 31000, and the rules adopted thereunder.

WITNESS:

By: _____

Printed Name: _____

Title: _____

State Effective Dates

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

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

State	Effective Date
California	Pending
Illinois	Pending
Indiana	Pending
Michigan	March 20, 2023
Wisconsin	Pending

Other states may require registration, filing, or exemption of a franchise under other laws, such as those that regulate the offer and sale of business opportunities or seller-assisted marketing plans.

RECEIPT

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 AmSpirit Franchise Corporation offers you a franchise, AmSpirit Franchise Corporation 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.

Michigan requires that AmSpirit Franchise Corporation give you this disclosure document at least 10 business days before the execution of any binding franchise or other agreement or the payment of any consideration, whichever occurs first.

If AmSpirit Franchise Corporation 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 your state agency, if one is listed in Exhibit I of this disclosure document.

The issuance date of this disclosure document of March 17, 2023

The franchisor is AmSpirit Franchise Corporation, having principal business offices at 2701 Tally Ho Lane, Blacklick, Ohio 43004 and a telephone number of (614) 476-5540. The franchise seller for this offering is: Frank J. Agin, President, 2701 Tally Ho Lane, Blacklick, Ohio 43004 43230, (614) 476-5540. The name(s), principal business address(es) and telephone number(s) of additional franchise sellers, if any, are: _____

I received a disclosure document with an issuance date of March 17, 2023, that included the following Exhibits:

- A. Financial Statements of AmSpirit Franchise Corporation
- B. AmSpirit Business Connections Franchise Agreement
- C. Joint and Several Unconditional Guaranty
- D. Option to Purchase Agreement
- E. Asset Purchase Agreement
- F. Non-Disclosure Agreements
- G. Installment Promissory Note
- H. List of AmSpirit Franchisees
- I. List of State Administrators
- J. List of Agents for Service of Process
- K. State Addenda
- L. General Release of All Claims
- M. Receipts

Date: _____
Signature of Prospective Franchisee,
Individually or as an Officer or Partner of:

Name Printed: _____

Please sign and date this Receipt as of the date you received the disclosure document. Please return the signed, dated Receipt to AmSpirit Franchise Corporation, 2701 Tally Ho Lane, Blacklick, Ohio 43004.

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 AmSpirit Franchise Corporation offers you a franchise, AmSpirit Franchise Corporation 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.

Michigan requires that AmSpirit Franchise Corporation give you this disclosure document at least 10 business days before the execution of any binding franchise or other agreement or the payment of any consideration, whichever occurs first.

If AmSpirit Franchise Corporation 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 your state agency, if one is listed in Exhibit I of this disclosure document.

The issuance date of this disclosure document of March 17, 2023

The franchisor is AmSpirit Franchise Corporation, having principal business offices at 2701 Tally Ho Lane, Blacklick, Ohio 43004 and a telephone number of (614) 476-5540. The franchise seller for this offering is: Frank J. Agin, President, 2701 Tally Ho Lane, Blacklick, Ohio 43004 43230, (614) 476-5540. The name(s), principal business address(es) and telephone number(s) of additional franchise sellers, if any, are: _____

I received a disclosure document with an issuance date of March 17, 2023, that included the following Exhibits:

- A. Financial Statements of AmSpirit Franchise Corporation
- B. AmSpirit Business Connections Franchise Agreement
- C. Joint and Several Unconditional Guaranty
- D. Option to Purchase Agreement
- E. Asset Purchase Agreement
- F. Non-Disclosure Agreements
- G. Installment Promissory Note
- H. List of AmSpirit Franchisees
- I. List of State Administrators
- J. List of Agents for Service of Process
- K. State Addenda
- L. General Release of All Claims
- M. Receipts

Date: _____
Signature of Prospective Franchisee,
Individually or as an Officer or Partner of:

Name Printed: _____

Please sign and date this Receipt as of the date you received the disclosure document. Please return the signed, dated Receipt to AmSpirit Franchise Corporation, 2701 Tally Ho Lane, Blacklick, Ohio 43004.